

**PARKIT ENTERPRISE INC.**

**(VENDOR)**

- and -

**[redacted]**

**(PURCHASER)**

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**AGREEMENT OF PURCHASE AND SALE**

**Portfolio of Properties located in Winnipeg, Manitoba**

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**THIS AGREEMENT OF PURCHASE AND SALE** dated as of the 18th day of February, 2025.

**BETWEEN:**

**PARKIT ENTERPRISE INC.**

(the “**Vendor**”)

- and -

**PIRET (1725 INKSTER BOULEVARD) HOLDINGS INC., PIRET (2030 NOTRE DAME AVENUE) HOLDINGS INC., PIRET (1345 REDWOOD AVENUE) HOLDINGS INC., PIRET (310 DE BAETS STREET) HOLDINGS INC., PIRET (90-120 PARAMOUNT ROAD) HOLDINGS INC. and PIRET (555 CAMIEL SYS STREET) HOLDINGS INC.**

(collectively, the “**Nominees**” and each a “**Nominee**”)

- and -

**[redacted – name of a subsidiary of PRO Real Estate Investment Trust]**

(the “**Purchaser**”)

**WHEREAS:**

- A. The Vendor is the legal owner of the Sherwin Property and the beneficial owner of all of the Properties;
- B. The applicable Nominee is the nominee and bare trustee holding legal title to the applicable Property (other than the Sherwin Property) as set out in Schedule “A” attached hereto in each case as nominee for and on behalf of the Vendor; and
- C. The Purchaser is desirous of purchasing from the Vendor and the Vendor is desirous of selling to the Purchaser the Purchased Assets on the terms and conditions herein set forth.

**NOW THEREFORE THIS AGREEMENT WITNESSETH** that each of the parties hereto covenants and agrees with the other as follows:

## ARTICLE 1 GENERAL

### 1.1 DEFINITIONS

For the purpose of this Agreement, the recitals hereof and the schedules annexed hereto, each of the following expressions shall have the meaning ascribed to it in this Section 1.1;

- (a) “**Adjustments**” has the meaning set forth in Section 4.5;
- (b) “**Affiliate**” of any Person means any Person that Controls, is Controlled by or is under common Control with such Person;
- (c) “**Agent**” means Scotiabank, and its representatives, successors and assigns;
- (d) “**Agreement**”, “**hereto**”, “**hereby**”, “**hereunder**”, “**hereof**” and similar expressions when used in this agreement and in the attached schedules refer to the whole of this agreement and the attached schedules and not to any particular article or section or portion thereof and includes any and every instrument supplemental hereto, and any reference to an article, section or subsection by number means the appropriate article, section or subsection of this agreement and any reference to a schedule by letter means the appropriate schedule attached to and forming a part of this agreement, unless in any of the cases aforesaid the context is expressly to the contrary;
- (e) “**Applicable Laws**” means all statutes, laws, by laws, regulations, ordinances, orders, codes, rules and requirements of any Governmental Authority having jurisdiction over the Properties or the Parties that are in force from time to time;
- (f) “**Assignment and Assumption of Permitted Encumbrances**” shall have the meaning given to it in Section 2.6;
- (g) “**Assignment of Existing Leases**” means the assignment of the Existing Leases in a form and content to be agreed upon by the Vendor and the Purchaser, each acting reasonably, on or before the Closing Date;
- (h) “**Assumed Contracts**” has the meaning set forth in Section 2.13;
- (i) “**Assumed Lender**” means The Bank of Nova Scotia;
- (j) “**Assumed Loan**” means the loan from the Assumed Lender secured on the Properties;
- (k) “**Buildings**” means, collectively, the buildings, fixtures and other improvements situate on the Lands, excluding any and all fixtures, equipment and chattels of Tenants which, in accordance with any of the Existing Leases, may be removed or are owned by such Tenants;

- (l) “**Business Days**” means a day, other than a Saturday or Sunday, on which the principal commercial banks located in the Provinces of Québec, Ontario and Manitoba are open for business during normal working hours;
- (m) “**Canadian Securities Laws**” means all applicable securities laws in each of provinces and territories of Canada and the respective rules, regulations, instruments, blanket orders and blanket rulings under such laws together with applicable published policies, policy statements and notices of the securities regulatory authorities in the provinces and territories of Canada;
- (n) “**CFPOA**” has the meaning set forth in Section 3.1(kk);
- (o) “**Chattels**” means the chattels, equipment and other tangible personal property, if any, owned by, or on behalf of the Vendor or the Nominees, located in, on or about the Lands or Buildings and used in operating or maintaining the Buildings and Lands;
- (p) “**Claim**” means any claim, demand, action, cause of action, damage, loss, cost, liability or expense, including reasonable professional fees and all costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing;
- (q) “**Closing**” means the closing and consummation of the transaction of purchase and sale of the Purchased Assets pursuant to the terms of this Agreement on the Closing Date;
- (r) “**Closing Date**” means the 1st Business Day falling thirty (30) days after the Condition Date, or such earlier or later date as the Vendor and Purchaser may mutually agree in writing;
- (s) “**Closing Documents**” means the agreements, instruments and other documents to be delivered by the Vendor to the Purchaser or the Purchaser’s Solicitors pursuant to Section 4.1 or otherwise pursuant to this Agreement, and the agreements, instruments and other documents to be delivered by the Purchaser to the Vendor or the Vendor’s Solicitors pursuant to Section 4.2 or otherwise pursuant to this Agreement;
- (t) “**Condition Date**” means 5:00 p.m. on the day which is seventy-five (75) days after the Purchaser has received notice from the Vendor that the Vendor’s Due Diligence Deliveries have been made available to the Purchaser in accordance with Section 2.9(a);
- (u) “**Confidentiality Agreement**” means the mutual non disclosure agreement dated October 22, 2024 between the Vendor and PROREIT;
- (v) “**Consideration LP Units**” has the meaning set forth in Section 2.2(c);
- (w) “**Consideration Trust Units**” has the meaning set forth in Section 2.2(d);

- (x) “**Consideration Units**” means, collectively, the Consideration LP Units and the Consideration Trust Units;
- (y) “**Contracts**” means all contracts and agreements entered into by, or on behalf of, the Vendor or the Nominees or the property manager on behalf of the Vendor or the Nominees, or any previous owners of the Properties, binding on the Vendor or Nominees, in each case with arm’s length third parties in respect of the maintenance, operation, cleaning, security, fire protection, insurance, servicing or other aspect of the Properties;
- (z) “**Control**” or “**Controlled**” means, with respect to any Person: (i) the ownership, beneficially or legally, of voting securities or interests in the capital of such Person to which are attached more than 50% of the votes that may be cast to elect the directors or management of such Person and where such votes are sufficient to elect a majority of the directors or management thereof; or (ii) the ability, directly or indirectly, to direct or cause the direction of the management and policies of the Person, whether through ownership of voting securities or other interests, including a partnership interest, or by contract or otherwise;
- (aa) “**Data Room**” means the virtual data room established by the Vendor in connection with the Purchased Assets, as such Data Room exists at 10:00 a.m. (Eastern Standard Time) on the Transition Date;
- (bb) “**Deposit**” means the First Deposit and, if paid, the Second Deposit;
- (cc) “**Disclosed**” means information which is: (i) registered on title to the Properties; (ii) is delivered in writing to the Purchaser or the Purchaser’s Solicitors (including disclosure in the Data Room with written notice delivered to the Purchaser or other electronic or physical delivery); or (iii) is actually known by the Purchaser prior to the Condition Date, including such information that is discovered by the Purchaser and/or its agents, consultants and/or employees pursuant to the Purchaser’s due diligence investigations in respect of the Purchased Assets;
- (dd) “**Employees**” means all employees of the Vendor or the Nominees or their agents, property managers or contractors, dedicated to, or assigned duties in connection with, the Lands and Buildings, including employees absent for work on the day prior to the Closing Date as a result of sick leave/short term disability, long term disability, pregnancy and/or parental leave, an approved leave of absence, or as a result of suffering a compensable workplace injury under applicable workers’ compensation legislation;
- (ee) “**Encumbrance**” means any pledge, lien, charge, security agreement, security interest, lease, sublease, title retention agreement, mortgage, encumbrance, easement, right-of-way, restrictive covenant, encroachment, Work Order, option or Claim of any kind or character whatsoever;
- (ff) “**Estoppel Certificate**” means either (i) an estoppel certificate to be substantially (but with no material changes or additions thereto) in the form and content attached as Schedule “B” hereto, or (ii) the form of Estoppel Certificate mandated by an

Existing Lease, and, in each case, addressed to the Purchaser and its lender and approved by the Purchaser in accordance with Section 4.1(a);

- (gg) **“Exchange Agreement”** means the exchange agreement dated as of March 11, 2013 among PROREIT, the Purchaser, PRO REIT GP Inc., and each and each additional person who becomes, from time to time, a holder of Class B LP Units and agrees to be a party to and bound by such agreement, as may be amended, supplemented or restated from time to time;
- (hh) **“Excluded Assets”** means collectively:
- i. cash, marketable securities and bank accounts;
  - ii. insurance or expropriation proceeds relating to the Properties, except where otherwise specifically set out in this Agreement as being assigned to Purchaser on Closing;
  - iii. all rights of the Vendor and its affiliates of every nature arising prior to Closing out of insurance policies of the Vendor or its affiliates relating to the Properties, subject to Section 4.7 of this Agreement;
  - iv. all rights and interests in trade-marks, trade-names, logos, commercial symbols, business names and email addresses containing the name “Parkit” or any variation thereof (including the websites consisting of the pages on any Building located within [www.parkitenterprise.com](http://www.parkitenterprise.com)); and
  - v. all other intangible assets and property utilized in the ownership and operation of, and located on, other real properties owned by the Vendor other than the Properties;
- (ii) **“Execution Date”** means the date of execution and delivery of this Agreement by all Parties;
- (jj) **“Existing Leases”** means those tenancy arrangements with individuals or other entities lawfully in possession of or the right to occupy any part of the Buildings or Lands, leases, tenancies, licenses (including telecommunication licenses), and agreements to lease binding on the Vendor or the Nominees or their respective agents, as landlords, and the Tenants, as tenants, together with any leases arising in compliance with Section 5.2 and the benefit of any guarantees of obligations of the Tenants thereunder, and **“Existing Lease”** means any one of them;
- (kk) **“FACFOA”** has the meaning set forth in Section 3.1(II)(ii);
- (ll) **“Final Adjustment Date”** has the meaning set forth in Section 4.5(e);
- (mm) **“First Deposit”** means the amount of Five Hundred Thousand (\$500,000) Dollars set out in Section 2.2(a);
- (nn) **“Governmental Authority”** means: (i) any, federal, provincial, municipal, local or other governmental or public department or authority, central bank, court, tribunal, commission, board, bureau, agency, division, commissioner or instrumentality, domestic or foreign (including, the responsible Minister under the *Investment*

*Canada Act* and the Investment Review Division of Industry Canada), board of fire insurance underwriters or anyone else advising of any breach of any by-law, code, regulation or standard, (ii) any subdivision or authority of any of the above, and/or (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above;

- (oo) “**GST**” has the meaning set forth in Section 2.10(b);
- (pp) “**Intellectual Property**” means: (a) any domain or business name or names utilized solely and exclusively in connection with the ownership and operation of the Properties; (b) all trademarks used exclusively in connection with the ownership and/or operation of the Properties, if any; (c) the domain name and web site for the Properties, if any; and (d) similar personal property owned by, or on behalf of, the Vendor or the Nominees and used exclusively in connection with the ownership and/or operation of the Properties, including any site specific phone numbers and other intangible assets, if any; for greater certainty, it is confirmed that the rights do not include any web site (and the contents thereof) that is not exclusive to the Properties, and any of the existing trademarks, trade names, logos, commercial symbols, business names or other intellectual property rights which relate to a program or service of the Vendor or the Nominees that is not exclusive to the Properties or that are utilized in connection the operation or management of other real properties owned by the Vendor;
- (qq) “**Investor Rights Agreement**” means the investor rights agreement to be entered into between PROREIT and the Vendor at Closing providing for certain board nomination rights of the Vendor and standstill and lock-up provisions applicable to Vendor;
- (rr) “**Knowledge of the Vendor**” or “**Vendor’s knowledge**” when used herein means the actual knowledge of Carey Chow or Michael Foy as at the Execution Date;
- (ss) “**Lands**” means, collectively, the lands and premises municipally and legally described in Schedule “A” attached hereto;
- (tt) “**LP Agreement**” means the amended and restated limited partnership agreement governing the Purchaser dated as of December 21, 2018, as amended, restated, supplemented or otherwise modified from time to time;
- (uu) “**LP Units**” means Class B LP Units of the Purchaser authorized and issued pursuant to the LP Agreement;
- (vv) “**Major Tenants**” means Tenants leasing [redacted] square feet or more, in the aggregate, among all Existing Leases with such Tenant and its affiliates;
- (ww) “**Major Tenant Leases**” means the Existing Leases with the Major Tenants, respectively, and “**Major Tenant Lease**” means any one of them;
- (xx) “**Money Laundering Laws**” has the meaning set forth in Section 3.1(kk);

- (yy) “**Nominees**” has the meaning specified at the beginning of this Agreement;
- (zz) “**Parties**” means, collectively, the Vendor, the Nominees and the Purchaser, and “**Party**” means any one of them;
- (aaa) “**Permitted Encumbrances**” means those Encumbrances set forth in Schedule “C” attached hereto;
- (bbb) “**Person**” means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, governmental authority, and where the context requires any of the foregoing when they are acting as trustee, executor, administrator or other legal representative;
- (ccc) “**Properties**” means, collectively, the Lands and the Buildings;
- (ddd) “**PROREIT**” means PRO Real Estate Investment Trust;
- (eee) “**PROREIT Entities**” has the meaning set forth in Section 3.2(r);
- (fff) “**Purchase Price**” means the sum of One Hundred and One Million Five Hundred Thousand Dollars (\$101,500,000), exclusive of GST and subject to the adjustments made in accordance with this Agreement;
- (ggg) “**Purchased Assets**” means, collectively, the Lands, the Buildings, the Chattels, the Assumed Contracts, the Permitted Encumbrances the Existing Leases, the Warranties (if and to the extent assignable) and the Intellectual Property, and, if the Share Purchase Option is exercised, the Shares of the Nominees for which the Share Purchase Option is exercised. For greater certainty, the Purchased Assets do not include any of the Excluded Assets;
- (hhh) “**Purchaser**” has the meaning specified at the beginning of this Agreement;
- (iii) “**Purchaser’s Agents**” means, collectively, employees, officers, directors, shareholders, professional advisors, and representatives of the Purchaser;
- (jjj) “**Purchaser’s GST Certificate**” has the meaning set forth in Section 2.10(f);
- (kkk) “**Purchaser’s Solicitors**” means Osler, Hoskin & Harcourt LLP and Taylor McCaffrey LLP or such other firm or firms of solicitors or agents as are retained by the Purchaser from time to time and Notice of which is provided to the Vendor;
- (lll) “**Second Deposit**” means the amount of One Million (\$1,000,000) Dollars set out in Section 2.2(b);
- (mmm) “**SEMA**” has the meaning set forth in Section 3.1(II)(ii);
- (nnn) “**Share Purchase Option**” has the meaning set forth in Section 2.16;

- (ooo) “**Shares**” means, with respect to each Nominee, all of the issued and outstanding shares of such Nominee;
- (ppp) “**Sherwin Property**” means the Property municipally described as 961-975 Sherwin Road, Winnipeg, Manitoba;
- (qqq) “**Significant Contracts**” has the meaning set forth in Section 3.2(r).
- (rrr) “**Sole Discretion**” means sole, absolute, subjective, unfettered and unreviewable discretion;
- (sss) “**Tenants**” means all persons having a right to occupy any area of the Lands and/or the Buildings pursuant to an Existing Lease; and “**Tenant**” means any one of the Tenants;
- (ttt) “**Transaction**” means the transactions contemplated by this Agreement, including, the purchase and sale of the Purchased Assets in accordance with this Agreement;
- (uuu) “**Transition Date**” means the date that is two (2) Business Days prior to the Condition Date;
- (vvv) “**Trust Units**” means trust units of PROREIT;
- (www) “**TSX**” means the Toronto Stock Exchange;
- (xxx) “**Underlying Trust Units**” means the Trust Units issuable pursuant to an exchange of Consideration LP Units under the LP Agreement and the Exchange Agreement;
- (yyy) “**Vendor**” has the meaning specified at the beginning of this Agreement;
- (zzz) “**Vendor’s Due Diligence Deliveries**” has the meaning set forth in Section 2.9(a);
- (aaaa) “**Vendor’s Solicitors**” means Marrelli & Co and Thompson Dorfman Sweatman LLP, or such other firm or firms of solicitors or agents as are retained by the Vendor from time to time and Notice of which is provided to the Purchaser;
- (a) “**Warranties**” means, collectively, all warranties and guarantees remaining in existence as of Closing, if any, for the construction, maintenance, repair and operation of a Building or a Chattel; and
- (b) “**Work Orders**” means work orders, notices of violation, deficiency notices and other matters of non-compliance with the zoning and other requirements of any Governmental Authorities or any open building permits, but specifically excluding work orders, notices of violation, deficiency notices, open building permits and other similar matters in respect of work performed or to be performed by or on behalf of a Tenant (other than if such Tenant work is performed or to be performed by the Vendor or a Nominee or their respective contractors, agents or property manager).

## 1.2 NUMBER AND GENDER

Words importing the singular number only shall include the plural and vice versa and words importing the masculine gender shall include the feminine gender and wording importing persons shall include firms, corporations and societies and vice versa.

## 1.3 APPLICABLE LAW AND CURRENCY

This Agreement shall be governed by the laws in force in the Province of Manitoba. Unless otherwise stated, all amounts set out herein shall be in Canadian dollars.

## 1.4 SCHEDULES

The schedules attached hereto shall form an integral part of this Agreement.

## 1.5 NOTICES

Any notice (a “**Notice**”) to be given by either Party to the other pursuant to this Agreement shall be in writing and delivered by hand or electronic transmission with receipt confirmed by the recipient (“**email**”) addressed to:

the Purchaser at:

[redacted]  
2000 Mansfield Street  
Suite 1000  
Montréal, Québec H3A 2Z7

Attention: [redacted]  
Email: [redacted]

with a copy to:

Osler, Hoskin & Harcourt LLP  
100 King Street West  
1 First Canadian Place  
Suite 6200, P.O. Box 50  
Toronto, Ontario M5X 1B8

Attention: [redacted]  
Email: [redacted]

the Vendor and the Nominees at:

Parkit Enterprise Inc.  
100 Canadian Road  
Toronto, Ontario M1R 4Z5

Attention: [redacted]  
Email: [redacted]

with a copy to:

Marrelli and Co  
100 Canadian Road,  
Toronto, Ontario  
M1R 4Z5

Attention: [redacted]  
Email: [redacted]

with a copy to:

Thompson Dorfman Sweatman  
1700 - 242 Hargrave Street,  
Winnipeg, Manitoba  
R3C 0V1

Attention: [redacted]  
Email: [redacted]

Any notice delivered by hand shall be deemed to be received when left during normal business hours at the office set forth above. Any notice delivered by email prior to 5:00 p.m. shall be deemed to have been delivered on the day of, otherwise on the following Business Day. Either Party shall be entitled to change its address for notice to an address elsewhere, by notice in writing to the other.

## **1.6 ENUREMENT**

This Agreement shall be binding upon the Parties and shall enure to the benefit of and be binding upon their respective successors and permitted assigns.

## **1.7 ASSIGNMENT**

The Vendor and the Nominees shall not assign its rights and/or obligations hereunder without the prior consent of the Purchaser, which consent may be withheld in the Purchaser's Sole Discretion.

The Purchaser shall not assign, transfer or otherwise encumber this Agreement or any of its rights and/or obligations hereunder or direct title to the Properties in whole or in part to any other Person without the prior written consent of the Vendor, which consent may be withheld in the Vendor's Sole Discretion. Notwithstanding the foregoing, the Purchaser will be permitted to: (a) direct registered title to the Properties to one or more nominees provided that the beneficial owner of the Properties at Closing is the Purchaser or any permitted assignee under this Section 1.7; and/or (b) assign this Agreement in its entirety after the Condition Date to any entity that is an affiliate or subsidiary of or under the Control of PROREIT provided that: (i) at least three (3) Business Days' prior written notice is provided to the Vendor; (ii) evidence satisfactory to the Vendor, acting reasonably, is provided concurrent with such notice, to substantiate that the assignee is an affiliate or subsidiary or under the Control of PROREIT; (iii) if the consent of any Person is required in connection with all or any part of the Transaction, then the delivery of such consent will not be materially impacted or delayed, or conditioned by such assignment (iv) there shall not be any adverse impact on the issuance of the Consideration Units to the Vendor as contemplated herein; and (v) prior to such assignment, the assignee, the assignor and Vendor enter into an assignment and assumption agreement in form satisfactory to the Vendor and the Purchaser, each acting reasonably, pursuant to which the assignee assumes all of the Purchaser's obligations under this Agreement and the Purchaser acknowledges its continued liability notwithstanding such assignment until the occurrence of Closing, following which the Purchaser will have no further

liability under this Agreement. For the purposes hereof, "Control" includes the direct or indirect ownership of greater than 50.1% of the issued and outstanding voting units or voting securities of the relevant Person; and/or defacto control of the decision making of the relevant Person. Notwithstanding any provision in this Agreement, in no event may this Agreement be assigned to, nor title to the Property directed, to any party that is itself, or has an affiliate that is, listed on the Consolidated Canadian Autonomous Sanctions List.

### **1.8 TIME OF THE ESSENCE**

Time is of the essence hereof. If anything herein is to be done on a day that is not a Business Day, the same shall be done on the next following Business Day. Unless otherwise specified, time periods within or following which any payment is to be made or any act is to be done shall be calculated by excluding the day on which the period commences, and including the day on which the period ends.

### **1.9 MANNER OF PAYMENT**

Any and all reference to money or dollars contained herein shall be a reference to lawful money of Canada and any and all payments required to be made hereunder shall be sufficiently made if made by way of wire transfer and shall be sufficiently paid if paid to the party for whom the same is intended or to such party's solicitors.

### **1.10 WHOLE AGREEMENT**

This Agreement (including all schedules attached hereto), together with the Confidentiality Agreement, constitutes the entire Agreement between the Parties with respect to the purchase and sale of the Purchased Assets and there are no verbal representations, undertakings or agreements of any kind between the Parties in respect thereof (including any letter of intent previously signed by Vendor and Purchaser in respect of the Purchased Assets) except those contained herein. This Agreement may not be amended or altered except by instrument in writing signed by the Purchaser and the Vendor unless otherwise expressly provided for in this Agreement.

### **1.11 SEVERABILITY**

If any covenant, obligation, agreement, provision or part thereof or the application thereof to any Person or circumstance shall be determined to be invalid or unenforceable to any extent, same shall be severed from this Agreement, and the remainder of this Agreement or the application of such covenant, obligation, agreement or provision or part thereof to any Person or circumstance other than those to which it is held invalid or unenforceable shall not be affected thereby but shall continue to be in full force and effect. Each covenant, obligation, agreement and provision in this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.

### **1.12 REAL ESTATE COMMISSION**

The Vendor shall be and remain fully responsible for any fees, commissions and expenses which may be payable to any realtor, broker or real estate agent retained by the Vendor in respect of this Transaction and Purchaser shall be and remain fully responsible for any fees, commissions and expenses payable to the Agent in respect of this Transaction.

### **1.13 COSTS**

Each of the Vendor and the Purchaser are responsible for its own legal fees respecting the preparation of this Agreement and any collateral or supplementary documentation hereto. The Purchaser is responsible for the cost of registration of the transfer documentation and the Vendor is responsible for the cost of registration of any discharges of Encumbrances to ensure that title will issue to the Purchaser subject only to the Permitted Encumbrances. All of the fees payable to the TSX in connection with the listing of the Consideration Trust Units and the Underlying Trust Units shall be the responsibility of the Purchaser.

### **1.14 NON MERGER**

The representations, warranties, covenants and agreements of the Vendor and Purchaser contained in this Agreement shall not merge upon, but shall survive the Closing of the transaction of purchase and sale contemplated herein for a period of twelve (12) months, notwithstanding any independent examination or investigation conducted by or on behalf of the Purchaser.

### **1.15 COUNTERPARTS**

This Agreement may be executed by the Parties in separate counterparts and delivered by electronic transmission each of which when so executed and delivered shall be an original, but all such counterparts and electronic transmissions shall together constitute one and the same instrument.

### **1.16 CONFIDENTIALITY**

- (a) Until Closing or in the event this Agreement is terminated pursuant to the terms hereof, the Purchaser shall and shall use all efforts to cause its agents and professional advisors to keep in confidence all information obtained from the Vendor with respect to the Purchased Assets in connection with the review by the Purchaser of the Purchased Assets. Nothing herein contained shall restrict or prohibit the Purchaser from disclosing all such documentation, information and similar material to the Purchaser's agents and lenders on a "need-to-know" basis.
- (b) The information referred to in this Section shall not include:
  - (i) public information or information in the public domain at the time of receipt by the Purchaser or the Purchaser's Agents;
  - (ii) information which becomes public through no fault or act of the Purchaser or the Purchaser's Agents;
  - (iii) information in the possession of the Purchaser not provided by the Vendor or the Purchaser's Agents;
  - (iv) information disclosed with the consent of the Vendor;
  - (v) information received in good faith from a third party lawfully in possession of the information and not in breach of any confidentiality obligations; or

- (vi) information required to be disclosed by law or regulation to comply with filing requirements of any applicable legislation or rule.
- (c) The Parties acknowledges that the Confidentiality Agreement continues to apply, provided that to the extent any provision of the Confidentiality Agreement conflicts with the terms of this Agreement, the terms of this Agreement shall prevail.

### **1.17 PRESS RELEASE**

Except as required by law, regulation or stock exchange rules, a Party must not issue any press release or make any other public statement, disclosure or presentation with respect to this Agreement or the transaction contemplated herein without the consent of the other Party (which consent shall not be unreasonably withheld, delayed or conditioned); provided that any Party that, in the opinion of its external legal counsel, is required to make disclosure by law, regulation or stock exchange rules shall use commercially reasonable efforts to give the other Party prior oral or written notice and a reasonable opportunity to review and comment on the disclosure (other than with respect to confidential information contained in such disclosure or filing). The Party making such disclosure shall give reasonable consideration to any comments made by the other Party or its counsel, and if such prior notice is not possible, shall give such notice immediately following the making of such disclosure and shall only disclose that portion of the information which the Party is advised is required to be disclosed under law, regulation or stock exchange rules. For the avoidance of doubt, none of the foregoing shall prevent either Party from making internal announcements to employees and having discussions with securityholders, financial analysts and other stakeholders so long as such announcements and discussions are consistent in all material respects with the most recent press releases, public disclosures or public statements made by the Parties.

### **1.18 SOLICITORS AS AGENTS AND TENDER**

Any notice, approval, waiver, agreement, instrument, document or communication permitted, required or contemplated in this Agreement may be given or delivered and accepted or received by the Purchaser's Solicitors on behalf of the Purchaser and by the Vendor's Solicitors on behalf of the Vendor and the Nominees and any tender of Closing documents and the balance of the Purchase Price may be made upon the Vendor's Solicitors and the Purchaser's Solicitors, as the case may be.

### **1.19 SUBDIVISION LEGISLATION**

This Agreement and the transactions hereunder are subject to compliance with *The City of Winnipeg Charter Act* (Manitoba) or other similar applicable subdivision legislation. If consent is necessary, the Vendor shall proceed forthwith to obtain such consent at its own expense by Closing.

### **1.20 EXTENDED MEANINGS AND HEADINGS**

Words importing the singular number include the plural and vice versa and words importing the masculine gender includes the feminine and neuter gender.

The division of this Agreement into Sections and the inserting of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

## **1.21 LIABILITY ACKNOWLEDGEMENT**

Each of the Vendor and the Nominees hereto acknowledges that [redacted] is a limited partnership formed under the laws of the Province of Québec, a limited partner of which is only liable for any of its liabilities or any of its losses to the extent of the amount that the limited partner has contributed or agreed to contribute to the capital of the limited partnership and the limited partner's pro rata share of any undistributed income. Each of the Vendor and the Nominees hereto acknowledges that the obligations of [redacted] shall not be personally binding upon, nor shall resort be had to, the property of any of the limited partners, their heirs, successors and assigns, and that resort shall only be had to the property of [redacted] or the property of its general partner.

## **ARTICLE 2 PURCHASE AND SALE**

### **2.1 AGREEMENT TO PURCHASE AND TO SELL**

On the terms and conditions of this Agreement, the Vendor shall sell to the Purchaser and the Purchaser shall purchase from the Vendor the Purchased Assets for the Purchase Price, exclusive of GST, which GST shall be dealt with in accordance with Section 2.10. Such transaction of purchase and sale shall be completed on the Closing Date in the manner herein contemplated. The Parties hereby acknowledge and agree that the transactions contemplated in this Agreement is with respect to all of the Purchased Assets.

### **2.2 METHOD OF PAYMENT**

The Purchaser, shall, subject to any termination of this Agreement in accordance with the terms hereof, pay to the Vendor the Purchase Price, subject to the Adjustments referred to herein, in the following manner:

- (a) as to the sum of Five Hundred Thousand (\$500,000) Dollars by wire transfer payable to the Purchaser's Solicitors, in trust, within three (3) Business Days after the Execution Date as a deposit to be held and applied in accordance with the provisions of Section 2.3 pending the completion or other termination of this Agreement and if Closing occurs to be credited on the Closing Date on account of the Purchase Price and released to the Vendor;
- (b) as to the sum of One Million (\$1,000,000) Dollars by wire transfer payable to the Purchaser's Solicitors, in trust, within two (2) Business Days immediately following the satisfaction or waiver of all conditions for the benefit of the Purchaser set out in Section 4.1 that are to be satisfied or waived on or before the Condition Date, as a deposit to be held and applied in accordance with the provisions of Section 2.3 pending completion or other termination of this Agreement and if Closing occurs to be credited on the Closing Date on account the Purchase Price and released to the Vendor;

- (c) as to the sum of Seventeen Million One Hundred and Twenty Thousand (\$17,120,000) Dollars, by the Purchaser delivering to the Vendor [redacted] LP Units (the “**Consideration LP Units**”) registered in the name of the Vendor, issued at a value of \$[redacted] per unit;
- (d) as to the sum of Twenty-Two Million Eight Hundred Eighty Thousand (\$22,880,000) Dollars, by the Purchaser delivering, or causing to be delivered, to the Vendor [redacted] Trust Units (the “**Consideration Trust Units**”) registered in the name of the Vendor, issued at a value of \$[redacted] per unit;
- (e) if the Assumed Loan is assumed by the Purchaser on Closing in accordance with the terms of this Agreement, as to the amount of the principal amount outstanding and accrued and unpaid interest under the Assumed Loan as of the Closing Date as evidenced by a mortgage assumption statement effective as of the Closing Date from the Assumed Lender, by the assumption by the Purchaser of the principal amount outstanding and accrued and unpaid interest under the Assumed Loan as of the Closing Date, and
- (f) the balance of the Purchase Price due by the Purchaser to the Vendor shall be paid by the Purchaser to the Vendor’s Solicitors, in trust, at Closing in accordance with the provisions of this Agreement.

### 2.3 DEPOSIT

- (a) The Deposit shall be held by the Purchaser’s Solicitors in trust in a general non-interest-bearing trust account pending Closing of the Transaction or earlier termination of this Agreement.
- (b) If the Transaction is not completed for any reason: (i) except the default of the Purchaser, the Deposit shall be immediately returned to the Purchaser without deduction or set off; (ii) as a result of a default of the Purchaser, then the Deposit shall be paid to the Vendor as liquidated damages in full and final settlement of any Claims the Vendor may have against the Purchaser and the Vendor shall have no other or further right to sue for damages or any other recourse or remedy whatsoever against the Purchaser (except for any liability of the Purchaser under Section 2.8(b)); and/or (iii) as a result of the default of the Vendor, then the Deposit shall be immediately returned to the Purchaser without deduction or set off and the Purchaser shall have the right to pursue a Claim for any damages it is entitled to claim under Applicable Laws, against the Vendor in an amount not to exceed the aggregate value of the Deposit in Sections 2.2(a) and 2.2(b) (the “**Deposit Value**”), and, in such event, other than a Claim for damages up to such maximum amount, the Purchaser shall have no other or further right to sue for damages or any other recourse or remedy whatsoever against the Vendor.
- (c) In the event of a dispute between the Vendor and the Purchaser, as to entitlement to the Deposit, the Purchaser’s Solicitors may, in their sole discretion, pay the Deposit into court, whereupon the Purchaser’s Solicitors shall thereafter have no further obligations relating to the Deposit. The Parties acknowledge in favour of the Purchaser’s Solicitors that they may rely upon the provisions of this subsection

2.3(c) notwithstanding that the Purchaser's Solicitors are not a party to this Agreement. The Purchaser agrees that the Purchaser's Solicitors' role as a Deposit holder, and any actions or proceedings relating thereto, shall not in any way disqualify the Purchaser's Solicitors from continuing to act for the Purchaser in respect of the Transaction, or any actions or proceedings relating thereto.

- (d) If any portion of the Deposit is not delivered to the Purchaser's Solicitors by 5:00 P.M. on the 5th Business Day following the applicable date for delivery of same in Section 2.2(a) or Section 2.2(b), as applicable, the Vendor in its Sole Discretion and upon notice to Purchaser, may terminate this Agreement and such failure to fund the Deposit and resulting termination of this Agreement shall be deemed to be a termination as a result of a default of the Purchaser under Section 2.3(b)(ii) above, mutatis mutandis.
- (e) Notwithstanding any other provisions of this Section 2.3 where: (i) Vendor exercises its right to terminate this Agreement as a result of the default of the Purchaser under this Agreement (including its failure to deliver any portion of the Deposit under Section 2.3(d)); and (ii) the Deposit being held by Vendor's Solicitors' at the time of such termination, is less than the total Deposit Value (such unfunded balance of the Deposit being the "**Deposit Deficiency**"), then in addition to the retention of the Deposit under Section 2.3(b)(ii), the Vendor shall have recourse against the Purchaser for all Claims related to such termination, up to an amount not to exceed to the Deposit Deficiency.

## 2.4 ALLOCATION OF PURCHASE PRICE

The Vendor and the Purchaser shall agree on an allocation of the Purchase Price among the Purchased Assets (and the Properties) on or before the Condition Date, failing which they shall each be entitled to establish the allocation of the Purchase Price as each Party determines is appropriate.

## 2.5 ASSUMED LOAN

In connection with the purchase of the Purchased Assets, the Purchaser is prepared to consider assuming the Assumed Loan on Closing. Pursuant to Section 2.9(a), the Vendor shall forthwith provide to the Purchaser all related loan agreements, commitment letters, loan and security documents, certificates and statements from the Assumed Lender. The Vendor shall also provide access to the Assumed Lender and its servicers, custodians or agents and shall facilitate any requested meetings with such parties. If requested by the Purchaser, the Purchaser and the Vendor shall co-operate in obtaining the consent of the Assumed Lender to the assumption of the Assumed Loan and related security by the Purchaser on Closing. The Purchaser shall provide notice to the Vendor on or before the date that is thirty (30) days prior to the Condition Date if it elects to assume the Assumed Loan on Closing. If such election is made, all fees, costs and expenses charged by the Assumed Lender in connection with obtaining its approval, including the legal fees and assumption fees, and whether or not such approval is granted by the Assumed Lender, shall be the Purchaser's sole responsibility. If the Assumed Lender consents to the assumption of the Assumed Loan by the Purchaser, it shall be a condition of such consent that the Vendor and its affiliates shall be released from any all of their covenants, obligations and liability in respect of the Assumed Loan (the "**Assumed Lender Release**").

## 2.6 TITLE AND PERMITTED ENCUMBRANCES

Notwithstanding anything herein contained to the contrary, the Parties acknowledge and agree that, on the Closing Date, title to the Purchased Assets shall be free and clear of all Encumbrances or any notices thereof, other than the Permitted Encumbrances provided that to the extent a discharge of any mortgage, charge, debenture or similar security instrument and the security collateral thereto (an “**Existing Mortgage**”) is not available on Closing and such Encumbrance is held by the Assumed Lender, the Purchaser shall accept in lieu of a discharge of the Existing Mortgage on Closing, the following: (i) a current mortgage discharge statement from the Assumed Lender effective for Closing setting out the amount required to fully discharge the Existing Mortgage; (ii) an irrevocable direction by the Vendor to the Vendor’s Solicitors to pay to the Assumed Lender, from the balance of the Purchase Price, the payout amount set out on such discharge statement; and (iii) an undertaking by the Vendor’s Solicitors to obtain a discharge of the Existing Mortgage and register same on title to the Properties at the Vendor’s cost and expense, within a reasonable period of time following Closing. The Purchaser agrees to assume, on and as of Closing, all of the covenants and obligations of the Vendor or the Nominees under the Permitted Encumbrances and shall execute and deliver an assignment and assumption of Permitted Encumbrances in respect thereof in form and substance satisfactory to the Parties, each acting reasonably (the “**Assignment and Assumption of Permitted Encumbrances**”).

## 2.7 CONDITIONS PRECEDENT FOR PURCHASER

Completion of the transaction of purchase and sale contemplated in this Agreement is subject to the following conditions precedent, each of which is inserted for the sole and exclusive benefit of the Purchaser, namely:

- (a) that on or before the Condition Date, the Purchaser has conducted whatever searches, investigations and analyses the Purchaser, in its Sole Discretion, deems advisable with respect to the Purchased Assets including, without limitation, title to the Properties and all Encumbrances thereon, physical and engineering inspections of the Properties to determine, among other things, the structural condition and state of repair of any improvements located thereon, the accuracy of any measurements of the buildings that are utilized in determining rent for the Tenants, compliance with all applicable laws and regulations (including environmental, zoning, official plan), any agreements or contracts with third parties affecting the Purchased Assets, environmental audits, financial audits, revenues from the Purchased Assets, operating costs analyses, finance ability, review of the Existing Leases, Tenant files, books, records, contracts, Permitted Encumbrances, Assumed Loan and related loan documents, and any other matters of interest to the Purchaser with respect to the Purchased Assets, and the Purchaser is satisfied, in its Sole Discretion, with the results of all such searches, investigations and analyses;
- (b) that on or before the Condition Date the Purchaser has obtained all internal approvals necessary to undertake the transaction contemplated herein;
- (c) that on or before the Condition Date, the Vendor shall have provided to the Purchaser evidence satisfactory to the Purchaser of the approval by the TSX Venture Exchange of the sale by the Vendor of the Purchased Assets to the

Purchaser as contemplated hereunder, and such approval shall be in force on the Closing Date;

- (d) that on or before the Condition Date, the Purchaser, PROREIT and the Vendor have settled the terms of the Investor Rights Agreement;
- (e) that on or before the Condition Date, if the Purchaser elects to assume the Assumed Loan in accordance with Section 2.5, the Purchaser has obtained the written approval from the Assumed Lender of the assumption of the Assumed Loan as required pursuant to Section 2.5 on terms and conditions acceptable to the Purchaser, in its Sole Discretion;
- (f) that not less than seven (7) Business Days prior to the Closing Date, the Purchaser shall have received from the Vendor (i) the Estoppel Certificates executed by the Major Tenants and (ii) the Estoppel Certificates executed by Tenants (including the Major Tenants) representing in the aggregate seventy (70%) percent of the occupied gross leasable area of the Buildings for each Property (collectively, the “**Required Estoppels**”);
- (g) that on or before the Closing Date, the TSX shall have conditionally approved the listing of the Consideration Trust Units and the Underlying Trust Units, subject only to the satisfaction by PROREIT of customary and routine post-closing conditions imposed by the TSX in similar circumstances;
- (h) that on the Closing Date, the representations and warranties of the Vendor set out in Section 3.1 and, if applicable, Schedule “E” shall be true and accurate in all material respects;
- (i) that on the Closing Date, no law or regulation is in effect that makes the consummation of the transaction contemplated herein illegal or otherwise prohibits or enjoins the Purchaser or the Vendor from consummating the transaction contemplated herein;
- (j) that on the Closing Date, no Major Tenant Lease is an Impacted Agreement (as defined in Section 3.7(b)); and
- (k) that on or before the Closing Date, all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Vendor and the Nominees shall have been complied with or performed as and when required.

The conditions set forth in this Section 2.7 are for the sole benefit of the Purchaser, and may be waived in whole or in part by the Purchaser, in its Sole Discretion, by notice in writing to the Vendor prior to the applicable dates set out therein. In the event that all of the conditions set forth in Section 2.7 are not satisfied or waived as herein provided by notice in writing on or before the applicable date set out therein, this Agreement shall cease and terminate, neither the Vendor nor the Purchaser having further rights hereunder, the one against the other. Unless notice in writing waiving a condition is given by the Purchaser to the Vendor, any unfulfilled condition precedent shall be deemed not to have been waived.

If the condition contained in Section 2.7(e) is not satisfied or waived by the Purchaser in accordance with this Section, the Purchaser shall have the right to extend the Condition Date from time to time by a period not to exceed fifteen (15) Business Days in the aggregate in order for the Purchaser to obtain the written approval from the Assumed Lender, on notice to the Vendor delivered on or before the then scheduled Condition Date.

If the condition contained in Section 2.7(f) is not satisfied or waived by the Purchaser in accordance with this Section, the Vendor or the Purchaser shall have the right to extend the Closing Date from time to time (exercisable on the date that the condition contained in Section 2.7(f) is to be satisfied or waived) by a period not to exceed fifteen (15) Business Days in the aggregate in order for the Vendor to obtain the missing Required Estoppels to be provided by the Major Tenants, on notice to the other delivered on or before seven (7) Business Days before the then scheduled Closing Date.

## **2.8 CONDITIONS PRECEDENT FOR VENDOR**

Completion of the transaction of purchase and sale contemplated in this Agreement is subject to the following conditions precedent, each of which is inserted for the sole and exclusive benefit of the Vendor, namely:

- (a) that on or before the date that is twenty (20) days following the Execution Date, the Vendor has reviewed and is satisfied with the terms of the Exchange Agreement, LP Agreement and the declaration of trust governing PROREIT;
- (b) that on or before the Condition Date, if the Purchaser elects to assume the Assumed Loan in accordance with Section 2.5, the Vendor has obtained the written approval from the Assumed Lender of the assumption of the Assumed Loan as required pursuant to Section 2.5 and the Vendor has received the Assumed Lender Release in form and substance satisfactory to the Vendor in its Sole Discretion;
- (c) that on or before the Condition Date, the Vendor shall have received board approval of this Agreement and the Transaction contemplated herein;
- (d) that on or before the Condition Date, the TSX Venture Exchange shall have approved the sale by the Vendor of the Purchased Assets to the Purchaser as contemplated hereunder, and such approval shall be in force on the Closing Date;
- (e) that on or before the Condition Date, the Purchaser, PROREIT and the Vendor have settled the terms of the Investor Rights Agreement;
- (f) that on or before the Closing Date, the TSX shall have conditionally approved the listing of the Consideration Trust Units and the Underlying Trust Units, subject only to the satisfaction by PROREIT of customary and routine post-closing conditions imposed by the TSX in similar circumstances;
- (g) on the Closing Date, the representations and warranties of the Purchaser set out in Section 3.2 shall be true and accurate in all material respects; and

- (h) on or before the Closing Date, all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Purchaser shall have been complied with or performed in all material respects as and when required.

The conditions set forth in this Section 2.8 are for the sole benefit of the Vendor and may be waived in whole or in part by the Vendor, in its Sole Discretion, by notice in writing to the Purchaser prior to the applicable dates set out therein. In the event that all of the conditions set forth in Section 2.8 are not satisfied or waived as herein provided by notice in writing on or before the applicable date set out therein, this Agreement shall cease and terminate, neither the Vendor nor the Purchaser having further rights hereunder, the one against the other. Unless notice in writing waiving a condition is given by the Vendor to the Purchaser, any unfulfilled condition precedent shall be deemed not to have been waived.

## **2.9 PURCHASER'S INSPECTIONS**

- (a) Within five (5) days after the Execution Date, the Vendor shall provide, or make available, to the Purchaser via the Data Room copies of the items set out in Schedule "D" to the extent in the possession or control of the Vendor (the "**Vendor's Due Diligence Deliveries**").
- (b) The Vendor shall allow the Purchaser and the Purchaser's Agents access to the Properties and the Tenants and, in the presence of a representative of the Vendor if so requested by the Vendor provided such representative makes itself available at such time requested by the Purchaser, at any time following execution of this Agreement and hereby authorizes the Purchaser to carry out, at its sole cost and risk, such reasonable non-intrusive and non-invasive tests, inspections, audits and reviews as the Purchaser's Agents may deem necessary. The Vendor shall cooperate and facilitate any request by the Purchaser from time to time for an interview with any Tenant, which interviews will be conducted in the presence of a representative of the Vendor if so requested by the Vendor provided such representative makes itself available. The Purchaser shall forthwith repair and remediate any damage caused by tests, inspections, audits and reviews performed by the Purchaser and/or the Purchaser's Agents and indemnify the Vendor from all Claims resulting from said tests, inspections, audits and reviews including, without limitation, the costs of repairing any damage or any loss, including personal injury and death, caused by such tests, inspections, audits and reviews. The Purchaser's access shall be subject to the rights of Tenants and the Purchaser shall require the Vendor's prior written consent, acting reasonably, for any intrusive or invasive tests or inspections.
- (c) In order to fully apprise the Purchaser of the status of the Properties, the Vendor hereby authorizes and directs all municipal, provincial, federal and other authorities having jurisdiction over the Properties, to provide the Purchaser with such information, certificates, clearances and statements relating thereto, as the Purchaser may in writing request all at the Purchaser's own expense; provided, however, that in no event shall any such authorization permit an inspection of the Properties, nor shall the Purchaser request any such inspection. The Vendor shall execute specific authorizations or arrange for same to be executed, in pursuance of

this paragraph within two (2) Business Days of receipt of a written request therefor by the Purchaser.

- (d) The Purchaser shall be entitled to review all documentation, conduct such searches, investigations or analyses and consider all such other matters as the Purchaser may deem necessary with respect to the Purchased Assets.

## **2.10 GST**

The Purchaser hereby represents and warrants to the Vendor as follows:

- (a) the Purchaser or its permitted assignee shall be purchasing the Properties on the Closing Date, as principal for its own account and not as an agent, trustee or otherwise on behalf of another person;
- (b) the Purchaser shall be registered under subdivision d of Division V of Part IX of the *Excise Tax Act* (Canada) (the “**GST Act**”) for the purposes of collection and remittance of good and services tax (“**GST**”);
- (c) the Purchaser shall be liable, shall self-assess and remit to the appropriate Governmental Authority all GST which is payable under the GST Act in connection with the transfer of the Properties made pursuant to the Agreement, all in accordance with the GST Act;
- (d) the Vendor shall not collect GST on Closing regarding the and shall allow the Purchaser to self-assess and remit GST to the Receiver General in accordance with the GST Act;
- (e) the Purchaser shall indemnify and save harmless the Vendor from and against any and all GST, penalties, costs and/or interest which may become payable by or assessed against the Vendor as a result of any inaccuracy, misstatement or misrepresentation made by the Purchaser on the Closing Date in connection with any matter raised in this Section or contained in any declaration referred to herein; and
- (f) the Purchaser shall tender on Closing a certificate and indemnity including verification of its registration number issued by Canada Revenue Agency under the GST Act (the “**Purchaser’s GST Certificate**”).

## **2.11 NOTICES OF EXPIRED LEASES**

If, prior to the Condition Date, the Purchaser is of the view that certain instruments registered against title to the Lands are notices relating to lease agreements which should be removed from title, the Vendor shall forthwith review its lease records to determine if the lease to which the foregoing notices relate remain in existence (even though such lease may have been renewed or extended or assigned by the Tenant thereunder to a third party). If the Vendor’s records disclose that such lease still exists, even though extended, renewed or assigned, then the notice protecting such lease shall be deemed to be a Permitted Encumbrance. To the extent that the Vendor’s records show that such lease is no longer of any force or effect, the Vendor shall, upon the request of the

Purchaser, forthwith commence the procedures to have such notices removed from title to the Lands.

## **2.12 TITLE INSURANCE MATTERS**

The Vendor acknowledges and agrees in favour of the Purchaser that the Purchaser may in its Sole Discretion, elect to acquire owner's and/or lender's title insurance with respect to the Properties at the Purchaser's cost and expense from time to time (collectively, the "**Title Insurance Policies**"). In order to facilitate the timely delivery of the Title Insurance Policies on or before the Closing Date in a cost effective manner, the Vendor covenants and agrees in favour of the Purchaser to cooperate with the Purchaser and the title insurers in order to facilitate the timely issuance of the Title Insurance Policies from time to time, including by providing a certificate without personal liability and addressed to the title insurer regarding such matters with respect to the Vendor's period of ownership of the Properties reasonably requested by the title insurer.

## **2.13 CONTRACTS**

The Purchaser shall advise the Vendor in writing on or before the Condition Date as to which Contracts, if any, it wishes to assume on Closing (the "**Assumed Contracts**"), failing which it shall be deemed to have elected not to assume any Contracts. The Vendor shall terminate, at its sole cost and expense, all Contracts including all property and asset management contracts (other than the Assumed Contracts) prior to Closing.

The Vendor will use its reasonable commercial efforts to obtain a status statement from each counterparty to the Assumed Contracts and/or Permitted Encumbrance which the Purchaser considers material to the ownership, operation or value of the Purchased Assets, as requested by the Purchaser on or before the Condition Date.

## **2.14 TENANT LETTERS OF CREDIT**

The Vendor shall assign to the Purchaser on Closing all letters of credit in favour of the Vendor or a Nominee provided by or on behalf of a Tenant in respect of the Existing Leases (the "**Tenant Letters of Credit**"), if any, that are on their face assignable. If there are any Tenant Letters of Credit that are not on their face assignable, the Vendor shall utilize reasonable commercial efforts to have such Tenant Letters of Credit replaced with letters of credit in favour of the Purchaser and shall deliver the same to the Purchaser on the Closing Date. If the Vendor is unable to replace any such Tenant Letters of Credit by the Closing Date, the Vendor shall either provide an adjustment to the statement of Adjustments in the amount of such Tenant Letters of Credit or shall replace such Tenant Letters of Credit with similar security in favour of the Purchaser on Closing.

## **2.15 BUSINESS NAME**

To the extent that the Vendor or a Nominee owns or controls any Intellectual Property, including any proprietary interest in any domain or business name or names under which the Properties have been or will be operated or marketed, the Vendor shall transfer and assign such Intellectual Property to the Purchaser on Closing, to the extent assignable, and to permit the Purchaser to continue to operate the Properties under such name or names from and after the Closing Date and the Vendor will do no act to prevent or hinder the Purchaser from using such name or names from and after the Closing Date.

## 2.16 WORK ORDERS

- (a) Subject to paragraph (b) below, the Vendor at its sole cost and expense shall use commercially reasonable efforts to satisfy all Work Orders prior to Closing and if any Work Order has not been satisfied by Closing, the Vendor shall satisfy such Work Order expeditiously following the Closing Date and the amount as reasonably estimated in writing addressed to the Vendor and the Purchaser by a qualified arm's length third party contractor appointed by the Vendor and acceptable by the Purchaser, each acting reasonably, as being required to pay the cost of such work to satisfy the Work Order (the "**Costs Estimate**") plus 10% shall be paid to and held by the Vendor's Solicitors, in trust from the Closing proceeds pursuant to an escrow agreement between the Parties and the Vendor's Solicitors in such form acceptable to such parties, each acting reasonably (the "**Work Order Holdback**") until such time as the Vendor has provided to the Purchaser written evidence, satisfactory to the Purchaser, acting reasonably, that: (A) such work has been completed (and evidence that the such work was completed to the satisfaction of the appropriate Governmental Authority where it is the practice of the applicable Governmental Authority to provide such evidence); (B) all amounts owing and payable by the Vendor to contractors, tradesmen and suppliers engaged in the performance of the related work have been paid in full; and (C) all applicable construction lien periods have expired (collectively "**Work Order Compliance**"), provided that all third-party costs and expenses incurred by the Vendor after Closing in rectifying the Work Order will be paid from the Work Order Holdback upon delivery of supporting invoices to the Purchaser and once Work Order Compliance is achieved, the remaining balance of the Work Order Holdback, if any, will be paid to the Vendor. If confirmation of Work Order Compliance has not been obtained on the date that is 180 days following Closing, the amount of the Work Order Holdback remaining at such time, if any, will be paid to the Purchaser, less any third-party costs or expenses incurred by the Vendor that are payable from the Work Order Holdback as set forth above.
- (b) If the Costs Estimate for all outstanding Work Orders is greater than [redacted] Dollars in the aggregate (the "**Capped Cost**"), the Vendor shall have the right to terminate this Agreement by written notice delivered to the Purchaser or Purchaser's Solicitors within five (5) days after the Costs Estimate has been determined and provided to the Vendor and the Purchaser (the "**Vendor's Termination Notice**") in which event, unless the Purchaser delivers the Purchaser's Notice (as hereinafter defined), this Agreement shall be terminated and the Deposit and all accrued interest thereon shall be returned to the Purchaser without deduction. Upon the delivery of the Vendor's Termination Notice, the Purchaser shall have a period of five (5) Business Days after the date of receipt of such Vendor's Termination Notice to deliver notice to the Vendor (the "**Purchaser's Notice**") that it will accept a credit on the statement of adjustments in the amount of the Capped Cost and the Vendor shall have no liability in respect of the related Work Orders or be responsible for the costs to complete such Work Orders.

- (c) Notwithstanding the foregoing, where a Work Order is outstanding at Closing (including if applicable there being no evidence that the related work was completed to the satisfaction of the appropriate Governmental Authority where it is the practice of the applicable Governmental Authority to provide such evidence), but otherwise such Work Order has been complied with then on Closing, the Vendor shall deliver a certificate to the Purchaser wherein: (i) the Vendor shall certify that such Work Order has been complied with, and such certification shall be deemed to be a representation and warranty of the Vendor for all purposes of this Agreement; and (ii) the Vendor shall deliver an undertaking to the Purchaser at Closing, undertaking within 120 days following Closing to provide the Purchaser with evidence that the applicable Governmental Authority's records have been updated to remove, discharge or otherwise indicate such Work Order is no longer outstanding.
- (d) This Section shall survive Closing.

## 2.17 NOMINEE SHARE PURCHASE OPTION

Notwithstanding anything to the contrary contained herein, the Purchaser shall have the option (the "**Share Purchase Option**") to require the Vendor to sell any or all of the Shares instead of legal title to any or all of the applicable Lands together with the beneficial interest in such Lands, on the Closing Date, which option must be exercised by notice in writing by the Purchaser to the Vendor no later than the Condition Date. If the Purchaser exercises the Share Purchase Option, the Vendor and Purchaser agree, without any further act or formality, to be bound by the representations, warranties, covenants, terms and conditions contained in Schedule "E" attached hereto. The purchase price for the Shares of each applicable Nominee shall be \$1.00. If the Share Purchase Option is exercised in respect of any of the Nominees, the Vendor agrees to reasonably co-operate with the Purchaser to assist with the Purchaser's financing of the applicable Property, by executing any registration documents pre-Closing provided that such documents shall be delivered in escrow and not released or registered until Closing and shall be effective as of Closing or by appointing officers of the Purchaser as officers of the Nominee to execute any financing documents pre-Closing provided that such documents shall be delivered in escrow and not released or registered until Closing and shall be effective as of Closing. The Purchaser shall indemnify and save harmless the Vendor from and against all Claims which the Vendor may suffer or incur as a result of such execution of such documents.

## 2.18 NON-ASSIGNABLE RIGHTS

Nothing in this Agreement shall be construed as an assignment to the Purchaser of, or an attempt to assign to the Purchaser, any Permitted Encumbrances, Assumed Contracts or Warranties that is: (i) not assignable, or (ii) not assignable without the approval or consent of the other party or parties thereto, without obtaining such approval or consent (collectively, the "**Non-Assignable Rights**"). In connection with such Non-Assignable Rights, the Vendor shall, at the request of the Purchaser acting reasonably and in each case at the Purchaser's expense: (a) apply for and use all reasonable commercial efforts to obtain all consents or approvals required pursuant to the terms of the Permitted Encumbrances, Assumed Contracts or Warranties, in a form satisfactory to the Purchaser acting reasonably, provided that nothing in this Section shall require the Vendor to make any payment to any other party to any such document; and (b) co-operate with the Purchaser in any reasonable and lawful arrangements designed to provide the benefits of such Non-Assignable

Rights to the Purchaser, including holding any such Non-Assignable Rights in trust for the Purchaser or acting as agent for the Purchaser.

### **ARTICLE 3 REPRESENTATIONS AND WARRANTIES, COVENANTS**

#### **3.1 VENDOR'S REPRESENTATIONS AND WARRANTIES**

In order to induce the Purchaser to enter into this Agreement, the Vendor represents and warrants to the Purchaser, as representations and warranties that are true as at the Execution Date and as at the Closing Date unless otherwise expressly stated in this Section 3.1, that:

- (a) the Vendor is a corporation duly incorporated and existing under the laws of Ontario and has the necessary corporate power, authority and capacity to own the beneficial interest in the Purchased Assets, to enter into this Agreement and the documents contemplated herein, and to carry out the transaction of purchase and sale constituted by this Agreement and the documents contemplated herein on the terms and conditions herein contained;
- (b) each Nominee is a corporation duly incorporated and existing under the laws of Manitoba and has the necessary corporate power, authority and capacity to own the legal interest in the Purchased Assets, to enter into this Agreement and the documents contemplated herein, and to carry out the transaction of purchase and sale constituted by this Agreement and the documents contemplated herein on the terms and conditions herein contained;
- (c) the execution and delivery of this Agreement and the documents and transactions contemplated herein and the performance of the obligations of the Vendor and the Nominees hereunder have been authorized by all requisite corporate proceedings, and constitute legal, valid and binding obligations of the Vendor and Nominees enforceable against the Vendor and Nominees in accordance with their respective terms;
- (d) neither the Vendor nor each Nominee is a party to, bound or affected by or subject to any indenture, mortgage, lease, agreement, instrument, charter or by-law, provision, statute, regulation, judgment, decree or law which would be violated, contravened, breached by or under which default would occur as a result of the execution and delivery of this Agreement or the consummation of any of the transactions contemplated herein;
- (e) there are no consents necessary to the transfer, assignment and conveyance of the Purchased Assets except as will be provided by the Vendor to the Purchaser on Closing; no consent pursuant to any subdivision control legislation is necessary to complete the transactions referred to in this Agreement;
- (f) neither the Vendor nor each Nominee is not a non-resident of Canada within the meaning of Section 116 of the *Income Tax Act* (Canada) and the Vendor will receive the Purchase Price on Closing on its own account and not as agent, trustee or nominee for any other Person;

- (g) the Vendor is not an Excluded Person (as defined in the LP Agreement) and will not change its status following Closing;
- (h) the Vendor is registered under the GST Act for the purposes of collection and remittance of the GST and its GST registration number is 834112567 RT0001;
- (i) the entire beneficial interest in the Purchased Assets is owned by the Vendor and the entire legal interest in the Purchased Assets is owned by the applicable Nominee as set out in Schedule "A" attached hereto (other than the legal interest in the Sherwin Property which is owned by the Vendor), as trustee and nominee of the Vendor, free and clear from all Encumbrances whatsoever other than the Permitted Encumbrances and other Encumbrances which will be discharged by the Vendor by Closing;
- (j) the contracts, agreements, guarantees and warranties to be made available as part of the Vendor's Due Diligence Deliveries include the only material contracts and agreements entered into by the Vendor or a Nominee with third parties or warranties presently in place in respect of the development, maintenance, operation, cleaning, security, fire protection and servicing of the Properties and no contracts and agreements entered into by the Vendor or a Nominee with third parties in respect of the development, maintenance, operation, cleaning, security, fire protection and servicing of the Properties (other than Assumed Contracts) will bind the Purchaser on or after Closing;
- (k) each of the Assumed Contracts and Permitted Encumbrances is in full force and effect and, to the best of its knowledge, is in good standing in all material respects;
- (l) the Vendor or each Nominee is not aware of any pending or threatened expropriation proceedings relating to the Lands and Buildings or any part thereof;
- (m) the Vendor or each Nominee has not received written notice of any Claim or litigation pending or threatened against the Vendor, the Nominees, or Purchased Assets or the occupancy or use of the Properties by the Vendor or a Nominee before any domestic court, governmental department, commission, board, bureau or agency, or arbitration panel, nor has the Vendor or each Nominee any knowledge relating to any such Claim or litigation which could adversely affect the right of the Purchaser to own, occupy and obtain the revenue from the Purchased Assets or the ability of the Vendor to perform its obligations hereunder and there is not presently outstanding against the Vendor or each Nominee any judgment, decree, injunction, rule or order of any court, governmental department, commission, agency or arbitrator in respect of the Purchased Assets;
- (n) all accounts for work and services performed or materials placed or furnished upon the Lands and Buildings (excluding all tenant work not undertaken by the landlord with respect to the Existing Leases) have been fully paid and no one is entitled to claim a lien under any applicable construction lien legislation;
- (o) each of the Tenants referred to in the Existing Leases is in possession of the premises demised to such Tenant and paying full rent and any other charges as

required under their respective Existing Lease and there are no defaults existing in the payment of rent or other charges or, to the Knowledge of the Vendor, any other Tenants' covenants or obligations contained in their Existing Lease;

- (p) the Existing Leases made available to the Purchaser as part of the Vendor's Due Diligence Deliveries or entered into in accordance with this Agreement are valid and subsisting and contain the entire and only agreement with the Tenants with respect to the premises demised;
- (q) no person has a right to lease any portion of the Lands or Buildings other than as set forth in the Existing Leases made available to the Purchaser as part of the Vendor's Due Diligence Deliveries or entered into in accordance with this Agreement and the Lands and Buildings are not subject to any leases, renewals of leases, agreements to lease, options or licensing agreements other than such Existing Leases;
- (r) there are not any disputes by any Tenant relating to the provisions of such Tenant's Existing Lease, the state of repair of the premises demised thereunder, the payment of rent, or the calculation or payment of common area maintenance payments, operating costs or tax escalations or payments;
- (s) there are no unpaid real estate or leasing commissions, tenant inducements, tenant allowances or tenant improvements and no lease take-overs contained in any of the Existing Leases except those made available to the Purchaser as part of the Vendor's Due Diligence Deliveries or entered into in accordance with this Agreement and there will not be, any commission contracts outstanding whereby the Purchaser may become liable to pay commission to any agent upon the sale or lease of all or any part of the Lands and Buildings or upon the entering into of any lease or upon the renewal of any Existing Lease;
- (t) no notice has been received by the Vendor or a Nominee, or its respective agents, from any Tenant alleging any default by the Vendor or a Nominee under its Existing Lease;
- (u) there are no options to purchase or rights of first refusal to purchase or other purchase rights with respect to the Purchased Assets or any part thereof that have not expired or been waived with the result that following the Closing they will not bind the Purchaser;
- (v) the Chattels are in good condition and repair, subject to normal wear and tear and normal repairs and ongoing preventative maintenance, and are operational;
- (w) to the Knowledge of the Vendor, except as Disclosed to the Purchaser prior to the Transition Date there is no contamination on the Properties that exceeds the applicable remediation criteria published by the relevant Governmental Authority;
- (x) there are no registered or unregistered logos, trademarks, trade names or domain names used in connection with the Properties that are owned by the Vendor or the Nominees or of which the Vendor or the Nominees is a registered user, other than

the Intellectual Property which will be transferred to the Purchaser on Closing or as utilized by the Vendor exclusively in the ownership and operation of its other real properties other than the Properties;

- (y) the aggregate book value of the Purchased Assets, determined as of the time and in the manner prescribed pursuant to the *Competition Act* (Canada) and regulations thereunder, and the gross value from sales in, from or into Canada generated from the Purchased Assets, determined for the annual period and in the manner that is prescribed pursuant to such Act and regulations, does not, in either case, exceed the amount of \$93,000,000.00;
- (z) true and complete copies of all commitment letters, loan agreements and security and loan documents relating to the Assumed Loan and related notices, certificates or correspondence between the Assumed Lender and the Vendor (or its affiliates) amending or supplementing the terms of the Assumed Loan or consenting to any matters required by the Assumed Loan been made available as part of the Vendor's Due Diligence Deliveries, and there are no defaults under the Assumed Loan and related commitment letters, loan agreements and security and loan documents;
- (aa) the Vendor acknowledges that the Purchaser will have no obligation to assume any Employees of the Vendor or the Nominees, or any service, management, union or employment contracts or liabilities whatsoever with respect to the Purchased Assets;
- (bb) it will at Closing be acquiring the Consideration Units as principal for its own account, not for the benefit of any other Person, for investment only and not with a view to the resale or distribution of all or any of the Consideration Units (including the Underlying Trust Units);
- (cc) it is as at the date hereof and will be at Closing resident in Canada, it was outside of the United States at the time of execution and delivery of this Agreement, and the Consideration Units (including the Underlying Trust Units) are not being acquired, directly or indirectly, for the account or benefit of a U.S. Person (within the meaning of Regulation S promulgated by the United States Securities and Exchange Commission under the *United States Securities Act of 1933*, as amended) or a person resident in the United States;
- (dd) for the purposes of the filing of any report of exempt distribution required under National Instrument 45-106 - Prospectus Exemptions in connection with the issuance of the Consideration Units, it resides in the province of Ontario;
- (ee) it acknowledges that the statement evidencing the Consideration Trust Units, and any Underlying Trust Units issued before the date that is four months and one day from the Closing Date, will contain the following legends:

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [DATE THAT IS FOUR MONTHS AND ONE DAY FROM THE CLOSING DATE].

THESE SECURITIES ARE LISTED ON THE TORONTO STOCK EXCHANGE (THE "TSX"); HOWEVER, THE SAID SECURITIES CANNOT BE TRADED THROUGH THE FACILITIES OF THE TSX SINCE THEY ARE NOT FREELY TRANSFERABLE, AND CONSEQUENTLY ANY CERTIFICATE OR STATEMENT REPRESENTING SUCH SECURITIES IS NOT "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON TSX."

- (ff) it acknowledges that the certificate or statement evidencing the Consideration LP Units will contain the following legends:

"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS FOUR MONTHS AND ONE DAY AFTER THE LATER OF (I) [THE CLOSING DATE], AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY OF CANADA.

THE CLASS B LP UNITS REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO ALL THE TERMS AND CONDITIONS OF THE AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT OF THE LIMITED PARTNERSHIP AGREEMENT DATED AS OF DECEMBER 21, 2018, AS IT MAY BE AMENDED, WHICH AGREEMENT CONTAINS, AMONG OTHER THINGS, RESTRICTIONS ON THE RIGHT OF THE HOLDER THEREOF TO TRANSFER OR SELL THE CLASS B LP UNITS. A COPY OF SUCH AGREEMENT IS ON FILE AT THE REGISTERED OFFICE OF THE LIMITED PARTNERSHIP.

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF ANY TRUST UNITS OF PRO REAL ESTATE INVESTMENT TRUST ISSUABLE IN EXCHANGE FOR CLASS B LP UNITS MUST NOT TRADE THE TRUST UNITS BEFORE [DATE THAT IS FOUR MONTHS AND ONE DAY FROM THE CLOSING DATE.]"

- (gg) the Vendor will execute, deliver and file or assist the Purchaser and PROREIT in filing such reports, undertakings and other documents with respect to the issue and/or sale of the Consideration Units as may be required by any securities commission, stock exchange or other regulatory authority;
- (hh) it does not have beneficial ownership of, or control or direction over, whether direct or indirect, alone or jointly or in concert with any other Person, any Trust Units or special voting units of PROREIT;
- (ii) there are no legal proceedings in progress or, to the knowledge of the Vendor, pending or threatened against the Vendor or the Nominees and there is no order of any Governmental Authority outstanding against the Vendor or any Nominee which, in any such case, affects adversely or might affect adversely the ability of the Vendor and the Nominees to enter into this Agreement or to perform its obligations hereunder;

- (jj) the execution and delivery of this Agreement by the Vendor and the Nominees, the performance by the Vendor and the Nominees of their respective obligations hereunder and the consummation by the Vendor and the Nominees of the Transaction will not:
  - (i) contravene any provision of its constating documents or any resolutions of the Vendor and the Nominees or any amendments thereto;
  - (ii) subject to the receipt of all applicable authorizations, violate or conflict with any Applicable Laws, statute, ordinance, rule, regulation, decree, writ, injunction, judgment or order of any Governmental Authority or of any arbitration award which is either applicable to, binding upon or enforceable against the Vendor and the Nominees;
  - (iii) conflict with, result in any breach of, or constitute a default (or an event which would, with the passage of time or the giving of notice or both, constitute a default) under, or give rise to a right to terminate, amend, modify, abandon or accelerate, any contract which is applicable to, binding upon or enforceable against the Vendor and the Nominees;
  - (iv) result in or require the creation or imposition of any Encumbrance upon or with respect to any of the property or assets of the Vendor and the Nominees; or
  - (v) subject to satisfaction of the conditions contained in Sections 2.5 and 2.8(c), require the Vendor or any Nominee to obtain the authorization, consent, approval, permit of, or submit a filing with or notification to, any Governmental Authority, any court tribunal or any other person, save and except for the approval of the TSX Venture Exchange and normal course and customary filings required to be made under Applicable Laws;
- (kk) the operations of the Vendor and the Nominees and, to the knowledge of the Vendor, its Affiliates are and have been conducted at all times in compliance with the *Corruption of Foreign Public Officials Act* (Canada) (“CFPOA”) or the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) or the rules and regulations promulgated thereunder or under any other legislation of any relevant jurisdiction covering a similar subject matter applicable to the Vendor or any of the Nominees and its operations (collectively, the “**Money Laundering Laws**”) and no action, suit or proceeding by or before any court or Governmental Authority, agency or body or any arbitrator involving the Vendor, any Nominee or any of its Affiliates with respect to Money Laundering Laws is pending and, to its knowledge, no such actions, suits or proceedings are threatened or contemplated;
- (ll) to the Vendor’s knowledge, neither the Vendor, any Nominee or their respective directors, officers or employees:
  - (i) has violated, and the execution and delivery of and performance of its respective obligations under this Agreement by the Vendor and the Nominees will not violate, any Applicable Laws related to money

laundering or government guidance regarding anti-money laundering and international anti-money laundering principles or procedures of an intergovernmental group or organization and any executive order, directive or regulation under the authority of any of the foregoing, or any orders or licences issued thereunder, in each case to which the Vendor or a Nominee is subject;

- (ii) has, in the course of its actions for, or on behalf of, the Vendor or a Nominee: (A) knowingly used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (B) paid or received any bribe or otherwise unlawfully offered or provided, directly or indirectly, anything of value to (or received anything of value from) any foreign or domestic government employee or official or any other Person; (C) violated or taken any act that would violate any provision of the *Corruption of Foreign Public Officials Act* (Canada), or other similar Applicable Laws of other jurisdictions; (D) violated or taken any act that would violate the Special Economic Measures Act (Canada) (“SEMA”) or other similar Applicable Laws of other jurisdictions; or (E) violated or taken any act that would violate the *Freezing Assets of Corrupt Foreign Public Officials Act* (Canada) (“FACFOA”) or other similar Applicable Laws of other jurisdictions, in each case to which the Vendor or a Nominee is subject;
  - (iii) has, directly or indirectly, taken any action in violation of any export restrictions, anti-boycott regulations, embargo regulations or other similar applicable Canadian or foreign Applicable Laws; or
  - (iv) has engaged in any business with any Person with whom, or in any country in which it is prohibited for a Person to engage under SEMA, FACFOA, any United Nations resolution or regulation or any other Applicable Law; and
- (mm) the Vendor and the Nominees have adopted, implemented and maintained policies and procedures designed to ensure, and which are reasonably expected to ensure, continued compliance with Applicable Laws related to money laundering, CFPOA, SEMA and FACFOA, to the extent applicable.

### **3.2 PURCHASER’S REPRESENTATIONS AND WARRANTIES**

The Purchaser hereby represents and warrants to and in favour of the Vendor that, as of the date of this Agreement and as of the Closing Date:

- (a) the general partner of the Purchaser is a corporation created and existing under the laws of Canada and the Purchaser is a limited partnership formed and existing under the laws of Québec and, subject to satisfaction of the conditions contained in Sections 2.7(b) and 2.7(g), the Purchaser, and the general partner of the Purchaser, each has all necessary authority, power and capacity to own the Properties and to enter into this Agreement and to carry out the transaction of purchase and sale

herein constituted on the terms and conditions herein contained, in its own capacity, and in its capacity as general partner of the Purchaser, respectively;

- (b) the Purchaser is not a non-Canadian within the meaning of the *Investment Canada Act* (Canada), and is a taxable Canadian partnership within the meaning of the *Income Tax Act* (Canada);
- (c) the Purchaser has not engaged with or retained any real estate broker or agent to assist it with the purchase of the Purchased Assets, save and except for the Agent;
- (d) the execution and delivery of this Agreement and the documents contemplated herein and the performance of the obligations of the Purchaser hereunder and thereunder and the consummation of the transactions contemplated herein and therein have been duly and validly authorized by all requisite corporate and partnership proceedings and constitute legal, valid and binding obligations of the Purchaser enforceable against the Purchaser in accordance with their respective terms;
- (e) PROREIT is duly created and validly subsisting as a trust under the laws of the Province of Ontario and upon the Closing of the transactions contemplated by this Agreement, the Consideration Trust Units will be validly issued and outstanding as fully paid Trust Units;
- (f) upon the Closing of the transactions contemplated by this Agreement, the Consideration LP Units will be validly issued and outstanding as fully paid LP Units;
- (g) PROREIT is a “reporting issuer” under applicable securities laws in each of the provinces and territories of Canada and is not on the list of defaulting reporting issuers maintained pursuant to such applicable securities laws; PROREIT is in compliance and up to date with all material filings under applicable securities, corporate, trust and partnership laws and regulations; the outstanding Trust Units in the capital of the PROREIT are listed on the TSX and PROREIT is in material compliance with the by-laws, policies, company manual and rules of such exchange;
- (h) no order ceasing or suspending trading in any securities of PROREIT or the Purchaser nor prohibiting the issuance and delivery of the Consideration Units has been issued to and is outstanding against PROREIT or the Purchaser or their respective trustees, directors or officers and no investigations or proceedings for such purposes are pending;
- (i) PROREIT is authorized to issue an unlimited number of Trust Units and an unlimited number of special voting units, of which as of the date of this Agreement 59,437,135 Trust Units and 1,197,774 special voting units are issued and outstanding as fully paid;
- (j) as of the date of this Agreement, except as reflected in the Disclosure Documents (as defined below) (including securities issuable under the long term incentive plan

of PROREIT described in the Disclosure Documents) and except as created pursuant to this Agreement, there are no options, warrants, conversion privileges, calls or other rights, agreements, arrangements or commitments (pre-emptive, contingent or otherwise) obligating PROREIT to issue or sell any Trust Units or other securities of PROREIT;

- (k) PROREIT has duly filed all forms, reports, documents and information required to be filed by it since January 1, 2023 with the TSX and the securities commissions or regulatory authorities or regulators for the jurisdictions in which it is a reporting issuer (collectively, the “**Disclosure Documents**”), and as of the time any such Disclosure Document was filed on SEDAR+ (or, if amended or superseded by a filing prior to the date of this Agreement, then on the date of such filing): (i) the Disclosure Document complied in all material respects with the requirements of Canadian Securities Laws; and (ii) the Disclosure Document did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;
- (l) PROREIT is in compliance at the date hereof with its obligations to make disclosure of all material changes relating to it and no such disclosure has been made on a confidential basis and there is no material change relating to PROREIT which has occurred and with respect to which the requisite material change report has not been filed;
- (m) there are no legal proceedings in progress or, to the knowledge of the Purchaser, pending or threatened against the Purchaser, PROREIT, or the general partner of the Purchaser and there is no order of any Governmental Authority outstanding against the Purchaser, PROREIT or the general partner of the Purchaser which, in any such case, affects adversely or might affect adversely the ability of the Purchaser to enter into this Agreement or to perform its obligations hereunder;
- (n) the execution and delivery of this Agreement by the Purchaser, the performance by the Purchaser of its obligations hereunder and the consummation by the Purchaser and PROREIT of the Transaction will not:
  - (i) contravene any provision of its constating documents or any resolutions of the Purchaser or any amendments thereto;
  - (ii) subject to the receipt of all applicable authorizations, violate or conflict with any Applicable Laws, statute, ordinance, rule, regulation, decree, writ, injunction, judgment or order of any Governmental Authority or of any arbitration award which is either applicable to, binding upon or enforceable against the Purchaser;
  - (iii) conflict with, result in any breach of, or constitute a default (or an event which would, with the passage of time or the giving of notice or both, constitute a default) under, or give rise to a right to terminate, amend, modify, abandon or accelerate, any contract which is applicable to, binding upon or enforceable against the Purchaser;

- (iv) result in or require the creation or imposition of any Encumbrance upon or with respect to any of the property or assets of the Purchaser; or
- (v) subject to satisfaction of the condition contained in Section 2.7(b), require the Purchaser or PROREIT to obtain the authorization, consent, approval, permit of, or submit a filing with or notification to, any Governmental Authority, any court tribunal or any other person, save and except for the approval of the TSX and normal course and customary filings required to be made under Applicable Laws;
- (o) the Purchaser and PROREIT, respectively, each has reserved and allotted a sufficient number of Consideration LP Units and Consideration Trust Units, as applicable as are issuable pursuant to the Transaction, and, subject to the terms and conditions of this Agreement, such Consideration Units will be: (i) issued to the Vendor with good and marketable title, free and clear of all encumbrances (other than restrictions on transfers in the LP Agreement or under Canadian Securities Laws or other applicable securities laws); and (ii) the Consideration Trust Units will be listed for trading on the TSX;
- (p) TSX Trust Company at its office in Toronto, Ontario, has been duly appointed as the transfer agent and registrar for all of the outstanding Trust Units of PROREIT;
- (q) no “reportable event” as defined in National Instrument 51-102 – Continuous Disclosure Obligations has occurred with respect to the Purchaser;
- (r) with respect to each of the Exchange Agreement and the LP Agreement (collectively, the “**Significant Contracts**”), each of PROREIT, the Purchaser and PRO REIT GP Inc. (collectively, the “**PROREIT Entities**”) has performed, in all material respects, all of its obligations, as applicable, and is entitled to all of its rights and benefits thereunder, as applicable; neither PROREIT, the Purchaser or PRO REIT GP Inc. is alleged to be in default of any Significant Contract; each of the Significant Contracts is in full force and effect, unamended, and there exists no default or event of default or event, occurrence, condition or act which, with the giving of notice, the lapse of time or the happening of any other event or condition, would become a default or event of default under any Significant Contract other than any defaults which would not, individually or in the aggregate, result in a material adverse effect on the PROREIT Entities; and true, correct and complete copies of all Significant Contracts have been delivered to the Vendor;
- (s) none of the funds Purchaser is using to acquire the Purchased Assets are, to the knowledge of the Purchaser, proceeds obtained or derived, directly or indirectly, as a result of illegal activities and the funds representing the cash component of the Purchase Price pursuant to Section 2.2(f) which will be paid to Vendor hereunder will not represent proceeds of crime for the purposes of the Money Laundering Laws applicable to it. The operations of Purchaser and, to the knowledge of the Purchaser, its Affiliates are and have been conducted at all times in compliance with Money Laundering Laws applicable to it and no action, suit or proceeding by or before any court or Governmental Authority, agency or body or any arbitrator involving Purchaser or any of its Affiliates with respect to Money Laundering Laws

is pending and, to its knowledge, no such actions, suits or proceedings are threatened or contemplated;

- (t) to the Purchaser's knowledge, neither of the PROREIT Entities nor any of their respective trustees, directors, officers or employees:
  - (i) has violated, and the PROREIT Entities execution and delivery of and performance of their respective obligations under this Agreement will not violate, any Applicable Laws related to money laundering or government guidance regarding anti-money laundering and international anti-money laundering principles or procedures of an intergovernmental group or organization and any executive order, directive or regulation under the authority of any of the foregoing, or any orders or licences issued thereunder, in each case to which any of the PROREIT Entities is subject;
  - (ii) has, in the course of its actions for, or on behalf of, the PROREIT Entities: (A) knowingly used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (B) paid or received any bribe or otherwise unlawfully offered or provided, directly or indirectly, anything of value to (or received anything of value from) any foreign or domestic government employee or official or any other Person; (C) violated or taken any act that would violate any provision of the *Corruption of Foreign Public Officials Act* (Canada), or other similar Applicable Laws of other jurisdictions; (D) violated or taken any act that would violate the SEMA or other similar Applicable Laws of other jurisdictions; or (E) violated or taken any act that would violate FACFOA or other similar Applicable Laws of other jurisdictions, in each case to which any of the PROREIT Entities is subject;
  - (iii) has, directly or indirectly, taken any action in violation of any export restrictions, anti-boycott regulations, embargo regulations or other similar applicable Canadian or foreign Applicable Laws; or
  - (iv) has engaged in any business with any Person with whom, or in any country in which it is prohibited for a Person to engage under SEMA, FACFOA, any United Nations resolution or regulation or any other Applicable Law; and
- (u) each of the PROREIT Entities have adopted, implemented and maintained policies and procedures designed to ensure, and which are reasonably expected to ensure, continued compliance with Applicable Laws related to money laundering, CFPOA, SEMA and FACFOA, to the extent applicable.

### **3.3 UNTRUE REPRESENTATIONS AND WARRANTIES**

- (a) If (A) any inaccuracy in a representation and warranty which is Disclosed to the Purchaser by the Vendor prior to the Transition Date or which the Purchaser otherwise becomes aware prior to the Transition Date; and (B) the Purchaser waives its conditions set out in Section 2.7(a), then in each case, for all purposes of this

Agreement, such inaccurate representation and warranty shall be deemed to have been qualified by reference to such inaccuracy, including for the purposes of Section 2.7(h);

- (b) If (A) any inaccuracy in a representation and warranty which the Vendor becomes aware prior to the Transition Date; and (B) the Vendor waives its conditions set out in Section 2.8(c), then for all purposes of this Agreement, such inaccurate representation and warranty shall be deemed to have been qualified by reference to such inaccuracy, including for the purposes of Section 2.8(g);
- (c) Following Closing, a disclosing party shall not be responsible for any Claim to the extent, if any, that the other party(s) actually receives reimbursement or indemnification for such Claim under insurance policies or from other Persons;
- (d) No Party shall have any liability for, or obligation with respect to, any special, indirect, consequential, punitive or aggravated damages in respect of this Agreement, the Transaction, or any Closing Documents;
- (e) Following Closing, no Claims may be brought against a party under this Agreement or the Closing Documents until the sum of all amounts claimed pursuant to all such Claim or Claims exceed [redacted] in the aggregate (the “**Threshold Amount**”); provided that if the sum of all such Claims exceeds the Threshold Amount in the aggregate, the claiming party shall be entitled to recover the full amount of the Claims, including Threshold Amount if such Claims are successful. For greater certainty, the foregoing does not apply to any Adjustments under Section 4.5 or any Claims relating to Section 2.16 or 4.6(e);
- (f) Following Closing, the maximum liability of the Purchaser and Vendor in respect of any Claim or Claims brought against such party under the Transaction, this Agreement, or the Closing Documents (other than in connection with any third party Claim or any Adjustments) shall not exceed [redacted] percent of the Purchase Price in the aggregate;
- (a) In the event that, as at the Closing Date, any one of the representations and warranties of the Vendor become, following the Transition Date, known by the Purchaser to be untrue, then the Purchaser may waive in full or in part the lack of truthfulness of the said representation and warranty, such waiver to be binding upon the Purchaser only if in writing and signed by either the Purchaser or the Purchaser’s Solicitors and after having waived such matter, close the Transaction or refuse to close the Transaction, in each case without limiting its rights against the Vendor as a result of such representation and warranty being untrue; and
- (b) This Section 3.3 shall survive Closing.

### **3.4 COVENANTS BY THE VENDOR**

The Vendor covenants, acknowledges and agrees:

- (a) to provide to the Purchaser or as the Purchaser directs, on the Closing Date, title to the Purchased Assets free and clear of all Encumbrances other than Permitted Encumbrances;
- (b) to grant vacant possession of the Lands and Buildings to the Purchaser on the Closing Date, subject to the tenancies described in the Existing Leases;
- (c) at its own expense, to complete all work and supply all materials and improvements (including capital improvements) required to be done, supplied or completed by the Vendor: (i) which are currently in progress; and (ii) as landlord pursuant to any of the Existing Leases, including any obligations to make any special payment such as leasehold improvement allowances, tenant buyouts or lease take-over payments and indemnities relating thereto, and such completion to be made as soon as possible and if not by Closing then as soon thereafter as is reasonable;
- (d) to be responsible to the Purchaser for any Claims arising from any breach of any covenant, agreement or warranty or any untrue representation made by the Vendor or the Nominees under this Agreement or any agreement delivered to the Purchaser on Closing, provided the Purchaser notifies the Vendor of same on or before the first anniversary of the Closing Date;
- (e) to use all commercially reasonable efforts to satisfy all conditions precedent in this Agreement and comply promptly with all requirements imposed by law, regulation and stock exchange rules on it with respect to this Agreement or the transaction contemplated herein; and
- (f) to cause the Nominees to take all such actions and to execute and deliver all such documents as may be reasonably required by the Purchaser or the Purchaser's Solicitors to effect the completion of the transaction contemplated in this Agreement, and in particular the conveyance of registered title to the Lands to the Purchaser or its designated nominee, on Closing.

### **3.5 COVENANTS BY THE PURCHASER**

The Purchaser covenants, acknowledges and agrees:

- (a) to be responsible to the Vendor for any Claims arising from any breach of any covenant, agreement or warranty or any untrue representation made by the Purchaser under this Agreement or any agreement delivered to the Vendor on Closing, provided the Vendor notifies the Purchaser of same on or before the first anniversary of the Closing Date; and
- (b) to use all commercially reasonable efforts to satisfy all conditions precedent in this Agreement and comply promptly with all requirements imposed by law, regulation and stock exchange rules on it with respect to this Agreement or the Transaction contemplated herein.

### 3.6 EMPLOYEE MATTERS

The Vendor shall be solely responsible for redeploying or terminating the employment of all Employees and shall be solely responsible to pay all termination and severance pay to which the Employees may be entitled under contract, common law and applicable employment standards legislation.

### 3.7 AS IS, WHERE IS

- (a) The Parties agree that except where specifically set out in this Agreement or any Closing Document to the contrary: (i) the Purchased Assets are being sold by the Vendor, and the Transaction is to be completed, on an “as is, where is” basis and without any express or implied agreement or representation and warranty of any kind whatsoever or any liability or obligation of the Vendor (including as to the physical or financial condition, suitability for a particular purpose including development, merchantability, title, profitability, use, zoning, heritage, conservation, density, environmental condition, existence of defects, and compliance with Applicable Laws); (ii) the Purchaser acknowledges that, there are no agreements, representations, promises, warranties, guarantees or conditions, or any liability or obligation of the Vendor of any kind whatsoever, statutory or otherwise, express or implied, with respect to the Purchased Assets and the Purchaser specifically negates and disclaims same; and (iii) the Purchaser is executing this Agreement on the basis that, in addition to the Vendor’s representations and warranties in this Agreement, the Purchaser has relied and will continue to rely on its own inspections, investigations and due diligence with respect to the Purchased Assets, and relies at its own risk on the Vendor’s Due Diligence Deliveries. The Vendor makes no representations or warranties concerning any statements made or information or models delivered or made available to the Purchaser (whether by the Vendor, the Vendor’s Solicitors or any other agents, or representatives or advisors of the Vendor or any of their affiliates, or any other person) with respect to the Purchased Assets. The Vendor shall have no obligations or responsibility to the Purchaser after Closing with respect to any matter relating to the Purchased Assets, condition thereof, and/or this Transaction, except as specifically set out in any Closing Document or in this Agreement. Any statutory warranty or similar condition implied at law in connection with the sale of the Properties or the Transaction is hereby waived to the extent permitted by Applicable Laws. The Purchaser hereby irrevocably and completely releases the Vendor in connection with any Claims by Purchaser in connection with any of the foregoing matters set out in this Section 3.7 and such release may be set out in a Closing Document at the option of the Vendor.
- (b) If any Existing Lease existing on the Execution Date, other than Existing Leases with Tenants leasing [redacted] square feet or more, in the aggregate, among all Existing Leases with such Tenant and its affiliates (for greater certainty, including all Major Tenants), is not in effect on Closing (“**Impacted Agreement**”) and/or the Tenant pursuant to such Existing Lease has abandoned and/or is otherwise in default under its Impacted Agreement (including matters of bankruptcy or similar proceedings), and provided same was not caused by a default of the Vendor or a Nominee or those for whom it is responsible at law and that such default did not

exist on the Execution Date or arise following the Execution Date and prior to the Transition Date (unless known by the Purchaser prior to the Transition Date), the Purchaser shall, notwithstanding the foregoing, be required to close the Transaction in accordance with the terms of this Agreement, and there shall be no abatement or other reduction to the Purchase Price or other compensation payable to the Purchaser in connection with such Impacted Agreement, provided that if a Major Tenant Lease is an Impacted Agreement the Purchaser's only remedy shall be to not waive the Purchaser's condition in Section 2.7(j) and terminate this Agreement, unless caused by a default of the Vendor or a Nominee or those for whom it is responsible at law.

- (c) This Section 3.7 shall survive Closing.

### 3.8 INCOME TAX ELECTION COVENANT

- (a) At the request of the Vendor, the Purchaser covenants and agrees to execute and deliver in a timely manner an election pursuant to subsection 97(2) of the *Income Tax Act* (Canada) and under the comparable provisions of any applicable Canadian provincial income tax legislation in respect of the transfers contemplated by this Agreement at such elected amount requested by the Vendor (the “**Elected Amount**”), subject to the limitations set forth in the *Income Tax Act* (Canada) and under comparable provisions of any applicable Canadian provincial income tax legislation, and to otherwise cooperate in such regard with the intention that the election will result in the disposition of the Purchased Assets on a Canadian tax-deferred basis to the Vendor. In connection with the foregoing:
- (i) Provided that two signed copies of the necessary election forms are delivered by the Vendor desiring to make such an election on or before ninety (90) days after the Closing Date, duly completed with the details of the property transferred in respect of which the Vendor is making an election and the applicable Elected Amount for purposes of the election in respect of such property, subject to such election form complying with Applicable Laws, the Purchaser agrees that such forms will be signed by an appropriate signing officer of the Purchaser and promptly returned to the Vendor for filing by the Vendor with the relevant Governmental Authorities.
  - (ii) The Purchaser will cooperate with the Vendor in connection with the preparation of the election forms and provide information that is relevant to the preparation of the election forms.
  - (iii) The Vendor and the Purchaser further covenant and agree to file each of the elections referred to in this section, as described above, in time and form required by Applicable Laws and to provide to each other a copy of such elections filed with the relevant Governmental Authorities.
  - (iv) Notwithstanding the foregoing, the Purchaser shall have no responsibility whatsoever and will not in any way be obligated to indemnify the Vendor in respect of any loss or damage that may be suffered by reason of any

inaccuracy or incompleteness of any election forms and the Vendor shall indemnify the Purchaser in respect of any penalties assessed under the *Income Tax Act* (Canada) or any relevant Canadian provincial legislation arising out of or by virtue of the execution or filing of such elections. Without limiting the foregoing, the Parties agree that all fees, interest and penalties payable in connection with the preparation and the filing of the elections forms referred to in this section, and any amendment thereto, where applicable, shall be paid solely by the Vendor.

### **3.9 REALTY TAX APPEALS/REASSESSMENTS**

From and after the Closing Date, the Purchaser shall have the right to pursue any existing realty tax appeals relating to the calendar year in which the Closing Date occurs. The Vendor shall have the right to pursue any existing realty tax appeals relating to the 2024 and prior calendar years. The Vendor shall be responsible to pay and shall provide the Purchaser with evidence of payment of, all fees and expenses relating to all existing appeals including all fees and expenses payable to its realty tax agents. The Purchaser and the Vendor shall execute all documents required to allow the Purchaser and Vendor, as applicable, to pursue such appeals as set forth above and to receive any payments resulting therefrom from and after the Closing Date. The amount equal to any refunds, rebates or credits of realty taxes received by the Purchaser resulting from all realty tax appeals pending as at the Closing Date together with any interest earned thereon relating to calendar years prior to the calendar year in which the Closing Date occurs shall be disbursed by the Purchaser promptly after receipt of any such refunds, rebates or credits as follows: (i) first, in payment of the reasonable out-of-pocket costs of the Purchaser, including commissions, payable to agents or consultants engaged in connection with the pursuit of such realty tax appeals; (ii) second, in payment to Tenants pursuant to their entitlements pursuant to its Existing Leases; and (iii) thereafter, the excess shall be paid to the Vendor. The amount equal to any refunds, rebates or credits of realty taxes resulting from all realty tax appeals pending as at the Closing Date together with any interest earned thereon relating to the calendar year in which the Closing Date occurs shall, if received by the Purchaser, be disbursed by the Purchaser promptly after receipt of any such refunds, rebates or credits as follows: (i) first, in payment of the reasonable out-of-pocket costs of the Purchaser, including commissions, payable to agents or consultants engaged in connection with the pursuit of such realty tax appeals relating to the calendar year in which the Closing Date occurs; (ii) second, in payment to Tenants pursuant to their entitlements pursuant to its Existing Leases; (iii) third, a portion of the excess proportionate to the Vendor's period of ownership of the Properties during such calendar year shall be paid to the Vendor ; and (iv) thereafter, the excess shall be retained by the Purchaser. If the Vendor or a Nominee receives any payments on account of refunds or rebates of realty taxes resulting from such appeals together with any interest earned thereon after Closing, it shall promptly remit such payments to the Purchaser for disbursement by the Purchaser pursuant to this Section. If any Governmental Authority reassesses the Properties for the period prior to Closing, all supplementary or omitted tax bills relating to additional taxes relating to such reassessment shall be borne exclusively by the Vendor and be paid forthwith (provided that, to the extent that such taxes or any part thereof may be recovered from Tenants, the Purchaser shall take reasonable steps necessary to recover such taxes from the Tenants and shall forthwith upon receipt of any amounts from the Tenants on account of any such taxes pay such amounts, less the Purchaser's out-of-pocket costs in collecting such taxes from the Tenants, to the Vendor).

**ARTICLE 4**  
**COMPLETION RISK POSSESSION ADJUSTMENT**

**4.1 DELIVERIES BY VENDOR**

- (a) As soon as possible after the Execution Date, the Vendor shall prepare and deliver to the Purchaser copies of draft Estoppel Certificates for the Tenants for the Purchaser's review and approval prior to submitting to any Tenant. The Purchaser shall provide any comments on such draft Estoppel Certificates as soon as reasonably possible and no later than six (6) Business Days from receipt of all draft Estoppel Certificates. The Vendor shall use commercially reasonable efforts to obtain an Estoppel Certificate from each and every Tenant. The Vendor shall deliver each executed Estoppel Certificate as soon as it receives same from a Tenant; provided that where a Tenant fails or refuses to sign an Estoppel Certificate, without limiting the condition in favour of the Purchaser to receive the Required Estoppels, the Vendor shall deliver a certificate of the Vendor in lieu of each such non-obtained Estoppel Certificate attesting to the same matters contained in the non-obtained Estoppel Certificates. Such certificate shall be addressed to the Purchaser and any lender to the Purchaser. Provided that the Vendor has complied with its obligations hereunder, the failure of the Vendor to obtain any executed Estoppel Certificates not less than two (2) Business Days prior to Closing shall not constitute a default of the Vendor hereunder. Any such certificate of the Vendor shall constitute a representation and warranty of the Vendor as to the same matters that are set forth in the form of Estoppel Certificate for the applicable Tenant. For the sixty (60) day period following Closing, the Vendor shall be entitled to continue to pursue any Tenant who did not deliver an Estoppel Certificate on Closing in order to obtain same. For each Tenant from whom the Vendor is able to obtain such Estoppel Certificate within such period that does not disclose any issues and that is not inconsistent with the Vendor's certificate given at Closing, the Vendor shall be entitled to retract its certificate in lieu of same given at Closing and the Purchaser shall have no further rights or recourse against the Vendor relating thereto.
- (b) On or prior to the date that is one (1) Business Day prior to the Closing Date, the Vendor shall deliver to the Purchaser (or as the Purchaser directs) the following:
- (i) a registrable transfer of the Nominees' (or, in the case of the Sherwin Property, Vendor's) registered title to the Lands in favour of the Purchaser, free and clear of any Encumbrances save and except for Permitted Encumbrances, for each Nominee for which a Share Purchase Option is not exercised;
  - (ii) a transfer of the Vendor's beneficial interest in the Purchased Assets in favour of the Purchaser free and clear of any Encumbrances save and except for Permitted Encumbrances;
  - (iii) a bill of sale from the Vendor and the Nominees relating to the Chattels, if any, free and clear of any Encumbrances save and except for Permitted Encumbrances;

- (iv) discharges of all Encumbrances (other than Permitted Encumbrances), subject to Section 2.6;
- (v) the Assignment of Existing Leases executed by the Vendor and Nominees, as required to assign all of the Existing Leases to the Purchaser;
- (vi) original executed copies of all Existing Leases, Assumed Contracts, and the Vendor's Due Diligence Deliveries which are in the possession or control of the Vendor, together with the Vendor's files for the Existing Leases;
- (vii) an assignment of the Assumed Contracts executed by the Vendor and the Nominees, together with any necessary consents to such assignment from the appropriate third parties;
- (viii) the Assignment and Assumption of Permitted Encumbrances;
- (ix) an assignment of the Intellectual Property, if any;
- (x) an assignment of the Warranties, if and to the extent assignable;
- (xi) a final statement of Adjustments;
- (xii) the Vendor's undertaking to re-adjust any items on the statement of Adjustments;
- (xiii) a written direction from the Vendor and the Nominees to the Tenants directing them to pay all future rentals to the Purchaser, or as the Purchaser may direct, and advising the Tenants of the change in ownership;
- (xiv) a written direction from the Vendor and the Nominees to the contractors party to the Assumed Contracts advising of the change in ownership;
- (xv) all duplicate keys and master keys (if available) and all other access devices and security codes to all units and facilities on the Properties;
- (xvi) a certificate of the Vendor attesting to the accuracy of all of the representations and warranties set out in Section 3.1 and, if applicable, Schedule "E" as of the Closing Date;
- (xvii) an assignment of the Tenant Letters of Credit, if any, in accordance with Section 2.14;
- (xviii) reliance letters in favour of the Purchaser and its lenders from the consultants who have provided recent environmental and physical reports of the Lands and Buildings delivered with the Vendor's Due Diligence Deliveries;
- (xix) all acknowledgements, consents, documents, specific assignments, or approvals from or notifications to any third party required under the terms of any of the Permitted Encumbrances, the Existing Leases, the Assumed

Contracts, the Warranties or any other agreement or document affecting the Purchased Assets or otherwise in connection with the consummation of the transactions contemplated herein;

- (xx) if applicable, a mortgage statement from the Assumed Lender with the outstanding balance of the Assumed Loan as of the Closing Date;
- (xxi) if applicable, all documents and deliveries required of the Vendor or its affiliates that are an obligor under the Assumed Loan by the Assumed Lender in connection with the assumption of the Assumed Loan by the Purchaser on Closing in accordance with the terms of this Agreement;
- (xxii) the items set out in Schedule "E", if the Share Purchase Option is exercised;
- (xxiii) the Investor Rights Agreement;
- (xxiv) a power of attorney in accordance with the LP Agreement, substantially in the form of Schedule "B" to the LP Agreement; and
- (xxv) such other documentation as may be necessary to effect the transfer by the Vendor and the Nominees to the Purchaser of all of the interests of the Vendor and the Nominees both in law and in equity to the Purchased Assets.

#### **4.2 DELIVERIES BY PURCHASER**

On the Closing Date, the Purchaser shall deliver to the Vendor the balance of the Purchase Price in accordance with Section 2.2, together with the following:

- (a) the Assignment of Existing Leases;
- (b) an assignment and assumption of the Assumed Contracts;
- (c) the Assignment and Assumption of Permitted Encumbrances;
- (d) the Purchaser's GST Certificate;
- (e) a direction re: title to the Properties, if required;
- (f) if applicable, all documents and deliveries required of the Purchaser by the Assumed Lender in connection with the assumption of the Assumed Loan by the Purchaser on Closing in accordance with the terms of this Agreement;
- (g) the Purchaser's undertaking to re-adjust any items on the statement of Adjustments;
- (h) the Investor Rights Agreement;
- (i) a DRS (Direct Registration System) advice evidencing the Consideration Trust Units and a certificate or DRS advice evidencing the Consideration LP Units, registered in the name of the Vendor; and

- (j) such other documentation as may be necessary to effect the transfer by the Vendor and the Nominees to the Purchaser and the purchase by the Purchaser of all of the interests of the Vendor and the Nominees both in law and in equity to the Purchased Assets.

### **4.3 DOCUMENTS IN ESCROW**

All of the matters of payment and delivery of documents by the Vendor and the Purchaser and registration of all appropriate documents in all appropriate offices of public record, pursuant to the terms hereof, shall be in escrow and shall be deemed to be concurrent requirements such that, unless otherwise agreed by the Parties, nothing is complete and the escrow shall not be released until everything has been paid, delivered and registered and the time of completion is the time that everything is so complete. The purchase and sale contemplated herein shall be completed and documents and monies delivered in accordance with generally accepted conveyance practices in the City of Winnipeg on the exchange of trust conditions and undertakings between the Purchaser's Solicitors and the Vendor's Solicitors, provided that the Vendor shall deliver in escrow the documents and deliveries in Section 4.1(b) at least one (1) Business Day prior to the Closing Date.

Notwithstanding the foregoing, each of the Vendor and the Purchaser acknowledges and agrees that there will be a delay in the completion of the registration of the transfers of Land contemplated in Section 4.1(b)(i) and titles to the Properties issuing and as a result, the Purchaser shall obtain on Closing at its sole cost and expense title insurance coverage (including, without limitation, gap coverage) as may be necessary in the circumstances. Therefore, each of the Vendor and the Purchaser acknowledges and agrees that despite any delay in the registration, recordation and/or certification of the transfers of Land contemplated in Section 4.1(b)(i) this delay will not delay Closing or the release of the Purchase Price to the Vendor on Closing.

### **4.4 TIME CLOSING**

This transaction of purchase and sale shall be completed on the Closing Date, at which time the Vendor shall deliver or cause to be delivered possession of the Purchased Assets to the Purchaser, with all benefits and obligations of ownership, subject to tenancies as herein before specified.

### **4.5 ADJUSTMENTS**

- (a) Subject to those items referred to in Section 4.6, the adjustments (the "**Adjustments**") shall include all operating costs, realty taxes, local improvement rates and charges, water and assessment rates, current rents, prepaid rents and interest thereon (if any), security deposits and interest thereon (if any), percentage rents, current expense and operation recoveries from Tenants, tenant improvement allowances owing to tenants, utility deposits (including replacement letters of credit or letters of guarantee therefor), amounts payable under Assumed Contracts, the Assumed Loan, and other adjustments established by the usual practice in the City in which the Lands are located for the purchase and sale of similar properties. In addition, the Adjustments shall include the other matters referred to in this Agreement which are stated to be the subject of adjustment and shall exclude the other matters in this Agreement which are stated not to be the subject of adjustment.

- (b) Adjustments shall be made as of the Closing Date. From and after the Closing Date, the Purchaser shall be responsible for (except as otherwise provided in this Agreement) all expenses and shall be entitled to all income from the Purchased Assets. The Vendor shall be responsible for all expenses and entitled to all income from the Purchased Assets for that period ending on the day before the Closing Date.
- (c) Under the terms of certain Existing Leases, portions of certain payments, such as realty taxes and operating costs, although paid by the landlord, are actually charged to and payable by the Tenants under such Existing Leases (the “**Rechargeable Sums**”) and are collected from such Tenant on the basis of the landlord’s estimates (the “**Rechargeable Sum Estimates**”). The Rechargeable Sum Estimates are subject to adjustment with the Tenants when the total amounts of the Rechargeable Sums are finally determined. For greater certainty, Rechargeable Sums shall not include any expenditures or any portion thereof which are not recoverable from the Tenants under such Existing Leases. With respect to the Rechargeable Sums and the Rechargeable Sum Estimates, adjustments shall be made as between the Vendor and the Purchaser as follows:
  - (i) the Vendor shall provide to the Purchaser, together with the statement of Adjustments, a statement which sets out the amounts of the Rechargeable Sum Estimates collected from each Tenant, as well as the amounts expended on account of the Rechargeable Sums by the Vendor, in each case since the beginning of the current fiscal year, calendar year or tax year, as appropriate, for the Vendor’s interest in the Purchased Assets up to the Closing Date;
  - (ii) if such statement indicates that the Vendor has collected more Rechargeable Sum Estimates than the Vendor has expended or accrued on account of the Rechargeable Sums for such period, the amount of such difference shall be credited to the Purchaser as of the Closing Date and the Vendor and the Purchaser shall make the required adjustment with the Tenants in respect of such over-collection in accordance with the terms of the Existing Leases and there shall be an appropriate readjustment as between the Vendor and the Purchaser, as soon as reasonably practicable thereafter and in any event by the Final Adjustment Date; and
  - (iii) if the statement indicates that the Vendor has collected less Rechargeable Sum Estimates than the Vendor has expended or accrued on account of the Rechargeable Sums for such period, then, subject to Section 4.5(a), the amount of the actual difference shall be credited to the Vendor as of the Closing Date and the Vendor and the Purchaser shall make the required adjustment with the Tenants in respect of such under collection in accordance with the terms of the Existing Leases and there shall be an appropriate readjustment as between the Vendor and the Purchaser as soon as reasonably practicable thereafter, and in any event by the Final Adjustment Date; provided that if the Rechargeable Sums are not fully recovered from the Tenants for the applicable period, the amount of such difference shall be readjusted on a pro rata basis as between such period

prior to the Closing Date (which shall be for the sole account of the Vendor) and such period from and after the Closing Date (which shall be for the account of the Purchaser) unless the dispute with the Tenant relates to a specific time period prior to the Closing Date in which case the Vendor shall not be entitled to the credit. The Vendor covenants to complete an audit of the Rechargeable Sums effective as of the Closing Date as soon as possible thereafter upon receipt of all relevant information, which audit shall in any event be completed and delivered to the Purchaser by the earlier of: (i) the date by which the Purchaser requires, acting reasonably, the audit information in order to provide the Tenants with final statements for Rechargeable Sums in accordance with the requirements of their Existing Leases; and (ii) the date that is ninety (90) days after the Closing Date.

- (d) The Purchaser shall be responsible to conclude all final reconciliations and to make all payments and satisfy all obligations with all Tenants relating to the Rechargeable Sums and Rechargeable Sum Estimates for any calendar year or fiscal year ended prior to the Closing Date, provided however that the Vendor and the Purchaser shall readjust any amounts which they determine, each acting reasonably, prior to the Final Adjustment Date, as a result of such final reconciliations with Tenants or as a result of an audit by or dispute with a Tenant, were incorrectly or inaccurately adjusted or neglected to be adjusted between the Purchaser and the Vendor pursuant to the terms thereof.
- (e) All amounts which have been estimated as at the Closing Date because they have not been finally determined (the “**Post-Closing Adjustments**”) shall be finally adjusted on a post-closing basis once the Post-Closing Adjustments have been determined and finalized. In each case when a Post-Closing Adjustment is determined, the Vendor or Purchaser (after consulting with the other) shall within thirty (30) days of determination, provide a complete statement thereof, together with particulars relating thereto in reasonable detail, to the other and within thirty (30) days thereafter the Parties shall make a final adjustment as of the Closing Date for the Post-Closing Adjustment in question. In the absence of agreement by the Parties, the final amount of any Post-Closing Adjustment shall be determined by an independent recognized firm of chartered accountants mutually acceptable to the Vendor and the Purchaser, each acting reasonably, with such independent accountant’s costs being paid by the Party whose position differs the most from such independent accountant’s determination. All Adjustments and Post-Closing Adjustments shall, in any event, be completed on or before the date which is one year after the Closing Date (the “**Final Adjustment Date**”) and no claim for any Adjustment or readjustment may be made by either Party after the Final Adjustment Date. For greater certainty, all Post-Closing Adjustments shall be paid by cheque or wire transfer.
- (f) There shall be no adjustment in favour of the Vendor in connection with any amounts payable or owing but unpaid on the Closing Date by Tenants under the Existing Leases for rent or any other amounts under the Existing Leases or any other claims against a Tenant (other than the Rechargeable Sums as provided for in Section 4.5(c)(iii)) which have accrued prior to the Closing Date (the “**Rent**”

**Receivables**”) to the Vendor in connection with that period prior to the Closing Date; provided that the Vendor shall provide a list of all such Rent Receivables and the Purchaser shall use reasonable commercial efforts for a period of six (6) months following Closing to collect on behalf of the Vendor any Rent Receivables existing as of the Closing Date but the Purchaser shall not be required to terminate Existing Leases, to take possession of any premises leased thereunder, to exercise rights of distraint or to commence proceedings to collect such Rent Receivables or commence bankruptcy or insolvency proceedings against the Tenants. The Vendor shall not contact any Tenants after Closing without the Purchaser’s approval and the Vendor shall not have any right after Closing to recover by way of action from Tenants any Rent Receivables. Any amounts received by the Purchaser from or with respect to any Tenant that owes Rent Receivables, shall be applied as follows:

- (i) first, against the current rent and any arrears accrued after the Closing Date;
  - (ii) second, against the Purchaser’s out-of-pocket costs in collecting such Rent Receivables; and
  - (iii) thereafter, against Rent Receivables.
- (g) By no later than seven (7) Business Days prior to the Closing Date, the Vendor shall deliver to the Purchaser a draft statement of Adjustments and shall have annexed to it complete details of the calculations used by the Vendor to arrive at the debits and credits on the statement of Adjustments. The Vendor shall give the Purchaser’s Agents access from time to time to the Vendor’s working papers and backup materials in order to confirm the statement of Adjustments.

#### **4.6 ITEMS TO BE PAID BY VENDOR**

The Vendor and the Purchaser hereby acknowledge and agree that:

- (a) the Vendor shall pay and be responsible and liable for (and same shall be shown as an adjustment in favour of the Purchaser on the statement of Adjustments if unpaid by Closing):
  - (i) any real estate or leasing commissions payable or which are to be paid under the Existing Leases during the term of the Existing Leases (other than those approved by the Purchaser pursuant to Section 5.2);
  - (ii) any tenant inducements or tenant allowances payable or which are to be paid under the Existing Leases during the term of the Existing Leases (other than those approved by the Purchaser pursuant to Section 5.2);
  - (iii) any landlord costs and expenses of any lease take-over, assignment, assumption or other commitments required pursuant to the Existing Leases (other than those approved by the Purchaser pursuant to Section 5.2);

- (iv) the landlord costs and expenses of any work or improvements to rentable or rental space in the Buildings required and arising pursuant to the Existing Leases (other than those approved by the Purchaser pursuant to Section 5.2);
  - (v) the landlord costs and expenses of any work, improvements or other capital expenses for or in respect of the Properties, not reimbursable by the Tenants, incurred or arising in respect of or for the period prior to Closing;
  - (vi) the landlord costs and expenses (including, *inter alia*, utilities) in respect of the Properties or the operation and maintenance of the Properties, not reimbursable by the Tenants, incurred or arising in respect of or for the period prior to the Closing Date; and
  - (vii) local improvement rates and charges in respect of the construction of the present Buildings;
- (b) where any of the Existing Leases provide for:
- (i) periods following Closing in which rent or other amounts otherwise payable under any such Existing Lease are not payable by the Tenant; or
  - (ii) other abatements of rent or such other amounts;

in each case other than (A) the standard abatement of rent after damage or destruction and (B) those approved by the Purchaser pursuant to Section 5.2, the Vendor shall be responsible and liable to pay and shall pay (and same shall be shown as an adjustment in favour of the Purchaser on the statement of Adjustments) the rent or other amounts which would have been payable under any such Existing Lease but for the provisions for non-payment of rent or other amounts or other abatements of rent or other amounts;

- (c) the Vendor shall be responsible and liable to pay and shall pay all costs and expenses arising from any legitimate deficiencies or proper Claims against the landlord of the Existing Leases made by any Tenant in the Estoppel Certificates or disclosed in the Vendor's representations and warranties or made by a Tenant after Closing with respect to that period of time before Closing (and same shall be shown as an adjustment in favour of the Purchaser on the statement of Adjustments if unpaid by Closing);
- (d) in respect of all rental cheques and rental receipts received by the Vendor from and after the Closing Date, the Vendor shall receive same and hold same in trust for the Purchaser and shall forthwith endorse (without recourse) and deliver any and all such rental cheques (together with all rental receipts) over to the Purchaser, without recourse to the Vendor.
- (e) the Vendor shall pay and be responsible and liable for any Ontario land transfer taxes and City of Toronto municipal land transfer taxes payable by the Vendor in connection with the issuance of the Consideration LP Units hereunder and shall make all filings required by the Ontario Ministry of Finance and City of Toronto or

Applicable Laws, including filing all returns within twenty-five (25) days of the Closing Date and shall provide evidence of such filings and payments to the Purchaser prior to such date. The Vendor shall indemnify and save harmless the Purchaser from any Claims resulting from the failure of the Vendor to comply with the obligations in this Section.

- (f) This Section shall survive Closing.

#### **4.7 DAMAGE BEFORE CLOSING**

The interest of the Vendor in and to the Lands and Buildings being purchased, acquired and assumed by the Purchaser pursuant to the terms and conditions of this Agreement shall be at the risk of the Vendor until Closing. If any material loss or damage to any of the Lands and Buildings occurs before that time (being loss or damage which entitles a Tenant to terminate its Existing Lease or for which a reasonable estimate of the cost to repair is more than 5% of the Purchase Price, as determined by a professionally qualified independent architect, engineer or contractor retained by the Vendor and acceptable to the Purchaser, each acting reasonably (“**Major Damage**”)), the Purchaser, within ten (10) Business Days after disclosure to the Purchaser by the Vendor of the loss or damage and the extent thereof, shall have the option to either: (a) terminate this Agreement by notice in writing to the Vendor, in which case this Agreement shall be null and void and of no further force or effect whatsoever and neither party shall have any Claim against the other; or (b) elect to complete the transaction of purchase and sale herein constituted in which event the Purchaser shall be entitled to all proceeds of insurance, if any, in respect of the loss or damage. Notwithstanding the foregoing, if the Purchaser elects to take the proceeds of insurance and complete the transaction contemplated hereby: (i) the Purchaser shall be entitled to an adjustment in respect of the Purchase Price equal to the full amount of any deductible under any insurance policy; and (ii) the Vendor shall do all things and take such steps, at its own cost and expense, as may be necessary including, without limitation, obtaining any relevant mortgagees’ releases, in order to ensure prompt payment of the proceeds of such insurance by the insurer to the Purchaser.

The Closing Date shall be extended as necessary in order to allow time for the written disclosures referred to in this Section to be delivered by the Vendor and for the Purchaser to have sufficient time to make its election as provided for in this Section.

If any loss or damage to any of the Lands and Buildings occurs before Closing that is not Major Damage, the Purchaser shall complete the transaction contemplated hereby: (i) the Purchaser shall be entitled to an adjustment in respect of the Purchase Price equal to the full amount of any deductible under any insurance policy; and (ii) the Vendor shall do all things and take such steps, at its own cost and expense, as may be necessary including, without limitation, obtaining any relevant mortgagees’ releases, in order to ensure prompt payment of the proceeds of such insurance by the insurer to the Purchaser.

The Vendor, pending the Closing Date, shall maintain, or cause to be maintained, in full force and effect, the current policy(s) of insurance covering the Properties, which includes “all risks” insurance covering the full replacement value of the Properties.

#### **4.8 EXPROPRIATION BEFORE CLOSING**

In the event that prior to the Closing Date any material part of any of the Properties is expropriated or notice of expropriation or intent to expropriate any material part of the Properties is issued by any Governmental Authority (including in the case of expropriation or notice of expropriation which entitles a Major Tenant to terminate its Existing Lease or the expropriation is reasonably likely to affect ingress and egress from and to a Property to and from public roads or materially adversely affects the use and enjoyment of a Property), the Vendor shall immediately advise the Purchaser thereof by Notice in writing and the Purchaser shall have the following options exercisable by written Notice to be given to the Vendor within ten (10) Business Days of the receipt of such Notice from the Vendor: (a) terminate this Agreement by notice in writing to the Vendor, in which case this Agreement shall be null and void and of no further force or effect whatsoever and neither Party shall have any Claim against the other; or (b) elect to complete the transaction of purchase and sale herein constituted in which event all compensation for expropriation shall be payable to the Purchaser and all right and claim of the Vendor to such amounts shall be assigned to the Purchaser.

The Closing Date shall be extended as necessary in order to allow time for the written disclosures referred to in this Section to be delivered by the Vendor and for the Purchaser to have sufficient time to make its election as provided for in this Section.

In the event that prior to the Closing Date any part that is not material of any of the Properties is expropriated or notice of expropriation or intent to expropriate any part of the Properties is issued by any Governmental Authority that is not material the Purchaser shall complete the transaction of purchase and sale herein constituted in which event all compensation for expropriation shall be payable to the Purchaser and all right and claim of the Vendor to such amounts shall be assigned to the Purchaser.

### **ARTICLE 5 OPERATION BEFORE CLOSING**

#### **5.1 OPERATION BEFORE CLOSING**

From the date hereof until Closing, the Vendor shall operate and manage the Properties to the Closing Date in the normal course as would a prudent owner of a comparable properties located in Winnipeg and all routine day-to-day repairs and maintenance to the Properties not required to be performed by the Tenants pursuant to the Existing Leases, shall be carried out by the Vendor until the Closing Date and as at the Closing Date.

#### **5.2 APPROVALS PRIOR TO CLOSING DATE**

The Vendor and the Nominees shall not enter into or give commitments either verbally or in writing with respect to any lease, amendment to lease, renewal of lease, agreement to lease, option to lease, or licensing agreement, or consent to any assignment, subletting or surrender of lease relating to the Properties or any portion thereof, or terminate or threaten to terminate any Existing Lease or any portion thereof, without in each case first obtaining the prior written approval of the Purchaser, which approval: (i) prior to the Transition Date, shall not be unreasonably withheld, conditioned or delayed, and (ii) on and after the Transition Date, may be withheld in the Purchaser's Sole Discretion.

After the Transition Date, the Vendor agrees not to enter into any amendment to the Assumed Contracts or grant any new Permitted Encumbrance without the Purchaser's approval, which approval may be withheld in the Purchaser's Sole Discretion.

The Vendor agrees not to enter into any amendment to the Assumed Loan and related documents without in each case first obtaining the prior written approval of the Purchaser, which approval: (i) prior to the Transition Date, shall not be unreasonably withheld, conditioned or delayed, and (ii) on and after the Transition Date, may be withheld in the Purchaser's Sole Discretion.

The Purchaser shall have a period of five (5) Business Days following receipt of Notice from the Vendor of the matter subject to approval within which to determine whether to grant its approval, failing which the Purchaser shall be deemed to have approved such matter. Where Closing occurs, and the Purchaser approved (or is deemed to have approved) of any matter pursuant to this Section 5.2, then in connection therewith: (A) the Vendor shall not be responsible for any inducements or allowances, brokers fees, or other leasing commissions in connection therewith, and (B) if Vendor has incurred any of the forgoing leasing costs prior to Closing, the Purchaser shall provide Vendor with a credit on the statement of adjustments equal to such amount incurred to extent substantiated by third party invoices.

### **5.3 CAPITAL IMPROVEMENTS TO PROPERTIES**

The Vendor and the Nominees shall not make any capital improvements to any Property from and after the date hereof without the prior written approval of the Purchaser, in its Sole Discretion. The Vendor confirms that it is in the process of installing updated sprinkler systems at the Sherwin Property and the Vendor will complete such work, at its sole cost and expense, prior to Closing.

### **5.4 REGISTRATION OF AGREEMENT**

The Purchaser shall not register this Agreement or any notice of this Agreement, including any certificate of pending litigation against title to any Property. If the Purchaser effects any such registration in contravention of this Section 5.3, and the Purchaser agrees that the Vendor shall be entitled to injunctive relief to cause the removal of such registration.

**[Signature Page Follows.]**

**IN WITNESS WHEREOF** the Parties have executed these presents as of the date first above written.

**PARKIT ENTERPRISE INC.**

By: /s/ Iqbal Khan

Name: Iqbal Khan

Title: Chief Executive Officer

By: /s/ Carey Chow

Name: Carey Chow

Title: Chief Financial Officer

*We have the authority to bind the corporation*

**PIRET (1725 INKSTER BOULEVARD)  
HOLDINGS INC., PIRET (2030 NOTRE  
DAME AVENUE) HOLDINGS INC.,  
PIRET (1345 REDWOOD AVENUE)  
HOLDINGS INC., PIRET (310 DE BAETS  
STREET) HOLDINGS INC., PIRET (90-120  
PARAMOUNT ROAD) HOLDINGS INC.  
and PIRET (555 CAMIEL SYS STREET)  
HOLDINGS INC.**

By: /s/ Iqbal Khan

Name: Iqbal Khan

Title: Director

By: /s/ Carey Chow

Name: Carey Chow

Title: Director

**[redacted], in its capacity as general partner  
of [redacted]**

By: /s/ Gordon G. Lawlor

Name: Gordon G. Lawlor

Title: President

**SCHEDULE "A"**  
**LANDS**

No.	Municipal Address	Legal Description	Nominee
1.	1725 Inkster Boulevard, Winnipeg, Manitoba	FIRSTLY: LOTS 1 TO 4 BLOCK 4 PLAN 8752 WLTO IN OTM LOTS 2 AND 3 PARISH OF KILDONAN SECONDLY: PARCELS 1 AND 2 COLORED GREEN ON PLAN 8918 WLTO IN OTM LOTS 2 AND 3 PARISH OF KILDONAN THIRDLY: PARCELS A, B, AND C COLORED GREEN ON PLAN 9332 WLTO EXC OUT OF THE LANDS THIRDLY ABOVE DESCRIBED: ALL MINES AND MINERALS WHETHER SOLID, LIQUID OR GASEOUS AND THE RIGHT TO WORK THE SAME IN OTM LOTS 2 AND 3 PARISH OF KILDONAN	PIRET (1725 INKSTER BOULEVARD) HOLDINGS INC.
2.	2030 Notre Dame Avenue, Winnipeg, Manitoba	THE ELY 25 FEET PERP OF LOT 19 PLAN 7092 WLTO IN OTM LOTS 33 TO 39 PARISH OF ST JAMES  LOTS 18 AND 19 PLAN 7092 WLTO EXC OUT OF SAID LOT 18 PLAN 8167 WLTO AND EXC OUT OF SAID LOT 19 THE ELY 25 FEET PERP IN OTM LOTS 33 TO 39 PARISH OF ST JAMES	PIRET (2030 NOTRE DAME AVENUE) HOLDINGS INC.
3.	1345 Redwood Avenue, Winnipeg, Manitoba	LOT 7 PLAN 16753 WLTO IN OTM LOTS 41 TO 43 PARISH OF ST JOHN	PIRET (1345 REDWOOD AVENUE) HOLDINGS INC.

<b>No.</b>	<b>Municipal Address</b>	<b>Legal Description</b>	<b>Nominee</b>
4.	961-975 Sherwin Road, Winnipeg, Manitoba	LOT 1 PLAN 13336 WLTO IN OTM LOTS 33, 34 AND 35 PARISH OF ST JAMES	N/A (Registered owner is the Vendor)
5.	310 De Baets Street, Winnipeg, Manitoba	LOT 1 PLAN 56069 WLTO IN LOT 164 ROMAN CATHOLIC MISSION PROPERTY	PIRET (310 DE BAETS STREET) HOLDINGS INC.
6.	90-120 Paramount Road, Winnipeg, Manitoba	LOT 9 PLAN 10459 WLTO IN OTM LOTS 2 AND 3 PARISH OF KILDONAN	PIRET (90-120 PARAMOUNT ROAD) HOLDINGS INC.
7.	555 Camiel Sys Street, Winnipeg, Manitoba	LOT 41 BLOCK 6 PLAN 13723 WLTO IN LOTS 159 TO 166 AND 195 TO 201 OF ROMAN CATHOLIC MISSION PROPERTY	PIRET (555 CAMIEL SYS STREET) HOLDINGS INC.

**SCHEDULE "B"**  
**FORM OF ESTOPPEL CERTIFICATE**

**TO:** [INSERT PURCHASER] and/or its permitted assigns (the "Purchaser")

**AND TO:** Any lender to the Purchaser

**Lease (the "Lease") dated \_\_\_\_\_ between • (the "Landlord") as Landlord, and the undersigned (the "Tenant"), as tenant, of \_\_\_\_\_ square feet of space (the "Demised Premises") at • Winnipeg, Manitoba (the "Property").**

The Tenant hereby certifies as follows:

1. The Tenant is the tenant as described in the Lease which has been validly executed and delivered by the Tenant, as tenant, and constitutes the only and the entire agreement between the Tenant and the Landlord respecting the Demised Premises and there are no other agreements with respect to our tenancy.
2. The Lease is unmodified, in good standing, in full force and effect and represents a binding and enforceable agreement with respect to the Demised Premises between the Landlord and the Tenant. In addition, no circumstances exist under which the Tenant may be deemed in default merely upon service of notice or passage of time.
3. There are no disputes or defaults relating to the Lease or the state of construction of the Demised Premises as of the date hereof on the part of the Landlord or the Tenant.
4. The Landlord has completed all construction, if any, required to be completed by it in connection with the Demised Premises. List any exceptions:  
\_\_\_\_\_.
5. The Lease has a term which commenced on \_\_\_\_\_ and which will expire on \_\_\_\_\_ and, other than as provided for in the Lease, there is no renewal option or other right to extend such date except as follows:  
\_\_\_\_\_.
6. The Tenant is in possession of the Demised Premises and is paying rent in the amount of \$\_\_\_\_\_/square foot (\$\_\_\_\_\_ per annum) and occupancy costs in the amount of \$\_\_\_\_\_/square foot.
7. The Tenant has not prepaid any rent or occupancy costs except \$\_\_\_\_\_.
8. The Tenant has not paid any security deposit other than \$\_\_\_\_\_. If there is a security deposit, none of such security deposit has been applied by the Landlord to the payment of rent or any other amounts due under the Lease.
9. The Tenant has no Claim or right to Claim for any deduction, abatement or set-off of any rent or occupancy costs under the Lease.

10. There are no tenant inducements, tenant allowances, lease takeover obligations, landlord's contributions, landlord loans, landlord indemnities concerning other lease obligations or any other financial commitments or incentives granted, payable or to be performed by the Landlord outstanding in connection with the Lease and no future rent-free or rent abatement periods under the Lease except as follows:  
\_\_\_\_\_.
11. The Tenant has not assigned the Lease or sublet any portion of the Demised Premises. The Tenant has not encumbered or otherwise disposed of any or all of its interest in the Lease or the Demised Premises.
12. There are no options or rights to expand or reduce the Demised Premises, to lease any other premises in the Property or to purchase the Property.
13. The Landlord has agreed to supply to the undersigned, or to employees of the undersigned the following parking in the Property at the following rates: \_\_\_\_\_.  
**[If necessary, amend this to reflect lease details.]**
14. The Tenant has not filed for bankruptcy under the *Bankruptcy and Insolvency Act* (Canada) or made an application under the *Companies Creditors Arrangement Act* (Canada).
15. This acknowledgment is given pursuant to the Lease and may be relied upon by the Purchaser, any permitted assignee of the Purchaser and any lender to the Purchaser.

DATED \_\_\_\_\_, 202[•].

**[TENANT]**

By: \_\_\_\_\_

Name:

Title:

By: \_\_\_\_\_

Name:

Title:

I/We have authority to bind the Corporation.

**SCHEDULE “C”  
PERMITTED ENCUMBRANCES**

**General Encumbrances**

1. The reservations, limitations, provisos and conditions expressed in the grant from the Crown.
2. Liens for taxes, rates, assessments or governmental charges or levies not yet due and payable.
3. Any easement, right-of-way, watercourse, right-of-water or other unregistered interest or claim not disclosed by registered title which is acceptable to the Purchaser, in its Sole Discretion.
4. Zoning, land use and building restrictions, by-laws, regulations and ordinances of federal, provincial, municipal or other governmental bodies or regulatory authorities which are acceptable to the Purchaser, in its Sole Discretion.
5. The rights reserved to or vested in any municipality, governmental or other public authority by statutory provisions including, without limitation, the right to acquire portions of the lands for road widening or interchange construction, and the right to complete or remedy improvements, landscaping or deficiencies in any pedestrian walkways or traffic control or monitoring which are acceptable to the Purchaser, in its Sole Discretion.
6. The reservations, limitations, conditions and exceptions set out in Section 58(1) of *The Real Property Act* (Manitoba).
7. All Encumbrances registered on title to the Properties as of the Execution Date other than those in favour of the Assumed Lender (unless the Assumed Loan is assumed by the Purchaser in accordance with the terms of this Agreement) and subject to review and approval by the Purchaser in accordance with Section 2.6(a).

**SCHEDULE “D”**  
**VENDOR’S DUE DILIGENCE DELIVERIES**

1. A list of all third party consents which are necessary to the transactions provided for in this Agreement, if any.
2. A copy of all Existing Leases, current rent rolls, assignment of Existing Leases, subleases or licences of premises.
3. Copies of estoppel certificates delivered to the Vendor or its affiliate or its lender from any of the Tenants.
4. Details of all subleases or respecting any space being offered for sublease, if any, of which the Vendor is aware.
5. Upon request, access to all correspondence in the Vendor’s or its agent’s current tenant correspondence files relating to the Vendor’s dealings with the Tenants with respect to matters under the Existing Leases including with respect to actual lease commencement dates, rentable areas, operating costs and realty taxes.
6. Copies of proof of insurance from each Tenant, where applicable.
7. Copies of financial statements from each Tenant, where applicable.
8. Copies of the gross leaseable area measurements of the Buildings (in electronic form, if available), including area certificates for each Tenant, if any.
9. An accounting of all outstanding costs with respect to any of the Existing Leases (including, without limitation, landlord’s work, real estate or leasing commissions, tenant inducements, rent-free periods, rent-abatement periods, lease takeovers and tenant improvements), if any.
10. Copies of the reconciliation statements with the Tenants, together with invoices delivered to the Tenants for 2023 and 2024 and 2025 (to date).
11. A list of all unregistered agreements with Governmental Authorities affecting the Properties.
12. A survey or building location certificate of the Lands and Buildings, if available.
13. Details of any deferred recoverable costs being charged back to the Tenants (including copies of paid invoices thereof).
14. Copies of all soil, environmental, mechanical, structural, noise, traffic, planning and other tests and study reports and all planning and other documents and information relevant to the Lands and Buildings.
15. Copies of an accounting of any security deposits held or applied against rent and copies of Tenant Letters of Credit.

16. Copies of all Warranties, if any, and Contracts.
17. Copies of financial statements for the Properties for 2023 and 2024 and 2025 (to date).
18. Details of any parking or other miscellaneous revenue generated by the Lands.
19. Tenant operating costs and realty tax pre-bills and calculations for 2023 and 2024 and 2025 (to date).
20. A list of any capital improvements in respect of the Lands and Buildings which have not yet been paid for and any proposed capital improvements to the Lands and Buildings.
21. Operating budget (revenue and expenses) and operating statements for 2023 and 2024 and 2025 (to date), if any.
22. Copies or access to plans and specifications for the Buildings, if any.
23. An aged receivable and prepaid rent report, together with a list of any amounts payable by Tenants which have been written off by the Vendor in 2023 and 2024 and 2025 (to date) .
24. Any municipal tax assessments and bills for the Lands and Buildings for 2023 and 2024 and 2025 (to date)as well as details of any pending appeals.
25. A list of all capital expenditures incurred by the Vendor in 2023 and 2024 and 2025 (to date).
26. Copies of utility bills for the Lands and Buildings for 2023 and 2024 and 2025 (to date) other than utilities bills addressed to the Tenants.
27. Copies of title reports and/or existing title insurance policies relating to the Properties.
28. Copies of all commitment letters, loan agreements, security and loan documentation related to the Assumed Loan as well as related notices, certificates or correspondence between the Assumed Lender and the Vendor (or its affiliates) amending or supplementing the terms of the Assumed Loan or consenting to any matters required by the Assumed Loan.
29. Minute books and corporate records of the Nominees.
30. All tax returns and assessments for the Nominees for the past seven years.

## **SCHEDULE “E”**

### **SHARE PURCHASE OPTION**

Each of the Vendor and the Nominees represents and warrants to and in favour of the Purchaser that, as of the Execution Date, as of the date of exercise of the Share Purchase Option and as of the Closing Date, with respect to the applicable Nominees for which the Share Purchase Option has been exercised in accordance with this Agreement:

- (a) each Nominee has not carried on any business or activity of any kind other than holding legal title to the applicable Lands as nominee, trustee and agent for the Vendor and dealing with such Lands on behalf of and as directed by Vendor and as Vendor’s nominee and agent;
- (b) the records and minute book of each Nominee are maintained as required by all applicable laws, are accurate, complete in all material respects and current and contain complete and accurate minutes of all meetings of and all resolutions passed by the directors and shareholders of such Nominee, the share certificates, register of shareholders, register of securities, register of directors, register of officers, and register of stated capital and the constating documents of the applicable Nominee, which constating documents have not been altered or amended except as provided in such records and minute books;
- (c) each Nominee has not become subject to any guarantee, indemnity or other contingent or indirect obligation with respect to the obligation of any other Person, except with respect to liabilities under documents executed by such Nominee in its capacity as nominee for the Vendor and except for loan documents entered into by the Nominee in its capacity as legal title holder of the applicable Lands, as directed by the Vendor which will be discharged in accordance with the terms of this Agreement;
- (d) all tax returns, if any, of each Nominee required by law to be filed prior to the Closing Date have been filed and are complete and correct and each Nominee is not now liable for the payment of any outstanding tax;
- (e) no dividend of any kind has been declared or paid by any Nominee;
- (f) each Nominee has no beneficial interest in any of the Lands;
- (g) the Vendor is the registered and beneficial owner of all of the Shares of each Nominee which have been duly and validly allotted and issued and are fully paid and non-assessable and the Vendor is entitled to transfer all or any of the Shares as provided in this Agreement free and clear of any Encumbrance, voting agreement, voting trust or other agreement, limitation or restriction of any nature;
- (h) no director or officer, or former director or officer, of any Nominee has made or asserted, or will be entitled to make or assert, any Claim of any nature against any Nominee or any of the Lands;

- (i) the Shares constitute all the issued and outstanding shares in the capital stock of the applicable Nominee;
- (j) as of the Closing Date, the Vendor will not be indebted to any Nominee and each Nominee will not be indebted to the Vendor or any other Person;
- (k) neither Vendor nor any other Person has or will have any right, agreement or option, present or future, contingent or absolute, or any right capable of becoming a right, agreement or option to acquire the Shares (or any of them) or to require any Nominee to allot or issue any further or other shares or any other security or other instrument convertible or exchangeable into shares of such Nominee or to convert or exchange any security or other instrument into or for shares of such Nominee or for the allotment or issuance of any of the unissued shares of such Nominee;
- (l) each Nominee will have no direct or indirect liabilities of any kind, whether or not accrued, determined or undetermined, contingent or otherwise, in respect of which such Nominee is or may be liable on or after the Closing Date, save and except with respect to liabilities under documents executed by such Nominee in its capacity as nominee, agent and trustee for the Vendor in respect of the Purchased Assets; and
- (m) each Nominee does not have any employees, past or present, that have or could have any claim for compensation against such Nominee.

On or before the Closing Date, subject to the provisions of this Agreement, the Vendor shall cause to be prepared and the Vendor shall execute or cause to be executed and shall deliver or cause to be delivered to the Purchaser the following items together with the closing documents and deliveries set out in Section 4.1(b) with respect to the applicable Nominees for which the Share Purchase Option has been exercised in accordance with this Agreement:

- (a) a written direction from the Vendor to the applicable Nominee that from and after the Closing Date, such Nominee will hold legal title to the applicable Property in trust for the Purchaser or as directed by the Purchaser;
- (b) a release by the Vendor of all Claims against the applicable Nominee and a release by each Nominee of all Claims against the Vendor;
- (c) resolutions causing to be elected as directors and officers of the applicable Nominee to replace the existing directors and officers of such Nominee with such persons as the Purchaser may direct;
- (d) resignations in writing of the existing directors and officers of the applicable Nominee and full releases in favour of such Nominee from each existing directors and officers of such Nominee and a release by the Nominees in favour of their respective officers and directors;
- (e) resolutions of the directors of the applicable Nominee authorizing the transfer of the applicable Shares to the Purchaser, the registration of such Shares in the name of the Purchaser and the issuance of a new share certificate representing such Shares in the name of the Purchaser;

- (f) the share certificate(s) representing all the Shares of the applicable Nominee duly endorsed for transfer to the Purchaser and a duly executed share certificate in the name of the Purchaser representing all of such Shares;
- (g) the minute book and any other corporate records of the applicable Nominee; an authorization, direction and termination of trust between the Vendor and the Nominees that from and after the Closing Date, the Nominees will hold legal title to the applicable Lands in trust for the Purchaser or as directed by the Purchaser and that the trust agreements between the Vendor and the Nominees is terminated as of the Closing Date; and
- (h) such other assurances and documents required by the Purchaser, acting reasonably, to complete the transactions contemplated by this Agreement.

The Vendor will, within 90 days of the Closing Date and at its own expense, cause to be prepared and filed tax returns on behalf of the Nominees in respect of the deemed fiscal year end of the Nominees ending on the Closing Date, and the Vendor will pay all income tax liability on behalf of the Nominees to the extent that it relates to the period ending on the Closing Date. The Vendor will provide the Purchaser with copies of the tax returns and notices of assessment.