THE ENTITIES LISTED AS BENEFICIAL OWNERS IN SCHEDULE "A" HERETO COLLECTIVELY, VENDOR

- and -

TRUE NORTH APARTMENT REAL ESTATE INVESTMENT TRUST PURCHASER

- and –

TRUE NORTH GENERAL PARTNER CORP.

TRANSACTION AGREEMENT

THIS AGREEMENT dated as of the 29th day of May, 2014.

BETWEEN:

THE ENTITIES LISTED AS BENEFICIAL OWNERS ON SCHEDULE "A" HERETO, each Ontario partnerships or limited partnerships, as the case may be

(hereinafter collectively referred to as the "Vendor")

OF THE FIRST PART,

- and -

TRUE NORTH APARTMENT REAL ESTATE INVESTMENT TRUST, an Ontario real estate investment trust

(hereinafter referred to as the "Purchaser")

OF THE SECOND PART,

- and -

TRUE NORTH GENERAL PARTNER CORP., an Ontario corporation

(hereinafter referred to as "TNGPCo")

OF THE THIRD PART.

WHEREAS the Vendor has agreed to sell, transfer, assign and convey the Purchased Assets to the Purchaser and TNGPCo and each of the Purchaser and TNGPCo has agreed to purchase, subscribe for, acquire and assume the Purchased Assets from the Vendor on the terms and conditions set forth in this Agreement;

NOW THEREFORE, in consideration of the sum of \$10 and the mutual covenants and agreements set forth in this Agreement and for good and other valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereto covenant and agree as follows:

ARTICLE 1

INTERPRETATION

1.1 Definitions

The terms defined in this Section 1.1 shall have, for all purposes of this Agreement, the following meanings, unless the context expressly or by necessary implication otherwise requires:

"Adjustments" means the adjustments to the Purchase Price provided for and determined pursuant to Section 3.4.

"Affiliate" of any particular Person means any other Person controlling, controlled by or under common control with such particular Person. For the purposes of this definition, "control" means the possession, directly or indirectly, of the power to direct the management and policies of a Person whether through contract, the ownership of voting securities or otherwise.

"Agreement" means this Agreement of Purchase and Sale and the Schedules attached hereto, as amended from time to time in writing.

"Applicable Laws" means all statutes, by-laws, regulations, ordinances and orders of governmental or other public authorities having jurisdiction.

"Article", "Section" and "Subsection" mean and refer to the specified Article, Section and Subsection of this Agreement.

"Assumed Debt" means that portion of the indebtedness as set out in Schedule "B" that is secured by the Properties, and all Encumbrances which secure such indebtedness, pursuant to loan security documents and guarantees which have been provided to the Purchaser prior to the Closing Date.

"**Buildings**" means, collectively, all buildings, structures and fixed improvements located at or on any Property, including the underground parking facilities, if any, and all fixed equipment, improvements and fixtures contained in or on such buildings, structures and fixed improvements, including, without limitation, all heating, ventilation, air conditioning, electrical and mechanical systems in or on such buildings, structures and fixed improvements used in the operation of such buildings.

"Business Day" means any day other than a Saturday, Sunday or a statutory holiday in Toronto, Ontario.

"Capital Expenditures" means those capital expenditures in respect of certain Properties as described on Schedule "E".

"Chattels" means the equipment, appliances, inventory, supplies and other chattels or moveables which are owned by the Vendor, situated on or in any Property and used exclusively in the maintenance, repair and operation of any Property or Properties.

"Claims" means all past, present and future claims, suits, proceedings, liabilities, obligations, losses, damages, penalties, judgments, costs, expenses, fines, disbursements, legal fees on a solicitor and client basis, interest, demands and actions of any nature or any kind whatsoever.

"Class A LP Units" means the Class A Units of each Limited Partnership.

"Closing" means the closing of the Transaction, including, without limitation, the payment of the Purchase Price and the delivery of the Closing Documents.

"Closing Date" means the later of June 27, 2014, or the first Business Day following the approval of the Transaction and the PO by the unitholders of the Purchaser, or such other Business Day upon which the parties may agree, subject to Section 2.4.

"Closing Documents" means the agreements, instruments and other documents to be delivered by the Vendor or the Purchaser pursuant to Section 5.2 or Section 5.3.

"Commissioner" has the meaning ascribed thereto at Subsection 4.2(iv);

"Competition Act" has the meaning ascribed thereto at Subsection 4.2(iv);

"Contracts" means:

- (i) all contracts and agreements relating to any Property to which the Vendor or any of the Nominees are a party or by which the Vendor is bound in respect of the ownership, development, maintenance, operation, cleaning, security, fire protection or servicing of any Property (other than the Leases, property management agreements and insurance contracts); and
- (ii) all contracts and agreements relating to any Chattels leased by the Vendor and located on or in any Property.

"Damage Threshold" means 10% of the most recent appraised value of the affected Property.

"**Due Diligence Period**" means the period commencing on the date hereof and terminating at 5:00 p.m. (Toronto time) on May 29, 2014.

"**Employees**" means all employees employed in connection with any Property by the Vendor or any of its Affiliates;

"Encumbrances" means, in the case of any of the Purchased Assets, all mortgages, pledges, charges, liens, debentures, hypothecs, trust deeds, assignments by way of security, security interests, conditional sales contracts or other title retention agreements or similar interests or

instruments charging, or creating a security interest in, such Purchased Assets or any part thereof or interest therein, and any agreements, Leases, options, easements, rights of way, restrictions, executions or other encumbrances (including notices or other registrations in respect of any of the foregoing) affecting title to the Purchased Assets or any part thereof or interest therein.

"Exchangeable Class B LP Units" means Exchangeable Class B Units of the Limited Partnerships.

"Fair Market Value" means the value as determined by applying generally accepted valuation principles with a view to determining the highest price available in an open and unrestricted market between prudent parties acting at arm's length and under no compulsion to act and expressed in terms of money or money's worth.

"Governmental Authorities" means any government, regulatory authority, government department, agency, commission, board, tribunal or court having jurisdiction on behalf of any nation, province or other subdivision thereof or any municipality, district or other subdivision thereof.

"GP Units" mean the Class A GP Units of each Limited Partnership.

"Instalment Notes" means the non-interest bearing promissory notes from the Vendor in the form attached hereto as Schedule "F".

"Leases" means all leases, offers to lease, residency, rental or occupancy agreements entered into in connection with the Buildings between the Vendor or any of the Nominees, or their respective predecessors, as landlord, and any tenant, occupant and/or other Person with respect to residential units within the Buildings, and with respect to any service space, if any and all covenants, indemnities and/or guarantees, securities and deposits guaranteeing the obligations of the Tenants thereunder; and "Lease" means any one of the Leases.

"Lender Approvals" means the approval of the Lenders to the assumption of the Assumed Debt by the Purchaser as contemplated in Subsection 3.6(1).

"Limited Partnerships" means TN4 LP, TN5 LP and TN6 LP, and "Limited Partnership" means any one of them.

"Lenders" means, collectively, GE Canada Real Estate Financing Holding Company ("GE"), CMLS Financial Ltd.("CMLS"), The Toronto-Dominion Bank ("TD") and First National Financial, and each of them individually a "Lender".

"LP Agreement" has the meaning ascribed thereto in Section 5.2(xviii).

"Mortgage Agreement" has the meaning ascribed thereto in Section 3.7.

"Nominees" means, collectively, the corporations that are the registered owners of the Properties as set out in Schedule "A".

"Non-Assignable Rights" has the meaning ascribed thereto in Section 8.2.

"Notice" has the meaning ascribed thereto in Section 9.14.

"Omnibus Agreement" has the meaning ascribed thereto at Subsection 5.2(i).

"**Permitted Encumbrances**" means the hypothecs, mortgages, security interest, charges, servitudes, easements, and development agreements and other matters affecting title to the Properties, as set out in Schedule "D" hereto.

"**Person**" means an individual, a partnership, a limited partnership, a corporation, a limited liability company, an unlimited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a Governmental Authority.

"PO" means the public offering of subscription receipts or units of the REIT.

"**Properties**" means, collectively, the lands described in Schedule "A" and "**Property**" means any one of them.

"**Prospectus**" means the prospectus filed or to be filed in respect of the PO dated on or about June 2, 2014.

"**Purchased Assets**" means collectively the shares in the Nominees, the GP Units, the Buildings, the Properties, the Instalment Notes, the Chattels and Vendor's right, title and interest in the Contracts and the Leases.

"**Purchase Price**" means Two Hundred Eighty-Five Million Nine Hundred Ninety-Nine Thousand Two Hundred Two Dollars (\$285,999,202.00).

"**Purchaser**" means True North Apartment Real Estate Investment Trust, an open-ended real estate investment trust, established under the laws of the Province of Ontario.

"**Purchaser's Solicitors**" means Cassels Brock & Blackwell LLP or such other firm or firms of solicitors as are appointed by the Purchaser from time to time and notice of which is provided to the Vendor.

"REIT" means the Purchaser.

"Representative" means a director, officer, employee, agent, solicitor, accountant or other advisor or representative.

"**Tenants**" means collectively, Persons having a right to possess or occupy space in a Property, now or hereafter, pursuant to a Lease and "**Tenant**" means any one of them.

"TN4 LP" means a limited partnership to be formed by the Vendor under the laws of the Province of Ontario and to be called "TN4 Limited Partnership"

"TN5 LP" means a limited partnership to be formed by the Vendor under the laws of the Province of Ontario and to be called "TN5 Limited Partnership"

"TN6 LP" means a limited partnership to be formed by the Vendor under the laws of the Province of Ontario and to be called "TN6 Limited Partnership"

"TNGPCo" means True North General Partner Corp., a corporation formed under the laws of the Province of Ontario;

"Transaction" means the purchase and sale of the Purchased Assets provided for in this Agreement, the payment of the Purchase Price pursuant to Section 3.1 and the repayment of indebtedness pursuant to Section 3.2.

"Unsatisfied Condition" has the meaning ascribed thereto in Subsection 4.5.

"Vendor Party" means any party comprised in the Vendor as set out in Schedule "A" hereto. For greater certainty, in each case where the term "the Vendor" appears herein, it shall be deemed to refer to the appropriate Vendor Party, as the case may require.

"Vendor's Solicitors" means Bloom Lanys Professional Corporation or such other firm or firms of solicitors as are appointed by the Vendor from time to time and notice of which is provided to the Purchaser.

"Vendor Mortgage" has the meaning ascribed thereto in Section 3.1(ii);

"Vendor's Undertaking" means an undertaking by the Vendor to complete the Work, as contemplated by Section 6.4.

"Warranties" means the existing warranties and guarantees, if any, in favour of the Vendor in connection with the construction or operation of the Buildings or in connection with the Chattels.

"Work" has the meaning ascribed thereto in Section 6.3.

1.2 Schedules

The Schedules to this Agreement, as listed below, are an integral part of this

Agreement:

Schedule "A" - Properties, Nominees, Nominee Shareholders and Beneficial Owners

Schedule "B" - Assumed Debt

Schedule "C" - Omnibus Agreement

Schedule "D" – Legal Descriptions and Permitted Encumbrances

Schedule "E" – Capital Expenditures

Schedule "F" - Instalment Notes

ARTICLE 2

TRANSACTION AGREEMENT

2.1 Agreement of Purchase and Sale

(1) The Vendor covenants and agrees to transfer, and the Purchaser covenants and agrees to indirectly acquire, the Purchased Assets by way of a series of transactional steps for the Purchase Price and in accordance with the provisions of this Agreement:

(2) The Vendor and the Purchaser shall take the necessary measures to implement each of the transactional steps including but not limited to the following, or as otherwise mutually agreed by the Vendor and the Purchaser:

- (a) the Vendor shall form the Limited Partnerships;
- (b) the Vendor shall transfer the Properties to the applicable Limited Partnerships pursuant to the transactional steps and shall cause the shareholders of the Nominees to transfer the shares in the Nominees to the corresponding Limited Partnerships;
- (c) the Vendor hereby agrees to cause the GP Units of each of the Limited Partnerships to be transferred to TNGPCo and TNGPCo hereby agrees to purchase, acquire and assume the GP Units at the Fair Market Value;
- (d) the Purchaser shall subscribe for Class A LP Units of each Limited Partnership; and
- (e) the Limited Partnerships shall either (i) redeem at Fair Market Value or (ii) acquire from the Vendor for consideration of Exchangeable Class B LP Units, all of the Vendor's units in each Limited Partnership.

2.2 <u>Authorizations</u>

The Vendor shall deliver to the Purchaser within two (2) days after the execution of this Agreement such authorizations to Governmental Authorities, in a form as provided by the Purchaser, as are necessary to permit the Purchaser to obtain information from its files and for the purpose of assisting the Purchaser in the making of any applications to Governmental Authorities and including, without limiting the generality of the foregoing, the Minister of Municipalities, but under no circumstances will such authorizations allow for any governmental inspection of the Properties.

2.3 Access

(1) From and after the date of this Agreement, the Purchaser and its agents and employees shall have free access to the Properties at any reasonable time and from time to time upon reasonable prior notice to the Vendor at the Purchaser's sole risk and expense for the purpose of making any of the Purchaser's inspections, including without limitation physical and structural inspections, tests and environmental audits. Such access shall be subject to the rights of Tenants and, must be accompanied by a representative of the Vendor.

(2) The Purchaser agrees to repair forthwith any damage to the Properties arising from such inspection and tests, at the Purchaser's expense.

2.4 <u>Sunset Clause</u>

Notwithstanding any stipulation herein to the contrary, provided that the Vendor is not in default of its obligations hereunder, if the Closing does not occur on or before August 29, 2014, this Agreement shall become null and void and no party shall have any recourse against any other party in connection with this Agreement.

2.5 <u>Settlement of Documents</u>

The parties shall proceed diligently and in good faith to attempt to agree, on or before the Closing Date, upon the contents of all Closing Documents to be executed and delivered by the Vendor and the Purchaser.

2.6 Deliveries

Within (two) 2 Business Days following the date of execution of this Agreement by the parties hereto, to the extent not already delivered, the Vendor will deliver to the Purchaser or make available to the Purchaser at the Vendor's address copies of all relevant information relating to the Purchased Assets to the extent that they are in the possession or control of the Vendor, including, without limitation, the following:

- (a) all Leases;
- (b) existing surveys for the Properties;
- (c) appraisals or valuations of the Properties;

- (d) material Contracts affecting the Properties;
- (e) "as built" plans and specifications for the Properties;
- (f) operating statements for the Properties;
- (g) copies of soil test reports, asbestos reports, or asbestos management reports, engineering reports, professional reports and environmental reports or studies;
- (h) certified area measurement of tenant spaces at the Properties; and
- (i) tenant correspondence files.

2.7 Employees

On or prior to Closing, the Purchaser covenants to offer employment to the Employees, conditional on Closing, in respect of continued operation of the Properties after Closing, on substantially similar terms as their current employment. The Purchaser shall be fully responsible for all amounts owing to any Employee for severance and termination, holiday pay, vacation pay and sick leave, at the rates provided for in the arrangements with the Employees for the period from and after Closing.

The Vendor hereby covenants and agrees that it shall indemnify and save harmless the Purchaser, all Affiliates of the Purchaser and all trustees, directors, officers, employees and agents of the Purchaser and its Affiliates (the "**Indemnified Parties**") from and against any loss, cost, expense, damage, claim, liability or obligation direct or indirect contemplated or otherwise which the Indemnified Parties may suffer arising out of an obligation relating to wages, vacation days and employee benefits accrued up to the Closing Date relating to the employment of any Employees.

2.8 Elections

The parties hereto agree jointly and severally to make, execute and file with the appropriate bodies the elections required under Subsection 97(2) of the *Income Tax Act* (Canada) and the applicable provisions of the provincial corporations tax acts in prescribed form and within the prescribed time to give effect to the transactional steps contemplated by the provisions of Section 2.1.

ARTICLE 3

PURCHASE PRICE

3.1 Method of Payment of Purchase Price

On Closing, the Purchase Price, adjusted as of the date of Closing in accordance with Section 3.4, shall be satisfied as follows:

- (i) by the assumption of the indebtedness under the Assumed Debt as contemplated in Section 3.6;
- (ii) by the Purchaser causing Rocky (2013) Limited Partnership to give a mortgage to the Vendor in the principal amount of \$750,000.00 for a term of five (5) years from the Closing Date (the "Vendor Mortgage"). The Vendor Mortgage shall bear interest at a rate of three per cent (3%) per annum for the Term, and shall be repayable interest only monthly, shall be fully open for prepayment without notice or penalty during the first year of the term and fully closed thereafter, and otherwise on terms and conditions acceptable to the Purchaser and the Vendor, each acting reasonably. The Purchaser shall instruct its nominee to deliver a second mortgage of the property known as 68 Hillside Drive, Toronto, Ontario as security for the Vendor Mortgage. The Purchaser shall obtain the consent of the holder of any first mortgage financing on 68 Hillside Drive to the Vendor Mortgage at its sole expense.

To the extent that realty taxes payable in respect to all of the Properties exceed \$4,158,114 for the period from June 27, 2014 to June 26, 2015 (the "**Base Year**"), the Purchaser shall be entitled to offset such excess amount against the indebtedness owing under the Vendor Mortgage. The Purchaser shall be entitled to offset such excess amount against the indebtedness owing under the Vendor Mortgage at the end of the first quarter following the granting of such loan and thereafter on each subsequent quarter. The principal amount owing under the Vendor Mortgage shall be reduced quarterly thereafter by the amount by which realty taxes payable in respect of all of the Properties exceed the Base Year plus a 2.0% increase per year. The realty taxes shall be based on \$4,241,276 for June 27, 2015 to June 26, 2016; \$4,326,102 for June 27, 2016 to June 26, 2017; \$4,412,624 for June 27, 2017 to June 26, 2018; and \$4,500,876 for June 27, 2018 to June 26, 2019. The maximum set-off right to which the Purchaser is entitled is \$750,000.

Notwithstanding the foregoing, in the event that approval from the holder of the first mortgage lender on the Vendor Mortgage property for the Vendor Mortgage is not obtained by Closing, the Parties acknowledge and agree that the Vendor will accept as security for the Vendor Mortgage an irrevocable promissory note from the Purchaser on terms satisfactory to the Vendor and the Purchaser, and the Purchaser covenants and agrees that it shall not further encumber 65 Hillside Drive, Toronto, Ontario, which covenant and agreement shall not merge on, but shall survive, Closing;

 (iii) by the issuance to the Vendor Parties of an aggregate of 8,890,467 Exchangeable Class B LP Units, each valued at \$9.00 for a total amount of Eighty Million Fourteen Thousand Two Hundred Three Dollars (\$80,014,203.00) as described in Section 2.1; and (iv) by the issuance by the Limited Partnerships to the Vendor of non-interest bearing promissory notes (the "**Promissory Notes**") as provided in the transactional steps agreed by the Vendor and the Purchaser.

3.2 Repayment of Promissory Notes

The Promissory Notes shall be repaid in full on the Closing Date by cash received by the Limited Partnerships from new mortgage financings and subscriptions by the Purchaser for Class A LP Units.

3.3 Repayment of Indebtedness by Vendor

On the Closing Date, the Vendor will repay all indebtedness relating to each Property other than the Assumed Debt and cause all encumbrances that secure such repaid indebtedness that are not Permitted Encumbrances to be discharged. Any and all repayment penalties, discharge fees or other costs or expenses incurred by the Vendor in connection with such repayment shall be for the account of the Vendor and paid on the Closing Date.

3.4 Adjustments

(1) Adjustments shall be made as of the Closing Date. The Vendor shall be responsible for all expenses and entitled to all revenues accrued from the Properties for that period ending on the day before the Closing Date. From and including the Closing Date, the Purchaser shall be responsible for all expenses and shall be entitled to all revenues accruing from the Properties.

(2) The Adjustments shall include all operating costs, realty taxes, water and assessment rates, current rents (adjusted as paid in full for the month of Closing), prepaid monthly parking charges, prepaid rents and interest thereon (if any), security deposits and interest thereon (if any), utility deposits, and any other matters normally adjusted in respect of the purchase and sale of properties similar to the Properties.

(3) Any tenant inducement, leasing commissions, or free or reduced rent periods which are payable or applicable under the Leases from and after the Closing Date shall be payable by the Vendor and shall be an adjustment in favour of the Purchaser on Closing.

(4) If the final cost or amount of an item which is to be adjusted cannot be determined at Closing, then an initial adjustment for such item shall be made at Closing, such amount to be estimated by the parties hereto acting reasonably as of the Closing Date on the basis of the best evidence available at the Closing as to what the final cost or amount of such item will be. In each case, when such cost or amount is determined, the Vendor or the Purchaser, as the case may be, shall, within 30 days of determination, provide a complete statement thereof to the other and within 30 days thereafter the parties hereto shall make a final adjustment as of the Closing Date for the item in question. In the absence of agreement by the parties hereto, the final cost or amount of an item shall be determined by auditors appointed jointly by the Vendor and the Purchaser with cost of such auditors being shared equally between the parties hereto. Rental arrears, recoveries and credits for landlord's work or any other claims against a Tenant which have accrued prior to the Closing Date shall remain the property of the Vendor.

The Vendor shall provide the Purchaser with complete details as to rental arrears as of the Closing Date.

After the Closing Date, the Vendor shall have the right to recover from Tenants by way of an action any debt for arrears of rentals which accrued to the Closing Date and the Purchaser shall (and to cause the Nominee to) cooperate with the Vendor in connection therewith. The Vendor shall provide the Purchaser with prior written notice before instituting legal proceedings to recover arrears of rental and the Purchaser agrees to (and to cause the Nominee to) cooperate with the Vendor in its attempt to recover such arrears without cost to the Purchaser. The Purchaser agrees that the provisions of the paragraph shall not merge on but shall survive Closing, and if requested by the Vendor, the Purchaser shall on Closing deliver written confirmation of the provisions of this Section, which shall survive the Closing.

The Vendor warrants that, to the best of its knowledge and belief, all tenancies of the apartment suites comply in all respects with the *Residential Tenancies Act*, the *Residential Rent Regulation Act*, the *Tenant Protection Act*, 1997 and the *Rental Housing Protection Act*, or the successor legislation to any of the aforementioned, and in the event it is determined that any of the Tenants are entitled to recover any excess rent paid to the Vendor prior to Closing pursuant to the provisions of the said Act, such shall be paid by the Vendor forthwith to such Tenants. The Purchaser shall notify the Vendor of any notices or claim it receives from Tenants after Closing. The Vendor agrees to indemnify the Purchaser with respect to any loss, expense, claim whatsoever that the Purchaser may suffer pursuant to this Section including a breach of or any incorrectness in the Vendor's warranty or covenants contained within this Section. The Vendor agrees that the provisions of this Section shall survive and not merge on Closing.

3.6 Assumed Debt

On Closing, the Purchaser agrees that TN4 LP and TN6 LP shall assume from and (1)after the Closing Date the Assumed Debt and shall cause TN4 LP and TN6 LP to comply, as and when they become due, with and perform all of the obligations of the Vendor from and after the Closing Date thereunder and to take title to the Purchased Assets subject thereto. The Purchaser shall forthwith attempt, at the Purchaser's expense and using reasonable efforts, to obtain all approvals, waivers, agreements, amendments or other documents from the Lender required to enable the assumption by the Purchaser of such Assumed Debt and the Vendor and the Purchaser shall provide all information reasonably required by the Lender in connection therewith. Notwithstanding the foregoing, the obligation of the Purchaser to complete the Transaction shall be subject to the Purchaser being satisfied, acting reasonably, on or before the Closing Date, with each of the following matters (collectively, the "Lender Approvals"): (i) with the terms of the assumption agreement or agreements required by each Lender to be executed and delivered by the Purchaser in connection with the assumption of any of the Assumed Debt; and (ii) that the Lenders approve the transfer of each Property to the Purchaser and the assumption of the Assumed Debt by the Purchaser. The Vendor shall use reasonable efforts, at the Purchaser's sole cost and expense, to assist the Purchaser in making its application for the Lender Approvals to the Lenders.

(2) The Vendor shall be entitled to use reasonable efforts (not including the expenditure of money) to obtain releases in favour of the Vendor and its Affiliates, if applicable, where the Vendor or any of the Vendor's Affiliates would otherwise have any liability in respect of the Assumed Debt at any time after the Closing Date, but the failure to obtain such releases shall not constitute a default on the part of the Purchaser or prevent the Purchaser from assuming such Assumed Debt nor shall such failure entitle the Vendor to terminate this Agreement.

(3) On Closing, the Vendor shall deliver the Instalment Notes as an interest rate subsidy on the Assumed Debt with GE, CMLS and TD.

3.7 Mortgage Agreement

In connection with Section 3.6, if the Lender does not agree to release the Vendor and each of its Affiliates, if applicable, from all of their obligations under the Assumed Debt, then on Closing, the Purchaser shall enter into an agreement with all such unreleased parties, with respect to the Assumed Debt (each a "**Mortgage Agreement**") pursuant to which the Purchaser shall covenant that, until the earlier of (i) such time as the unreleased party has been released from all of its obligations under the Assumed Debt by the Lender, and (ii) the security for the Assumed Debt has been discharged, the Purchaser will:

- (i) indemnify and save such unreleased parties harmless from any and all of the liabilities and obligations accruing from and after the Closing Date of such unreleased parties under the Assumed Debt from and after the Closing Date until the maturity date of the Assumed Debt; and
- (ii) not dispose of any Property, unless such unreleased parties thereunder are released. However, if such release is not obtained, then the disposition by the Purchaser will be subject to the consent of the Vendor, such consent not to be unreasonably withheld or delayed, and which consent will be conditioned on the continued indemnity of the Purchaser.

3.8 <u>Transfer Taxes</u>

Except as otherwise provided in this Agreement, any and all transfer taxes, fees and duties under Applicable Laws incurred in connection with the Transaction, whether assessed on or after Closing, will be borne and paid by the Purchaser.

ARTICLE 4

CONDITIONS

4.1 <u>Due Diligence</u>

(1) The Purchaser shall have the right, up until the expiry of the Due Diligence Period to conduct such investigations, assessments, studies, examinations, inspections, reviews, tests and

audits relating to the Purchased Assets as it may deem necessary or desirable, in its sole, absolute and unfettered discretion (collectively, the "**Due Diligence**").

(2) All physical inspections referred to in this Article shall be carried out, at the Vendor's option, in the company of a representative of the Vendor and shall be subject to the rights of the tenants of the Properties. The Vendor shall have the right to approve (or disapprove), acting reasonably, invasive or intrusive inspections, tests and audits and, prior to proceeding with such inspections, tests and audits, the Purchaser shall provide the Vendor with not less than two (2) Business Days' prior written notice. The Purchaser shall forthwith repair any damage to the Properties arising from such inspections at the Purchaser's expense, and shall fully indemnify the Vendor from all costs of repairing any damage caused by such inspections and all other claims as a result of the Due Diligence activities of the Purchaser. This indemnity shall survive the termination of this Agreement.

(3) On or before the expiry of the Due Diligence Period, the Purchaser shall, if satisfied, in its sole, absolute and unfettered discretion, with the results of the Due Diligence, deliver a notice of Due Diligence satisfaction to the Vendor, and, subject to Section 4.3, the Purchaser will be deemed to have agreed to proceed with the purchase of the Purchased Assets in accordance with the terms hereof. Failure of the Purchaser to deliver a notice of Due Diligence satisfaction by the expiry of the Due Diligence Period will terminate the Parties' obligations to complete the purchase and sale of the Purchased Assets as set forth herein whereupon all the obligations of the Parties provided for herein (except those which are expressly stated to survive the termination of this Agreement) will cease.

4.2 <u>Conditions for Vendor</u>

The obligation of the Vendor to complete the Transaction shall be subject to fulfilment of each of the following conditions on or before the Closing Date or such earlier date or time as may be herein specified:

- (i) the PO shall have closed and funded by the Closing Date;
- (ii) payment or satisfaction by the Purchaser of the Purchase Price on Closing in accordance with Section 3.1 and, by the Closing Date, fulfillment of all of the other material terms, covenants and conditions of this Agreement to be complied with or performed by the Purchaser in all material respects;
- (iii) on Closing, the representations or warranties of the Purchaser set out in Section 6.2 shall be true and accurate in all material respects as if made as of the Closing Date provided that, for greater certainty, it is confirmed that if a representation or warranty is stated in Section 6.2 to be made only with reference to a specified date or time, it shall not be required to be true and accurate on the Closing Date except with reference to such date and time;
- (iv) by the Closing Date, (i) the Commissioner ("Commissioner") appointed under the Competition Act (Canada) (the "Competition Act") shall have issued an advance ruling certificate under Section 102 of the Competition Act in respect of

the Transaction or (ii) the applicable waiting period relating to pre-merger notification under Part IX of the *Competition Act* shall have expired and the Commissioner shall have indicated, to the satisfaction of the Vendor, acting reasonably, that the Commissioner does not intend to oppose the Transaction, or any part of the Transaction, and shall not have made or threatened to make application under Part VIII of the *Competition Act* in respect of the Transaction or any part of the Transaction; and

(v) the closing deliveries required to be delivered by the Purchaser shall have been delivered to the Vendor;

The conditions set forth in this Section 4.2 are for the benefit of the Vendor and may be waived in whole or in part by the Vendor by written notice to the Purchaser at any time or times on or prior to Closing.

4.3 <u>Conditions for Purchaser</u>

The obligation of the Purchaser to complete the Transaction shall be subject to fulfilment of each of the following conditions on or before the Closing Date or such earlier date or time as may be herein specified:

- (i) the Purchaser shall have declared itself satisfied with the Lender Approvals and the effective interest rate under the Assumed Debt, the effective interest rate being reduced by the Instalment Notes issued by the Vendor in favour of the Purchaser as required pursuant to Section 3.6(3);
- (ii) the PO shall have closed and funded by the Closing Date;
- (iii) on or before the Closing Date, the Purchaser shall have given written notice to the Vendor that the Toronto Stock Exchange has approved the completion of the transactions contemplated by this Agreement;
- (iv) on or before the Closing Date, the Purchaser shall have given written notice to the Vendor that the holders of the units of the Purchaser have approved the completion of the transactions contemplated by this Agreement;
- (v) the Vendor shall have delivered to the Purchaser or to such Person as it may in writing direct title to the Purchased Assets free and clear of all Encumbrances other than the Permitted Encumbrances;
- (vi) all of the material terms, covenants and conditions of this Agreement to be complied with or performed by the Vendor shall have been complied with or performed in all material respects;
- (vii) the representations or warranties of the Vendor set out in Section 6.1 shall be true and accurate in all respects as if made as of the Closing Date provided that, for greater certainty, it is confirmed that if a representation or warranty is stated in Section 6.1 to be made only with reference to a specified date or time, it shall not

be required to be true and accurate on the Closing Date except with reference to such date and time;

- (viii) by the Closing Date, (i) the Commissioner shall have issued an advance ruling certificate under Section 102 of the *Competition Act* in respect of the Transaction or (ii) the applicable waiting period relating to pre-merger notification under Part IX of the *Competition Act* shall have expired and the Commissioner shall have indicated, to the satisfaction of the Purchaser, acting reasonably, that the Commissioner does not intend to oppose the Transaction, or any part of the Transaction, and shall not have made or threatened to make application under Part VIII of the *Competition Act* in respect of the Transaction or any part of the Transaction; and
- (ix) the closing deliveries required to be delivered by the Vendor shall have been delivered to the Purchaser;

The conditions set forth in Section 4.3 are for the benefit of the Purchaser and may be waived in whole or in part by the Purchaser by written notice to the Vendor at any time or times on or prior to Closing.

4.4 <u>Title</u>

The Purchaser is to be allowed until June 12, 2014 to examine the title to the Properties (including the surveys and off-title searches) at its own expense for the purpose of making any requisitions going to the root of title and requiring the discharge or removal of any encumbrances that are not Permitted Encumbrances, and the completion, satisfaction and removal of any work orders, orders to comply, deficiency notices, open building permits, active notifications, matters under investigation or similar off-title deficiencies.

4.5 Non-Satisfaction of Conditions

In the event any of the conditions set forth in Section 4.2 or 4.3 is not satisfied or waived as therein provided on or before the applicable date referred to in Section 4.2 or Section 4.3, as the case may be (such condition being referred to as an "Unsatisfied Condition"), this Agreement shall, upon written notice by the party having the benefit of the Unsatisfied Condition to the other party (but subject to the other provisions of this Agreement), be terminated, null and void and of no further force or effect, and the parties shall be released from all of their liabilities and obligations under this Agreement except in respect of obligations which, according to this Agreement, expressly survive termination of this Agreement. Notwithstanding any other provision in this Agreement, unless the party having the benefit of a condition set forth in Section 4.2 or 4.3 has given written notice to the other that such condition has not been satisfied or waived by the applicable time or date referred to in Section 4.2 or 4.3, then such condition shall be deemed to have been satisfied or waived. All conditions to be satisfied by Closing shall be deemed to be satisfied if Closing occurs.

4.6 Efforts to Satisfy Conditions

Without derogating from either party's other obligations under this Agreement, it is agreed that the Purchaser and the Vendor shall act in good faith and use reasonable efforts to satisfy or cause to be satisfied the conditions set forth in Section 4.2 and Section 4.3, respectively to the extent such conditions are in the control of each such party.

4.7 <u>Competition Act</u>

Forthwith after the execution and delivery of this Agreement by the parties hereto, the Purchaser, at its own expense, shall give all notifications and make all information filings, if any, and pay all fees in connection therewith required pursuant to the *Competition Act* in respect of the Transaction. The Vendor shall co-operate with the Purchaser and provide the Purchaser with information in the possession or control of the Vendor, and not otherwise available to the Purchaser, necessary to give such notifications and to make such filings.

ARTICLE 5

CLOSING DOCUMENTS

5.1 Closing Arrangements

The Closing shall commence at 8:00 a.m. on the Closing Date at the Toronto office of the Purchaser's Solicitors or at such time or place as the parties shall mutually agree upon in writing and shall continue until Closing is completed in accordance with the provisions of this Agreement or this Agreement is validly terminated in accordance with the terms hereof.

5.2 Vendor's Closing Documents

On or before Closing, subject to the provisions of this Agreement, the Vendor shall deliver or cause to be delivered to the Purchaser's Solicitors the following:

- (i) the Omnibus Agreement in the form attached hereto as Schedule "C" (the "Omnibus Agreement").;
- (ii) any notifications from the Vendor or required consents, which the Purchaser advises the Vendor are required to be given or obtained from any third party (other than the holders of the Assumed Debt) under any of the Contracts, Leases or Permitted Encumbrances in connection with the sale of the Purchased Assets to the Purchaser;
- (iii) a notice to contract parties confirming the sale of the Properties to the Purchaser;
- (iv) original executed copies of all Leases and Contracts to the extent in the Vendor's possession or control;
- (v) the statement of Adjustments;

- (vi) all keys to the Buildings to the extent in the Vendor's possession or control;
- (vii) a direction to the Purchaser's bank re: endorsement of post-dated cheques;
- (viii) an assignment of the Vendor's right, title and interest in and to any business name or names under which any Property has been operated as contemplated by Section 5.5;
- (ix) discharges in registrable form of all Encumbrances affecting title to any Property except for the Permitted Encumbrances;
- (x) all share certificates representing all of each Nominee's shares, validly endorsed or accompanied by an executed stock transfer power;
- (xi) a status statement dated as of the Closing Date from each Lender under the Assumed Debt confirming the outstanding principal balance thereunder and that such Assumed Debt is in good standing;
- (xii) the assumption agreements as required by each of the Lenders;
- (xiii) a resolution of the sole director of each Nominee authorizing the transfer of each Nominee's shares contemplated by this Agreement;
- (xiv) executed resignations from the sole director and officer of each of the Nominees including a full and final release therefrom;
- (xv) the Vendor's Undertaking;
- (xvi) an indemnification agreement in accordance with Section 7.2;
- (xvii) the Instalment Notes;
- (xviii) limited partnership agreements prepared by the Vendor's Solicitors establishing each of the Limited Partnerships (the "LP Agreements") in substantially the form and substance of the limited partnership agreements establishing the existing limited partnerships controlled by the Purchaser;
- (xix) all other documents which the Purchaser reasonably requests to give effect to the Transaction and to result in the proper transfer, assignment and conveyance of the Purchased Assets by the Vendor to the Purchaser free and clear of all Encumbrances other than Permitted Encumbrances.

All documentation shall be in form and substance acceptable to the Purchaser and the Vendor each acting reasonably and in good faith.

5.3 Purchaser's Closing Documents

On or before Closing, subject to the provisions of this Agreement, the Purchaser shall deliver or cause to be delivered to the Vendor's Solicitors the following:

- (i) the assumption agreements as required by each of the Lenders;
- (ii) the Exchangeable Class B LP Units as provided in Subsections 3.1(ii);
- (iii) the Promissory Notes;
- (iv) the Omnibus Agreement in the form attached;
- (v) Mortgage Agreements, if any;
- (vi) if applicable, replacement letters of credit and security deposits with respect to the ongoing operation and/or maintenance of each Property or, where the existing letters of credit and security deposits are not released and returned to the Vendor, matching letters of credit and security deposits, which may be drawn upon by the Vendor if and to the extent that the letters of credit and/or security deposits of the Vendor and/or its Affiliates with respect to each Property are drawn upon;
- (vii) the LP Agreements;
- (viii) the Vendor Mortgage or promissory note in accordance with Section 3.1(ii); and
- (ix) all other documents which the Vendor reasonably requests to give effect to the Transaction and to result in the proper assumption of the Purchased Assets by the Purchaser.

All documentation shall be in form and substance acceptable to the Purchaser and the Vendor each acting reasonably and in good faith.

5.4 Registration and Other Costs

The Vendor and the Purchaser shall be responsible for the costs of the Vendor's Solicitors and the Purchaser's Solicitors, respectively, in respect of this Transaction. The Purchaser shall be responsible for the cost of any and all applicable land transfer duties.

5.5 Business Names

To the extent that the Vendor owns or controls any proprietary interest in any business name or names or trade-marks under which any Property has been operated prior to the date of this Agreement, the Vendor agrees to assign such proprietary interest to the Purchaser on Closing and to permit the Purchaser to continue to operate such Property under such name or names from and after the Closing Date and agrees that it will do no act to prevent or hinder the Purchaser from using such name or names from and after the Closing Date.

ARTICLE 6

REPRESENTATIONS, WARRANTIES AND COVENANTS

6.1 Vendor's Representations

Each Vendor Party hereby represents and warrants to and in favour of the Purchaser that, with respect to itself, the Properties owned by it, the Nominees holding title to the Properties owned by it and the Limited Partnership to be formed by it, as of the date of this Agreement, and as of the Closing Date;

- (i) the Vendor is a partnership or limited partnership, as the case may be, and the Limited Partnership will be a limited partnership duly existing and governed by the laws of Ontario and will have on Closing the necessary authority, power and capacity to enter into this Agreement and to carry out this Agreement and the Transaction and the documents and transactions contemplated herein on the terms and conditions herein contained in this Agreement. The obligations of the Vendor hereunder and the documents and transactions contemplated herein have been duly validly authorized by all requisite corporate or other proceedings and constitute legal, valid and binding obligations of the Vendor enforceable against the Vendor in accordance with its terms;
- (ii) the Vendor is not a non-resident of Canada within the meaning of Section 116 of the *Income Tax Act* (Canada) and the LP on Closing will not be a non-resident of Canada within the meaning of Section 116 of the *Income Tax Act* (Canada);
- (iii) that the particulars of all Leases as set out in the rent rolls are true and accurate in all respects and fully disclose all Leases of the Properties; that all Leases are in full force and effect with Tenants in possession of their respective portion of the Properties; there are no prepayment of rents except as adjusted between the Vendor and Purchaser and no Tenant shall be entitled to any concession, rebate allowance rent free period, other than those stated in the Rent Roll.
- (iv) except as disclosed to the Purchaser, no notice which may amend the Leases has been received or transmitted by the Vendor;
- (v) except for Permitted Encumbrances, no liens, mortgages or other Encumbrances shall have been registered prior to Closing;
- (vi) except as disclosed to the Purchaser, there are no pending contestations of the real estate assessment of the Properties and, if such contestation, together with all relevant documentation;
- (vii) the Nominees are the legal owners of their respective Properties;
- (viii) the Vendor is the beneficial owner of the Properties set out beside its name in Schedule "A" by good and valid title, free and clear of all mortgages, security

interest, charges, encumbrances and servitudes other than Permitted Encumbrances;

- (ix) on Closing, the applicable Limited Partnership will be the beneficial owner of the Properties by good and valid title, free and clear of all mortgages, security interest, charges, encumbrances and servitudes other than Permitted Encumbrances;
- (x) except as disclosed to the Purchaser, as of the date hereof, the Vendor has not received written notice of any actions, suits or proceedings pending or threatened against or affecting the Vendor in relation to the Properties or the occupancy or use of the Properties by the Vendor or by any Tenant of the Properties, in law or in equity, including, without limitation, those which could affect the validity of this Agreement or the transactions contemplated hereby or have a material impact on the value of, or on the ability to receive income from the Properties;
- (xi) except as disclosed in writing to the Purchaser, the Vendor has not received from any government, regulatory authority, government department, agency, commission, board, tribunal or court having jurisdiction on behalf of any nation, province or other subdivision thereof or any municipality, district or other subdivision thereof written notice of any work order, deficiency notice, notice of violation, order to comply or other notice of noncompliance or notice requiring compliance regarding the Properties or any part of the Properties with any federal, provincial or municipal laws, bylaws, regulations, ordinances, codes or restrictions (collectively, a "Work Order" or "Work Orders") which has not been, or which are not being, complied with;
- (xii) all amounts for labour or materials relating to the construction, repair or improvement of the Properties and any capital items performed by or at the request or with the consent of the Vendor have been fully paid, except in respect of any maintenance and repair matters which are not yet invoiced or not yet due;
- (xiii) except as disclosed to the Purchaser, as of the date hereof, the Vendor has not received written notice, or does not otherwise have any knowledge, of noncompliance of the Properties with any applicable fire laws, codes and regulations or any other laws applicable to the ownership or operation thereof or with any Permitted Encumbrances;
- (xiv) during the Vendor's ownership of the Properties, it has not caused any part of the Properties to be insulated with insulation containing urea formaldehyde;
- (xv) the Properties, for the purposes of harmonized sales tax payable under the *Excise Tax Act*, are all used residential complexes;
- (xvi) the Nominees listed on Schedule "A" hereto are the sole registered holders of their respective Property;

- (xvii) each of the Nominees is duly incorporated and organized, and validly existing under the laws of its jurisdiction of incorporation and is up-to-date in the filing of all corporate and similar returns under the laws of its jurisdiction of incorporation. The Vendor has made available to the Purchaser a correct and complete copy of the articles, by-laws, constating documents and other organizational documents of the Nominees, in each case as amended to the date hereof;
- (xviii) each of the Nominees has the corporate power and capacity to own or lease its assets and to carry on the business of holding registered title to its respective Property;
- (xix) the shares of the Nominees have been validly issued and are outstanding as fully paid and non-assessable shares, free of any liens, charges or other encumbrances, except for liens in favour of the Vendor or its Affiliates. There are no shareholders agreements, pooling agreements, voting trusts or other agreements or understandings with respect to the voting of the shares, or any of them, of any Nominees;
- (xx) each of the Nominees is not and the Limited Partnership shall not be on Closing, an insolvent person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) or the *Winding-up and Restructuring Act* (Canada), (ii) has not made an assignment in favour of its creditors or a proposal in bankruptcy to its creditors or any class thereof, (iii) has not had any petition for a receiving order presented in respect of it, and (iv) has not initiated proceedings with respect to a compromise or arrangement with its creditors or for its winding-up, liquidation or dissolution;
- (xxi) the Nominees and the Limited Partnership shall not on Closing, have any subsidiary, as that term is defined in the Business Corporations Act (Ontario), as the same may be amended from time to time and any successor legislation thereto;
- (xxii) there are no agreements, options, warrants, rights of conversion or other rights pursuant to which the Nominees or the Limited Partnership are, or may become, obligated to issue any shares, units or any securities convertible or exchangeable, directly or indirectly, into any shares of the Nominees or securities of the Limited Partnership, as the case may be;
- (xxiii) the entity listed in Schedule "A" hereto as shareholder is the sole beneficial owner of all of the issued and outstanding shares of the Nominee set out beside its name, and registered ownership of all of the issued and outstanding shares of the Nominees is as set out in Schedule "A", free and clear of all liens, charges or encumbrances of any kind;
- (xxiv) except for the security relating to the Existing Debt or other debt to be discharged in connection with the closing of this Transaction, none of the Nominees nor the Limited Partnership has or shall have outstanding any bonds, debentures, notes, mortgages or other indebtedness and none of the Nominees nor the Limited

Partnership has or will have agreed to create or issue any bonds, debentures, notes, mortgages or other indebtedness;

- (xxv) except as disclosed to the Purchaser in writing, there are no outstanding undertakings to the lender in connection with the Existing Debt;
- (xxvi) no person has any right of first refusal, right of first opportunity, option, agreement, understanding, commitment or similar rights or any right or privilege capable of becoming a right to purchase, lease or otherwise acquire interests in the Nominees, the Limited Partnership or the Property or any interest therein or part thereof;
- (xxvii) none of the Nominees owns and nor shall the Limited Partnership own, directly or indirectly, nor has any of them agreed to acquire (A) any outstanding equity interest in any person, or (B) any participating interest in any partnership, joint venture or other business enterprise;
- (xxviii)except for the business of owning each Property, neither the Nominees nor the Limited Partnership will have ever carried on any enterprise or business;
- (xxix) each of the Nominees and the Limited Partnership have (or by Closing will have) filed all tax returns required to be filed by them in all applicable jurisdictions and have paid all governmental charges required to be paid by them when due; and
- (xxx) immediately prior to Closing, the capital of the Limited Partnership will consist of general partnership units in the name of an Affiliate of the Vendor and limited partnership unit registered in the name of the Vendor and there will be no other securities of the Limited Partnership outstanding. On Closing the general partnership units and limited partnership units of the Limited Partnership will have been validly issued and shall be outstanding as fully paid and non-assessable units, free of any liens, charges or other encumbrances. There shall be no unitholder agreements, pooling agreements, voting trusts or other agreements or understandings with respect to the voting of the units.

6.2 Purchaser's Representations

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:

(i) the Purchaser is a real estate investment trust that is duly existing and governed by the laws of Ontario and will have on closing the necessary authority, power and capacity to acquire the Purchase Assets and to enter into this Agreement and to carry out this Agreement and the documents and transactions contemplated herein on the terms and conditions herein contained in this agreement and the obligations of the Purchaser hereunder and the documents and transactions contemplated herein have been duly authorized by all requisite corporate proceedings and constitute legal, valid and binding obligations of the Purchaser enforceable against the Purchaser in accordance with its terms; and the Purchaser is not a non-Canadian with the meaning of the *Investment Canada Act* (Canada); and

(ii) TNGPCo is a corporation that is duly existing and governed by the laws of Ontario and will have on closing the necessary authority, power and capacity to acquire the Purchase Assets and to enter into this Agreement and to carry out this Agreement and the documents and transactions contemplated herein on the terms and conditions herein contained in this agreement and the obligations of TNGPCo hereunder and the documents and transactions contemplated herein have been duly authorized by all requisite corporate proceedings and constitute legal, valid and binding obligations of TNGPCo enforceable against TNGPCo in accordance with its terms; and TNGPCo is not a non-Canadian with the meaning of the Investment Canada Act (Canada).

6.3 <u>Survival of Representations</u>

The representations, warranties, covenants and certifications contained in this Agreement or in any Closing Documents shall survive for a period of twelve (12) months after the Closing Date.

6.4 Capital Expenditures

The Vendor undertakes to complete or to cause to be completed, by the dates indicated in Schedule "E" hereto, the work in connection with the Properties as outlined in Schedule "E" hereto (the "**Work**"), all to the satisfaction of the Purchaser, acting reasonably, in accordance with the scope of work.

ARTICLE 7

INDEMNIFICATION

7.1 Obligation of Purchaser to Indemnify

If the Closing occurs, Purchaser agrees to indemnify, defend and hold harmless Vendor and its Affiliates from and against all costs, damages, liabilities and expenses (including reasonable attorneys' fees and disbursements) incurred by any of them by reason of (i) any breach or inaccuracy of any representation or warranty of Purchaser contained in Section 6.2 of this Agreement, or (ii) the failure of Purchaser to comply with any of its covenants under this Agreement. Vendor acknowledges and agrees that the indemnification provisions in this Section 7.1 are, after the Closing occurs, the sole and exclusive remedies available to Vendor and its Affiliates and the sole and exclusive liabilities of Purchaser with respect to any and all matters relating to this Agreement except as otherwise provided in this Agreement.

7.2 Obligation of Vendor to Indemnify

If the Closing occurs, each Vendor Party jointly and severally agrees to indemnify, defend and hold harmless Purchaser and its Affiliates from and against all costs, liabilities, damages and expenses (including reasonable attorneys' fees and disbursements) incurred by Purchaser and/or its Affiliates by reason of (i) any breach or inaccuracy of any representation or warranty of any Vendor Party contained in Section 6.1 of this Agreement, (ii) the failure of any Vendor Party to comply with any of its covenants under this Agreement; (iii) any obligations relating to wages, vacation days and employee benefits accrued up to the Closing Date relating to the employment of any on-site staff at the Properties or any firms or corporations engaged at the Properties in the provision of services in connection with the operation and maintenance of the Properties; or (iv) any amounts relating to taxes assessed to the Limited Partnerships or the Purchaser prior to the Closing Date. Purchaser acknowledges and agrees that the indemnification and other provisions in this Section 7.2 are, after the Closing occurs, the sole and exclusive remedies available to Purchaser and its Affiliates and the sole and exclusive liabilities of the Vendor with respect to any and all matters relating to this Agreement except as otherwise provided in this Agreement.

For 24 months from the Closing Date, the Vendor covenants and agrees that the Vendor Parties shall maintain a collective net asset value of at least \$7,500,000 determined in accordance with generally accepted accounting principles. Provided that in the event that the Purchaser has made a bona fide claim against the Vendor within 24 months of the Closing Date, the Vendor covenants that the Vendor Parties shall maintain a collective net asset value equal to the amount being claimed plus 25% percent to a maximum of \$7,500,000.

7.3 Minimum Threshold; No Consequential Damages

Notwithstanding anything to the contrary contained in Section 7.1 or Section 7.2, no Party shall be entitled to call upon the indemnity contained in such Sections unless its damages are at least fifty thousand dollars (\$50,000.00). In no event shall any Party be liable to any other Party or its Affiliates for any consequential, indirect, incidental or other similar damages, including lost profits, lost revenues, business interruption, cost of capital or loss of business reputation or opportunity, or punitive or special damages for any breach or default under, or any act or omission arising out of or in any way relating to, this Agreement or the transactions contemplated hereby, under any form of action whatsoever, whether in contract or otherwise.

7.4 Obligation to Mitigate

Purchaser and its Affiliates shall use their best efforts to mitigate any cost, liabilities, damages or expenses with respect to which they wish to seek indemnification hereunder.

ARTICLE 8

OPERATION UNTIL CLOSING

8.1 **Operations Before Closing**

From the date hereof until Closing, the Vendor shall operate the Properties in accordance with prudent business practices and will carry out all routine day-to-day repairs and maintenance thereof as would a prudent owner of comparable Properties.

8.2 Damage Before Closing

The interest of the Vendor in and to each Property shall be at the risk of the Vendor until Closing. If loss or damage to a Property occurs prior to the Closing Date, then:

- (i) if the cost of replacement or restoration, in the opinion of an architect or engineer hired by the Vendor and approved by the Purchaser and who is not an employee of the Vendor or an Affiliate of the Vendor (the "Expert"), will exceed the Damage Threshold for such Property (such damage being referred to herein as "Substantial Damage"), then the Purchaser may, by written notice to the Vendor given within 10 Business Days after receipt of the opinion of such Expert, either (a) elect to terminate this Agreement, or (b) cancel this Agreement with respect to the damaged Property and complete the purchase with respect to the remainder of the Properties with the Purchase Price reduced by the predamage value of the damaged Property; and
- (ii) if such loss or damage is not Substantial Damage, or is Substantial Damage but the Purchaser has not exercised its termination right pursuant to Subsection 8.2(i), then neither party shall have any right to terminate this Agreement (either in whole or in part) by virtue thereof, the Vendor shall pay any insurance deductibles in respect of such loss or damage, the Purchaser shall be entitled to all proceeds of property insurance in respect of such loss or damage (except that portion, if any, required to reimburse the Vendor for repair or restoration work it has done prior to Closing and insurance for loss of income prior to Closing, all of which shall be paid to the Vendor), the Purchase Price shall be reduced by the amount, if any, by which the insurance proceeds available to the Purchaser are less than the cost of replacement or restoration determined by the Expert, the parties shall complete the Transaction and the Vendor shall not have any obligation to repair such damage.

If the damage or destruction occurs at such time that there is insufficient time for the Purchaser to make its election hereunder, the Closing Date shall be postponed to a date which is 5 Business Days after the earlier of the date such election is made or the period for making such election has expired, or such date is not a Business Day, then the next Business Day thereafter.

8.3 Assignment of Contracts

Nothing in this Agreement shall be construed as an assignment of, or an attempt to assign to the Purchaser, any Contract which is (i) not assignable, or (ii) not assignable without the approval or consent of the other party or parties thereto, without first obtaining such approval or consent (collectively "**Non-Assignable Rights**"). Notwithstanding any other provision of this Agreement, the failure to obtain any such approval or consent, or the fact that a Contract is nonassignable, shall not entitle the Purchaser to terminate this Agreement or to any other right whatsoever. In connection with such Non-Assignable Rights (except with respect to the Assumed Debt, which shall be governed by Sections 3.6 and 3.7) under a Contract, the Vendor shall, at the request of the Purchaser and at the Purchaser's expense, co-operate with the Purchaser in any reasonable and lawful arrangements designed to provide the benefits of such Non-Assignable Rights in trust for the Purchaser or acting as agent for the Purchaser, provided that pursuant to such arrangements the Purchaser fully indemnifies the Vendor for all obligations and liabilities incurred thereunder or in connection therewith.

If any Contracts apply to any properties other than each Property, the Vendor shall be required with the consent of the Purchaser, prior to the Closing Date, to amend each such Contract or replace it with a new or restated agreement, in order to provide that the Contract, as so amended or replaced (it being agreed that the Contract as so amended or replaced is the Contract for all purposes of the Agreement), shall not apply to any properties other than the Property. This Section 8.2 shall survive Closing.

ARTICLE 9

GENERAL

9.1 Gender and Number

Words importing the singular include the plural and *vice versa*. Words importing gender include all genders.

9.2 Captions and Table of Contents

The caption, headings and table of contents contained herein are for reference only and in no way affect this Agreement or its interpretation.

9.3 Obligations as Covenants

Each agreement and obligation of any of the parties hereto in this Agreement, even though not expressed as a covenant, is considered for all purposes to be a covenant.

9.4 Applicable Law

This Agreement shall be construed and enforced in accordance with the laws of the Province of Ontario and the laws of Canada applicable thereto and shall be treated in all respects as a contract governed by the laws of Ontario.

9.5 <u>Currency</u>

All references to currency in this Agreement shall be deemed to be references to Canadian dollars.

9.6 Invalidity

If any immaterial covenant, obligation, agreement or part thereof or the application thereof to any Person or circumstance, to any extent, shall be invalid or unenforceable, the remainder of this Agreement or the application of such covenant, obligation or agreement or part thereof to any Person, party or circumstance other than those to which it is held invalid or unenforceable shall not be affected thereby. Each covenant, obligation and agreement in this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.

9.7 Amendment of Agreement

No supplement, modification, waiver or termination (other than a termination pursuant to the terms of this Agreement) of this Agreement shall be binding unless executed in writing by the parties hereto in the same manner as the execution of this Agreement.

9.8 <u>Time</u>

Time shall be of the essence of this Agreement. If anything herein is to be done on a day which is not a Business Day, the same shall be done on the next succeeding Business Day. Unless otherwise provided hereto, all references to time shall mean Eastern Standard Time.

9.9 Further Assurances

Each of the parties hereto shall from time to time hereafter and upon any reasonable request of the other, execute and deliver, make or cause to be made all such further acts, deeds, assurances and things as may be required or necessary to more effectually implement and carry out the true intent and meaning of this Agreement.

9.10 Entire Agreement

This Agreement and any agreements, instruments and other documents herein contemplated to be entered into between, by or including the parties hereto constitute the entire agreement between the parties hereto pertaining to the agreement of purchase and sale provided for herein and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, with respect thereto and there are no other warranties or representations and no other agreements between the parties hereto in connection with the agreement of purchase and sale provided for herein except as specifically set forth in this Agreement or the Schedules attached hereto.

9.11 Waiver

No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision (whether or not similar) nor shall any waiver constitute a continuing waiver unless otherwise expressed or provided.

9.12 Successors and Assigns

All of the covenants and agreements in this Agreement shall be binding upon the parties hereto and their respective successors and assigns and shall enure to the benefit of and be enforceable by the parties hereto and their respective successors and their permitted assigns pursuant to the terms and conditions of this Agreement.

9.13 Assignment

It is contemplated that the Purchaser will assign its rights and obligations under this Agreement to the Limited Partnerships prior to the Closing Date. The Purchaser shall have the right to assign its rights and obligations under this Agreement to the Limited Partnerships without the consent of the Vendor. Except as provided in this Section, the Purchaser shall not assign its rights and/or obligations hereunder without the prior written consent of the Vendor, which consent may be withheld in its sole and absolute discretion. Upon the completion of any such assignment and the assumption by the Limited Partnerships or the assignee, as the case may be, of all of the liabilities and obligations of the Purchaser under this Agreement, the Purchaser shall nevertheless remain fully liable and responsible for all liabilities and obligations under this Agreement.

9.14 Notices

Any notice, demand, approval, consent, information, agreement, offer, payment, request or other communication (herein after referred to as a "**Notice**") to be given under or in connection with this Agreement shall be in writing and shall be given by personal delivery or by telecopier or other electronic communication which results in a written or printed notice being given, addressed of sent out below or to such other address of electronic number as may from time to time be the subject of a Notice.

Vendor:

401 The West Mall, Suite 1100 Toronto, Ontario. M9C 5J5

Att: Daniel Drimmer Fax: 416-234-8445

With a copy to the Vendor's Solicitors at:

2171 Avenue Road, Suite 200 Toronto, Ontario. M5M 4B4 Att: Barbara Lanys Fax: 416-485-6054

Purchaser or TNGPCo: c/o Cassels Brock & Blackwell LLP 40 Scotia Plaza, Suite 2100 Toronto, Ontario. M5H 3C2

> Att: David A. Redmond Fax: 416-350-6918

Any Notice, if personally delivered or if sent by fax or other electronic communication with confirmation of transaction prior to 5:00 p.m. on the applicable date, shall be deemed to have been validly and effectively given and received on the date of such delivery and if sent by telecopier or other electronic communication with confirmation of transaction after 5:00 p.m. on such date, shall be deemed to have been validly and effectively given and received on the day next following that day it was received.

9.15 No Registration of Agreement

The Purchaser shall not register this Agreement or any notice of this Agreement on title to any of the Properties unless the Vendor is in default hereunder.

9.16 <u>Counterparts and Telecopy</u>

This Agreement may be executed in counterpart and by the facsimile transmission of an originally executed document.

9.17 <u>Recourse</u>

The parties hereto acknowledge and confirm that the obligations of the Purchaser hereunder and under any other documents provided by it (or on its behalf) pursuant hereto or in connection with the completion of the transactions herein contemplated are not and will not be binding on any trustee of the Purchaser, except in his or her capacity as trustee of the Purchaser (and not in his or her personal capacity), or any registered or beneficial holder of one or more units of the Purchaser (a "**Unitholder**") or any annuitant under a plan of which such a Unitholder acts as trustee or carrier, any nominee of the Purchaser, or any officers, employees, agents of the Purchaser or a nominee of the Purchaser, and that resort shall not be had to, nor shall recourse or satisfaction be sought from, any of the foregoing or the private property of any of the foregoing.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF the parties hereto have executed this Agreement by their properly authorized officers in that behalf.

D.D. ACQUISITIONS PARTNERSHIP

Per: (signed) *Daniel Drimmer* Name: Daniel Drimmer Title: Authorized Signatory

GREEN-STARLIGHT LP, by its sole general partner, GREEN-STARLIGHT GP LTD.

Per: (signed) Daniel Drimmer

Name: Daniel Drimmer Title: President

YELLOW-STARLIGHT LP, by its sole general partner, YELLOW-STARLIGHT GP LTD.

Per: (signed) Daniel Drimmer

Name: Daniel Drimmer Title: President

RED-STARLIGHT LP, by its sole general partner, **RED-STARLIGHT GP LTD.**

Per: (signed) Daniel Drimmer

Name: Daniel Drimmer Title: President

MUSTANG DDAP PARTNERSHIP

Per: (signed) *Daniel Drimmer* Name: Daniel Drimmer Title: Authorized Signatory

PD KANCO LP, by its sole general partner, KANCO FAMILY TRUST, by its sole trustee, KANCO FAMILY LTD.

Per: (signed) Daniel Drimmer

Name: Daniel Drimmer Title: President

TRUE NORTH APARTMENT REAL ESTATE INVESTMENT TRUST

- Per: (signed) *Leslie Veiner* Name: Leslie Veiner Title: Chief Executive Officer
- Per: (signed) Martin Liddell Name: Martin Liddell Title: Chief Financial Officer

TRUE NORTH GENERAL PARTNER CORP.

- Per: (signed) Leslie Veiner Name: Leslie Veiner Title: Authorized Signatory
- Per: (signed) Martin Liddell Name: Martin Liddell Title: Authorized Signatory

SCHEDULE "A"

PROPERTIES, NOMINEES AND NOMINEE SHAREHOLDERS

Property Address	Nominee	Nominee Shareholder	Vendor Party/ Beneficial Owner
1219 Centre Street, Brooks, Alberta	D.D. 1219 Centre Ltd.	Green-Starlight LP	Green-Starlight LP
915 44 th Street SE,	Kanco 44 th Street	D.D. Acquisitions Partnership	D.D. Acquisitions Partnership
Calgary, Alberta 2014 15 th Avenue North, Lethbridge, Alberta	Calgary Ltd. IMMO 2014 15 th North Ltd.	Green-Starlight LP	Green-Starlight LP
3210 23 rd Avenue South, Lethbridge, Alberta	IMMO 3210 23 rd South Ltd.	Green-Starlight LP	Green-Starlight LP
3310 23 rd Avenue South, Lethbridge, Alberta	IMMO 3310 23 rd South Ltd.	Green-Starlight LP	Green-Starlight LP
256 Mayor Magrath Drive, Lethbridge, Alberta	IMMO 256 Mayor Magrath Ltd.	Green-Starlight LP	Green-Starlight LP
175 Columbia Boulevard, Lethbridge, Alberta	IMMO 175 Columbia West Ltd.	Green-Starlight LP	Green-Starlight LP
590 and 600 Columbia Boulevard, Lethbridge, Alberta	IMMO 600 Columbia West Ltd.	Green-Starlight LP	Green-Starlight LP
1304, 1306, 1308 and 1310 23 rd Avenue North, Lethbridge, Alberta	IMMO 1304-1310 23 rd North Ltd.	Green-Starlight LP	Green-Starlight LP
2201 32 nd Street South, Lethbridge, Alberta	Kanco Cumberland Towers Ltd.	Yellow-Starlight LP	Yellow-Starlight LP
1603, 1607, 1611 and 1615 Scenic Heights South, Lethbridge, Alberta	IMMO 1603-1615 Scenic Heights Ltd.	Green-Starlight LP	Green-Starlight LP
37 Berkeley Place West, Lethbridge, Alberta	D.D. 37 Berkeley West Ltd.	Yellow-Starlight LP	Yellow-Starlight LP
131 Maxwell Street, Sarnia, Ontario	PDKC 131 Maxwell Ltd.	Red-Starlight LP	Red-Starlight LP

Property Address	Nominee	Nominee Shareholder	Vendor Party/ Beneficial Owner	
135 Connaught	DDP Mornington-	Green-Starlight LP	Green-Starlight LP	
Avenue and 543	Connaught Ltd.	Oreen-Starnght LF	Oreen-Starngin Lr	
Mornington Avenue,	Connaught Etd.			
London, Ontario				
740 Kipps Lane,	Kanco-740 Kipps Ltd.	D.D. Acquisitions	D.D. Acquisitions	
London, Ontario	Kalleo-740 Kipps Etd.	Ltd.	Partnership	
750 Kipps Lane,	Kanco-750 Kipps Ltd.	D.D. Acquisitions	D.D. Acquisitions	
London, Ontario	Kanco-750 Kipps Ltd.	Ltd.	Partnership	
	Kanco-752 Kipps Ltd.	D.D. Acquisitions	*	
752 Kipps Lane, London, Ontario	Kanco-752 Kipps Ltd.	Ltd.	D.D. Acquisitions	
	Varias 754 Viena Ltd		Partnership	
754 Kipps Lane,	Kanco-754 Kipps Ltd.	D.D. Acquisitions	D.D. Acquisitions	
London, Ontario	Vanas 756 Vinne 1+1	Ltd.	Partnership	
756 Kipps Lane,	Kanco-756 Kipps Ltd.	D.D. Acquisitions	D.D. Acquisitions	
London, Ontario		Ltd.	Partnership	
758 Kipps Lane,	Kanco-758 Kipps Ltd.	D.D. Acquisitions	D.D. Acquisitions	
London, Ontario		Ltd.	Partnership	
285 Erb Street West,	D.D. 285 Erb Ltd.	D.D. Acquisitions	Mustang DDAP	
Waterloo, Ontario		Ltd.	Partnership	
93-99 Westwood	Badenhurst-Westwood	D.D. Acquisitions	D.D. Acquisitions	
Drive, Kitchener,	-1 Ltd.	Ltd.	Partnership	
Ontario				
286 Chandler Drive,	Kanco-286 Chandler	Yellow-Starlight LP	Yellow-Starlight LP	
Kitchener, Ontario	Ltd.			
294 Chandler Drive,	Kanco-294 Chandler	Red-Starlight LP	Red-Starlight LP	
Kitchener, Ontario	Ltd.			
7, 8, 9, 10 and 11	D.D. 7 & 11	D.D. Acquisitions	D.D. Acquisitions	
Manhattan Court,	Manhattan Ltd.	Ltd.	Partnership	
Guelph, Ontario			1	
155 Market Street,	D.D. 155 Market Ltd.	D.D. Acquisitions	Mustang DDAP	
Hamilton, Ontario		Ltd.	Partnership	
1 Rosemount Drive,	D.D. 1 Rosemount	D.D. Acquisitions	D.D. Acquisitions	
Foronto, Ontario	Apartments Ltd.	Ltd.	Partnership	
2292 Weston Road,	Badenhurst Weston	D.D. Acquisitions	D.D. Acquisitions	
Toronto, Ontario	Ltd.	Ltd.	Partnership	
33 Richmond Street,	D.D. 33 Richmond	D.D. Acquisitions	Mustang DDAP	
Oshawa, Ontario	Ltd.	Ltd.	Partnership	
	D.D. 100 Rideau Ltd.		······	
100 Rideau Street,	D.D. 100 Kideau Ltd.	D.D. Acquisitions	D.D. Acquisitions	
Oshawa, Ontario		Ltd.	Partnership	
2 Colborne Street	D.D. 2 Colborne Ltd.	D.D. Acquisitions	D.D. Acquisitions	
West, Lindsay,		Ltd.	Partnership	
Ontario				
25 Westwood Court,	D.D. 25 Westwood	D.D. Acquisitions	Mustang DDAP	
Lindsay, Ontario	Ltd.	Ltd.	Partnership	

Property Address	Nominee	Nominee Shareholder	Vendor Party/ Beneficial Owner	
840 Water Street,	D.D. 840 Water Ltd.	D.D. Acquisitions	D.D. Acquisitions	
Peterborough, Ontario		Ltd.	Partnership	
36 Raglan Street,	Kanco-36 Raglan Ltd.	PD Kanco Holdings	PD Kanco LP	
Napanee, Ontario		Ltd.		
252 Belleville Road,	Kanco-252 Belleville	PD Kanco Holdings	PD Kanco LP	
Napanee, Ontario	Ltd.	Ltd.		
10 Cartier Court,	D.D. 10 Cartier Ltd.	D.D. Acquisitions	Mustang DDAP	
Brockville, Ontario		Ltd.	Partnership	

SCHEDULE "B"

ASSUMED DEBT

	Property Address	Lender	Outstanding Principal
1.	740, 750, 752, 754, 756 & 758 Kipps Lane, London, Ontario	GE	(1)
2.	915 44th Street SE, Calgary, Alberta	The Toronto-Dominion Bank	
3.	37 Berkeley Place West, Lethbridge, Alberta	CMLS Financial Ltd.	
4.	2014 15th Avenue North, Alberta	First National Financial	
5.	3210 - 23rd Avenue South, Alberta	First National Financial	(1)
6.	256 Mayor Magrath Drive North, Alberta	First National Financial	(1)
7.	590 & 600 Columbia Boulevard West, Alberta	First National Financial	(1)
8.	1304,1306,1308 & 1310 23rd Ave. N, Alberta	First National Financial	(1)
9.	1603,1607,1611,1615 Scenic Heights Drive, Alberta	First National Financial	(1)
		TOTAL:	Approximately \$65,585,375

(1) Commercially sensitive information redacted

SCHEDULE "C"

OMNIBUS AGREEMENT

THIS AGREEMENT made as of the _____ day of •, 2013

AMONG:

(hereinafter called the "Vendor")

OF THE FIRST PART;

- and –

(hereinafter called "Purchaser")

OF THE SECOND PART.

WHEREAS:

- (a) pursuant to an agreement of purchase and sale made as of the day of •, •, between the Vendor and the Purchaser, among others, as the said agreement may be amended, restated or supplemented from time to time (the "Agreement of Purchase and Sale"), the Vendor agreed to sell and the Purchaser agreed to acquire the Property (as defined in the Agreement of Purchase and Sale) on the terms and conditions more particularly set forth in the Agreement of Purchase and Sale; and
- (b) all capitalized terms used in this Omnibus Agreement which are not otherwise defined herein shall have the meanings ascribed thereto in the Agreement of Purchase and Sale.

NOW THEREFORE IN CONSIDERATION OF the premises, the sum of ten dollars (\$10.00) and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereto acknowledge, covenant and agree as follows:

- <u>General Conveyance to the Purchaser</u>. The Vendor hereby grants, bargains, assigns, sells, transfers, conveys and sets over to the Purchaser as beneficial owner and •, as nominee title holder all of the Vendor's right, title and interest in and to the Property being its 100% interest in the Purchased Assets, including:
 - (a) the Property;
 - (b) the Buildings and Chattels;
 - (c) the Leases;
 - (d) the Contracts, all of which are set out in Schedule "B" hereto; and

(e) the Warranties.

- 2. <u>Assignment of Permitted Encumbrances</u>. The Vendor hereby grants, bargains, assigns, sells, transfers, conveys and sets over to the Purchaser all of the Vendor's right, title and interest in and to the Permitted Encumbrances.
- 3. <u>Assumption by the Purchaser</u>. Subject to Section 4 hereof, the Purchaser hereby accepts the assignment of the Property and Permitted Encumbrances, and agrees with the Vendor that it hereby assumes and covenants to observe, perform and be bound by all liability, covenants and obligations of the Vendor under and in respect of the Property and the Permitted Encumbrances, from and after the Closing Date.
- 4. Liabilities Before and After Effective Date. The parties hereto agree and declare that this Omnibus Agreement will take effect as of its date and, accordingly:
 - (a) The Purchaser will have no liability under or with respect to the Property with respect to either any payment to be made by or on behalf of the Vendor or any other obligation to be observed or performed thereunder by or on behalf of the Vendor relating to the period prior to the date hereof and the Vendor hereby indemnifies and saves the Purchaser harmless with respect thereto.
 - (b) The Vendor will have no liability under or with respect to the Property with respect to either any payment to be made by or on behalf of the Purchaser or any other obligation to be observed or performed thereunder by or on behalf of the Purchaser relating to the period on or after the date hereof and the Purchaser hereby indemnifies and saves the Vendor harmless with respect thereto.
- 5. <u>Status Pending Receipt of Consents</u>. The parties hereby agree and declare that if the Vendor's interest in any part of the Purchased Assets is not assignable or is only assignable upon consent, this Omnibus Agreement will not have the effect of assigning any right, title and interest that would otherwise have been assigned hereunder and the Vendor hereby undertakes to the Purchaser that it will use reasonable efforts and at the Purchaser's expense to obtain any required consent and, upon such consent being obtained or waived, this Omnibus Agreement and the assignments contained herein in respect of the Property shall apply thereto without the necessity of any further actions or assurances to effect the assignment thereof.

The Vendor will 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, without limitation, holding such non-assignable assets in trust for the Purchaser, or acting as agent for the Purchaser, but without liability on behalf of the Vendor.

6. <u>Vendor's Undertaking to Readjust</u>. The Vendor hereby undertakes to readjust any item on the Statement of Adjustments and to adjust any item that should properly have been included in the Statement of Adjustments, if necessary, in accordance with and subject to the provisions of the Agreement of Purchase and Sale.

- 7. <u>Purchaser's Undertaking to Readjust</u>. The Purchaser hereby undertakes to readjust any item on the Statement of Adjustments and to adjust any item that should properly have been included in the Statement of Adjustments, if necessary, in accordance with and subject to the provisions of the Agreement of Purchase and Sale.
- 8. <u>Bring-Down by the Vendor</u>. The Vendor hereby certifies to the Purchaser that all of the representations and warranties of the Vendor contained in the Agreement of Purchase and Sale are true and accurate in all respects as at the Closing Date with respect to the Vendor, with the same force and effect, as if such representations and warranties had been made to the Purchaser by the Vendor at the Closing Date.
- 9. **Bring-Down by the Purchaser**. The Purchaser hereby certifies to the Vendor that all of the representations and warranties of the Purchaser contained in the Agreement of Purchase and Sale are true and accurate in all respects as at the Closing Date with the same force and effect, as if such representations and warranties had been made to the Vendor at the Closing Date.
- 10. **Bulk Sales Indemnity**. The Vendor hereby indemnifies and saves the Purchaser, and its successors and assigns, harmless from and against any and all claims, for which the Vendor is responsible in accordance with the provisions of the Agreement of Purchase and Sale which may become payable by or assessed against the Vendor as a result of any failure by the Vendor to comply with the *Bulk Sales Act* (Ontario) in connection with the aforementioned transaction, including, without limitation, the sale of the Property and/or any other assets or interests in connection therewith. This indemnity shall survive the Closing Date indefinitely and without expiry.
- 11. **Direction Concerning Funds**. The Vendor hereby irrevocably authorizes and directs the Purchaser to make the balance due on closing payable to its solicitors, BLOOM LANYS PROFESSIONAL CORPORATION, in trust, or as they may further direct and this shall constitute the Purchaser's good, sufficient and lawful authority for so doing.
- 12. Indemnity re: Termination of Any Employees. The Vendor hereby indemnifies and saves harmless the Purchaser from any claims, losses or damages arising out of the termination of any employees of the Vendor in connection with the Property who do not accept the Purchaser's offer of employment, whether payable under the *Employment Standards Act, 2000* (Ontario) or at common law and including severance pay or lieu of notice. This indemnity shall not merge upon but shall survive Closing and shall continue indefinitely.
- 13. <u>Vendor's Indemnity re: Construction Lien Act</u>. The Vendor hereby indemnifies and saves the Purchaser harmless from and against any and all losses, liabilities, damages or claims that may be suffered or incurred by the Purchaser arising from or in respect of any lien under the *Construction Lien Act* (Ontario) registered against the Property from and after Closing which relate to work or services contracted by or on behalf of the Vendor prior to, on and/or after the Closing Date.

- 14. **Recourse**. The Vendor acknowledges and confirms that if any Person comprising the Purchaser (or if any Person for whom such Person holds an interest in the Purchased Assets) is a real estate investment trust (such Person, a "**REIT**"), the obligations of the REIT hereunder and any other documents provided by it (or on its behalf) pursuant hereto or in connection with the completion of the transaction herein contemplated are not and will not be binding on any trustee of the REIT, except in his or her capacity as trustee of the REIT (and not in his or her personal capacity), or any registered or beneficial holder of one or more units of the REIT (a "Unitholder") or any annuitant under a plan of which such a Unitholder acts as trustee or carrier, any nominee of the REIT, or any officers, employees, agents of the REIT or a nominee of the REIT, and that resort shall not be had to, nor shall recourse or satisfaction be sought from, any of the foregoing or the private property of any of the foregoing.
- 15. **Obligations of Vendor**. The Vendor hereby acknowledges, confirms and agrees that the obligations and liabilities of each of the Persons comprising the Vendor under this Agreement and all Closing Documents are joint and several.
- 16. **Further Assurances**. The parties hereto shall from time to time hereafter and upon any reasonable request of another, execute and deliver and make or cause to be made all such further acts, deeds, including, without limitation, any specific assignment and assumption agreements, assurances and things as may be required or necessary to more effectually implement and carry out the true intent and meaning of this Omnibus Agreement.
- 17. **Enurement**. All of the covenants and agreements in this Omnibus Agreement shall be binding upon the parties hereto and their respective successors and permitted assigns and shall enure to the benefit of and be enforceable by the parties hereto and their respective successors and their permitted assigns.
- 18. <u>No Registration on Title</u>. No party shall register this Omnibus Agreement or any notice of this Omnibus Agreement on title to the Property.
- 19. <u>Governing Law</u>. This Omnibus Agreement shall be construed and enforced in accordance with the laws of the Province of Ontario and the laws of Canada applicable thereto and shall be treated in all respects as an Ontario contract.
- 20. **Notice**. Any notice, demand, approval, consent, information, agreement, offer, payment, request or other communication (hereinafter referred to as a "**Notice**") to be given under or in connection with this Omnibus Agreement shall be in writing and shall be given by personal delivery or by telecopier other electronic communication which results in a written or printed notice being given, addressed or sent as set out below or to such other address or electronic number as may from time to time be the subject of a Notice:
 - (a) If to the Vendor:

401 The West Mall, Suite 1100 Toronto, Ontario. M9C 5J5

Att: Daniel Drimmer

Fax: 416-234-8445 With a copy to the Vendor's Solicitors at:

2171 Avenue Road, Suite 200 Toronto, Ontario. M5M 4B4 Att: Barbara Lanys Fax: 416-485-6054

(b) If to the Purchaser:

c/o Cassels Brock LLP 40 Scotia Plaza, Suite 2100 Toronto, Ontario. M5H 3C2

Att: David A. Redmond

Fax: 416-350-6918

Any Notice, if personally delivered, shall be deemed to have been validly and effectively given and received on the date of such delivery and if sent by telecopier or other electronic communication with confirmation of transmission, shall be deemed to have been validly and effectively given and received on the date of transmission, if sent before 5:00 p.m. on a Business Day, and if sent after 5:00 p.m. on a Business Day or other than on a Business Day, then the Notice shall be deemed to have been validly and effectively given on the Business Day next following the day it was sent.

- 21. <u>Inconsistencies</u>. In the event of an inconsistency between this Omnibus Agreement and the Agreement of Purchase and Sale, the terms of the Agreement of Purchase and Sale shall prevail except it is expressly acknowledged by the parties hereto that merely because the Agreement of Purchase and Sale is silent as to a particular matter which is dealt with herein does not mean that this Omnibus Agreement is inconsistent with the Agreement of Purchase and Sale.
- 22. <u>Counterparts</u>. For the convenience of the parties, this Omnibus Agreement may be executed in several counterparts, each of which when so executed shall be, and be deemed to be, an original instrument and such counterparts together shall constitute one and the same instrument.

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IN WITNESS WHEREOF the parties hereto have executed this Omnibus Agreement.

(Name of Vendor Party)

Per:

Name: Title:

I have authority to bind the Partnership

(Name of Purchaser)

Per: _____

Name:

Title:

Per:

Name: Title:

I/We have authority to bind the Corporation and the Limited Partnership.

SCHEDULE "D"

PERMITTED ENCUMBRANCES

1.Property:1219 Centre Street, Brooks, AlbertaOwner:D.D. 1219 Centre Ltd.

1. 771 135 129 is an Utility Right of Way registered September 29th, 1977 in favour of The Town of Brooks as to Portion or Plan 7711349.

2. **Property:** 915 44th Street SE, Calgary, Alberta Owner: Kanco 44th Street Calgary Ltd.

- 1. Registration No. 771 147 064 registered October 20, 1977 Calgary International Airport Zoning Regulations.
- 2. Registration No. 891 089 484 registered May 18, 1989 Caveat by Coinamatic Pacific Ltd. re: Lease.
- 3. Registration No. 011 141 166 registered May 24, 2001 Caveat by Coinamatic Pacific Ltd. re: Lease.
- 4. Registration No. 121 015 557 registered January 18, 2012 Mortgage to the Toronto Dominion Bank.
- 5. Registration No. 121 015 558 registered January 18, 2012 -Caveat by the Toronto Dominion Bank for an Assignment of Rents and Leases.
- 6. Registration No. 121 015 559 registered January 18, 2012 Caveat by the Toronto Dominion Bank for a Lease Interest under an Assignment of Leases.
- 7. Registration No. 131 324 911 registered December 18, 2013 -Caveat by the Toronto Dominion Bank for an Amending Agreement.

3.Property:
Owner:2014 15th Avenue North, Lethbridge, Alberta
IMMO 2014 15th North Ltd.

- 1. 091 202 262 is Mortgage registered July 15th, 2009 in favour of First National Financial GP Corporation.
- 2. 091 202 263 is a Caveat re: Assignment of Rents and Leases registered July 15th, 2009 in favour of First National Financial GP Corporation.

4. Property: 3210 23rd Avenue South, Lethbridge, Alberta Owner: IMMO 3210 23rd South Ltd.

- 1. 761 120 497 is an Utility Right of Way registered September 29th, 1976 in favour of The City of Lethbridge as to the Easterly 10 feet of Lot 1.
- 2. 771 147 292 is an Utility Right of Way registered October 21st, 1977 in favour of The City of Lethbridge as to the Westerly 45 feet throughout.
- 3. 091 200 418 is Mortgage registered July 14th, 2009 in favour of First National Financial GP Corporation.
- 4. 091 200 419 is a Caveat re: Assignment of Rents and Leases registered July 14th, 2009 in favour of First National Financial GP Corporation.

5. **Property:** 3310 23rd Avenue South, Lethbridge, Alberta Owner: IMMO 3310 23rd South Ltd.

NIL

6. **Property:** 256 Mayor Magrath Drive North, Lethbridge, Alberta Owner: IMMO 256 Mayor Magrath Ltd.

- 1. 091 202 461 is Mortgage registered July 15th, 2009 in favour of First National Financial GP Corporation.
- 2. 091 202 462 is a Caveat re: Assignment of Rents and Leases registered July 15th, 2009 in favour of First National Financial GP Corporation.
- 7. Property: 175 Columbia Boulevard West, Lethbridge, Alberta Owner: IMMO 175 Columbia West Ltd.

NIL

8. Property: 590 and 600 Columbia Boulevard West, Lethbridge, Alberta Owner: IMMO 600 Columbia West Ltd.

- 1. 091 202 452 is Mortgage registered July 15th, 2009 in favour of First National Financial GP Corporation.
- 2. 091 202 453 is a Caveat re: Assignment of Rents and Leases registered July 15th, 2009 in favour of First National Financial GP Corporation.

9. Property: 1304, 1306, 1308 and 1310 23rd Avenue North, Lethbridge, Alberta Owner: IMMO 1304-1310 23rd North Ltd.

1. 871 084 933 is an Utility Right of Way registered May 25th, 1987 in favour of The City of Lethbridge as to Portion or Plan 7510992.

- 2. 871 097 185 is a Restrictive Covenant registered June 9th, 1987 as to 1304 23rd Avenue North.
- 3. 871 097 186 is a Restrictive Covenant registered June 9th, 1987 as to 1306 23rd Avenue North.
- 4. 871 097 187 is a Restrictive Covenant registered June 9th, 1987 as to 1308 23rd Avenue North.
- 5. 871 097 188 is a Restrictive Covenant registered June 9th, 1987 as to 1310 23rd Avenue North.
- 6. 871 097 189 is an Utility Right of Way registered June 9th, 1987 in favour of The City of Lethbridge as to Portion or Plan 8710812.
- 7. 051 415 796 is a Caveat re: Lease Option registered November 4th, 2005 in favour of Rogers Wireless Inc. and Fido Solutions Inc. as to 1304 23rd Avenue North.
- 8. 051 415 797 is a Caveat re: Lease Option registered November 4th, 2005 in favour of Rogers Wireless Inc. and Fido Solutions Inc. as to 1306 23rd Avenue North.
- 9. 051 324 197 is a Caveat re: Lease Option registered September 7th, 2005 in favour of Rogers Wireless Inc. and Fido Solutions Inc. as to 1308 23rd Avenue North.
- 10. 051 494 423 is a Caveat re: Lease registered December 30th, 2005 in favour of Rogers Wireless Inc. as to 1310 23rd Avenue North.
- 11. 061 082 000 is a Caveat re: Non-Disturbance Agreement registered February 27th, 2006 in favour of Rogers Wireless Inc.
- 12. 091 202 450 is Mortgage registered July 15th, 2009 in favour of First National Financial GP Corporation.
- 13. 091 202 451 is a Caveat re: Assignment of Rents and Leases registered July 15th, 2009 in favour of First National Financial GP Corporation.

10.Property:2201 32nd Street South, Lethbridge, AlbertaOwner:Kanco Cumberland Towers Ltd.

- 1. 1547LH is an Utility Right of Way registered February 24th, 1972 in favour of The City of Lethbridge as to Portion or Plan 250LK, 10 foot right of way.
- 061 061 156 is a Caveat re: Lease registered February 9th, 2006 in favour of TM Mobile Inc.
- 3. 111 057 958 is a Caveat re: Lease Interest registered March 10th, 2011 in favour of TM Mobile Inc.

11.Property:1603, 1607, 1611 and 1615 Scenic Heights South, Lethbridge, AlbertaOwner:IMMO 1603-1615 Scenic Heights Ltd.

- 1. 091 202 279 is Mortgage registered July 15th, 2009 in favour of First National Financial GP Corporation.
- 2. 091 202 280 is a Caveat re: Assignment of Rents and Leases registered July 15th, 2009 in favour of First National Financial GP Corporation.

12. Property: 37 Berkeley Place West, Lethbridge, Alberta Owner: D.D. 37 Berkeley West Ltd.

- 1. 741 073 946 is an Utility Right of Way registered July 31st, 1974 in favour of The City of Lethbridge as to Portion or Plan 7410380.
- 031 213 041 is a Caveat re: Lease registered June 25th, 2003 in favour of TM Mobile Inc.
- 051 328 828 is a Caveat re: Lease registered September 8th, 2005 in favour of Rogers Wireless Inc.
- 4. 141 051 950 is a Discharge of Utility Right of Way 741 073 946 Partial except Plan/Portion 1410637.

13.Property:131 Maxwell St., Sarnia, OntarioOwner:PDKC 131 Maxwell Ltd.

- 1. CONDO61 is a Condominium Plan registered February 19th, 2010.
- 2. Instrument No. LA67300 is the Condo Declaration registered February 19th, 2010.
- 3. Instrument No. LA67874 is Condo By-Law No. 1 registered March 4th, 2010.
- 4. Instrument No. LA67875 is Condo By-Law No. 2 registered March 4th, 2010.
- 5. Instrument No. LA67876 is Condo By-Law No. 3 registered March 4th, 2010.

14. Property: 543 Mornington Avenue and 135 Connaught Avenue, London, Ontario

Owner: DDP Mornington-Connaught Ltd.

- 1. Instrument No. EL34633 registered February 19, 1951 being a Bylaw.
- 2. Instrument No. EL35381 registered June 15, 1951 being a Bylaw.

- 3. Instrument No. EL35648 registered July 24, 1951 being a Bylaw.
- 4. Instrument No. 220450 registered August 20, 1965 being a Notice.
- 5. Instrument No. 222735 registered October 1, 1965 being an Agreement.
- 6. Instrument No. 223159 registered October 8, 1965 being Transfer Easement in favour of The Corporation of the City of London as amended by Instrument No. 253194 registered July 16, 1967.
- 7. Instrument No. 223162 registered October 8, 1965 being a Notice.
- 8. Instrument No. 229328 registered February 17, 1966 being Transfer Easement in favour of The Bell Telephone Company of Canada and The Corporation of the City of London.
- 9. Instrument No. 253194 registered July 16th, 1967 is a Transfer of Easement in favour of the Corporation of the City of London correcting Instrument No. 223159.
- 10. Instrument No. 263099 registered January 16, 1968 being an Agreement.
- 11. Instrument No. 265767 registered March 18, 1968 being a Deposit.
- 12. Instrument No. 269508 registered June 4, 1968 being an Agreement.
- 13. Instrument No. 272842 as set out in the thumbnails legal description.
- 14. Instrument No. 277776 registered November 7, 1968 being Transfer of Right of Way in favour of Union Gas Company of Canada, Limited.
- 15. Instrument No. 399414 registered August 2, 1974 being Bylaw.
- 16. Instrument No. 33R5398 registered September 30, 1982 being Plan Reference.
- 17. Instrument No. ER290547 registered June 2, 2004 being a Transfer Easement from CAPREIT Apartments Inc. to London Hydro Inc.

15. **Property:** 740 Kipps Lane, London, Ontario Owner: Kanco-740 Kipps Ltd.

- 1. Instrument No. 118887 registered by The Corporation of the Township of London on April 9, 1959.
- 2. Instrument No. 286285 being a Bylaw registered by City of London on May 14, 1969.

- 3. Instrument No. 311204 registered September 16, 1970 being a Development Agreement between Graton Construction Limited, Crich Holdings and Building Limited and The Corporation of the City of London.
- 4. Instrument No. 324857 registered June 18, 1971 being a Maintenance Agreement between Heathview Developments Limited, Fraewood Developments Limited, Graton Construction Limited, Crich Holdings and Buildings Limited and the City of London.
- 5. Instrument No. 348692 registered July 5, 1972 being a Maintenance Agreement between Averill Estates Limited, Bromleigh Estates Limited, Fraewood Developments Limited, Heathview Developments Limited, Graton Construction Limited, Crich Holdings and Buildings Limited and the City of London.
- 6. Instrument No. 33R539 registered April 13, 1973 being a reference plan.
- 7. Instrument No. 556806 registered September 21, 1979 being Notice of Grant of Easement and Maintenance Agreement between Averill Estates Limited, Bromleigh Estates Limited, Heathview Developments Limited, Fraewood Developments Limited and Graton Construction Limited, the City of London and The Public Utilities Commission of the City of London.
- 8. Instrument No. 556807 registered September 21, 1979 being a Maintenance Agreement between Averill Estates Limited, Bromleigh Estates Limited, Heathview Developments Limited, Fraewood Developments Limited and Graton Construction Limited and the City regarding maintenance services and recreation facilities, and grant of rights-of-way.
- 9. Instrument No. 560226 registered October 31, 1979 being a Notice of Maintenance Agreement between Heathview Developments Limited and Fraewood Developments Limited.
- 10. Instrument No. 846869 registered September 1, 1989 being a Notice of Lease from 683018 Ontario Limited in favour of Coinamatic Canada Inc.
- 11. Instrument No. 33R10418 registered May 15, 1992 being a reference plan.
- 12. Instrument No. ER134007 registered November 29, 2001 being a Notice under Section 71 of the LTA, of an Agreement between the City of London and 683018 Ontario Limited.
- 13. Instrument No. 33R14862 registered February 21, 2002 being a Reference Plan.
- 14. Instrument No. ER152372 registered April 12, 2002 being a Transfer of Easement from 683018 Ontario Limited in favour of London Hydro Inc.

- Instrument No. ER153995 registered April 23, 2002 being a Notice of Joint Use and Maintenance Agreement between Middlesex Condominium Corporation No. 353, Middlesex Condominium Corporation No. 357, 683018 Ontario Limited, 683022 Ontario Limited, 27 Cardigan Inc. and Southbay Corporation.
- Instrument No. ER168215 registered July 5, 2002 by 683018 Ontario Limited being a Declaration made pursuant to the Condominium Act, 1998 creating Middlesex Standard Condominium No. 506.
- 17. Instrument No. CONDO 506 registered July 5, 2002 being the Condominium Plan for Middlesex Standard Condominium No. 506.
- Instrument No. ER279820 registered April 6, 2004 being Condominium By-Law No. 1 (Condominium Act 1998) registered by Middlesex Standard Condominium Corporation No. 506.
- 19. Instrument No. ER282595 registered April 23, 2004 being a Transfer of Easement from Middlesex Standard Condominium Corporation No. 506 in favour of Rogers.
- 20. Instrument No. ER488671 registered by Rogers on March 8, 2007 being a Notice under Section 71 of the LTA of an Agreement extending the term of the Rogers lease registered as Instrument No. ER282595.
- 21. Instrument No. ER831550 registered June 29, 2012 being a Charge/Mortgage of Land in favour of GE Canada Real Estate Financing Holding Company ("GE") in the principal amount of \$35,000,000.00.

16. **Property:** 750 Kipps Lane, London, Ontario Owner: Kanco-750 Kipps Ltd.

1. Instrument No. 79627 registered by The Corporation of the Township of London on February 22, 1956 being a Bylaw.

2. Instrument No. 118887 registered by The Corporation of the Township of London on April 9, 1959 providing for an area of subdivision control.

3. Instrument No. 286285 registered by City of London on May 14, 1969 being a Bylaw to place the Property under part lot control.

4. Instrument No. 311204 registered September 16, 1970 being a Development Agreement between Graton Construction Limited, Crich Holdings and Building Limited and the City of London.

5. Instrument No. 324857 registered June 18, 1971 being a Maintenance Agreement between Heathview Developments Limited, Fraewood Developments Limited, Graton

Construction Limited, Crich Holdings and Buildings Limited and the City of London.

6. Instrument No. 348692 registered July 5, 1972 being a Maintenance Agreement between Averill Estates Limited, Bromleigh Estates Limited, Fraewood Developments Limited, Heathview Developments Limited, Graton Construction Limited, Crich Holdings and Buildings Limited and the City of London.

7. Instrument No. 33R539 registered April 13, 1973 being a reference plan.

8. Instrument No. 556806 registered September 21, 1979 being Notice of Grant of Easement and Maintenance Agreement between Averill Estates Limited, Bromleigh Estates Limited, Heathview Developments Limited, Fraewood Developments Limited and Graton Construction Limited, the City of London and The Public Utilities Commission of the City of London.

9. Instrument No. 556807 registered September 21, 1979 being a Maintenance Agreement between Averill Estates Limited, Bromleigh Estates Limited, Heathview Developments Limited, Fraewood Developments Limited and Graton Construction Limited and the City of London.

10. Instrument No. 560226 registered October 31, 1979 being a Notice of Maintenance Agreement between Heathview Developments Limited and Fraewood Developments Limited.

11. Instrument No. 560228 registered October 31, 1979 being a Development Agreement between Averill Estates Limited and Heathview Developments Limited.

12. Instrument No. 847201 registered September 5, 1989 being a Notice of Lease from 683022 Ontario Limited in favour of Coinamatic Canada Inc.

13. Instrument No. 33R10418 registered May 15, 1992 being a reference plan.

14. Instrument No. ER134011 registered November 29, 2001 being a Notice Under Section 71 of The Land Titles Act, of an Agreement between the City and 683022 Ontario Limited.

15. Instrument No. 33R14862 registered February 21, 2002 being a reference plan.

16. Instrument No. ER152374 registered April 12, 2002 being a Transfer of Easement from 683022 in favour of London Hydro Inc.

17. Instrument No. ER153995 registered April 23, 2002 being a Notice of Joint Use and Maintenance Agreement between Middlesex Condominium Corporation No. 353, Middlesex Condominium Corporation No. 357, 683018 Ontario Limited, 683022 Ontario Limited, 27 Cardigan Inc. and Southbay Corporation.

18. Instrument No. ER168214 registered July 5, 2002 by 683022 being a Declaration made pursuant to the Condominium Act, 1998 creating Middlesex Standard

Condominium No. 505.

19. Instrument No. CONDO 505 registered July 5, 2002 being the Condominium Plan for Middlesex Standard Condominium No. 505.

20. Instrument No. ER281685 registered April 19, 2004 being Condominium By-Law No. 1 (Condominium Act 1998) registered by Middlesex Standard Condominium Corporation No. 505.

21. Instrument No. ER282546 registered April 23, 2004 being a Transfer of Easement from Middlesex Standard Condominium Corporation No. 505 in favour of Rogers.

22. Instrument No. ER488833 registered by Rogers on March 9, 2007 being a Notice Under Section 71 of The Land Titles Act.

23. Instrument No. ER831560 registered June 29, 2012 being a Charge/Mortgage of Land in favour of GE in the principal amount of \$35,000,000.00.

17. Property: 752 Kipps Lane, London, Ontario Owner: Kanco-752 Kipps Ltd.

- 1. Instrument No. 118887 registered by The Corporation of the Township of London on April 9, 1959 providing for an area of subdivision control.
- Instrument No. 286285 registered by City of London on May 14, 1969 being a Bylaw.
- 3. Instrument No. 311204 registered September 16, 1970 being a Development Agreement between Graton Construction Limited, Crich Holdings and Building Limited and the City of London.
- Instrument No. 324857 registered June 18, 1971 being a Maintenance Agreement between Heathview Developments Limited, Fraewood Developments Limited, Graton Construction Limited, Crich Holdings and Buildings Limited and the City of London.
- Instrument No. 348692 registered July 5, 1972 being a Maintenance Agreement between Averill Estates Limited, Bromleigh Estates Limited, Fraewood Developments Limited, Heathview Developments Limited, Graton Construction Limited, Crich Holdings and Buildings Limited and the City of London.
- 6. Instrument No. 33R539 registered April 13, 1973 being a reference plan.
- Instrument No. 556806 registered September 21, 1979 being Notice of Grant of Easement and Maintenance Agreement between Averill Estates Limited, Bromleigh Estates Limited, Heathview Developments Limited, Fraewood Developments Limited and Graton Construction Limited, the City of London and The Public Utilities Commission of the City of London.

- Instrument No. 556807 registered September 21, 1979 being a Maintenance Agreement between Averill Estates Limited, Bromleigh Estates Limited, Heathview Developments Limited, Fraewood Developments Limited and Graton Construction Limited and the City of London.
- 9. Instrument No. 560227 registered October 31, 1979 being a Notice of Maintenance Agreement between Heathview Developments Limited and Fraewood Developments Limited.
- 10. Instrument No. 846870 registered September 1, 1989 being a Notice of Lease from 683019 Ontario Limited in favour of Coinamatic Canada Inc..
- 11. Instrument No. 33R10418 registered May 15, 1992 being a reference plan.
- Instrument No. ER134012 registered November 29, 2001 being a Notice under Section 71 of the LTA, of an Agreement between the City of London and 27 Cardigan Inc.
- 13. Instrument No. 33R14862 registered February 21, 2002 being a reference plan.
- 14. Instrument No. ER152377 registered April 12, 2002 being a Transfer of Easement from 27 Cardigan Inc. in favour of London Hydro Inc.
- Instrument No. ER153995 registered April 23, 2002 being a Notice of Joint Use and Maintenance Agreement between Middlesex Condominium Corporation No. 353, Middlesex Condominium Corporation No. 357, 683018 Ontario Limited, 683022 Ontario Limited, 27 Cardigan Inc. and Southbay Corporation.
- Instrument No. ER168216 registered July 5, 2002 by 27 Cardigan being a Declaration made pursuant to the Condominium Act, 1998 creating Middlesex Standard Condominium No. 507.
- 17. Instrument No. CONDO 507 registered July 5, 2002 being the Condominium Plan for Middlesex Standard Condominium No. 507.
- Instrument No. ER282180 registered April 22, 2004 being Condominium By-Law No. 1 (Condominium Act 1998) registered by Middlesex Standard Condominium Corporation No. 507.
- 19. Instrument No. ER282583 registered April 23, 2004 being a Transfer of Easement from Middlesex Standard Condominium Corporation No. 507 in favour of Rogers.
- 20. Instrument No. ER488857 registered by Rogers on March 9, 2007 being a Notice under Section 71 of the LTA of an Agreement.
- 21. Instrument No. ER831581 registered June 29, 2012 being a Charge/Mortgage of Land in favour of GE in the principal amount of \$35,000,000.00.

18. Property: 754 Kipps Lane, London, Ontario Owner: Kanco-754 Kipps Ltd.

- 1. Instrument No. 79627 registered by The Corporation of the Township of London on February 22, 1956 being a By-Law.
- 2. Instrument No. 118887 registered by The Corporation of the Township of London on April 9, 1959 providing for an area of subdivision control.
- 3. Instrument No. 286285 registered by City of London on May 14, 1969 being a Bylaw to place the Property under part lot control.
- 4. Instrument No. 311204 registered September 16, 1970 being a Development Agreement between Graton Construction Limited, Crich Holdings and Building Limited and the City of London.
- Instrument No. 324857 registered June 18, 1971 being a Maintenance Agreement between Heathview Developments Limited, Fraewood Developments Limited, Graton Construction Limited, Crich Holdings and Buildings Limited and the City of London.
- 6. Instrument No. 348692 registered July 5, 1972 being a Maintenance Agreement between Averill Estates Limited, Bromleigh Estates Limited, Fraewood Developments Limited, Heathview Developments Limited, Graton Construction Limited, Crich Holdings and Buildings Limited and the City of London.
- 7. Instrument No. 33R539 registered April 13, 1973 being a reference plan.
- Instrument No. 556806 registered September 21, 1979 being Notice of Grant of Easement and Maintenance Agreement between Averill Estates Limited, Bromleigh Estates Limited, Heathview Developments Limited, Fraewood Developments Limited and Graton Construction Limited, the City of London and The Public Utilities Commission of the City of London.
- 9. Instrument No. 556807 registered September 21, 1979 being a Maintenance Agreement between Averill Estates Limited, Bromleigh Estates Limited, Heathview Developments Limited, Fraewood Developments Limited and Graton Construction Limited and the City of London.
- Instrument No. 560227 registered October 31, 1979 being a Notice of Maintenance Agreement between Heathview Developments Limited and Fraewood Developments Limited.
- 11. Instrument No. 560228 registered October 31, 1979 being a Development Agreement between Averill Estates Limited and Heathview Developments Limited.
- 12. Instrument No. 846871 registered September 1, 1989 being a Notice of Lease from 683020 Ontario Limited in favour of Coinamatic Canada Inc..

- 13. Instrument No. 33R10418 registered May 15, 1992 being a reference plan.
- 14. Instrument No. ER134013 registered November 29, 2001 being a Notice under Section 71 of the LTA, of an Agreement between the City and Southbay Corporation.
- 15. Instrument No. 33R14862 registered February 21, 2002 being a reference plan.
- 16. Instrument No. ER152378 registered April 12, 2002 being a Transfer of Easement from Southbay Corporation in favour of London Hydro Inc.
- Instrument No. ER153995 registered April 23, 2002 being a Notice of Joint Use and Maintenance Agreement between Middlesex Condominium Corporation No. 353, Middlesex Condominium Corporation No. 357, 683018 Ontario Limited, 683022 Ontario Limited, 27 Cardigan Inc. and Southbay Corporation.
- Instrument No. ER168217 registered July 5, 2002 by Southbay being a Declaration made pursuant to the Condominium Act, 1998 creating Middlesex Standard Condominium No. 508.
- 19. Instrument No. CONDO 508 registered July 5, 2002 being the Condominium Plan for Middlesex Standard Condominium No. 508.
- Instrument No. ER270054 registered February 6, 2004 being Condominium By-Law No. 1 (Condominium Act 1998) registered by Middlesex Standard Condominium Corporation No. 508.
- 21. Instrument No. ER270307 registered February 9, 2004 being a Transfer of Easement from Middlesex Condominium Corporation No. 508 in favour of Rogers.
- 22. Instrument No. ER488685 registered by Rogers on March 8, 2007 being a Notice under Section 71 of the LTA of an Agreement.
- 23. Instrument No. ER831596 registered June 29, 2012 being a Charge/Mortgage of Land in favour of GE in the principal amount of \$35,000,000.00.

19. Property: 756 Kipps Lane, London, Ontario Owner: Kanco-756 Kipps Ltd.

- 1. Instrument No. 118887 registered by The Corporation of the Township of London on April 9, 1959 providing for an area of subdivision control.
- 2. Instrument No. 286285 registered by City on May 14, 1969 being a Bylaw.
- 3. Instrument No. 311204 registered September 16, 1970 being a Development Agreement between Graton Construction Limited, Crich Holdings and Building Limited and the City of London.

- Instrument No. 324857 registered June 18, 1971 being a Maintenance Agreement between Heathview Developments Limited, Fraewood Developments Limited, Graton Construction Limited, Crich Holdings and Buildings Limited and the City of London.
- Instrument No. 348692 registered July 5, 1972 being a Maintenance Agreement between Averill Estates Limited, Bromleigh Estates Limited, Fraewood Developments Limited, Heathview Developments Limited, Graton Construction Limited, Crich Holdings and Buildings Limited and the City of London.
- 6. Instrument No. 516049 registered June 15, 1978 being an Agreement between Graton Construction Limited and the City of London.
- Instrument No. 556806 registered September 21, 1979 being Notice of Grant of Easement and Maintenance Agreement between Averill Estates Limited, Bromleigh Estates Limited, Heathview Developments Limited, Fraewood Developments Limited and Graton Construction Limited, the City of London.
- Instrument No. 556807 registered September 21, 1979 being a Maintenance Agreement between Averill Estates Limited, Bromleigh Estates Limited, Heathview Developments Limited, Fraewood Developments Limited and Graton Construction Limited and the City of London.
- 9. Instrument No. 846872 registered September 1, 1989 being a Notice of Lease from 683153 Ontario Limited in favour of Coinamatic Canada Inc.
- 10. Instrument No. 33R10418 registered May 15, 1992 being a reference plan.
- 11. Instrument No. 33R10609 registered September 14, 1992 being a Reference Plan.
- 12. Instrument No. LT429635 registered July 5, 1996 being a Notice of an Agreement between the City of London and 683025 Ontario Limited, and 683153 Ontario Limited.
- 13. Instrument No. LT429637 registered July 5, 1996 being a Notice of an Agreement between the City of London and 683025 Ontario Limited.
- Instrument No. LT461935 registered March 4, 1997 by 683025 being a Declaration made pursuant to the Condominium Act, 1990 creating Middlesex Condominium No. 353.
- 15. Instrument No. CONDO 353 registered March 4, 1997 being the Condominium Plan for Middlesex Condominium No. 353.
- Instrument No. LT461936 registered March 4, 1997 being Condominium By-Law No. 1 (Condominium Act 1990) registered by Middlesex Condominium Corporation No. 353.

- Instrument No. LT461937 registered March 4, 1997 being Condominium By-Law No. 2 (Condominium Act 1990) registered by Middlesex Condominium Corporation No. 353.
- 18. Instrument No. LT513549 registered March 25, 1998 being a notice re: change of address for Middlesex Condominium Corporation No. 353.
- Instrument No. ER153806 registered April 22, 2002 being Condominium By-Law No. 3 (Condominium Act 1998) registered by Middlesex Condominium Corporation No. 353.
- 20. Instrument No. ER153995 registered April 23, 2002 being a Notice of Joint Use and Maintenance Agreement between Middlesex Condominium Corporation No. 353, Middlesex Condominium Corporation No. 357, 683018 Ontario Limited, 683022 Ontario Limited, 27 Cardigan Inc. and Southbay Corporation.
- Instrument No. ER269861 registered February 5, 2004 being Condominium By-Law No. 4 (Condominium Act 1998) registered by Middlesex Condominium Corporation No. 353 authorizing the entry into a Transfer of Easement with Rogers.
- 22. Instrument No. ER269986 registered February 5, 2004 being a Transfer of Easement from Middlesex Condominium Corporation No. 353 in favour of Rogers.
- 23. Instrument No. ER488700 registered by Rogers on March 8, 2007 being a Notice under Section 71 of the LTA of an Agreement.
- 24. Instrument No. ER831612 registered June 29, 2012 being a Charge/Mortgage of Land in favour of GE in the principal amount of \$35,000,000.00.
- 25. All easements to which the lands are subject to and together with as identified in the legal thumbnail description.

20. Property: 758 Kipps Lane, London, Ontario Owner: Kanco-758 Kipps Ltd.

- 1. Instrument No. 118887 registered by The Corporation of the Township of London on April 9, 1959 providing for an area of subdivision control.
- 2. Instrument No. 286285 registered by City on May 14, 1969 being a Bylaw.
- 3. Instrument No. 311204 registered September 16, 1970 being a Development Agreement between Graton Construction Limited, Crich Holdings and Building Limited and the City of London.
- 4. Instrument No. 324857 registered June 18, 1971 being a Maintenance Agreement between Heathview Developments Limited, Fraewood Developments Limited, Graton Construction Limited, Crich Holdings and Buildings Limited and the City of London.

- Instrument No. 348692 registered July 5, 1972 being a Maintenance Agreement between Averill Estates Limited, Bromleigh Estates Limited, Fraewood Developments Limited, Heathview Developments Limited, Graton Construction Limited, Crich Holdings and Buildings Limited and the City of London.
- Instrument No. 386049 registered May 16, 1973 being an Agreement for Right-of-Way from Averill Estates Limited, Bromleigh Estates Limited, Fraewood Developments Limited and Heathview Developments Limited in favour of Union Gas Limited (as in thumbnail description).
- 7. Instrument No. 516049 registered June 15, 1978 being an Agreement between Graton Construction Limited and the City regarding development.
- 8. Instrument No. 556414 registered September 17, 1979 being a Deed of Land from Bromleigh Estates Limited to Graton Construction Limited (as in thumbnail description).
- 9. Instrument No. 556806 registered September 21, 1979 being Notice of Grant of Easement and Maintenance Agreement between Averill Estates Limited, Bromleigh Estates Limited, Heathview Developments Limited, Fraewood Developments Limited and Graton Construction Limited, the City of London and The Public Utilities Commission of the City of London.
- Instrument No. 556807 registered September 21, 1979 being a Maintenance Agreement between Averill Estates Limited, Bromleigh Estates Limited, Heathview Developments Limited, Fraewood Developments Limited and Graton Construction Limited and the City of London.
- 11. Instrument No. 560224 registered October 31, 1979 being a Deed of Land from Graton Construction Limited to Averill Estates Limited (as in thumbnail description).
- 12. Instrument No. 560225 registered October 31, 1979 being a Deed of Land from Graton Construction Limited to Heathview Developments Limited and Fraewood Developments Limited (as in thumbnail description).
- 13. Instrument No. 846873 registered September 1, 1989 being a Notice of Lease from 683153 Ontario Limited in favour of Coinamatic Canada Inc.
- 14. Instrument No. 856465 registered December 15, 1989 being a Transfer/Deed of Land from 683153 Ontario Limited to 683025 Ontario Limited.
- 15. Instrument No. 33R10418 registered May 15, 1992 being a reference plan.
- 16. Instrument No. LT267813 registered May 15, 1992 being an Application (General) re Application to Absolute Title by 683025 Ontario Limited.
- 17. Instrument No. 33R10609 registered September 14, 1992 being a reference plan.

- 18. Instrument No. 33R12449 registered April 1, 1996 being a reference plan.
- 19. Instrument No. LT429635 registered July 5, 1996 being a notice of an agreement between the City of London and 683153 Ontario Limited and 683025 Ontario Limited.
- 20. Instrument No. LT429636 registered July 5, 1996 being a Notice of an Agreement between the City and 683153 Ontario Limited.
- 21. Instrument No. LT429637 registered July 5, 1996 being a notice of an Agreement between the City and 683025 Ontario Limited.
- Instrument No. LT467733 registered April 18, 1997 by 683153 being a Declaration made pursuant to the Condominium Act, 1990 creating Middlesex Condominium No. 357.
- 23. Instrument No. CONDO 357 registered April 18, 1997 being the Condominium Plan for Middlesex Condominium No. 357.
- Instrument No. LT467734 registered April 18, 1997 being Condominium By-Law No. 1 (Condominium Act 1990) registered by Middlesex Condominium Corporation No. 357.
- Instrument No. LT467735 registered April 18, 1997 being Condominium By-Law No. 2 (Condominium Act 1990) registered by Middlesex Condominium Corporation No. 357.
- 26. Instrument No. LT513550 registered March 25, 1998 being a Notice re: change of address for Middlesex Condominium Corporation No. 357.
- Instrument No. ER153820 registered April 22, 2002 being Condominium By-Law No. 3 (Condominium Act 1998) registered by Middlesex Condominium Corporation No. 357.
- Instrument No. ER153995 registered April 23, 2002 being a Notice of Joint Use and Maintenance Agreement between Middlesex Condominium Corporation No. 353, Middlesex Condominium Corporation No. 357, 683018 Ontario Limited, 683022 Ontario Limited, 27 Cardigan Inc. and Southbay Corporation.
- Instrument No. ER209893 registered March 6, 2003 being Condominium By-Law No. 4 (Condominium Act 1998) registered by Middlesex Condominium Corporation No. 357.
- 30. Instrument No. ER211616 registered March 20, 2003 being a Transfer of Easement from Middlesex Condominium Corporation No. 357 in favour of Rogers.
- 31. Instrument No. ER488781 registered by Rogers on March 8, 2007 being a Notice under Section71 of the LTA of an Agreement.

- 32. Instrument No. ER831637 registered June 29, 2012 being a Charge/Mortgage of Land in favour of GE in the principal amount of \$35,000,000.00.
- 33. All easements to which the lands are subject to and together with as identified in the legal thumbnail description.

With respect to PIN 08660-0001 (LT)

34. Instrument No. ER809589 registered February 13, 2012 being a Notice of Lease in favour of Bell Mobility Inc.

21.Property:285 Erb Street, Waterloo, OntarioOwner:D.D. 285 Erb Ltd.

1. Instrument No. 58R1521 is a Reference Plan registered January 23, 1976.

2. Instrument No. 573274 is a Transfer of Easement registered July 6, 1976 between West Erb Holdings Limited, The Corporation of the City of Waterloo and The Royal Trust Company.

22. Property: 93 and 99 Westwood Drive, Kitchener, Ontario Owner: Badenhurst-Westwood-1 Ltd.

- 1. Instrument No. 325886 is an Easement registered June 17, 1966, made between Kaiser Investments Limited, The Bell Telephone Company of Canada, and Kitchener Public Utilities Commission.
- 2. Instrument No. LT39124 is a Notice of Agreement made between 880460 Ontario Inc. and 886419 Ontario Inc., as owners, the Corporation of the City of Kitchener, and the Peoples Trust Company.

23. Property: 286 Chandler Drive, Kitchener, Ontario Owner: Kanco-286 Chandler Ltd.

- 1. Instrument No. 359399 registered November 3rd, 1967 is an Agreement made between Dutchman Homes Limited and the Corporation of the City of Kitchener.
- 2. Instrument No. 365797 registered February 13th, 1968 is an Agreement made between Dutchman Homes Limited and the Corporation of the City of Kitchener;
- 3. Reference Plan No. WDR34 registered February 16th, 1968.
- 4. Instrument No. 367998 registered March 13th, 1968 is a Memorandum Agreement made between Buildevco Limited and the Corporation of the City of Kitchener;
- 5. Instrument No. 367936 registered March 18th, 1968 is a Bylaw;

- 6. Instrument No. 368979 registered April 1st, 1968 is a Bylaw;
- 7. Instrument No. 374272 registered June 18th, 1968 is a Transfer Easement made between Dutchman Homes Limited and the Public Utilities Commission of the City of Kitchener;
- 8. Instrument No. 375625 registered July 2nd, 1968 is a Transfer Easement made between Buildevco Limited and the Bell Telephone Company of Canada and the Public Utilities Commission of the City of Kitchener;
- 9. Instrument No. 380973 registered September 23rd, 1968 is a Agreement made between Buildevco Limited and the Corporation of the City of Kitchener and the Kitchener Water Commission;
- 10. Instrument No. 394605 registered April 1st, 1969 is a Release made between the Corporation of the City of Kitchener and Buildevco Limited;
- 11. Instrument No. 402961 registered July 11th, 1969 is a Release made between the Corporation of the City of Kitchener and Buildevco Limited;
- 12. Instrument No. 991487 registered May 11th, 1989 is a Site Plan Agreement made between Hallman Chandler Limited and the Corporation of the City of Kitchener;
- 13. Instrument No. 1444097 registered December 17th, 1999 is a Transfer Easement made between Hallman Brierdale Limited and Rogers Cablesystems Limited;
- 14. Instrument No. 1551998 registered August 12th, 2002 is a Release made between the Corporation of the City of Kitchener and Hallman Chandler Limited;
- 15. Instrument No. WR273206 registered January 23rd, 2007 is a Notice made between Rogers Cable Inc. and Kanco-286 Chandler Ltd.;
- 16. Instrument No. WR459096 registered May 4th, 2009 is a Notice re Airport Zoning Regulations in favour of Her Majesty the Queen in Right of Ontario.
- 17. Subject to Right to Enter in Instrument No. 826469, as referred to in the thumbnails legal description.

24. **Property:** 294 Chandler Drive, Kitchener, Ontario Owner: Kanco-294 Chandler Ltd.

- 1. Reference Plan No. WDR34 registered February 16th, 1968.
- 2. 367936 is a By-Law registered March 18, 1968.

3. 374272 is an easement in favour of The Bell Telephone Co. of Canada and The P.U.C. of the City of Kitchener registered June 18, 1968.

4. 375625 is an easement in favour of The Bell Telephone Co. of Canada and The P.U.C. of the City of Kitchener registered July 2^{nd} , 1968.

5. 1253550 is a Notice of Lease from 395850 Ontario Ltd. to Bell Mobility Cellular Inc. registered May 8, 1995.

6. 1383275 is a Notice of Lease with Clearnet Pcs Inc. registered June 18, 1998.

7. WR37783 is an easement in favour of Rogers Cable Communications Inc. registered May 10, 2004.

8. WR105409 is an Application to Change Name (1253550) registered February 16, 2005.

9. WR105411 is a Notice of Change of Address (1253550) registered February 16, 2005.

10. WR267050 is a Notice relating to WR37783 registered December 19, 2006.

11. WR459096 is a Notice of Airport Zoning Regulations registered May 4, 2009.

25. Property: 7-11 Manhattan Court, Guelph, Ontario Owner: D.D. 7 & 11 Manhattan Ltd.

NIL

26. Property: 155 Market Street, Hamilton, Ontario Owner: D.D. 155 Market Ltd.

1. Instrument No. LT26170 is an Application for Title registered September 16, 1974.

2. Instrument No. 62R1952 is a Reference Plan registered September 16, 1974.

3. Subject to Instrument Nos. AB50746 and AB337563 as referred to in the thumbnails description.

27.Property:1 Rosemount Drive, Toronto, OntarioOwner:D.D. 1 Rosemount Apartments Ltd.

1. Instrument No. SC134698 is a By-Law registered July 29, 1954.

2. Instrument No. SC269237 is an Agreement registered November 17, 1960 between Jessie Marion Sinclair, Clifford Allan Sinclair and The Corporation of the Township of Scarborough.

3. Instrument No. SC269244 is an Agreement registered November 17, 1960 between Max Merkur, David Merkur and The Corporation of the Township of Scarborough.

4. Instrument No. SC269425 is an Agreement registered November 22, 1960 between Henry Francis Tyson, Rose Elizabeth Tyson and The Corporation of the Township of Scarborough.

5. Instrument No. SC269428 is an Agreement registered November 22, 1960 between James Frederick Lister, Nathalia Lister and The Corporation of the Township of Scarborough.

6. Instrument No. SC269429 is an Agreement registered November 22, 1960 between Russell Benjamin Jackson, Joan Jackson and The Corporation of the Township of Scarborough.

7. Instrument No. SC287420 is a By-Law registered January 19, 1962.

8. Instrument No. SC385900 is an Agreement registered February 26, 1968 between Norgrove Holdings Limited and The Corporation of the Borough of Scarborough.

28. Property: 2292 Weston Road, Toronto Owner: Badenhurst Weston Ltd.

1. E242181 is an easement in favour of Rogers Cablesystems Limited registered April 22, 1999.

29.Property:33 Richmond Street, Oshawa, OntarioOwner:D.D. 33 Richmond Ltd.

1. Instrument No. OS187142 is a Site Plan Agreement registered October 22, 1970.

2. Instrument No. OS199071 is a Site Plan Agreement registered March 27, 1972.

3. Instrument No. 40R736 is a Reference Plan registered June 27, 1972.

4. Instrument No. LT255138 is a Notice of Airport Zoning Regulations registered December 16, 1985.

5. Instrument No. 40R17243 is a Reference Plan registered November 28, 1996.

6. Instrument No. DR34283 is an Agreement registered November 8, 2001 between Pallegacy Inc., Bond Two Thousand Equities Inc. and Fifty Bond Street West Inc.

7. Instrument No. DR41237 is a Notice of Lease registered December 7, 2001 in favour of Bell Mobility Cellular Inc.

8. Instrument No. 40R22026 is a Reference Plan registered June 18, 2003.

9. Instrument No. DR192722 is a Transfer of Easement registered July 25, 2003 in favour of The Corporation of the City of Oshawa.

10. Instrument No. DR192724 is a Transfer of Easement registered July 25, 2003 in favour of The Corporation of the City of Oshawa.

11. Instrument No. DR192729 is a Transfer of Easement registered July 25, 2003 in favour of The Corporation of the City of Oshawa.

12. Instrument No. DR237674 is a Notice of Agreement registered December 15, 2003 between 1549565 Ontario Inc., 44 Bond Street West Development Inc., The Corporation of the City of Oshawa and Equitable Trust Company.

13. Instrument No. DR265607 is a Transfer of Easement registered April 6, 2004 in favour of Rogers Cable Communications Inc.

14. Instrument No. DR538829 is a Plan Correction registered September 7, 2006.

15. Instrument No. 40R24728 is a Reference Plan registered January 31, 2007.

16. Instrument No. DR590540 is an Application to Change Name registered March 28, 2007 relating to Instrument No. DR41237.

17. Instrument No. DR590547 is a Notice of Change of Address registered March 28, 2007 relating to Instrument No. DR590540.

18. Instrument No. DR618098 is a Notice to Extend Terms of an Easement registered June 28, 2007 in favour of Rogers Cable Communications Inc.

30.Property:100 Rideau Street, Ottawa, OntarioRegistered Owner:D.D. 100 Rideau Ltd.

- 1. Reference Plan No. 40R6972 registered April 15th, 1982.
- 2. Instrument No. D210915 is a Notice of Airport Zoning Regulations registered December 16th, 1985.
- 3. Reference Plan No. 40R12857 registered February 12th, 1990.

31.Property:2 Colborne Street West, Lindsay, OntarioOwner:D.D. 2 Colborne Ltd.

PIN 63216-0194 (LT)

1. Instrument No. R123394 is a Transfer of Easement registered January 17, 1978 in favour of The Corporation of The Town of Lindsay.

2. Instrument No. R354593 is a Notice of Claim registered September 11, 1998 in favour of The Town of Lindsay.

PIN 63216-0052 (R)

1. Instrument No. A3005 is a Transfer registered October 21, 1969.

2. Instrument No. A21346 is a Transfer of Easement registered March 13, 1972 in favour of The Corporation of the Town of Lindsay.

3. Instrument No. 57R1511 is a Reference Plan registered May 7, 1976.

4. Instrument No. A61093 is a Transfer registered June 15, 1976.

5. Instrument No. R112903 is a Transfer registered December 31, 1976.

6. Instrument No. R113107 is a Quit Claim Transfer registered January 12, 1977.

7. Instrument No. 57R1988 is a Reference Plan registered July 27, 1977.

8. Instrument No. R122718 is a Transfer of Easement registered December 19, 1977 in favour of The Corporation of the Town of Lindsay.

9. Instrument No. R123394 is a Transfer of Easement registered January 17, 1978 in favour of The Corporation of the Town of Lindsay.

10. Instrument No. R125888 is a Transfer of Easement registered May 11, 1978 in favour of The Board of Water Commissioners.

11. Instrument No. R143928 is a Transfer of Easement registered June 30, 1979 in favour of The Hydro-Electric Commission of Ontario.

12. Instrument No. R220279 is a Quit Claim Transfer registered May 6, 1987.

13. Instrument No. R354593 is a Notice of Claim registered September 11, 1998 in favour of The Town of Lindsay.

14. Instrument No. R367800 is a Notice of Claim registered December 30, 1999 in favour of The Town of Lindsay.

15. Instrument No. R383484 is a Transfer of Easement registered July 26, 2001 in favour of Hydro One Networks.

16. Instrument No. R392558 is a Transfer registered May 15, 2002.

17. Instrument No. R392754 is a Transfer registered May 17, 2002.

18. Instrument No. R392755 is a Transfer registered May 17, 2002.

- 19. Instrument No. R392756 is a Transfer registered May 17, 2002.
- 20. Instrument No. R396143 is a Transfer registered August 15, 2002.
- 21. Instrument No. R472297 is a Deposit re: Proof of Death registered March 5, 2010.
- 22. Instrument No. R472314 is a Deposit registered March 29, 2010.
- 23. Instrument No. R472641 is a Transfer registered August 15, 2012.

32. Property: 25 Westwood Court, Lindsay, Ontario Owner: D.D. 25 Westwood Ltd.

1. Instrument No. KL24785 is a Notice of Lease registered May 29, 2009 in favour of Coinamatic Canada Inc.

33.Property:840 Water Street, Peterborough, OntarioOwner:D.D. 840 Water Ltd.

- 1. Instrument No. 45R2995 is a Reference Plan registered July 4, 1978.
- 2. Instrument No. 45R5429 is a Reference Plan registered February 12, 1985.
- 3. Instrument No. R429024 is a Site Plan Agreement registered May 16, 1985.

4. Instrument No. PE194294 is a Notice of Interest in Land registered September 16, 2013 in favour of Linda Bovoloto.

34.Property:36 Raglan Street, Napanee, OntarioOwner:Kanco-36 Raglan Ltd.

1. Plan Reference registered May 30th, 1984 as number 29R-2823.

- 35. **Property:** 252 Belleville Road, Napanee, Ontario Owner: Kanco-252 Belleville Ltd.
 - 1. Plan Reference registered September 4th, 2007 as number 29R-9283.

36. **Property:** 10 Cartier Court, Brockville, Ontario Owner: D.D. 10 Cartier Ltd.

1. Instrument No. LR48372 is an Agreement registered May 3, 1972 between Calanco Lands Limited and The Public Utilities Commission of the City of Brockville.

2. Instrument No. LR104439 is a General Assignment and By-Law registered December 8, 1978.

3. Instrument No. 28R440 is a Reference Plan registered January 10, 1984.

4. Instrument No. LR168887 is a By-Law registered October 28, 1986.

5. Instrument No. LR169338 is an Agreement registered November 7, 1986 between Dacon Corporation Limited and The Public Utilities Commission of the City of Brockville.

6. Instrument No. LR170841Z is an Application for Restrictive Covenants registered January 2, 1987 between Dacon Corporation Limited and Wellesly Developments (Brockville) Limited.

7. Instrument No. 28R5322 is a Reference Plan registered February 16, 1987.

8. Instrument No. LR182823 is a By-Law registered February 8, 1988.

9. Instrument No. LR199726 is a Site Plan Agreement registered August 14, 1989.

10. Instrument No. LR202816 is a Release related to LR172286 registered November 6, 1989.

11. Instrument No. LR214029 is a By-Law registered October 30, 1990.

12. Instrument No. 28R8360 is a Reference Plan registered May 3, 1994.

13. Instrument No. 28R8447 is a Reference Plan registered July 24, 1994.

14. Instrument No. 28R8473 is a Reference Plan registered August 30, 1994.

SCHEDULE "E"

CAPITAL EXPENDITURES

Commercially sensitive information redacted

SCHEDULE "F"

INSTALMENT NOTES

Promissory Note

Date: •

WHEREAS True North Apartment Real Estate Investment Trust (the "REIT") will indirectly acquire through TN • LIMITED PARTNERSHIP (the "Creditor") an interest in a portfolio of multi-unit residential revenue producing properties (the "Properties") from the entities listed in Schedule • hereto (collectively, the "Debtor") pursuant to an acquisition agreement (the "Purchase Agreement") dated as of •, 2014 between the REIT and the Debtor;

AND WHEREAS the Creditor and the Debtor have agreed, pursuant to the Purchase Agreement that the Creditor will assume certain mortgage loans secured by certain of the Properties (the "**Mortgage Loans**"), and that this note (the "**Promissory Note**") be issued by the Debtor to the Creditor;

NOW THEREFORE, FOR VALUE RECEIVED, the Debtor unconditionally promises to pay to the Creditor or anyone else who the Creditor may specify at 401 The West Mall, Suite 1100, Toronto, ON M9C 5J5, or such other place as the Creditor may direct in writing, the sum of \$, in lawful Canadian Dollars (the "**Note Amount**") in accordance with section 2 and the payment schedule attached as Schedule A, at the same place, both before and after maturity, default and judgment.

1. Place and Manner of Payment; No Right of Prepayment

Payments made in satisfaction of the Debtor's obligations hereunder shall be made by cheque or electronic transfer of funds to the Creditor on the date on which each payment is due, as set out in Schedule A hereto. The receipt of such cheque or electronic transfer of funds shall satisfy and discharge the liability for the particular payment to which such cheque or transfer relates to the extent of the sum represented thereby unless such cheque or transfer is not paid or such cheque is not honoured upon presentation.

Subject to the following, the Debtor shall not be entitled to prepay any portion of the Note Amount. The Debtor agrees that, in the event that the amount outstanding under this Note represents more than eight percent of the "equity value" (as that term is defined in subsection 122.1(1) of the *Income Tax Act* (Canada) of the Debtor (or where the obligations under this Note have been assumed by an assignee pursuant to the terms of this Note, of such assignee), the Debtor or assignee, as the case may be, shall immediately repay to the Creditor such amount as is necessary to reduce the outstanding amount under this Note to eight percent of the Debtor's (or assignee's) equity value as is described above. Such prepayment shall reduce the amount of the next instalments due under this Note in chronological order. In the alternative, the Debtor or assignee, as the case may be, shall cause its shareholders to make capital contributions to it sufficient to ensure that this Note does not represent more than eight percent of its equity value as is described above.

2. Security

Intentionally deleted

3. Default Interest

Upon default in payment by the Debtor of any payment when due under this Promissory Note, the Debtor shall pay interest on the amount defaulted upon including any due but unpaid interest at a rate of 1% per annum in excess of the rate of interest per annum established from time to time by the Canadian Imperial Bank of Commerce as the reference rate of interest for the determination of interest rates that such bank will charge in Canada for Canadian dollar demand loans made by it in Toronto, Ontario (the "**Prime Rate**"). Such interest shall be compounded monthly. In additional to payment of default interest at the Prime Rate, the Debtor shall pay or reimburse the Creditor for all reasonable costs, charges and expenses (including, without limitation, legal fees and disbursements on a solicitor and its own client basis) of or incurred by the Creditor in connection with the recovery or enforcement of any payment hereunder or any part thereof.

4. Events of Default

Each of the following events shall constitute a default by the Debtor of its obligations under this Promissory Note (each an "Event of Default"):

- (a) if the Debtor makes default in payment of any of the payments listed in Schedule A when the same becomes due under any provisions hereof which default continues for a period of (5) days after the due date therefor;
- (b) if the Debtor shall (A) be wound up, dissolved or liquidated, or become subject to the provisions of the *Winding-up and Restructuring Act (Canada)* or any successor legislation thereto or have its existence terminated or have any resolution passed therefor; (B) make a general assignment for the benefit of its creditors or a proposal (including the filing of a notice of intention to make a proposal) under the *Bankruptcy and Insolvency Act (Canada)* or any successor legislation thereto; or (C) propose a compromise or arrangement under the *Companies' Creditors Arrangement Act (Canada)* or any successor legislation thereto or file any petition or answer seeking a stay of proceedings or any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for itself under any present or future law relative to bankruptcy, insolvency or other relief for debtors or for the benefit of creditors;
- (c) if a court of competent jurisdiction shall enter an order, judgment or decree approving a petition or application filed against the Debtor seeking a stay of proceedings or any reorganization, arrangement, composition, readjustment, liquidation, dissolution, winding up, termination of existence, declaration of bankruptcy or insolvency or similar relief under any present or future law relating to bankruptcy, insolvency or other relief for or against debtors and such Debtor acquiesce in the entry of such order, judgment or decree and such order, judgment or decree remains un-vacated or un-stayed for an aggregate of thirty (30) days

(whether or not consecutive) from the day of entry thereof; or if any trustee in bankruptcy, receiver, receiver and manager, liquidator or any other officer with similar powers shall be appointed for such Debtor or of all or any substantial part of its property with the consent or acquiescence of such Debtor or such appointment remains un-vacated or un-stayed for an aggregate of thirty (30) days (whether or not consecutive);

- (d) if the Debtor shall become insolvent or admit its inability to pay its debts generally as they become due;
- (e) if an encumbrancer shall take possession of all or substantially part of the Debtor's assets and such possession remains for a period of fifteen (15) days (whether or not consecutive);
- (f) if the Debtor shall breach or otherwise fail to comply with any of its covenants hereunder, which breach or non-compliance continues for a period of 30 days after notice having been given by the Creditor to the Debtor of such breach or non-compliance; or
- (g) if an event of default, as defined in any indenture or instrument under which the Debtor has at the time of this Promissory Note or shall hereafter have outstanding any indebtedness for borrowed money which matures by its terms, or which is renewable at the option of the payor, to a date more than 18 months after the creation, assumption or guarantee thereof, shall happen and be continuing and such indebtedness shall have been accelerated so that an amount in excess of **\$5,000,000** shall be or become due and payable prior to the date on which the same would otherwise have become due and payable, and such acceleration shall not be rescinded or annulled, or such event of default under such indenture or instrument shall not be remedied or cured, whether by payment or otherwise, or waived by the holders of such indebtedness, within 10 days after such acceleration shall have occurred.

5. Enforcement

Upon the occurrence of an Event of Default, the Creditor may, in addition to any other rights or remedies provided for herein or at law or in equity, demand the repayment of the entire Note Amount and the same shall forthwith become immediately due and payable and the Debtor shall forthwith pay all such amounts to the Creditor. The Creditor may at any time waive in writing any Event of Default that may have occurred provided that no such waiver shall extend to or be taken in any manner whatsoever to affect any subsequent Event of Default or the rights or remedies resulting therefrom. No delay in or failure by the Creditor to exercise any remedy shall impair any such remedy or shall be considered to be a waiver of any Event of Default hereunder or acquiescence therein.

Following the occurrence of an Event of Default, all payments made by the Debtor, and all amounts received by the Creditor through realization and enforcement of the security or otherwise, shall be applied as follows: (i) firstly, to the Creditor for the payment of all costs, charges and expenses of or incurred by the Creditor in connection with the recovery or enforcement of any payment hereunder or any part thereof; (ii) secondly, to the payment to the Creditor of all accrued and unpaid interest and fees owing to it under this Promissory Note; and (iii) thirdly, to the payment to the Creditor of outstanding principal amount owing to it under this Promissory Note.

6. No Set-off

All payments to be made by the Debtor pursuant to this Promissory Note are to be made in freely transferable, immediately available funds and without set-off, withholding or deduction of any kind whatsoever except to the extent required by applicable law and, if any such set-off, withholding or deduction is so required and is made, the Debtor will, as a separate and independent obligation to the Creditor, be obligated to pay to the Creditor all such additional amounts as may be required to fully indemnify and save harmless the Creditor from such set-off, withholding or deduction and as will result in the effective receipt by the Creditor of all the amounts otherwise payable in accordance with the terms of this Promissory Note.

7. Notice

Any demand or notice to be given by the Debtor or the Creditor shall be in writing and may be given by personal delivery, or except during any period when postal service is interrupted, by prepaid registered mail or by a facsimile or by other means that produces a permanent copy, addressed as indicated in Schedule B hereto. If such demand or notice is given by registered mail it shall be deemed to have been received by the party to whom it was addressed on the date falling four (4) days following the date upon which it has been deposited in the post office with postage and cost of registration prepaid and if personally delivered during normal business hours, when so delivered and if given by other communication the first (1st) business day after transmission and confirmation of receipt during business hours, provided that any of the parties listed on Schedule B may change the address designated from time to time, by notice in writing to the other party.

8. Assignment

The Promissory Note shall be binding upon the Debtor and its successors and permitted assigns and will enure to the benefit of and be enforceable by the Creditor and its successors and assigns. The Debtor shall not assign its obligations under this Promissory Note without the prior written consent of the Creditor, which may be withheld, and without an unconditional assumption of the obligations of the Debtor under this Promissory Note by the assignee in favour of the Creditor in form and substance and on terms satisfactory to the Creditor (together with such additional security as may be required by the Creditor, acting reasonably), but no prior written consent of the Creditor is required if the Debtor assigns its obligations hereunder, in whole or in part, to one or more wholly subsidiaries of the Debtor, but in any case, no assignment shall relieve the Debtor of its obligations hereunder. The Creditor may assign this Promissory Note, in whole or in part, to any party including to the REIT.

9. Headings

Section headings used in this Promissory Note are for convenience of reference only and shall not be considered part of this Promissory Note. Such headings are not intended to be full or precise descriptions of the text to which they refer.

10. Amendment

This Promissory Note may be amended or supplemented only by a written agreement signed by each of the Creditor and Debtor.

11. General

This Promissory Note shall be governed by, and interpreted and enforced in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein. The Debtor waives presentment for payment, notice of dishonour or non-payment, protest and notice of protest in respect of this Promissory Note. This Promissory Note shall become effective when it has been executed and delivered. Time shall be of the essence of this Promissory Note in all respects. This Promissory Note constitutes the entire agreement of the parties pertaining to the indebtedness evidenced by this Promissory Note and supersedes all prior agreements, understandings, negotiations and discussions with respect to such indebtedness, whether oral or written.

[Remainder of Page Intentionally Left Blank]

[VENDORS]

By: Name: Daniel Drimmer Authorized Signatory Title:

The Creditor acknowledges its obligations hereunder and agrees to be bound by the terms hereto affecting it.

TN• LIMITED PARTNERSHIP, by its sole general partner, TRUE NORTH GENERAL PARTNER CORP.

By: _____ Name: Martin Liddell Title: Chief Financial Officer

[Promissory Note Signature Page]

SCHEDULE A to Instalment Note

INTALLMENT NOTE PAYMENTS						
Months	37 Berkley Pl	915 44th St	Kipps	Total		
	(1)	(1)	(1)			
26-Jun-						
14	(1)	(1)	(1)	(1)		
1-Jul-14	(1)	(1)	(1)	(1)		
1-Aug-14	(1)	(1)	(1)	(1)		
1-Sep-14	(1)	(1)	(1)	(1)		
1-Oct-14	(1)	(1)	(1)	(1)		
1-Nov-14	(1)	(1)	(1)	(1)		
1-Dec-14	(1)	(1)	(1)	(1)		
1-Jan-15	(1)	(1)	(1)	(1)		
1-Feb-15	(1)	(1)	(1)	(1)		
1-Mar-15	(1)	(1)	(1)	(1)		
1-Apr-15	(1)	(1)	(1)	(1)		
1-May-15	(1)	(1)	(1)	(1)		
1-Jun-15	(1)	(1)	(1)	(1)		
1-Jul-15	(1)	(1)	(1)	(1)		
1-Aug-15	(1)	(1)	(1)	(1)		
1-Sep-15	(1)	(1)	(1)	(1)		
1-Oct-15	(1)	(1)		(1)		
1-Nov-15	(1)	(1)	(1)	(1)		
1-Dec-15	(1)	(1)	(1)	(1)		
1-Jan-16	(1)	(1)	(1)	(1)		
1-Feb-16	(1)	(1)	(1)	(1)		
1-Mar-16	(1)	(1)	(1)	(1)		
1-Apr-16	(1)	(1)	(1)	(1)		
1-May-16	(1)	(1)	(1)	(1)		
1-Jun-16	(1)	(1)	(1)	(1)		
1-Jul-16	(1)	(1)	(1)	(1)		
1-Aug-16	(1)	(1)	(1)	(1)		
1-Sep-16	(1)	(1)	(1)	(1)		
1-Oct-16	(1)	(1)	(1)	(1)		
1-Nov-16	(1)	(1)	(1)	(1)		
1-Dec-16	(1)	(1)	(1)	(1)		
1-Jan-17	(1)	(1)	(1)	(1)		
1-Feb-17	(1)	(1)	(1)	(1)		
1-Mar-17	(1)	(1)	(1)	(1)		
1-Apr-17	(1)	(1)	(1)	(1)		
1-May-17	(1)	(1)	(1)	(1)		
1-Jun-17	(1)	(1)	(1)	(1)		

[Appropriate payments to be inserted in appropriate Instalment Notes]

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1-Sep-20		(1)		(1)		(1)	(1)
1-Aug-20		(1)		(1)		(1)	(1)
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1-Jan-20		(1)	E E S	(1)		(1)	(1)
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1-Oct-19		(1) (1)	S-REP .	(1) (1)		(1) (1)	(1)
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1-Jan-19		(1)		(1)		(1)	(1)
1-Nov-16 1-Dec-18		(1)		(1)		(1)	(1)
1-Oct-18 1-Nov-18		(1)		(1)		(1)	(1)
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1-Mar-18	10.100	(1)		(1)		(1)	(1)
1-Feb-18	See See	(1)		(1)		(1)	(1)
1-Jan-18	132014	(1)		(1)	, 45 - 38 I	(1)	(1)
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1-Nov-17		(1)		(1)		(1)	(1)
1-Oct-17		(1)		(1)		(1)	(1)
1-Sep-17		(1)		(1)		(1)	(1)
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	The second s	(1)		(1)		(1)	(1)

(1) Commercially sensitive information redacted

SCHEDULE B to Instalment Note

The following addresses for service shall be used for any demands or notices given pursuant to the Promissory Note:

(a) to the Debtor:

401 The West Mall, Suite 1100 Toronto, ON M9C 5J5

Attention: President Fax: (416) 234-8445

(b) to the Creditor:

TN • LIMITED PARTNERSHIP 401 The West Mall, Suite 1100 Toronto, ON M9C 5J5

Attention:Chief Financial OfficerFax:(416) 234-8445

with a copy to the REIT

True North Apartment Real Estate Investment Trust 401 The West Mall, Suite 1100 Toronto, ON M9C 5J5

Attention:Chief Financial OfficerFax:(416) 234-8445