ISG
CAPITAL CORPORATION

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

to be held on October 29, 2012

- and -

INFORMATION CIRCULAR
with respect to annual and special business including
the proposed sale of the corporation's sole property and a

PLAN OF ARRANGEMENT

involving

ISG CAPITAL CORPORATION

FIRM CAPITAL PROPERTY TRUST

- and -

SHAREHOLDERS OF ISG CAPITAL CORPORATION

Dated as at October 3, 2012

Neither the TSX Venture Exchange Inc. nor any securities regulatory authority has in any way passed upon the merits of the transactions described in this Circular.

Dear ISG Shareholder,

It is my pleasure to extend to you, on behalf of the board of directors of ISG Capital Corporation ("**ISG**"), an invitation to attend the annual and special meeting (the "**Meeting**") of the shareholders of ISG ("**Shareholders**") to be held at the offices of Goodmans LLP, 333 Bay Street, Suite 3400, Toronto, Ontario at 10:00 a.m. (Toronto time) on Monday, October 29, 2012.

At the Meeting, you will be asked to consider and, if thought advisable, approve special resolutions with respect to, among other things:

- the proposed sale of ISG's sole real estate asset, an industrial distribution facility located at 311 Ingersoll Road, Ingersoll, Ontario (the "**Ingersoll Sale**"), and

- an arrangement involving ISG and Firm Capital Property Trust (the "**Trust**") and the Shareholders under Section 192 of the Canada Business Corporations Act (the "**Arrangement**") that will effectively convert ISG into a new TSXV listed real estate investment trust (the "**Trust**") with members of the Firm Capital group of companies providing asset, property and executive management services.

At the effective time of the Arrangement, as more particularly described in the accompanying management information circular (the "**Circular**"), you will have the option of redeeming your Shares for cash, exchanging them for units of the Trust or a combination of the two, provided that each Shareholder who owns a sufficient number of Shares to receive 100 Trust units under the Plan of Arrangement will be required to exchange Shares for at least 100 Trust units.

The cash redemption amount per Share will be determined based on ISG's cash on hand at the effective time of the Arrangement less deductions for (i) required payments under ISG's management incentive plan, (ii) the cost of purchasing a "run-off" directors' and officers' insurance policy and (iii) ISG's transaction costs, and less a further deduction of $0.005 per Share. We currently anticipate that this will result in a cash redemption amount of approximately $0.17 per Share. The ratio at which Shares would be exchanged for Trust units will be determined based on the cash redemption amount per Share but without the $0.005 per Share deduction, resulting in an expected exchange value of approximately $0.175 per Share. The Trust units will have an initial value of $5.00 per unit, which, assuming an exchange value of $0.175 per Share, would result in an exchange ratio of 0.035 Trust units for each Share.

Following redemption of all the Shares pursuant to the Arrangement, ISG will be a wholly-owned subsidiary of the Trust, its sole remaining Shareholder. Completion of the Arrangement is conditional upon, among other things, the Trust units being listed on the TSXV.

To become effective:

- the Ingersoll Sale must be approved by at least two-thirds of the votes cast at the Meeting by all Shareholders, and

- the Arrangement must be approved by (i) at least two-thirds of the votes cast at the Meeting by all Shareholders and (ii) a simple majority of the votes cast at the Meeting by Shareholders who qualify as "minority" shareholders under applicable securities laws. The Arrangement also requires the approval of the Ontario Superior Court of Justice.

David Ogden and Joseph Sorbara, each an officer and director of ISG, along with Firm Capital Mortgage Corporation ("**FCMC**"), an affiliate of the Trust, have each entered into support and voting agreements pursuant to which:

- David Ogden (and entities affiliated with him) has agreed to vote the 3,013,000 Shares he controls in favour of the Ingersoll Sale and the Arrangement and to exchange a minimum of 750,000 Shares for Trust units;

- Joseph Sorbara (and entities affiliated with him) has agreed to vote the 3,141,000 Shares he controls in favour of the Ingersoll Sale and the Arrangement and to exchange a minimum of 750,000 Shares for Trust units; and

- FCMC has agreed to vote the 2,071,000 Shares it controls in favour of the Ingersoll Sale and the Arrangement and to exchange all 2,071,000 Shares for Trust units.

In addition to the commitments of David Ogden and Joseph Sorbara described above, each of the other directors of ISG have indicated that they intend to vote all of their Shares in favour of the Arrangement and the sale of the Ingersoll property. Collectively, the directors and officers of ISG and FCMC own 9,590,000 Shares, which represent approximately 53% of ISG's 18,242,000 issued and outstanding Shares.

The board of directors of ISG (the "Board") has unanimously determined that the Ingersoll Sale and the Arrangement are in the best interests of ISG. The Board has unanimously approved the Ingersoll Sale and the Arrangement and recommends that Shareholders vote FOR the Arrangement. In making its recommendation, the Board considered a number of factors as described in the Circular under the heading "The Transactions — Reasons for Recommendations". In connection with the Board's approval of the Arrangement, Messrs. Ogden and Rossiter declared their interests in the Arrangement and abstained from voting on the Arrangement.

The Circular and the documents incorporated by reference therein contain a detailed description of the Ingersoll Sale, the Arrangement and related matters as well as information relating to the Trust. We urge you to consider carefully all of the information in the Circular and the documents incorporated by reference therein. If you require assistance, please consult your financial, legal or other professional advisor.

If you are unable to attend the Meeting in person, we encourage you to vote by completing the enclosed form of proxy in accordance with the enclosed instructions. Voting by proxy will not prevent you from voting in person if you attend the Meeting and will ensure that your vote will be counted if you are unable to attend. This is an important matter affecting the future of ISG and your vote is important regardless of the number of Shares you own. A proxy will not be valid for use at the Meeting unless the completed form of proxy is deposited at the offices of Computershare Investor Services Inc. at 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1 (Attn: Proxy Department) or the proxy vote is otherwise registered in accordance with the instructions thereon, not later than 11:00 a.m. (Toronto time) on October 26, 2012 or if the Meeting is adjourned, not later than 24 hours (excluding Saturdays, Sundays and holidays) before the time for holding the adjourned meeting.

We also encourage all registered Shareholders to complete and return the enclosed letter of transmittal and election form (printed on yellow paper) ("**Letter of Transmittal and Election Form**"), together with the certificate(s) representing your Shares, to Computershare Investor Services Inc. (the "**Depositary**") at the address specified in the Letter of Transmittal and Election Form. The Letter of Transmittal and Election Form contains procedural information relating to the Arrangement and should be reviewed carefully. We recommend that you complete, sign and return the Letter of Transmittal and Election Form with accompanying Share certificate(s) to the Depositary as soon as possible. **To make a valid election as to the form of consideration that you wish to receive under the Arrangement, you must sign and return, if applicable, the Letter of Transmittal and Election Form and make a proper election thereunder and return it with accompanying Share certificate(s) to the Depositary prior to the Election Deadline, being 5:00 p.m. (Toronto time) on October 26, 2012 or if the Meeting is adjourned or postponed, such time on the first business day immediately prior to the date of such adjourned or postponed Meeting.**

If you are a non-registered holder of Shares and have received these materials through your broker, investment dealer or other intermediary, please follow the instructions provided by such broker, investment dealer or other intermediary to ensure that your vote is counted at the Meeting and for instructions and assistance in delivering the share certificate(s) representing those Shares and, if applicable, making an election with respect to the form of Consideration you wish to receive.

On behalf of ISG, thank you for your ongoing support and we look forward to seeing you at the Meeting.

Yours truly,

"Joseph Sorbara"

Joseph Sorbara
Chairman of the Board of Directors

TABLE OF CONTENTS

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual and special meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares (the "**Shares**") of ISG Capital Corporation ("**ISG**" or the "**Corporation**") will be held at 10:00 a.m. (Toronto time) on Monday, October 29, 2012 at the offices of Goodmans LLP, 333 Bay Street, Suite 3400, Toronto, Ontario, for the following purposes:

Matters of Special Business

1. TO CONSIDER, AND IF DEEMED ADVISABLE, PASS, a special resolution approving the sale of the Corporation's sole real estate asset, an industrial distribution facility located at 311 Ingersoll Road, Ingersoll, Ontario (the "**Ingersoll Sale Resolution**"); and, provided that the Ingersoll Sale Resolution receives the requisite Shareholder approval;

2. TO CONSIDER AND, IF DEEMED ADVISABLE, PASS a special resolution to approve a reduction of the stated capital account of the Shares (the "**Stated Capital Reduction Resolution**"); and, provided that the Ingersoll Sale Resolution and the Stated Capital Reduction Resolution receive the requisite Shareholder approvals;

3. TO CONSIDER AND, IF DEEMED ADVISABLE, PASS a special resolution to approve an arrangement involving ISG, Firm Capital Property Trust (the "**Trust**") and the Shareholders under Section 192 of the *Canada Business Corporations Act* (the "**Arrangement**") all as more particularly described in the accompanying management information circular date October 3, 2012 (the "**Circular**"), which resolution, to be effective, must be passed by an affirmative vote of (i) at least two-thirds of the votes cast at the Meeting in person or by proxy by all Shareholders voting as a single class and (ii) a simple majority of the votes cast at the Meeting in person or by proxy by all Shareholders voting as a single class, excluding votes attaching to Shares directly or indirectly held, by (A) any "interested party" to the Arrangement within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* of the Ontario Securities Commission and l'Autorité des marchés financiers (Québec) ("**MI 61-101**"), (B) any "related party" of an interested party within the meaning of MI 61-101 (subject to exceptions set out therein), and (C) any person that is a joint actor with any of the foregoing for the purposes of MI 61-101.

Matters of Annual Business

4. TO RECEIVE the consolidated financial statements of the Corporation for the year ended December 31, 2011 and the report of the auditors thereon;

5. TO APPOINT auditors and to authorize the directors to fix their remuneration;

6. TO ELECT the directors of the Corporation;

7. TO CONSIDER, AND IF DEEMED ADVISABLE, PASS, an ordinary resolution ratifying, confirming and approving the Corporation's 10% rolling option plan; and

8. TO TRANSACT such other business as may properly come before the Meeting or any adjournment thereof.

All of which is described in the Circular.

Each person who is a holder of record of Shares at the close of business (Toronto time) on September 28, 2012 is entitled to receive notice of, and to attend and vote at, the Meeting, and any adjournment thereof.

Registered Shareholders have the right to dissent with respect to the sale of the Ingersoll Property and with respect to the Arrangement and be paid the fair value of their Shares in accordance with the provisions of Section 190 of the *Canada Business Corporations Act* and, in respect of the Arrangement, the interim order of the Superior Court of Justice (Ontario) dated October 3, 2012, if the sale of the Ingersoll Property or the Arrangement, as applicable, becomes effective. These rights to dissent is described in the Circular.

Registered Shareholders unable to attend the Meeting in person are requested to read the Circular and the form of proxy which accompanies this notice and to complete, sign, date and deliver the proxy, together with the power of attorney or other authority, if any, under which it was signed (or a notarially certified copy thereof) to ISG's transfer agent, Computershare Investor Services Inc., 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1. To be effective, proxies must be received by Computershare not later than 11:00 a.m. (Toronto time) on October 26, 2012 or, if the Meeting is adjourned, not later than 24 hours (excluding Saturdays, Sundays and holidays) before the time of the adjourned Meeting, or any further adjournment thereof.

If you are a non-registered holder of Shares (for example, if you hold Shares in an account with a broker, dealer or other intermediary), you should follow the voting procedures described in the voting instruction form or other document accompanying the Circular or call your broker, dealer or other intermediary for information on how you can vote your Shares.

DATED at Toronto, Ontario, as at the 3rd day of October, 2012.

ON BEHALF OF THE BOARD OF DIRECTORS

"Joseph Sorbara"

Joseph Sorbara, Chairman

ISG CAPITAL CORPORATION

MANAGEMENT INFORMATION CIRCULAR

This Circular is furnished in connection with the solicitation of proxies by or on behalf of management of ISG for use at the annual and special meeting of shareholders of ISG to be held at the offices of Goodmans LLP, Bay Adelaide Centre, 333 Bay Street, Suite 3400, Toronto, Ontario at 10:00 a.m. (Toronto time) on Monday, October 29, 2012 and at any adjournment(s) or postponement(s) thereof for the purposes set forth in the accompanying Notice of Meeting.

ABOUT THIS CIRCULAR

All information in this Circular is current as of October 3, 2012, unless otherwise indicated.

This Circular is being sent by the management of ISG to all Shareholders, together with a notice of a special meeting of the Shareholders and documents required to vote at the Meeting. The Circular's purpose is:

- to explain how you, as a Shareholder, can vote at the Meeting, either in person or by transferring your vote to someone else to vote on your behalf;
- to request that you authorize ISG's Chairman (or his alternate) to vote on your behalf in accordance with your instructions set out on the proxy form;
- to inform you about the business to be conducted at the Meeting; and
- to give you important background information to assist you in deciding how to vote.

No person has been authorized to give any information or to make any representation in connection with the matters to be considered at the Meeting other than those contained in this Circular and, if given or made, any such information or representation must not be relied upon as having been authorized. Solicitation of proxies will be primarily by mail, but may also be undertaken by way of telephone, fax, e-mail or oral communication by the directors, officers and employees of ISG at no additional compensation. All costs associated with the solicitation of proxies by ISG will be borne by ISG.

All information relating to the Trust or its affiliates contained in this Circular has been provided to ISG by the Trust. ISG relied upon this information without having made independent inquiries as to the accuracy or completeness thereof; however, it has no reason to believe such information is misleading, untrue or incomplete. ISG does not assume any responsibility for the accuracy or completeness of such information or the failure by the Trust to disclose events which may have occurred or may affect the completeness or accuracy of such information but which are unknown to the Trust.

This Circular does not constitute an offer to buy, or a solicitation of an offer to sell, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the Person making such offer or solicitation is not qualified to do so or to any Person to whom it is unlawful to make such an offer or solicitation of an offer or a proxy solicitation. Neither the delivery of this Circular nor any distribution of the securities referred to in this Circular will, under any circumstances, create an implication that there has been no change in the information set forth herein since the date as of which such information is given in this Circular.

Shareholders should not construe the contents of this Circular as tax, financial or legal advice and should consult with their own tax, financial, legal or other professional advisors as to the relevant tax, financial, legal or other matters in connection herewith.

All summaries of, and references to, the terms of the proposed sale of the Ingersoll Property in this Circular are qualified in their entirety by reference to the complete text of the Ingersoll Sale Agreement. All summaries of, and references to, the terms of the Arrangement are qualified in their entirety by reference to the complete text of the Arrangement Agreement (including the Plan of Arrangement). All summaries of and references to the terms of the Declaration of Trust are qualified in their entirety by reference to the complete text of the Declaration of Trust. Copies of the Ingersoll Sale Agreement, the Arrangement Agreement and the Declaration of Trust are attached to this Circular as Appendices D, E and I respectively and are also available for review under the Corporation's profile at www.sedar.com. **You are urged to read carefully the full text of the Ingersoll Sale Agreement, the Arrangement Agreement and the Plan of Arrangement.**

Unless otherwise specified herein, all references to dollar amounts in this Circular are to Canadian dollars.

DEFINED TERMS

This Circular contains defined terms. For a list of the defined terms used herein, please refer to the Glossary.

FORWARD LOOKING STATEMENTS

Certain statements in this Circular are forward-looking statements, including, but not limited to, those relating to the proposed sale of the Ingersoll Property, the proposed Arrangement, the anticipated quantum of the Cash Redemption Amount and the Unit Redemption Amount, information concerning the Trust and other statements that are not historical facts. These statements are based upon certain material factors, assumptions and analyses that were applied in drawing a conclusion or making a forecast or projection, including ISG's and the Trust's experience and perceptions of historical trends, current conditions and expected future developments, as well as other factors that are believed to be reasonable in the circumstances. Forward-looking statements are provided for the purpose of presenting information about management's current expectations and plans relating to the future, and readers are cautioned that such statements may not be appropriate for other purposes. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "pro forma", "expects", "anticipates", "plans", "believes", "estimates", "intends", "targets", "projects", "forecasts", "seeks", "likely" or negative versions thereof and other similar expressions, or future or conditional verbs such as "may", "will", "should", "would" and "could".

By its nature, forward-looking information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved. A variety of material factors, many of which are beyond the control of ISG and the Trust, may affect the Ingersoll Sale Transaction, the Arrangement, ISG and the operations, business, financial condition, performance and results of the Trust that may be expressed or implied by such forward-looking statements and could cause actual results to differ materially from current expectations of estimated or anticipated events or results. These factors include, but are not limited to the risks described under "Risk Factors" in this Circular.

The reader is cautioned that the foregoing list of factors is not exhaustive of the factors that may affect forward-looking statements. The reader is also cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements. Although the forward-looking statements contained in this Circular are based upon what management of ISG and the Trust currently believe to be reasonable assumptions, actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits will be derived therefrom. These forward-looking statements are made as of the date of this Circular and, other than as specifically required by law, neither ISG nor the Trust assumes any obligation to update or revise any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results.

GLOSSARY

The following terms used in this Circular have the meanings set forth below.

"**1933 Act**" means the *United States Securities Act of 1933*, as amended;

"**Affiliate**" has the meaning ascribed to such term in Exchange Policy 1.1 – Interpretation;

"**Appraisal**" means the appraisal dated February 1, 2012 appraising the Ingersoll Property;

"**Appraiser**" means Altus Group Limited;

"**Arrangement**" means the arrangement under Section 192 of the CBCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations made in accordance with the Arrangement Agreement or the Plan of Arrangement or made at the direction of the Court in the Final Order with the prior written consent of the Corporation and the Trust, each acting reasonably;

"**Arrangement Agreement**" means the amended and restated agreement made effective September 26, 2012 between ISG and the Trust, pursuant to which the parties agreed to implement the Plan of Arrangement, which is attached to this Circular as Appendix B;

"**Arrangement Resolution**" means the special resolution to be considered by Shareholders at the Meeting in substantially the form attached to this Circular as Appendix B;

"**Articles of Arrangement**" means the articles of arrangement for ISG implementing the Plan of Arrangement;

"**Asset Management Agreement**" means the asset management agreement to be entered into between the Trust and the Asset Manager on or before the Effective Time;

"**Asset Manager**" means Firm Capital Realty Partners Inc.;

"**Associate**" has the meaning ascribed to such term in Exchange Policy 1.1 – Interpretation;

"**Assumed Mortgage**" means the first mortgage on the Ingersoll Property with a principal balance of $6,538,114 as at October 1, 2012, that is proposed to be assumed by BTB as part of the Ingersoll Sale;

"**Board**" means the board of directors of ISG;

"**Board Lot**" means 100 Units;

"**Board of Trustees**" or "**Trust's Board**" means the board of trustees of the Trust;

"**BTB**" means BTB Acquisition and Operating Trust;

"**Business Day**" means any day other than a Saturday, Sunday or a statutory holiday in the Province of Ontario;

"**Cash Redemption Amount**" means the amount determined by:

(a) adding the net cash proceeds received by the Corporation from the Ingersoll Sale (net of all closing adjustments) and the Corporation's cash on hand as of the Effective Time (other than such cash on hand that constitutes the proceeds from the Private Placement);

(b) subtracting from such sum, (i) $300,000, (ii) the pre-paid cost of "run-off" directors' and officers' liability insurance for the Corporation, and (iii) all of the Corporation's legal, accounting and other professional advisory fees, costs and expenses incurred (A) in connection with the negotiation,

preparation or execution of the Arrangement Agreement, (B) in connection with all documents and instruments executed or delivered pursuant to the Arrangement Agreement (including the Plan of Arrangement, the Circular and the binding preliminary agreement dated August 20, 2012 between the Corporation and Firm Capital), and (C) in connection with the performance of its obligations under the Arrangement Agreement (including calling and holding the Meeting) up to November 28, 2012, provided that, for greater certainty, the fees and expenses associated with the Private Placement (regardless of whether they are incurred by the Company or the Trust) shall not be deducted from the amount in (a) above for the purposes of determining the Cash Redemption Amount;

(c) dividing the resulting amount by 18,242,000; and

(d) subtracting $0.005 from that amount.

"**CBCA**" means the *Canada Business Corporations Act*;

"**CDS**" means CDS Clearing and Depository Services Inc.;

"**Circular**" means this management information circular dated October 3, 2012 sent to Shareholders in connection with the Meeting;

"**Class A Partnership Units**" means the Class A limited partnership units of the Partnership;

"**Class B Partnership Units**" means the Class B limited partnership units of the Partnership;

"**Closing**" means the closing of the Arrangement;

"**Control Person**" means, in respect of an issuer, any person or company that holds or is one of a combination of persons or companies that holds a sufficient number of any of the securities of that issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer, except where there is evidence showing that the holder of those securities does not materially affect the control of that issuer;

"**Court**" means the Ontario Superior Court of Justice (Commercial List) or other court as applicable;

"**CRA**" means Canada Revenue Agency;

"**Declaration of Trust**" means the declaration of trust of the Trust dated as of August 30, 2012 pursuant to which the Trust was formed under the laws of the Province of Ontario, as may be amended and/or restated from time to time, and which is attached to this Circular as Appendix I;

"**Depositary**" means Computershare Investor Services Inc. in its capacity as depositary for the Shares to be redeemed or exchanged pursuant to the Arrangement;

"**Director**" means the director appointed pursuant to Section 260 of the CBCA;

"**Dissent Right**" means the right of dissent and appraisal of Shareholders described in Section 190 of the CBCA, the Interim Order;

"**Dissenting Shareholder(s)**" means Shareholder(s) who validly exercise the Dissent Right in respect of the Ingersoll Sale or the Arrangement in strict compliance with the CBCA and/or, if applicable, the Interim Order;

"**Distribution Date**" means on or about the 15th day of each calendar month (other than January 15) and on December 31 in each calendar year following February 15, 2013, and on such other date or dates determined by the Trustees;

"**Effective Date**" means the date on which the Director issues a certificate for the Articles of Arrangement;

"**Effective Time**" means 10:00 a.m. (Toronto time) on the Effective Date;

"**Election Deadline**" means 5:00 p.m. (Toronto time) on October 26, 2012 or if the Meeting is adjourned or postponed, such time on the date which is two Business Days prior to the date of the Company Meeting;

"**Exchange**" or "**TSXV**" means the TSX Venture Exchange;

"**Exchange Ratio**" means an amount determined by dividing the Unit Redemption Amount by $5.00;

"**FCMC**" means Firm Capital Mortgage Corporation;

"**Final Order**" means the final order of the Court approving the Arrangement;

"**Firm Capital**" means Firm Capital Asset Management Corp.;

"**Future Properties**" means five retail properties located in Ontario and Nova Scotia that the Asset Manager has agreed to purchase, subject to the satisfaction or waiver of certain conditions, including completion of satisfactory due diligence by the Asset Manager;

"**GAAP**" means Canadian generally accepted accounting principles;

"**General Partner**" means FCPT GP Inc.;

"**GP Units**" means general partnership units of the Partnership;

"**Gross Book Value**" means the consolidated book value of the assets of the Trust, as shown on the Trust's most recent consolidated balance sheet (or if approved by a majority of the Independent Trustees at any time, the appraised value thereof), plus the amount of accumulated depreciation and amortization shown thereon or in the notes thereto;

"**Independent Trustee**" means a Trustee who, in relation to the Trust or any of its related parties from and after Closing, is "independent" within the meaning of Multilateral Instrument 52-110 – *Audit Committees*;

"**Ingersoll Lease**" means the lease between the Corporation and a single tenant relating to the Ingersoll Property;

"**Ingersoll Property**" means the Corporation's sole real estate asset, an industrial distribution facility at 311 Ingersoll Road in Ingersoll, Ontario;

"**Ingersoll Sale**" means the sale of the Ingersoll Property;

"**Ingersoll Sale Agreement**" means the purchase and sale agreement dated June 28, 2012, as amended pursuant to a first amendment to agreement of purchase and sale dated July 26, 2012 and as further amended by a second amendment to agreement of purchase and sale dated August 8, 2012 pursuant to which the Corporation has agreed to sell the Ingersoll Property to BTB;

"**Interim Order**" means the interim order of the Court dated October 3, 2012 under Section 192(4) of the CBCA containing declarations and directions with respect to the Arrangement and the calling, holding and conduct of the Meeting and issued pursuant to the application of ISG in respect thereto, a copy of which interim order is attached hereto as Appendix F to this Circular;

"**Intermediary**" means a stock broker, investment dealer, bank, trust company or other financial institution through which Shares are held by Shareholders;

"**ISG**" or the "**Corporation**" means ISG Capital Corporation, a corporation incorporated under the laws of Canada;

"**ISG Option**" means an option to purchase a Share issued under the Option Plan;

"**KPMG**" means KPMG LLP;

"**Letter of Transmittal**" means the letter of transmittal delivered to registered Shareholders to be completed and returned to the Depositary, together with certificate(s) for Shares;

"**Manager**" means Firm Capital Properties Inc.

"**Meeting**" means the special meeting of Shareholders of ISG to be held at 10:00 a.m. (Toronto time) on October 29, 2012;

"**Meeting Materials**" means Notice of Meeting, the Circular, and the audited financial statements of the Corporation for its fiscal year ended December 31, 2011, along the report of its auditors thereon;

"**Minimum Exchange Requirement**" means that, notwithstanding the actual election that a Shareholder may make, each Shareholder that holds at the Effective Time such number of Shares which, upon conversation at the Exchange Ratio, is equal to at least one Board Lot, will be deemed to have elected to receive, and will receive a minimum of one Board Lot pursuant to the Unit Redemption Amount;

"**MIP**" means the ISG Management Incentive Pool;

"**Named Executive Officers**" means the Chief Executive Officer and the Chief Financial Officer of the Corporation;

"**NI 58-101**" means National Instrument 58-101 – *Disclosure of Corporate Governance Practices*;

"**Non-Arm's Length Party**" means, in relation to an issuer, a promoter, officer, director, other Insider or Control Person of that issuer and any Associates or Affiliates of any such person. In relation to an individual, means any Associate of the individual or any company of which the individual is a promoter, officer, director, Insider or Control Person;

"**Non-Registered Holder**" means a Shareholder that holds Shares through the facilities of an Intermediary;

"**Non-Resident**" means a person who is a "non-resident" within the meaning of the Tax Act and a partnership other than a Canadian partnership for the purposes of the Tax Act;

"**Notice of Meeting**" means the notice of the Meeting dated October 3, 2012 accompanying this Circular;

"**NP 58-201**" means National Policy 58-201 – *Corporate Governance Guidelines*;

"**Option Plan**" means ISG's stock option plan dated October 11, 2007;

"**ordinary resolution**" means the affirmative vote of not less than a majority of votes cast by Shareholders with respect to a particular matter;

"**Partnership**" means Firm Capital Property Limited Partnership, a limited partnership to be formed under the laws of Ontario pursuant to the Partnership Agreement;

"**Partnership Agreement**" means the limited partnership agreement of the Partnership to be entered into on or before the Effective Time between the General Partner, as general partner, and the Trust, as limited partner as may be amended and/or restated from time to time;

"**Partnership Special Resolution**" means, in respect of matters pertaining to the governance, management and affairs of the Partnership, (i) a resolution of the board of directors of the General Partner that is consented to by the Trust, or (ii) if the Trust does not consent, an ordinary Unitholder resolution; and in respect of each of (A) dissolving the Partnership, or (B) amending the Partnership Agreement in a manner that would reasonably be expected to adversely affect the Trust, the consent of the Trust to such resolution shall also be required;

"**Partnership Units**" means Class A Partnership Units, Class B Partnership Units and GP Units;

"**Plan of Arrangement**" means the Plan of Arrangement attached as Exhibit I to the Arrangement Agreement, as may be amended and/or restated in accordance with its terms and the terms of the Arrangement Agreement;

"**Plans**" means, collectively, trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans and deferred profit sharing plans, each as defined in the Tax Act, and "Plan" means any of them;

"**Private Placement**" means the sale of Shares from treasury on a prospectus-exempt basis, such private placement to close immediately prior to the Effective Time;

"**Property Management Agreement**" means the property management agreement to be entered into between the Trust and the Property Manager on or before the Effective Time;

"**Purchase Option**" means the Trust's option to purchase the Future Properties in the place of the Asset Manager;

"**Purchased Assets**" means collectively the Ingersoll Property, together with the Ingersoll Lease and any chattels and tangible personal property necessary or used in connection with the operation and maintenance of the Ingersoll Property to be purchased by BTB pursuant to the Ingersoll Sale Agreement;

"**Record Date**" means September 28, 2012, being the date determined by ISG for determining the Shareholders entitled to receive notice of, and to attend and to vote at, the Meeting;

"**REIT Exception"** means the exclusion from the definition of SIFT trust in the Tax Act for a trust qualifying as a "real estate investment trust" as defined in subsection 122.1(1) of the Tax Act;

"**Related Party**" means, with respect to any person, a person who is a "related party" as that term is defined in Rule 61-501, as amended from time to time (including any successor rule or policy thereto);

"**Replacement Option**" means a fully vested and immediately exercisable option to purchase from the Trust that number of Units equal to the product of the Exchange Ratio multiplied by the number of Shares subject to each outstanding Option that has not been duly exercised prior to the Effective Time;

"**Required Vote**" means: (i) 66⅔% of the votes cast on the Arrangement Resolution by Shareholders present in person or by proxy at the Meeting, and (ii) 50% plus one vote of the votes cast on the Arrangement Resolution by "minority" Shareholders present in person or by proxy at the Meeting, as required by Rule 61-501;

"**Rule 61-501**" means Ontario Securities Commission Rule 61-501 – *Insider Bids, Issuer Bids, Business Combinations and Related Party Transactions*;

"**Shareholders**" means the holders of Shares;

"**Shares**" means the common shares of ISG;

"**special resolution**" means a resolution of Shareholders passed by an affirmative vote of not less than two-thirds of the votes cast by Shareholders at the Meeting with respect to a particular matter;

"**Special Voting Unit(s)**" means non-participating voting unit(s) of the Trust and, for greater certainty, does not mean Unit(s);

"**Stated Capital Reduction**" means the proposed reduction of the stated capital account of the Shares, as described under "The Arrangement – The Stated Capital Reduction";

"**Stated Capital Reduction Resolution**" means the special resolution to be considered by Shareholders at the Meeting in substantially the form attached to this Circular as Appendix C;

"**Subsidiary**" includes, with respect to any person, company, partnership, limited partnership, trust or other entity, any company, partnership, limited partnership, trust or other entity controlled, directly or indirectly, by such person, company, partnership, limited partnership, trust or other entity;

"**Tax Act**" means the *Income Tax Act (Canada)* and the regulations thereunder, as amended;

"**Taxation Year**" means the taxation year of the Trust for the purposes of the Tax Act;

"**Transactions**" means the Ingersoll Sale and the Arrangement;

"**Trust**" means Firm Capital Property Trust, a trust formed under the laws of the Province of Ontario pursuant to the Declaration of Trust;

"**Trust's Board**" or "**Board of Trustees**" means the board of trustees of the Trust;

"**Trustee**" means a trustee of the Trust and "**Trustees**" means all of the trustees of the Trust;

"**TSXV**" or "**Exchange**" means the TSX Venture Exchange Inc.;

"**Unit Options**" means options to purchase Units to be issued under the Arrangement;

"**Unit Redemption Amount**" means the Cash Redemption Amount plus $0.005;

"**Unit(s)**" means participating voting unit(s) of the Trust and, for greater certainty, does not mean Special Voting Unit(s); and

"**Unitholder(s)**" means the holder(s) of Units of the Trust.

SUMMARY OF THE INFORMATION CIRCULAR

The following is a summary of certain information relating to the Transactions and the Trust (assuming completion of the Transactions) and should be read together with the more detailed information and financial data and statements contained elsewhere in this Circular. Capitalized terms are defined in the Glossary.

Meeting of Shareholders

The Meeting will be held at 10:00 a.m. (Toronto time) on Monday, October 29, 2012 at the offices of Goodmans LLP, 333 Bay Street, Suite 3400, Toronto, Ontario. At the Meeting, the Shareholders will be asked to consider and, if deemed advisable, to pass the Ingersoll Sale Resolution, the Stated Capital Reduction Resolution and the Arrangement Resolution as well as the matters of Annual Business. Shareholders of record at the close of business on September 28, 2012 will be entitled to vote at the Meeting or any adjournment or postponement thereof.

The Transactions

At the Meeting, Shareholders will be asked to consider and, if thought advisable, approve special resolutions with respect to, among other things, the Ingersoll Sale and the Arrangement (collectively, the "**Transactions**").

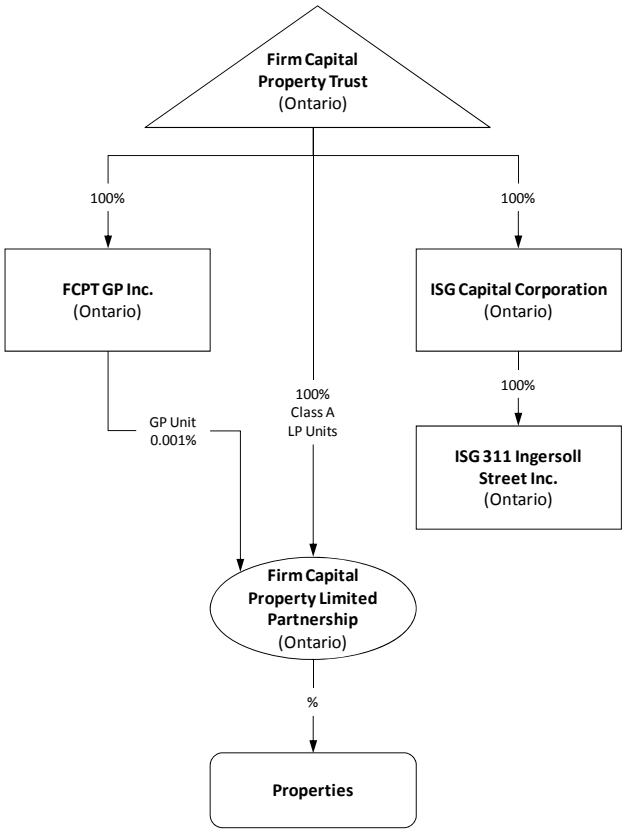
Pursuant to the Ingersoll Sale, the Corporation proposes to sell its sole real estate asset, the Ingersoll Property, to BTB Acquisition and Operating Trust ("**BTB**"), an arm's length third party purchaser for a net purchase price of $10,282,250, subject to certain customary closing adjustments (the "**Ingersoll Sale**").

If the Ingersoll Sale is completed, and subject to the receipt of all requisite Court, Shareholder and TSXV approvals, as well as the satisfaction or waiver of the other closing conditions set forth in the Arrangement Agreement, the Corporation proposes to complete the Arrangement, which would effectively convert ISG into a new TSXV listed real estate investment trust with members of the Firm Capital group of companies providing asset, property and executive management services.

Under the Plan of Arrangement, at the Effective Time each Shareholder will have the option of redeeming its Shares for the Cash Redemption Amount, exchanging them for Units on the basis of the Exchange Ratio or a combination of the two, provided that each Shareholder who owns a sufficient number of Shares to receive 100 Units under the Plan of Arrangement will be required to exchange Shares for at least 100 Units.

The Cash Redemption Amount will be determined based on ISG's cash on hand as of the Effective Time less deductions for (i) required payments under ISG's management incentive plan (the "**MIP**"), (ii) the cost of purchasing a "run-off" directors' and officers' insurance policy and (iii) ISG's transaction costs, and less a further deduction of $0.005 per Share. The Corporation currently anticipates that this will result in a Cash Redemption Amount of approximately $0.17 per Share. The Exchange Ratio will be determined by dividing (i) the Cash Redemption Amount plus $0.005 per Share (the "**Unit Redemption Amount**") by (ii) $5.00, being the initial value of the Units based on the price at which Firm Capital Asset Management Corp. ("**Firm Capital**"), an affiliate of the Trust, will be purchasing Units in order to capitalize the Trust immediately prior to the Effective Time. Assuming a Cash Redemption Amount of $0.17, this would result in a Unit Redemption Price of $0.175 and an Exchange Ratio of 0.035 Units for each Share.

Following redemption of all the Shares pursuant to the Arrangement, ISG will be a wholly-owned subsidiary of the Trust, its sole remaining Shareholder and the structure of the Trust and its subsidiaries will be as illustrated below:



The Ingersoll Sale

The Corporation and BTB entered into the Ingersoll Sale Agreement on June 28, 2012, pursuant to which the Corporation has agreed to sell the Ingersoll Property, together with the Ingersoll Lease and any chattels and tangible personal property necessary or used in connection with the operation and maintenance of the Ingersoll Property (collectively, the "**Purchased Assets**"), for a net purchase price of $10,282,250, subject to customary closing adjustments. The sale of the Ingersoll Property (the "**Ingersoll Sale**") represents a sale of all or substantially all of the Corporation's assets and requires the approval of Shareholders by way of a special resolution pursuant to Section 189(3) of the *Canada Business Corporations Act* ("**CBCA**"). The Ingersoll Sale is also subject to TSXV approval.

The Arrangement

ISG and Firm Capital Property Trust (the "**Trust**") entered into the Arrangement Agreement on August 30, 2012. The Arrangement Agreement provides for the implementation of the Plan of Arrangement pursuant to Section 192(4) of the CBCA. The Plan of Arrangement provides that on the Effective Date, the following steps will occur and will be deemed to occur in the order set forth below:

- the Corporation will cause all entitlements under the Corporation's management incentive plan (the "**MIP**") to be satisfied in full and the MIP will be terminated and no longer be in force and effect;

- the Trust will subscribe for such number of Shares, and will provide Units at a ratio equal to the inverse of the Exchange Ratio as consideration therefor, as is necessary to satisfy the aggregate Unit Redemption Amount payable under the Arrangement;

- each Share outstanding at the Effective Time, other than a Share issued pursuant to the Private Placement or held by (i) a Dissenting Holder who has validly exercised his, her or its Dissent Right, and (ii) if

applicable, the Trust or any of its Affiliates (which Share, if any, will not be exchanged under the Arrangement but will remain outstanding as a Share held by the Trust or such Affiliate), will be deemed to be redeemed by the Corporation in exchange for (as elected or deemed to be elected by the holder in accordance with the holder's Letter of Transmittal and Election Form and/or the Plan of Arrangement) the Cash Redemption Amount or the Unit Redemption Amount;

- each Share issued pursuant to the Private Placement outstanding at the Effective Time shall be deemed to be redeemed by the Corporation in exchange for a number of Units equal to the Exchange Ratio;

- each outstanding ISG Option that has not been duly exercised prior to the Effective Time will be exchanged with the Trust for a fully vested and immediately exercisable option (a "**Replacement Option**") to purchase from the Trust that number of Units equal to the product of the Exchange Ratio multiplied by the number of Shares subject to such ISG Option. Such Replacement Option will provide for an exercise price per Unit equal to the exercise price per Share of such ISG Option immediately prior to the Effective Time divided by the Exchange Ratio;

- each Share in respect of which a holder of Shares has validly exercised his, her or its Dissent Right will be directly assigned and transferred by such Dissenting Holder to the Trust (free and clear of all Liens); and

- the names of the holders of the Shares transferred to the Trust will be removed from the applicable registers of holders of Shares, and such Shares will be cancelled (in the case of Shares held by holders other than Dissenting Holders) or the Trust will be recorded as the registered holder of the Shares so transferred and will be deemed the legal and beneficial owner thereof (in the case of Shares held by Dissenting Holders).

Shareholder Approval

Pursuant to the Interim Order and TSXV rules, the Arrangement Resolution must be approved by (i) at least two-thirds of the votes cast at the Meeting by all Shareholders and (ii) a simple majority of the votes cast at the Meeting by Shareholders who qualify as "minority" shareholders under applicable securities laws (the "**Required Vote**").

The directors and officers of ISG have indicated their intention to vote the Shares they own or over which they exercise control or direction in favour of the Arrangement Resolution to the extent that they are permitted to vote on the resolution. The directors and officers of ISG currently own or exercise control or direction over 7,519,000, or approximately 41%, of the issued and outstanding Shares.

Court Approval

Subject to the satisfaction or waiver of the conditions precedent set forth in the Arrangement Agreement, and if the Arrangement Resolution is approved by Shareholders at the Meeting in the manner required by the Interim Order, ISG will make application to the Court for the Final Order. Completion of the Arrangement is subject to receipt of the Final Order in form and on terms reasonably satisfactory to each of ISG and the Trust.

As set forth in the Interim Order, the hearing in respect of the Final Order is scheduled to take place on November 6, 2012 or as soon thereafter as counsel may be heard, at 330 University Avenue, Toronto, Ontario. The Court has broad discretion under the CBCA when making orders with respect to an arrangement and the Court will consider, among other things, the fairness of the Arrangement to the Shareholders (and any other party as the Court determines appropriate). The Court may approve the Arrangement, either as proposed or as amended, in any manner the Court may direct.

TSXV Approval

The Arrangement is conditional upon receiving the final acceptance of the TSXV. The Exchange has conditionally approved the Transactions. The Exchange has also conditionally approved the listing of the Units to be

issued pursuant to the Transactions. The completion of the Transactions is subject to ISG and the Trust fulfilling all of the requirements of the TSXV.

Completion of the Arrangement

If the Meeting is held as scheduled and is not adjourned and the other necessary conditions are satisfied or waived, ISG will apply for the Final Order approving the Arrangement. If the Final Order is obtained on November 6, 2012 in form and substance satisfactory to ISG and the Trust, and all other conditions specified are satisfied or waived, ISG expects the Effective Date will be on or about November 28, 2012 or as soon as practicable thereafter but in any case, not later than December 28, 2012, or such later date as may be agreed to in writing by ISG and the Trust.

The Stated Capital Reduction

In order to ensure that ISG is eligible to complete the Arrangement under the CBCA, at the Meeting Shareholders will be asked to approve by special resolution a reduction in the stated capital of the Shares in an amount necessary to ensure that the Corporation satisfies the solvency test in Section 192(2) of the CBCA (the "**Stated Capital Reduction Resolution**").

Recommendation of the Board

The Board has unanimously determined that the Transactions are in the best interests of ISG. Accordingly, the Board has unanimously approved the Transactions and unanimously recommends that Shareholders vote in favour of the Ingersoll Sale Resolution, the Arrangement Resolution and the Stated Capital Reduction Resolution. In connection with the Board's approval of the Arrangement, Messrs. Ogden and Rossiter declared their interests in the Arrangement and abstained from voting on the Arrangement.

Reasons for Recommendation

In making its recommendation, the Board consulted with ISG's management and legal counsel and considered a number of factors, including:

- *Liquidity*. The Transactions represent an opportunity for Shareholders to receive immediate liquidity by receiving cash consideration for 100% of their Shares (subject to the Minimum Exchange Requirement).

- *Participation by Shareholders in Future Growth of the Trust*. Shareholders who receive Units pursuant to the Arrangement will have the opportunity to participate in any future increase in value of the Trust under the direction of a proven management team with a track record of value creation.

- *Premium to Shareholders*. The anticipated Cash Redemption Amount of approximately $0.17 per Share represents a premium of approximately 283% over the Corporation's 20-day volume-weighted average trading price of the Shares on the Exchange through August 9, 2012, the last trading day prior to the public announcement by the Corporation of the proposed sale of the Ingersoll Property, of $0.06 per Share and exceeds the highest price at which the Shares have traded on the Exchange in almost three years.

- *Arrangement Agreement*. The terms of the Arrangement Agreement permit the Board to consider and respond to a Superior Proposal, subject to the payment of a termination fee to the Trust in certain circumstances.

- *Shareholder and Court Approvals*. The Transactions are subject to the following Shareholder and Court approvals:

    - the Ingersoll Sale Resolution must be approved by not less than two-thirds of the votes cast by Shareholders voting in respect of the Ingersoll Sale Resolution;

- the Arrangement Resolution must be approved by the Required Vote; and

- the Arrangement must be approved by the Court, which will consider, among other things, the fairness of the Arrangement to Shareholders.

- *Dissent Rights*. The availability of rights of dissent to the registered Shareholders with respect to the Arrangement and the Ingersoll Sale.

- *Voting Agreements*. Shareholders who in the aggregate own or control 8,225,000 Shares, representing approximately 45% of the outstanding Shares, have signed Voting Agreements pursuant to which, and subject to the terms thereof, they have agreed to vote their Shares in favour of the Arrangement Resolution and the Ingersoll Sale Resolution.

Stock Exchange Listing and Reporting Issuer Status

If the Arrangement is completed, the Shares will be de-listed from the TSXV and the Corporation will apply to cease to be a reporting issuer (or the equivalent) in all jurisdictions in Canada in which it is a reporting issuer (or the equivalent). The Trust has applied to list the Units issuable under the Arrangement on the TSXV and completion of the Arrangement is subject to the Trust having obtained approval for such listing.

Private Placement

Immediately prior to the Effective Time, the Corporation intends to complete a private placement of Shares at a price per Share equal to the Unit Redemption Amount for an aggregate subscription amount of between $4 million and $15 million (the "**Private Placement**"). Assuming a Unit Redemption Amount of $0.175, this would result in the issuance of between 22,857,143 and 85,714,286 Shares pursuant to the Private Placement. The net proceeds from Private Placement will be retained by ISG and available to the Trust following completion of the Arrangement.

The Trust

The Trust is an unincorporated open-ended real estate investment trust established on August 30, 2012 under the laws of the Province of Ontario pursuant to the Declaration of Trust. The Trust is a "mutual fund trust" as defined in the Tax Act, but is not a "mutual fund" within the meaning of applicable Canadian securities legislation.

The objectives of the Trust are to: (i) provide Unitholders with a tax efficient, income producing asset base that will focus on capital preservation through prudent acquisitions; (ii) provide Unitholders with stable and growing cash distributions from investments focused on real estate properties in Canada; (iii) enhance the value of the Trust's assets and maximize long-term Unit value through active management; and (iv) expand the asset base of the Trust and increase the Trust's cash flow, through internal growth strategies and accretive acquisitions.

Strategy of the Trust

The Trust has been formed to create long-term value for Unitholders, through (i) disciplined investing and capital preservation; and (ii) to achieve stable distributable income. The objectives will be achieved through partnership with management and industry leaders. The Trust will focus on co-owning a diversified property portfolio of multi-tenant residential, single and multi-tenant industrial, net lease convenience retail, and core service provider professional space. The Trust's primary focus will be on joint acquisitions with strong financial partners, and the acquisitions of partial interests from existing co-ownership groups, offering liquidity to those selling, and professional management for those remaining as co-partners. Firm Capital Realty Partners Inc. and Firm Capital Properties Inc., through a structure focused on an alignment of interest with the Trust, are the asset and property manager respectively, sourcing, syndicating and participating in investments.

Management of the Trust

The Trust will be led by an external management team that has the requisite range of experience required to acquire, finance, operate, maintain and grow a diverse portfolio of real estate across Canada. The Trust's management has substantial experience successfully managing multi-tenant residential, multi-tenant and single tenant industrial, net lease convenience retail, and core service provider professional space and possess a broad network of relationships and financing experience that the Trust believes will aid it in identifying and closing accretive acquisitions. The Trust will also benefit from the reputation, commitment and stability of management.

Firm Capital Properties Inc. will be responsible for providing management, operation and maintenance services in respect of the Trust's properties pursuant to the Property Management Agreement.

Firm Capital Realty Advisors Inc. will provide asset management, administrative and reporting services to the Trust pursuant to the Asset Management Agreement.

Letter of Transmittal and Election Form

A Letter of Transmittal and Election Form (printed on yellow paper) has been mailed, together with this Circular, to each person who was a registered holder of Shares on the Record Date. Each registered Shareholder must forward a properly completed and signed Letter of Transmittal and Election Form, with accompanying Share certificate(s), in order to receive the consideration to which such Shareholder is entitled under the Arrangement. It is recommended that Shareholders complete, sign and return the Letter of Transmittal and Election Form with accompanying Share certificate(s) to the Depositary as soon as possible.

Procedure for the Redemption of Shares

Each registered holder of Shares will have the right to elect in the Letter of Transmittal and Election Form to receive the consideration set out below. To make a valid election as to the form of consideration that you wish to receive under the Arrangement, you must sign and return, if applicable, the Letter of Transmittal and Election Form and make a proper election thereunder and return it with accompanying Share certificate(s) to the Depositary prior to the Election Deadline, being 5:00 p.m. (Toronto time) on October 26, 2012, the first business day immediately prior to the date of the Meeting or, if the Meeting is adjourned or postponed, such time on the first business day immediately prior to the date of such adjourned or postponed Meeting.

An election will have been properly made by registered holders of Shares only if the Depositary has received, by the Election Deadline, a Letter of Transmittal and Election Form properly completed and signed and accompanied by the certificate(s) for the Shares to which the Letter of Transmittal and Election Form relates, properly endorsed or otherwise in proper form for transfer.

Shareholders whose Shares are registered in the name of a broker, investment dealer or other intermediary should contact that broker, investment dealer or other intermediary for instructions and assistance in delivery of the share certificate(s) representing those shares and making, if applicable, an election with respect to the form of Consideration they wish to receive.

The determination of the Depositary as to whether elections have been properly made or revoked and when elections and revocations were received by it will be binding. **SHAREHOLDERS WHO DO NOT MAKE AN ELECTION PRIOR TO THE ELECTION DEADLINE, OR FOR WHOM THE DEPOSITARY DETERMINES THAT THEIR ELECTION WAS NOT PROPERLY MADE WITH RESPECT TO ANY SHARES, WILL BE DEEMED TO HAVE ELECTED THE UNIT REDEMPTION AMOUNT IN RESPECT OF ALL OF THE SHARES HELD BY SUCH PERSON**. The Depositary may, with the mutual agreement of the Corporation and the Trust, make such rules as are consistent with the Arrangement for the implementation of the elections contemplated by the Arrangement and as are necessary or desirable to fully effect such elections.

A registered Shareholder may elect in accordance with the Shareholder's Letter of Transmittal and Election Form (and a Beneficial Shareholder, may elect in accordance with instructions provided by their broker, investment

dealer or other intermediary or, if a holder of Depositary Interests, in accordance with the instructions set out above), for every Share held, either the (i) Cash Redemption Amount or (ii) Unit Redemption Amount, provided that, notwithstanding any such election, each Shareholder that holds at the Effective Time such number of Shares which, upon conversation at the Exchange Ratio, is equal to at least one Board Lot, will be deemed to have elected to receive a minimum of one Board Lot pursuant to the Unit Redemption Amount (such requirement being the "**Minimum Exchange Requirement**").

Dissent Rights

Registered Shareholders have Dissent Rights with respect to the Ingersoll Sale Resolution and the Arrangement Resolution. If the Ingersoll Sale or the Arrangement is completed, each Dissenting Shareholder that has duly exercised Dissent Rights in respect of the Ingersoll Sale Resolution or Arrangement Resolution in accordance with the procedure described under "Dissent Rights", as applicable, is entitled to be paid fair value for its Shares.

Failure to strictly comply with the dissent procedures described in the Circular may result in the loss of any right of dissent. Beneficial Shareholders who wish to exercise Dissent Rights must arrange for the registered Shareholder holding their Shares to deliver the notice of Dissent.

Certain Canadian Federal Income Tax Considerations of the Arrangement

Shareholders should consider the income tax consequences of voting in favour of the Arrangement. See "Certain Canadian Federal Income Tax Considerations of the Arrangement".

Risk Factors

There are a number of risk factors relating to an investment in the Trust and the Transactions that should be carefully considered by Shareholders. See "Risk Factors".

GENERAL INFORMATION CONCERNING THE MEETING AND VOTING

Time, Date and Place

The Meeting will be held at the offices of Goodmans LLP, Bay Adelaide Centre, 333 Bay Street, Suite 3400, Toronto, Ontario at 10:00 a.m. (Toronto time) on Monday, October 29, 2012.

Record Date

The record date for determining Shareholders entitled to receive notice of and to vote at the Meeting is September 28, 2012. Only Shareholders of record as of the close of business (Toronto time) on the Record Date are entitled to receive notice of and to vote at the Meeting.

Solicitation of Proxies

The cost of soliciting proxies will be borne by ISG. In addition to solicitation by mail, certain officers and directors of the Corporation may solicit proxies by telephone, telegraph or personally cost.

Manner Proxies will be Voted

The Shares represented by the accompanying form of proxy (if the same is properly executed in favour of management nominees, and is received at the offices of Computershare Investor Services Inc., 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1 not later than 11:00 a.m. (Toronto time) on October 26, 2012 or, if the Meeting is adjourned, not later than 24 hours, excluding Saturdays, Sundays and holidays, preceding the time of such adjourned Meeting) will be voted at the Meeting. If the instructions in a proxy given to ISG's management are certain, the Shares represented by proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any poll as specified in the proxy with respect to the matter to be acted on. **If a choice is not so specified with respect to any such matter, the Shares represented by a proxy given to ISG's management will be voted FOR each of the matters described in the Notice of Meeting.**

The accompanying form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the accompanying Notice, and with respect to other matters which may properly come before the Meeting. At the date hereof, ISG management knows of no such amendments, variations or other matters.

Alternate Proxy

Each Shareholder has the right to appoint a person or company other than the person named in the accompanying form of proxy, who need not be a Shareholder, to attend and act for him or her and on his or her behalf at the Meeting or any adjournment thereof. Any Shareholder wishing to exercise such right may do so by inserting in the blank space provided in the accompanying form of proxy the name of the person or company whom such Shareholder wishes to appoint as proxy or by duly completing another proper form of proxy, and duly depositing the same before the specified time.

Revocability of Proxy

A Shareholder giving a proxy has the power to revoke it. Such revocation may be made by the Shareholder attending the Meeting, by the Shareholder duly executing another form of proxy bearing a later date and duly depositing the same before the specified time, or by written instrument revoking such proxy executed by the Shareholder or his or her attorney authorized in writing or, if the Shareholder is a body corporate, under its corporate seal or by an officer or attorney thereof duly authorized and deposited either at ISG's registered office, 114 Avenue Road, Toronto, Ontario M5R 2H4 or at the offices of Computershare Investor Services Inc., 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1 at any time up to and including the last business day preceding the date of the Meeting or any adjournment thereof, or with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof. If such written instrument is deposited with the Chairman of the Meeting on the day of the

Meeting or any adjournment thereof, such instrument will not be effective with respect to any matter on which a vote has already been cast pursuant to such proxy.

Advice to Non-Registered Holders

Only registered Shareholders or duly appointed proxy holders are permitted to vote at the Meeting. Most Shareholders of the Corporation are "non-registered" Shareholders because the Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust corporation through which they purchased the Shares. A person is not a registered Shareholder (a "**Non-Registered Holder**") in respect of Shares which are held either: (a) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Holder deals with in respect of the Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. ("**CDS**")), of which the Intermediary is a participant.

In accordance with the requirements of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators, the Corporation has distributed copies of the notice of meeting, this Circular, and the audited financial statements of the Corporation for its fiscal year ended December 31, 2011, along the report of its auditors thereon (collectively, the "**Meeting Materials**") to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders. Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Intermediaries will frequently use service companies (such as Broadridge Financial Solutions, Inc.) to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will either:

(a) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Shares beneficially owned by the Non-Registered Holder and must be completed, but not signed, by the Non-Registered Holder and deposited with Computershare Investor Services Inc.; or

(b) more typically, be given a voting instruction form which is not signed by the Intermediary, and which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company, will constitute voting instructions which the Intermediary must follow.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Shares which they beneficially own. Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Holder should strike out the names of the management proxy holders named in the form and insert the Non-Registered Holder's name in the blank space provided. Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or proxy authorization form is to be delivered.

Quorum

A quorum for the transaction of business at any meeting of Shareholders is two persons present in person, each being either a Shareholder entitled to vote thereat or a duly appointed proxy for an absent Shareholder so entitled.

Principal Holders of Shares

At the date hereof the Corporation has 18,242,000 Shares issued and outstanding, each of which carries one vote per Share.

At the date hereof, to the knowledge of the directors and senior officers of the Corporation, no person or company beneficially owns, directly or indirectly, or controls or directs more than 10% of the outstanding Shares other than:

Name and Municipality of Residence	Type of Ownership	Number and percentage of Shares owned
Joseph Sorbara Toronto, Ontario	Beneficial	3,141,000/17.22%
David Ogden Toronto, Ontario	Beneficial	3,013,000/16.52%
FCMC Toronto, Ontario	Beneficial	2,071,000/11.35%

As at the date of this Circular, the directors and officers of the Corporation own or control, directly or indirectly, 7,519,000 Shares, representing 41.22% of the outstanding Shares.

THE TRANSACTIONS

Overview

At the Meeting, Shareholders will be asked to consider and, if thought advisable, approve special resolutions with respect to, among other things, the Ingersoll Sale and the Arrangement (collectively, the "**Transactions**").

Pursuant to the Ingersoll Sale, the Corporation proposes to sell its sole real estate asset, the Ingersoll Property, to BTB, an arm's length third party purchaser, for a net purchase price of $10,282,250, subject to certain customary closing adjustments.

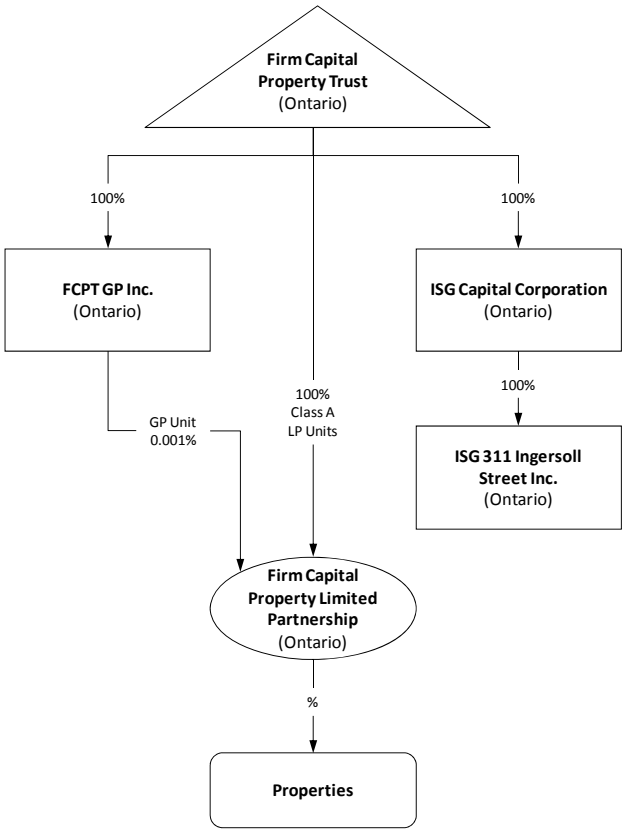
If the Ingersoll Sale is completed, and subject to the receipt of all requisite Court, Shareholder and TSXV approvals, as well as the satisfaction or waiver of the other closing conditions set forth in the Arrangement Agreement, the Corporation proposes to complete the Arrangement, which would effectively convert ISG into a new TSXV listed real estate investment trust with members of the Firm Capital group of companies providing asset, property and executive management services.

Under the Plan of Arrangement, at the Effective Time each Shareholder will have the option of redeeming its Shares for the Cash Redemption Amount, exchanging them for Units on the basis of the Exchange Ratio or a combination of the two, provided that each Shareholder who owns a sufficient number of Shares to receive 100 Units under the Plan of Arrangement will be required to exchange Shares for at least 100 Units.

The Cash Redemption Amount will be determined based on ISG's cash on hand at the Effective Time less deductions for (i) required payments under the MIP, (ii) the cost of purchasing a "run-off" directors' and officers' insurance policy and (iii) ISG's transaction costs, and less a further deduction of $0.005 per Share. The Corporation currently anticipates that this will result in a Cash Redemption Amount of approximately $0.17 per Share. The Exchange Ratio will be determined by dividing (i) the Unit Redemption Amount by (ii) $5.00, being the initial value of the Units (based on the price at which Firm Capital, an affiliate of the Trust, will be purchasing Units in order to capitalize the Trust immediately prior to the Effective Time). Assuming a Cash Redemption Amount of $0.17, this would result in a Unit Redemption Amount of $0.175 and an Exchange Ratio of 0.035 Units for each Share.

In order to ensure that ISG is eligible to complete the Arrangement under the CBCA, at the Meeting Shareholders will be asked to approve by special resolution a reduction in the stated capital of the Shares by the amount necessary to satisfy the solvency test in Section 192(2) of the CBCA (the "**Stated Capital Reduction**").

Following redemption of all the Shares pursuant to the Arrangement, ISG will be a wholly-owned subsidiary of the Trust, its sole remaining Shareholder and the structure of the Trust and its subsidiaries will be as illustrated below:



Background

The terms of the Transactions and the provisions of each of the Ingersoll Sale Agreement and the Arrangement Agreement are the result of arm's length negotiations conducted between representatives of ISG and BTB (and their respective advisors) in respect of the Ingersoll Sale Agreement, and representatives of ISG and the Trust (and their respective advisors) in respect of the Arrangement Agreement. The following is a summary of the material events, meetings, negotiations, discussions and actions among the parties that preceded the execution and public announcement of the Ingersoll Sale Agreement and Arrangement Agreement.

Following completion of ISG's acquisition of the Ingersoll Property on February 4, 2009 (which constituted its "Qualifying Transaction" for the purposes of applicable TSXV rules), ISG attempted to execute its business plan of acquiring a portfolio of industrial properties on which it would seek to reduce energy consumption while simultaneously enhancing cash flow through proactive asset management and implementation of sustainable initiatives that lower operating costs and increase the productivity of tenant employees. However, with the concurrent onset of the credit crisis and recession, ISG was unable to access the capital required to execute the acquisition portion of its business plan. As a result, it changed its short-term focus to implementing sustainable initiatives at the Ingersoll Property.

ISG intended to apply the experience gained from these initiatives to future acquisitions as capital became available. On May 17, 2011, ISG announced the results of a full-year trial of these initiatives at the Ingersoll Property where utility costs were reduced by 50% year-over-year.

In May 2011, Eli Dadouch, President and Chief Executive Officer of Firm Capital Mortgage Investment Corporation (TSX:FC) and founder of the Firm Capital group of companies met with David Ogden, President and Chief Executive Officer of ISG, to discuss possible opportunities of mutual interest. Mr. Dadouch explained that Firm Capital was considering launching a new real estate venture that would seek to acquire a diversified portfolio of commercial assets and focus on joint acquisitions and the acquisition of partial interests from existing co-ownership groups. Firm Capital was considering various structures and vehicles for this proposed venture including

the acquisition of an existing publicly-traded real estate operating company, the formation of a new publicly-traded vehicle or a possible strategic partnership with a company such as ISG.

As a result of these initial discussions, Firm Capital and ISG agreed to consider a potential transaction involving ISG in further detail. On May 26, 2011 the parties executed a non-disclosure agreement to facilitate ongoing discussions and negotiations and ISG provided Firm Capital with a term sheet outlining the terms of a potential transaction.

Throughout June and early July 2011, negotiations continued and on July 19, 2011 Firm Capital and ISG executed a non-binding memorandum of understanding which set out the principal commercial terms for a potential transaction that involved converting ISG into a real estate investment trust managed by affiliates of Firm Capital by way of a plan of arrangement and a concurrent sale of the Ingersoll Property, which Firm Capital viewed as a property that was not consistent with the investment strategy it planned to pursue in the new REIT. At the time, ISG was already pursuing a potential sale of the Ingersoll Property and expected to complete that transaction in relatively short order. However, the potential purchaser ultimately decided that it did not wish to proceed, and ISG did not secure a replacement purchaser. As a result, the parties did not pursue the transactions contemplated by non-binding memorandum of understanding.

From November 2011 to February 2012, Firm Capital and ISG intermittently discussed various alternatives to the potential transaction that would not require the sale of the Ingersoll Property as a condition of closing but could not agree on the terms of such a transaction. After further negotiations, in March 2012 Firm Capital and ISG agreed on a revised structure and terms for a potential transaction and signed another non-binding memorandum of understanding reflecting such revised structure and terms.

In early May of 2012, Mr. Ogden and the Chief Executive Officer of BTB discussed BTB's potential purchase of the Ingersoll Property. Mr. Ogden then commenced negotiations with BTB and on June 28, 2012 ISG and BTB executed the Ingersoll Sale Agreement pursuant to which BTB agreed to purchase the Ingersoll Property subject to various conditions, including satisfactory completion of BTB's due diligence review of the Ingersoll Property.

As a result of the potential sale of the Ingersoll Property, in July 2012 ISG and Firm Capital began to negotiate revised terms for a potential transaction, which could once again contemplate the concurrent sale of the Ingersoll Property.

On August 10, 2012, BTB waived the due diligence conditions in its favour pursuant to the Ingersoll Sale Agreement and confirmed to ISG that it was prepared to proceed with the Ingersoll Sale. Accordingly, ISG issued a press release announcing the Ingersoll Sale Agreement that same day.

On August 20, 2012, ISG and Firm Capital reached a executed a preliminary agreement which provided, in part, the principal commercial terms that are reflected in the Plan of Arrangement and the Arrangement Agreement. The preliminary agreement also provided that in certain circumstances where a transaction between ISG and Firm Capital is not completed, ISG would be required to reimburse Firm Capital for up to $85,000 of its expenses incurred in connection with negotiating a potential transaction.

From August 20 through August 30, 2012, legal counsel for ISG and Firm Capital negotiated and settled the Arrangement Agreement, the Plan of Arrangement and the Voting Agreements.

On August 30, 2012, the Board met with ISG management and legal counsel to consider the Arrangement Agreement and the Plan of Arrangement and unanimously determined (with David Ogden and Phil Rossiter declaring their interests as a result of their entitlements under the MIP and abstaining from voting) that the Arrangement is in the best interests of the Corporation and authorized ISG to execute the Arrangement Agreement. Following the meeting, ISG and the Trust executed the Arrangement Agreement and ISG issued a related press release that same day.

Recommendation of the Board

After careful consideration**,** the Board has unanimously determined that the Transactions are in the best interests of the Corporation. **Accordingly, the Board, has unanimously approved the Transactions and the Stated Capital Reduction and unanimously recommends that Shareholders vote FOR the Ingersoll Sale Resolution, the Stated Capital Reduction Resolution and the Arrangement Resolution. In connection with the Board's approval of the Arrangement, Messrs. Ogden and Rossiter declared their interests in the Arrangement and abstained from voting on the Arrangement.**

Reasons for Recommendation

In making its recommendation, the Board consulted with ISG's management and legal counsel and considered a number of factors, including:

- *Liquidity*. The Transactions represent an opportunity for Shareholders to realize immediate liquidity by receiving cash consideration for 100% of their Shares (subject to the Minimum Exchange Requirement).

- *Participation by Shareholders in Future Growth of the Trust*. Shareholders who receive Units pursuant to the Arrangement will have the opportunity to participate in any future increase in value of the Trust under the direction of a proven management team with a track record of value creation.

- *Premium to Shareholders*. The anticipated Cash Redemption Amount of approximately $0.17 per Share represents a premium of approximately 283% over the Corporation's 20-day volume-weighted average trading price of the Shares on the TSXV through August 9, 2012, the last trading day prior to the public announcement by the Corporation of the proposed sale of the Ingersoll Property of $0.06 per Share, and also exceeds the highest price at which the Shares have traded on the TSXV in almost three years.

- *Arrangement Agreement*. The terms of the Arrangement Agreement permit the Board to consider and respond to a Superior Proposal, subject to the payment of a termination fee to the Trust in certain circumstances.

- *Shareholder and Court Approvals*. The Transactions are subject to the following Shareholder and Court approvals:

    - the Ingersoll Sale Resolution must be approved by not less than two-thirds of the votes cast by Shareholders voting in respect of the Ingersoll Sale Resolution;

    - the Arrangement Resolution must be approved by the Required Vote; and

    - the Arrangement must be approved by the Court, which will consider, among other things, the fairness of the Arrangement to Shareholders.

- *Dissent Rights*. The availability of rights of dissent to registered Shareholders with respect to the Arrangement and the Ingersoll Sale.

- *Voting Agreements*. Shareholders who in the aggregate own or control 8,225,000 Shares, representing approximately 45% of the outstanding Shares, have signed Voting Agreements pursuant to which, and subject to the terms thereof, they have agreed to vote their Shares in favour of the Arrangement Resolution and the Ingersoll Sale Resolution.

Interests of Management in the Transactions

In considering the recommendation of the Board with respect to the Arrangement, Shareholders should be aware that certain members of the Corporation's management have certain interests in connection with the Transactions that may present them with actual or potential conflicts of interest in connection with the Arrangement.

In particular, members of the Corporation's management will be entitled to receive payments under the MIP upon completion of the Arrangement. The Board is aware of these interests and considered them when determining to approve the Arrangement.

Intentions of the Company Directors

The directors of the Corporation, who collectively beneficially own or exercise control or direction over 7,519,000 Shares, which represent in the aggregate approximately 41% of the outstanding Shares, have indicated that they intend to vote their Shares in favour of the Ingersoll Sale Resolution, the Stated Capital Reduction Resolution and the Arrangement Resolution.

David Ogden and Joseph Sorbara have also entered into Voting Agreements with the Trust pursuant to which they have agreed, subject to the terms and conditions thereof, to vote their Shares in favour of the Transactions.

THE INGERSOLL SALE

General Description

The Corporation and BTB entered into the Ingersoll Sale Agreement on June 28, 2012, pursuant to which the Corporation has agreed to sell the Ingersoll Property, together with the Ingersoll Lease and any chattels and tangible personal property necessary or used in connection with the operation and maintenance of the Ingersoll Property (collectively, the "**Purchased Assets**"), for a net purchase price of $10,282,250, subject to customary closing adjustments. The Ingersoll Sale represents a sale of all or substantially all of the Corporation's assets and requires the approval of Shareholders by way of a special resolution pursuant to Section 189(3) of the CBCA.

The Ingersoll Sale Agreement

Purchase Price and Assumption of First Mortgage

The net purchase price for the Purchased Assets is $10,282,250, subject to certain customary closing adjustments in accordance with the terms and conditions of the Ingersoll Sale Agreement.

The net purchase price to be paid for the Purchased Assets will be satisfied:

- by BTB's assumption of the Assumed Mortgage, which had an outstanding principal amount of $6,538,114 as at October 1, 2012, and
- the balance in cash (including $250,000 in deposits previously paid by BTB to the Corporation under the Ingersoll Sale Agreement and which will be applied against the purchase price on closing).

Conditions Precedent in favour of BTB

The obligations of BTB to complete the Ingersoll Sale are subject to the fulfillment of each of the following additional conditions precedent (each of which is for the exclusive benefit of BTB and may be waived by BTB in whole or in part at any time):

- all third party approvals and consents required for the transfer of the Purchased Assets, including but not limited to the assignment of the Assumed Mortgage to BTB, will have been obtained;
- the covenants, representations and warranties set out in the Ingersoll Sale Agreement will be true and accurate in all material respects;
- all of the terms, covenants and conditions contained in the Ingersoll Sale Agreement to be complied with or performed by the Corporation will have been complied with or performed in all material respects; and

- title to the Purchased Assets will be a good and marketable title in fee simple, free and clear of all encumbrances whatsoever, except for those encumbrances specifically permitted pursuant to the terms of the Ingersoll Sale Agreement (including but not limited to the Assumed Mortgage).

Representations and Warranties

The Ingersoll Sale Agreement contains customary representations and warranties on the part of the Corporation relating to matters that include: organization and qualification, power and capacity, due authorization, title to the Purchased Assets, the Ingersoll Lease, and the Assumed Mortgage.

The Ingersoll Sale Agreement also contains customary representations and warranties on the part of BTB relating to matters that include: organization and qualification, power and capacity and due authorization.

Appraisal

In anticipation of a potential sale of the Ingersoll Property, the Corporation retained Altus Group Limited (the "**Appraiser**") to provide an independent appraisal (the "**Appraisal**") of the market value of the Ingersoll Property.

The Appraisal was prepared in conformity with the Canadian Uniform Standards of Professional Appraisal Practice as adopted by the Appraisal Institute of Canada. The Appraisal Institute of Canada defines market value as "the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus". According to the Appraisal Institute of Canada, implicit in this definition of market value is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (i) buyer and seller are typically motivated; (ii) both parties are well informed or well advised and acting in what they consider their best interests; (iii) a reasonable time is allowed for exposure in the open market; (iv) payment is made in terms of cash in Canadian dollars or in terms of financial arrangements comparable thereto; and (v) the price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

In the Appraisal, the Appraiser estimated the aggregate market value of the Ingersoll Property as at February 1, 2012 to be $11 million. The estimated market value of the Ingersoll Property was determined by the Appraisers by using an income capitalization approach, supported by a discounted cash flow approach and a sales comparison approach. These are valuation methods traditionally used by investors when acquiring properties of this nature. Based on the Appraiser's findings, the Appraiser prepared a 10-year forecast of net operating income for the Ingersoll Property for a stabilized year and capitalized the Ingersoll Property's net operating income using a 7.5% capitalization rate. For the purposes of its discounted cash flow analysis, the Appraiser applied a discount rate of 8.25% to the Ingersoll Property's projected net operating income.

When comparing the Appraiser's estimate of the market value of the Ingersoll Property against the purchase price under the Ingersoll Sale Agreement, it is important to note that (i) the Assumed Mortgage has an interest rate above current market levels and (ii) the market value estimated by the Appraiser assumed the Ingersoll Property would be purchased on an all-cash basis, without debt or encumbrances. The purchase price under the Ingersoll Sale Agreement included adjustments for both the assumption of the Assumed Mortgage with an interest rate above market levels and for future planned capital expenditures at the Ingersoll Property.

Caution should be exercised in the evaluation and use of appraisal results. An appraisal is an estimate of market value. It is not a precise measure of value but is based on a subjective comparison of related activity taking place in the real estate market. The Appraisal is based on various assumptions of future expectations and while the Appraiser's internal forecast of net operating income for the Ingersoll Property is considered to be reasonable at the current time, some of the assumptions may not materialize or may differ materially from actual experience in the future.

Use of Proceeds

The Corporation expects to use the net cash proceeds from the sale of the Ingersoll Property to (i) pay expenses incurred by the Corporation in connection with the Transactions, (ii) satisfy its obligations under the MIP, (iii) purchase a "run-off" directors' and officers' insurance policy and (iv) if the Arrangement is completed, pay the aggregate Cash Redemption Amount under the Arrangement. If the Arrangement is completed, any net cash proceeds remaining after paying all such amounts will be retained by the Corporation and would be available to be used as working capital or for other trust purposes by the Trust. If the Arrangement is not competed, the Corporation expects that it would consider other methods of distributing the net cash proceeds (after payment of the Corporation's expenses and providing a reserve for the satisfaction of any other liabilities) to Shareholders.

TSXV Approval

The TSXV has conditionally approved the Ingersoll Sale, subject to the Corporation and BTB fulfilling all of the requirements of the TSXV.

Shareholder Approval

At the Meeting, Shareholders will be asked to consider, and if thought advisable, pass, the Ingersoll Sale Resolution in the form attached hereto as Appendix D, with or without variation. Pursuant to Section 189(3) of the CBCA, in order to be effective, the Ingersoll Sale Resolution must be approved by not less than two-thirds of the votes cast by Shareholders voting in respect of the Ingersoll Sale Resolution.

THE ARRANGEMENT

General Description of the Arrangement

The Corporation and the Trust originally entered into the Arrangement Agreement on August 30, 2012 and amended and restated the Arrangement Agreement on September 26, 2012. The Arrangement Agreement provides for the implementation of the Plan of Arrangement pursuant to Section 192 of the CBCA. The Plan of Arrangement provides that on the Effective Date, the following steps will occur and will be deemed to occur in the order set forth below:

- the Corporation will cause all entitlements under the MIP to be satisfied in full. All participants under the MIP will cease to have any further rights or entitlements thereunder, and neither the Corporation nor the Trust will have any further obligations thereunder and the MIP will be terminated and no longer be in force and effect;

- the Trust will subscribe for such number of Shares, and will provide Units at a ratio equal to the inverse of the Exchange Ratio as consideration therefor, as is necessary to satisfy the aggregate Unit Redemption Amount payable under the Arrangement;

- each Share outstanding at the Effective Time, other than a Share issued pursuant to the Private Placement and a Share held by (i) a Dissenting Holder who has validly exercised his, her or its Dissent Right, and (ii) if applicable, the Trust or any of its Affiliates (which Share, if any, will not be exchanged under the Arrangement but will remain outstanding as a Share held by the Trust or such Affiliate), will be deemed to be redeemed by the Corporation in exchange for (as elected or deemed to be elected by the holder in accordance with the holder's Letter of Transmittal and Election Form and/or the Plan of Arrangement) the Cash Redemption Amount or the Unit Redemption Amount;

- each Share issued pursuant to the Private Placement outstanding at the Effective Time shall be deemed to be redeemed by the Company in exchange for a number of Units equal to the Exchange Ratio;

- each outstanding ISG Option that has not been duly exercised prior to the Effective Time will be exchanged with the Trust for a fully vested and immediately exercisable option (a "**Replacement Option**") to purchase from the Trust that number of Units equal to the product of the Exchange Ratio multiplied by the number of Shares subject to such ISG Option. Such Replacement Option will provide for an exercise price per Unit equal to the exercise price per Share of such ISG Option immediately prior to the Effective Time divided by the Exchange Ratio. If the foregoing calculation results in the total Replacement Options of a particular holder being exercisable for a fraction of a Unit, then the total number of Units subject to such holder's total Replacement Options will be rounded down to the next whole number of Units and the total exercise price for such Replacement Options will be reduced by the exercise price of the fractional Units. Except as otherwise provided in the Arrangement Agreement, the term to expiry, conditions to and manner of exercising, and all other terms and conditions of a Replacement Option will be the same as the ISG Option for which it is exchanged, and any document or agreement previously evidencing a ISG Option will thereafter evidence and be deemed to evidence such Replacement Option;

- each Share in respect of which a holder of Shares has validly exercised his, her or its Dissent Right will be directly assigned and transferred by such Dissenting Holder to the Trust (free and clear of all Liens); and

- the names of the holders of the Share transferred to the Trust will be removed from the applicable registers of holders of Shares, and such Shares will be cancelled (in the case of Shares held by holders other than Dissenting Holders) or the Trust will be recorded as the registered holder of the Shares so transferred and will be deemed the legal and beneficial owner thereof (in the case of Shares held by Dissenting Holders).

Upon completion of the Arrangement, the Corporation will be a wholly-owned subsidiary of the Trust.

If the Meeting is held as scheduled and is not adjourned and the other necessary conditions are satisfied or waived, the Corporation will seek a Final Order approving the Arrangement. If the Final Order is obtained on November 6, 2012, in form and substance satisfactory to the Corporation and the Trust, and all other conditions precedent to the Arrangement contained in the Arrangement Agreement are satisfied or waived, the Corporation expects the Effective Date to be on or about November 28, 2012, or as soon as practicable thereafter but in any case, no later than December 28, 2012, or such later date as may be agreed to in writing by ISG and the Trust.

The Arrangement will become effective upon the filing with the Director of the Articles of Arrangement and a copy of the Final Order, together with such other materials as may be required by the Director.

The Corporation's objective is to have the Effective Date occur as soon as practicable after the Meeting. The Effective Date could be delayed, however, for a number of reasons, including an objection before the Court at the hearing of the application for the Final Order. The Corporation will issue a news release once the Effective Date has been determined.

The Arrangement Agreement

Capitalized terms used in this summary of the Arrangement Agreement that are not otherwise defined in this Circular have the meanings given to them in the Arrangement Agreement.

Mutual Conditions Precedent

The obligations of the parties to complete the Arrangement are subject to the fulfilment of each of the following conditions precedent on or before the Effective Time, each of which may only be waived in whole or in part with the mutual consent of the Corporation and the Trust:

- the Arrangement Resolution will have been approved and adopted by the Shareholders at the Meeting by the Required Vote in accordance with the Interim Order;

- the Interim Order and the Final Order will have each been obtained on terms consistent with the Arrangement Agreement and will not have been set aside or modified in a manner unacceptable to either the Corporation or the Trust, each acting reasonably, on appeal or otherwise;

- no Governmental Entity will have enacted, issued, promulgated, enforced or entered any Law which is then in effect and has the effect of making the Arrangement illegal or otherwise preventing or prohibiting consummation of the Arrangement;

- the Corporation will have completed the sale of the Ingersoll Property; and

- the TSXV will have (i) approved the transactions contemplated by the Arrangement Agreement (including the sale of the Ingersoll Property), (ii) will have conditionally approved the listing of the Units upon completion of the transactions contemplated by the Arrangement Agreement and (iii) confirmed that the Trust will satisfy the distribution requirements detailed in Section 3.1 of Exchange Policy 2.5 immediately following the Effective Time.

Additional Conditions Precedent to the Obligations of the Trust

The obligations of the Trust to complete the Arrangement are subject to the fulfillment of each of the following additional conditions precedent on or before the Effective Time (each of which is for the exclusive benefit of the Trust and may be waived by the Trust in whole or in part at any time):

- the representations and warranties of the Corporation in the Arrangement Agreement (i) that are qualified by materiality will be true and correct in all respects and (ii) that are not so qualified will be true and correct in all material respects, in each case at and as of the Effective Time as if made on and as of the Effective Time (except to the extent such representations and warranties speak as of an earlier date, the accuracy of which will be determined as of such earlier date), and the Trust will have received a certificate of the Corporation, executed by two senior officers of the Corporation (in each case without liability) addressed to the Trust and dated the Effective Date, confirming the same as of the Effective Date;

- all covenants of the Corporation under the Arrangement Agreement to be performed on or before the Effective Time which have not been waived by the Trust will have been duly performed by the Corporation in all material respects and the Trust will have received a certificate of the Corporation, executed by two senior officers of the Corporation (in each case without liability) addressed to the Trust and dated the Effective Date, confirming the same as of the Effective Date;

- there will not have been any action or proceeding pending or threatened by any Person (other than the Trust) in any jurisdiction to: (i) cease trade, enjoin, prohibit or impose any limitations, damages or conditions on, the Trust's ability to acquire, hold, or exercise full rights of ownership over, any Shares, including the right to vote the Shares; (ii) prohibit or restrict the Arrangement, or the ownership or operation by the Trust of a material portion of the business or assets of the Trust, the Corporation or any of its Subsidiaries, or compel the Trust to dispose of or hold separate any material portion of the business or assets of the Trust, the Corporation or any of its Subsidiaries as a result of the Arrangement; (iii) or prevent or materially delay the consummation of the Arrangement, or if the Arrangement is consummated, have a Material Adverse Effect;

- Dissent Rights will not have been exercised with respect to more than 5% of the issued and outstanding Shares; and

- there will not have been any material breach of (i) the support and voting agreement dated August 30, 2012 by and between the Trust and David Ogden, or (ii) the support and voting agreement dated August 30, 2012 by and between the Trust and Joseph Sorbara, other than by the Trust.

Additional Conditions Precedent to the Obligations of the Corporation

The obligations of the Corporation to complete the Arrangement are subject to the fulfillment of each of the following additional conditions precedent on or before the Effective Time (each of which is for the exclusive benefit of the Corporation and may be waived by the Corporation in whole or in part at any time):

- the representations and warranties of the Trust in the Arrangement Agreement (i) that are qualified by materiality will be true and correct in all respects and (ii) that are not so qualified will be true and correct in all material respects, in each case at and as of the Effective Time as if made on and as of the Effective Time (except to the extent such representations and warranties speak as of an earlier date, the accuracy of which will be determined as of such earlier date), and the Corporation will have received a certificate of the Trust, executed by two senior officers of the Trust (in each case without liability) addressed to the Corporation and dated the Effective Date, confirming the same as of the Effective Date;

- all covenants of the Trust under the Arrangement Agreement to be performed on or before the Effective Time which have not been waived by the Corporation will have been duly performed by the Trust in all material respects and the Corporation will have received a certificate of the Trust, executed by two senior officers of the Trust (in each case without liability) addressed to the Corporation and dated the Effective Date, confirming the same as of the Effective Date;

- Firm Capital or its Affiliates will have subscribed for a minimum of $500,000 and a maximum of $1,500,000 Units at a price of $5.00 per Unit; and

- there will not have been any material breach of the support and voting agreement dated August 30, 2012 by and between the Trust and FCMC, other than by the Trust.

Representations and Warranties

The Arrangement Agreement contains customary representations and warranties on the part of the Corporation relating to matters that include: organization and qualification, capitalization, authority and no violations, consents and approvals, board approval, brokers and transaction expenses, absence of certain changes or events, compliance with laws, filings, assets, rights of other persons, real property, the Ingersoll Lease, material contracts, intellectual property, information technology, books and records, financials, indebtedness, liabilities and guarantees, employee matters, environmental matters, related party transactions, insurance, litigation proceedings and taxes.

The Arrangement Agreement also contains customary representations and warranties of the Trust relating to matters that include: organization, authority, consents and approvals, capitalization, material agreements, no operations or liabilities, ownership of Shares and brokers.

Covenants

The Arrangement Agreement contains customary negative and positive covenants on the part of both the Corporation and the Trust with respect to the Meeting and actions taken in furtherance of the Arrangement.

In the Arrangement Agreement the Corporation has agreed, among other things, that, until the Effective Time, unless the Trust otherwise agrees or as is otherwise expressly permitted or contemplated by the Arrangement Agreement, the Corporation will conduct its business or other activity only in the ordinary course of business consistent with past practice and will not directly or indirectly do or permit to occur a number of specified actions.

The Arrangement Agreement also contains customary "non-solicitation" provisions that generally restrict the Corporation and its directors, officers, employees, advisors, representatives and agents from soliciting any proposals or offers from any other person with respect to an Acquisition Proposal, participating in any discussions regarding an Acquisition Proposal, providing any information to any other person with respect to any Acquisition

Proposal, withdrawing or changing the Board recommendation in favour of the Arrangement or approving or recommending any Acquisition Proposal. These restrictions are subject to certain exceptions for transactions that the Board determines in good faith (after consultation with its financial advisors and legal counsel) would result in a Superior Proposal.

Termination

The Arrangement Agreement may be terminated at any time prior to the Effective Time:

- by mutual written agreement of the Corporation and the Trust;

- by either the Corporation or the Trust, if (i) Shareholders shall not have approved the Arrangement Resolution at the Meeting in accordance with the Interim Order (provided that a party may not terminate the Arrangement Agreement in these circumstances if the failure to obtain Shareholder approval is caused by, or is a result of, a breach of the Arrangement Agreement by such party); (ii) if completion of the Arrangement becomes illegal; (iii) if the Arrangement has not been completed on or before the Outside Date (except that the right to terminate shall not be available to any party whose failure to fulfill any of its obligations or breach of any of its representations and warranties under the Arrangement Agreement has been the cause of, or resulted in, the failure to consummate the Arrangement); or (iv) if the sale of the Ingersoll Property has not been completed by October 31, 2012, unless (A) the reason for the failure to complete the transaction is that BTB was unable or unwilling to close and (B) within 30 days of BTB giving notice of its refusal or inability to close, the Corporation enters into letter of intent with a replacement purchaser on substantially the same terms;

- by the Corporation, (i) if the Trust has (A) breached any of its covenants in the Arrangement Agreement in any material respect or (B) breached any of its representations or warranties in the Arrangement Agreement in any material respect and such breach (1) is reasonably likely to prevent, restrict or materially delay completion of the Arrangement and (2) has not been cured within 15 days of notice of breach; or (ii) if, prior to approval of the Arrangement by the Shareholders, the Corporation wishes to enter into a binding written agreement with respect to a Superior Proposal (subject to compliance with the Corporation's non-solicitation covenants and prior payment of the applicable termination fee to the Trust, as outlined below).

- by the Trust, if (i) the Corporation has (A) intentionally and knowingly breached its non-solicitation covenants in the Arrangement Agreement, (B) breached any of its covenants in the Arrangement Agreement in any material respect or (C) breached any of its representations or warranties in the Arrangement Agreement in any material respect and such breach (1) is reasonably likely to cause a Material Adverse Effect and (2) has not been cured within 15 days of notice of breach; (ii) the Board fails to unanimously recommend or withdraws, amends, modifies or qualifies, in a manner adverse to the Trust or, following the public announcement of an Acquisition Proposal, fails to publicly reaffirm its recommendation of the Arrangement within three business days (a "**Change in Recommendation**"); or (iii) a Material Adverse Effect has occurred.

Termination Fee

The Corporation will be required to pay a $200,000 termination fee to the Trust if:

- the Trust terminates the Arrangement Agreement due to (i) the Corporation's intentional and knowing breach of its non-solicitation covenants in the Arrangement Agreement, (ii) the Corporation's material breach of covenants in the Arrangement Agreement or (iii) a Change in Recommendation;

- the Corporation terminates the Arrangement Agreement to enter into a written agreement with respect to a Superior Proposal; or

- (i) prior to the Meeting, an Acquisition Proposal (or an intention to make an Acquisition Proposal) has been publicly announced and has not expired or been withdrawn, (ii) the Arrangement is not completed due to Shareholders not voting in favour of the Arrangement or a failure to close by the Outside Date and (iii) within 12 months of the termination of the Arrangement Agreement either (A) an Acquisition Proposal is completed or (B) the Corporation enters into a definitive agreement with respect to an Acquisition Proposal and such Acquisition Proposal is subsequently completed.

Deposit

Upon execution of the Arrangement Agreement, the Trust delivered a $150,000 deposit to the Corporation's solicitors. If the Corporation terminates the Arrangement Agreement due to a breach of the Arrangement Agreement by the Trust, the deposit will be forfeited to the Corporation. If the Arrangement is completed or the Arrangement Agreement is terminated for any other reason, the deposit will be returned to the Trust.

Canadian Securities Law Matters

Qualification and Resale of Units

The Units to be issued to Shareholders pursuant to the Arrangement will be issued in reliance upon exemptions from the prospectus and registration requirements of securities legislation in each province and territory of Canada. Subject to certain disclosure and regulatory requirements and to customary restrictions applicable to distributions of shares that constitute "control distributions", Units issued pursuant to the Arrangement may be resold in each province and territory in Canada, subject in certain circumstances, to the usual conditions that no unusual effort, or no effort, has been made to prepare the market or create demand.

Special Transaction Rules

Since the Corporation is a reporting issuer in the Province of Ontario, the Arrangement is subject to MI 61-101. MI 61-101 is intended to regulate certain types of transactions to ensure that all securityholders are treated in a manner that is fair, generally requiring enhanced disclosure, approval by a majority of "minority" securityholders by excluding interested or related parties, an independent valuation and, in certain instances, approval and oversight of certain transactions by a special committee of independent directors. The protections afforded by MI 61-101 apply to "business combinations" (as such term is defined in MI 61-101).

The Arrangement is a business combination under MI 61-101 because (i) the Trust is, and was at the time the Arrangement Agreement was signed, a "related party" of the Corporation by virtue of being an Affiliate of FCMC, which beneficially owns more than 10% of the voting rights attached to all of the Shares and (ii) each of David Ogden and Phil Rossiter, who are "related parties" of the Corporation by virtue of being senior officers of the Corporation, may receive "collateral benefits" in connection with the Arrangement in the form of payments under the MIP.

Minority Approval

MI 61-101 and Exchange rules require that, in addition to any other required securityholder approval, a business combination is subject to Minority Approval. In relation to the Arrangement and for purposes of the required Shareholder approval for the Arrangement, the "minority" shareholders of the Corporation are all Shareholders other than (i) the Corporation, (ii) any interested party to the Arrangement within the meaning of MI 61-101, (iii) any related party to such interested party within the meaning of MI 61-101 (subject to the exceptions set out therein), and (iv) any person that is a joint actor with a person referred to in the foregoing clauses (ii) or (iii) for the purposes of MI 61-101.

The Trust is an interested party to the Arrangement within the meaning of MI 61-101 as a result of being a related party that is acquiring the Corporation. Messrs. Ogden and Rossiter are also interested parties to the Arrangement within the meaning of MI 61-101 as a result of their entitlements under the MIP. As a result, any Shares beneficially owned, or over which control or direction is exercised, by the Trust, David Ogden or Phil Rossiter or any of their respective joint actors (including FCMC) must be excluded for purposes of determining whether Minority Approval has been obtained.

To the knowledge of the directors and executive officers of the Corporation, after reasonable inquiry, an aggregate of 5,174,000 votes attached to the Shares beneficially owned or over which control or direction is exercised by the Trust, David Ogden or Phil Rossiter or any of their respective joint actors (including FCMC), representing approximately 28.4% of the issued and outstanding Shares, will be excluded in determining whether Minority Approval has been obtained.

Formal Valuation Requirements

MI 61-101 requires in certain circumstances that an issuer carrying out a business combination obtain a formal valuation prepared by an independent valuator. The Corporation is not required to obtain a formal valuation in connection with the Arrangement because the Shares are listed on the TSXV.

Prior Valuations and Prior Offers

Except for the Appraisal, neither the Corporation nor any director or senior officer of the Corporation, after reasonable inquiry, has knowledge of any "prior valuation" (as defined in MI 61-101) in respect of the Corporation that has been made in the 24 months before the date of this Circular. Except as described in this Circular, the Corporation has not received any bona fide prior offer during the 24 months before the date of the Arrangement Agreement that relates to the subject matter of or is otherwise relevant to the Arrangement.

United States Securities Law Matters

The Units issuable in connection with the Arrangement will not be registered under the *United States Securities Act of 1933*, as amended (the "**1933 Act**") or the securities laws of any state of the United States and will be issued in reliance upon the exemption from registration provided by Section 3(a)(10) of the 1933 Act and exemptions provided under the securities laws of each state of the United States in which Shareholders reside. Section 3(a)(10) of the 1933 Act exempts from registration a security that is issued in exchange for outstanding securities where the terms and conditions of such issuance and exchange are approved, after a hearing upon the fairness of such terms and conditions at which all persons to whom it is proposed to issue securities in such exchange have the right to appear, by a court or by a governmental authority expressly authorized by law to grant such approval. The Final Order of the Court will, if granted, constitute a basis for the exemption from the registration requirements of the 1933 Act with respect to the Units issued in connection with the Arrangement.

Shareholder Approval

At the Meeting, provided the Ingersoll Sale Resolution and the Stated Capital Reduction Resolution have been duly approved, Shareholders will be asked to consider, and if thought advisable, pass, the Arrangement Resolution in the form attached hereto as Appendix B, with or without variation. Pursuant to the Interim Order, in order to be effective, the Arrangement Resolution must be approved by the Required Vote. In addition, in accordance with TSXV rules and MI 61-101, the Required Vote includes approval by a majority of the votes cast at the Meeting by Shareholders other than David Ogden, Phil Rossiter, the Trust and each of their respective associates and affiliates (including FCMC). To the best of the Corporation's knowledge, after reasonable inquiry, David Ogden, Phil Rossiter, Firm Capital and each of their respective associates and affiliates currently own or control an aggregate of 5,174,000 Shares.

Court Approval

The CBCA provides that where it is not practicable for a corporation to effect a fundamental change in the nature of an arrangement under any other provisions of the CBCA, the corporation may apply to the Court for an order approving an arrangement proposed by the corporation. As it was not considered practicable to effect the Arrangement other than pursuant to an order of the Court, the Corporation has applied for and obtained the Interim Order which provides for the calling and holding of the Meeting and other procedural matters. The Notice of Application and Interim Order is attached as Appendix F to this Circular. Subject to the terms of and satisfaction or waiver of the conditions precedent set forth in the Arrangement Agreement, and if the Arrangement Resolution is approved by Shareholders at the Meeting in the manner required by the Interim Order, the Corporation will make application to the Court for the Final Order.

As set forth in the Interim Order, the hearing in respect of the Final Order is scheduled to take place on November 6, 2012, or as soon thereafter as counsel may be heard, at 330 University Avenue, Toronto, Ontario. At the hearing, any Shareholder and any other interested party who wishes to participate or to be represented or to present evidence or argument may do so, subject to filing with the Court and serving upon the Corporation, a Notice of Appearance, together with any evidence or materials which such party intends to present to the Court, not later than three days prior to the hearing setting out such Shareholder's or other interested parties address for service by ordinary mail and indicating whether such Shareholder or other interested party intends to support or oppose the Application or make submissions. Service of such notice will be effected by service upon the solicitors for the Corporation, Goodmans LLP, Bay Adelaide Centre, 333 Bay Street, Suite 3400, Toronto, Ontario M5H 2S7, Attention: Michael Partridge.

The Court has broad discretion under the CBCA when making orders with respect to an arrangement and the Court will consider, among other things, the fairness of the Arrangement to the Shareholders (and any other party as the Court determines appropriate). The Court may approve the Arrangement, either as proposed or as amended, in any manner the Court may direct. However, it is a condition of the Arrangement that the Final Order be satisfactory in form and substance to each of the parties to the Arrangement Agreement, acting reasonably.

TSXV Approval

The Arrangement is conditional upon receiving the final acceptance of the TSXV. The Exchange has conditionally approved the Transactions and the listing of the Units to be issued pursuant to the Transactions. The completion of the Transactions is subject to the Corporation and the Trust fulfilling all of the requirements of the TSXV.

Completion of the Arrangement

If the Meeting is held as scheduled and is not adjourned and the other necessary conditions are satisfied or waived, the Corporation will apply for the Final Order approving the Arrangement. If the Final Order is obtained on November 6, 2012, in form and substance satisfactory to the Corporation and the Trust, and all other conditions specified are satisfied or waived, the Corporation expects the Effective Date will be on or about November 28, 2012, or as soon as practicable thereafter but in any case, no later than December 28, 2012, or such later date as may be agreed to in writing by ISG and the Trust.

The Arrangement will become effective upon the filing with the Director of the Articles of Arrangement and a copy of the Final Order, together with such other materials as may be required by the Director.

The Corporation's objective is to have the Effective Date occur as soon as practicable after the Meeting. The Effective Date could be delayed, however, for a number of reasons, including an objection before the Court at the hearing of the application for the Final Order. The Corporation will issue a news release once the Effective Date has been determined.

Management Incentive Plan

In January 2011, the Board implemented the MIP for the purposes of providing ISG management, being David Ogden and Phil Rossiter, together with an external consultant, with financial incentives to identify and complete a transaction that delivers value and liquidity to Shareholders. Under the MIP, an aggregate amount of up to $300,000 would be payable to participants in the MIP upon the completion of certain specified transactions, including a sale of 100% of the Corporation to a third party purchaser. The full $300,000 will be payable under the MIP upon completion of the Arrangement, and payment of this amount is included as one of the steps of the Plan of Arrangement.

Private Placement

Immediately prior to the Effective Time, the Corporation intends to complete a Private Placement at a price per Share equal to the Unit Redemption Amount for an aggregate subscription amount of between $4 million and $15 million. Assuming a Unit Redemption Amount of $0.175, this would result in the issuance of between 22,857,143 and 85,714,286 Shares pursuant to the Private Placement. The net proceeds from Private Placement will be retained by ISG and available to the Trust following completion of the Arrangement.

Letter of Transmittal and Election Form

A Letter of Transmittal and Election Form (printed on yellow paper) has been mailed, together with this Circular, to each person who was a registered holder of Shares on the Record Date. Each registered Shareholder must forward a properly completed and signed Letter of Transmittal and Election Form, with accompanying Share certificate(s), in order to receive the consideration to which such Shareholder is entitled under the Arrangement. It is recommended that Shareholders complete, sign and return the Letter of Transmittal and Election Form with accompanying Share certificate(s) to the Depositary as soon as possible. **To make a valid election as to the form of consideration that you wish to receive under the Arrangement, you must sign and return, if applicable, the Letter of Transmittal and Election Form and make a proper election thereunder and return it with accompanying Share certificate(s) to the Depositary prior to the Election Deadline, being 5:00 p.m. (Toronto time) on October 26, 2012 or, if the Meeting is adjourned or postponed, such time on the first business day immediately prior to the date of such adjourned or postponed Meeting.**

Any use of the mail to transmit a certificate for Shares and a related Letter of Transmittal and Election Form is at the risk of the Shareholder. If these documents are mailed, it is recommended that registered mail, with return receipt requested, properly insured, be used.

Whether or not Shareholders forward the certificate(s) representing their Shares, upon completion of the Arrangement on the Effective Date, Shareholders will cease to be Shareholders as of the Effective Date and will only be entitled to receive the cash and/or that number of Units to which they are entitled under the Arrangement or, in the case of Shareholders who properly exercise Dissent Rights, the right to receive fair value for their Shares in accordance with the dissent procedures.

The instructions for making elections, exchanging certificates representing Shares and depositing such share certificates with the Depositary are set out in the Letter of Transmittal and Election Form. The Letter of Transmittal and Election Form provides instructions with regard to lost certificates.

Procedure for the Redemption of Shares

Available Election and Procedure

Each registered holder of Shares will have the right to elect in the Letter of Transmittal and Election Form to receive the consideration set out below. To make a valid election as to the form of consideration that you wish to receive under the Arrangement, you must sign and return, if applicable, the Letter of Transmittal and Election Form and make a proper election thereunder and return it with accompanying Share certificate(s) to the Depositary prior to the Election Deadline, being 5:00 p.m. (Toronto time) on October 26, 2012 or, if the Meeting is adjourned or

postponed, such time on the first business day immediately prior to the date of such adjourned or postponed Meeting.

An election will have been properly made by registered holders of Shares only if the Depositary has received, by the Election Deadline, a Letter of Transmittal and Election Form properly completed and signed and accompanied by the certificate(s) for the Shares to which the Letter of Transmittal and Election Form relates, properly endorsed or otherwise in proper form for transfer.

Shareholders whose Shares are registered in the name of a broker, investment dealer or other intermediary should contact that broker, investment dealer or other intermediary for instructions and assistance in delivery of the share certificate(s) representing those shares and making, if applicable, an election with respect to the form of Consideration they wish to receive.

The determination of the Depositary as to whether elections have been properly made or revoked and when elections and revocations were received by it will be binding. **SHAREHOLDERS WHO DO NOT MAKE AN ELECTION PRIOR TO THE ELECTION DEADLINE, OR FOR WHOM THE DEPOSITARY DETERMINES THAT THEIR ELECTION WAS NOT PROPERLY MADE WITH RESPECT TO ANY COMMON SHARES, WILL BE DEEMED TO HAVE ELECTED THE UNIT REDEMPTION AMOUNT IN RESPECT OF ALL OF THE COMMON SHARES HELD BY SUCH PERSON**. The Depositary may, with the mutual agreement of the Corporation and the Trust, make such rules as are consistent with the Arrangement for the implementation of the elections contemplated by the Arrangement and as are necessary or desirable to fully effect such elections.

A registered Shareholder may elect in accordance with the Shareholder's Letter of Transmittal and Election Form (and a Beneficial Shareholder, may elect in accordance with instructions provided by their broker, investment dealer or other intermediary or, if a holder of Depositary Interests, in accordance with the instructions set out above), for every Share held, either the (i) Cash Redemption Amount or (ii) Unit Redemption Amount, subject to the Minimum Exchange Requirement.

Exchange Procedure

Prior to the Effective Time, the Trust will deposit or cause the deposit with the Depositary, for the benefit of the holders of Shares who will receive the consideration under the Arrangement, the aggregate Cash Redemption Amount and certificates representing that number of whole Units to be delivered as part of the aggregate Unit Redemption Amount. Upon surrender to the Depository for cancellation of a certificate which immediately prior to the Effective Time represented one or more Shares that were exchanged for the consideration under the Arrangement, together with such other documents and instruments as would have been required to effect the transfer of Shares under the CBCA and the articles of the Corporation and such other documents and instruments as the Depository may reasonably require, the holder of such surrendered certificate will be entitled to receive in exchange therefor, and the Depository will deliver to such holder (i) a cheque for the Cash Redemption Amount to which such holder is entitled, and (ii) a certificate representing that number (rounded down to the nearest whole number) of Units which such holder has the right to receive, and the certificate so surrendered will forthwith be cancelled.

In the event of a transfer of ownership of Shares which was not registered in the transfer records of the Corporation, a cheque for the Cash Redemption Amount and a certificate representing the proper number of Units may be issued to the transferee if the certificate which immediately prior to the Effective Time represented Shares that were exchanged for the consideration under the Arrangement is presented to the Depositary, accompanied by all documents reasonably required to evidence and effect such transfer.

No Fractional Shares

In no event will any holder of Shares be entitled to fractional Units. Where the aggregate number of Units to be issued to a holder of Shares as consideration under the Arrangement would result in a fraction of a Unit being issuable, the number of Units to be received by such holder will be rounded down to the nearest whole Unit without any payment being made to such holder with respect to the fractional Unit.

Lost Certificates

In the event any certificates which immediately prior to the Effective Time represented one or more outstanding Shares will have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to be lost, stolen or destroyed, the Depositary will issue in exchange for such lost, stolen or destroyed certificate, cash deliverable in accordance with such Shareholders' Letter of Transmittal. When authorizing such payment in exchange for any lost, stolen or destroyed certificate, the Person to whom such cash is to be delivered will, as a condition precedent to the delivery thereof, give a bond satisfactory to the Trust and the Depositary (acting reasonably) in such sum as the Trust may direct, or otherwise indemnify the Trust and the Corporation in a manner satisfactory to the Trust and the Corporation with respect to the certificate alleged to have been lost, stolen or destroyed.

Withholding Rights

The Trust, the Corporation or the Depositary will be entitled to deduct and withhold from any amount payable to any Person under the Plan of Arrangement (including, without limitation, any amounts payable to a Dissenting Holder pursuant to the Arrangement Agreement), such amounts as the Trust, the Corporation or the Depositary determines, acting reasonably, are required or permitted to be deducted and withheld with respect to such payment under the Tax Act, the United States Internal Revenue Code of 1986 or any provision of any other Law. To the extent that amounts are so withheld, such withheld amounts will be treated for all purposes hereof as having been paid to the Person in respect of which such withholding was made, provided that such amounts are actually remitted to the appropriate taxing authority.

Treatment of ISG Options

Upon completion of the Arrangement, each unexercised ISG Option, whether vested or unvested, will be exchanged with the Trust for a fully-vested and immediately exercisable Replacement Option. Each Replacement Option will enable the holder to purchase from the Trust that number of Units equal to the product of the Exchange Ratio multiplied by the number of Shares subject to such ISG Option and with an exercise price per Unit equal to the exercise price per Share of such ISG Option immediately prior to the Effective Time divided by the Exchange Ratio. If the forgoing calculation results in the total Replacement Options of a particular holder being exercisable for a fraction of a Unit, then the total number of Units subject to such holder's total Replacement Options will be rounded down to the next whole number of Units. All other terms and conditions of a Replacement Option, including the term to expiry, conditions to and manner of exercising, will be the same as the ISG Option for which it was exchanged and any certificate or option agreement previously evidencing the ISG Option will thereafter evidence and be deemed to evidence such Replacement Option.

Stock Exchange Listing and Reporting Issuer Status

If the Arrangement is completed, the Shares will be de-listed from the TSXV and the Corporation will apply to cease to be a reporting issuer (or the equivalent) in all jurisdictions in Canada in which it is a reporting issuer (or the equivalent). The Trust has applied to list the Units issuable under the Arrangement on the TSXV and completion of the Arrangement is subject to the Trust having obtained approval for such listing.

The Stated Capital Reduction

Under Section 192 of the CBCA, the Corporation will be entitled to effect the Arrangement only if it is not "insolvent" as defined by Section 192(2) of the CBCA. Section 192(2) of the CBCA provides that a corporation is insolvent if, among other things, the realizable value of its assets are less than the aggregate of its liabilities and the stated capital of all classes of its shares. The Corporation believes that it is currently insolvent for the purposes of Section 192(2) of the CBCA and will continue to be insolvent for the purposes of Section 192(2) of the CBCA after giving effect to the sale of the Ingersoll Property.

In order to ensure that, at the time of the Arrangement, the Corporation is not insolvent for the purposes of Section 192(2) of the CBCA, at the Meeting, Shareholders will be asked to approve by special resolution the Stated

Capital Reduction. Appendix C of this Circular sets forth the text of the special resolution to be considered by Shareholders at the Meeting that authorizes a Stated Capital Reduction (the "**Stated Capital Reduction Resolution**"). To be effective, the Stated Capital Reduction Resolution requires the affirmative vote of not less than two-thirds of the votes cast by Shareholders at the Meeting. If approved, the Stated Capital Reduction will be effective only immediately prior to the hearing in respect of the Final Order.

Voting Agreements

FCMC, David Ogden and Joseph Sorbara (each, a "**Supporting Shareholder**"), who in the aggregate own or control 8,225,000 Shares, representing approximately 45% of the outstanding Shares, have each entered into support and voting agreements (the "**Voting Agreements**") with the Trust pursuant to which they have agreed, subject to the terms and conditions of the Voting Agreements, among other things:

- to vote any Shares held by them, or over which they have control or direction, in favour of the Arrangement Resolution and the Ingersoll Sale Resolution;
- not to dispose (including by way of tender or deposit under any take-over bid) of any Shares other than pursuant to the Arrangement without having first obtained the Trust's prior written consent;
- not to, directly or indirectly, solicit or encourage any Acquisition Proposal; and
- to exchange, or cause to be exchanged, prior to the Effective Time: (i) a minimum of 750,000 Shares held by David Ogden; (ii) a minimum of 750,000 Shares held by Joseph Sorbara; and (iii) all of the Shares held by Firm Capital, for Units pursuant to the terms and conditions of the Arrangement Agreement.

The Voting Agreements will terminate and be of no further force or effect upon the earliest of: (a) the Effective Time; (b) the termination of the Arrangement Agreement in accordance with its terms; and (c) the mutual consent in writing of the Trust and the applicable Supporting Shareholder.

THE TRUST

Establishment and Objectives

The Trust is an unincorporated open-ended real estate investment trust established on August 30, 2012 under the laws of the Province of Ontario pursuant to the Declaration of Trust. The Trust is a "mutual fund trust" as defined in the Tax Act, but is not a "mutual fund" within the meaning of applicable Canadian securities legislation. The head and registered office of the Trust is located at 1244 Caledonia Road Toronto, Ontario M6A 2X5.

The objectives of the Trust are to: (i) provide Unitholders with a tax efficient, income producing asset base that will focus on capital preservation through prudent acquisitions; (ii) provide Unitholders with stable and growing cash distributions from investments focused on real estate properties in Canada; (iii) enhance the value of the Trust's assets and maximize long-term Unit value through active management; and (iv) expand the asset base of the Trust and increase the Trust's cash flow, through internal growth strategies and accretive acquisitions.

Background

The Trust has been formed to create long-term value for Unitholders, through (i) disciplined investing and capital preservation; and (ii) to achieve stable distributable income. The objectives will be achieved through partnership with management and industry leaders. The Trust will focus on co-owning a diversified property portfolio of multi-tenant residential, single and multi-tenant industrial, net lease convenience retail, and core service provider professional space. The Trust's primary focus will be on joint acquisitions with strong financial partners, and the acquisitions of partial interests from existing co-ownership groups, offering liquidity to those selling, and professional management for those remaining as co-partners. Firm Capital Realty Partners Inc. and Firm Capital Properties Inc., through a structure focused on an alignment of interest with the Trust, are the asset and property

manager respectively, sourcing, syndicating and participating in investments. See "Asset Management and Property Management".

Future Properties

On September 13, 2012, the Asset Manager entered into a purchase agreement with a third party institutional vender, pursuant to which the Asset Manager has agreed to purchase five retail properties located in Ontario and Nova Scotia with an aggregate gross leasable area of approximately 185,000 square feet (the "**Future Properties**"). Closing of the acquisition is subject to the completion of satisfactory due diligence by the Asset Manager and the satisfaction or waiver of other conditions.

The Trust has an option (the "**Purchase Option**"), in its sole discretion, to purchase the Future Properties. There can be no assurance that the Trust will exercise the Purchase Option, that the due diligence condition will be met or waived, or that the acquisition will be consummated.

Strengths of the Trust

Management of the Trust believes that the Trust offers Unitholders:

- *Experienced management.* The Trust's asset and property management business is externalized as a result of the co-ownership structure and focus on partial interest acquisition strategy. Management has the requisite range of experience required in managing a diverse portfolio of real estate. The Trust's executive officers have significant experience in Canada successfully managing multi-tenant residential, multi-tenant industrial, office and retail real estate. In addition the management team has significant public entity, finance, accounting and underwriting experience. See "The Trust — Management and Operations" and "— Trustees and Management of the Trust".

- *Capabilities across multiple asset classes.* The Trust will benefit from management's proven ability to manage, develop, finance and acquire properties across multiple asset classes. In addition, the Trust will have the ability to effectively manage properties across these asset classes using an integrated management information system. Diversification across these varied asset classes is expected to reduce Unitholders' risk exposure to market fluctuations in any one asset class.

- *Stable general and administrative expenses that are linked to actual assets.* The Trust will benefit from an external management platform with known costs, and the efficiencies of an external asset and property management platform.

Growth Strategies

The Trust believes that its objectives can be best achieved by employing comprehensive and proactive management strategies that leverage and build upon Trust management's existing competitive strengths in order to improve the operating and financial performance of the Trust and its properties. The Trust intends to adopt the following internal and external growth strategies to achieve its objectives.

External Growth

The Trust's external growth strategy will include the following:

- *Partnering with industry leaders.* The Trust will benefit from partnerships and joint ventures with industry leaders that will allow the Trust to acquire properties in a non-brokered environment and provide an external confirmation of value. The partnerships will also allow the Trust to target larger acquisitions at an earlier stage and provide valuable insight on future acquisition opportunities.

- *Making joint acquisitions and the acquisition of partial interests from existing co-ownership groups.* The Trust will benefit from the management's relationships with strong financial co-partners that will give it access to transactions that generally are not available to the market and that are expected to be accretive to the Trust. A key focus will be on providing liquidity to property owners in respect of real estate that is currently co-owned. This will be accomplished through the acquisition by the Trust of a partial interest in relevant properties and the establishment of a new co-tenancy joint venture with the remaining owners. The Trust also intends to assume management of such properties to enhance value.

- *Acquiring stable income-producing properties that are accretive to the Trust.* The Trust will benefit from the experience and expertise of management and its development and leasing knowledge capabilities to select accretive acquisitions across Canada. The Trust will seek to identify potential property acquisitions using investment criteria that focus on the quality of the tenants, market demographics, lease terms, opportunities for expansion, repositioning, security of cash flows, potential for capital appreciation and potential for increasing value through more efficient management of the assets being acquired, including through expansion and repositioning.

Internal Growth

The Trust's internal growth strategy will include the following:

- *Enhancing tenant relationships, ensuring tenant retention and accommodating tenant growth*. The Trust plans to develop existing tenant relationships to retain its existing tenants and to meet their changing needs. Renewal of existing tenant leases, as opposed to tenant replacement, usually provides the best opportunity for increasing operating results while minimizing marketing, leasing and tenant improvement costs. In addition, strong tenant relationships aid in preventing interruptions in rental income from periods of vacancy.

- *Increasing rental income and minimizing operating expenses*. The Trust expects to achieve increased occupancy levels and higher renewal rents for available space through a proactive leasing program. Ongoing preventive maintenance programs along with regular site visits and inspections help to ensure that the properties are well maintained. Management believes that the operating efficiencies resulting from these measures, as well as from geographic concentration of the portfolios, will translate into stable and competitive operating expenses. Operating expenses will be reviewed monthly in order to ensure that costs are kept within budget.

- *Providing value-added property management through an integrated management structure*. The Trust will benefit from a fully functional and integrated human resources platform that will provide a full range of management services to the properties owned by the Trust.

- *Pursuing expansion and redevelopment opportunities within the Trust's portfolio*. The Trust will pursue expansion and redevelopment opportunities when warranted in order to meet the needs of tenants and to attract new tenants.

- *Managed asset class diversification within the Trust's portfolio*. The Trust will acquire and manage properties across Canada in the multi-tenant residential, multi-tenant and single tenant industrial, net lease convenience retail, and core service provider professional space, with an emphasis on the industrial and multi-family asset classes. The Trust believes that greater portfolio diversification, by tenant, by property, by asset class focused in strong geographic markets, will reduce Unitholder risk.

- *Practicing preventive maintenance and repair of properties.* In addition to addressing current capital expenditure requirements, the Trust will employ a preventive maintenance program using its familiarity with, and regular inspection of, building control systems as well as roofing and parking facilities in order to minimize capital expenditures going forward.

- *Facilitating additional tenant services*. Management of the Trust will make use of its knowledge in development, general contracting industries and other services to ensure that tenants receive the services they require from third parties at the best available cost to the Trust and to the tenants.

Management and Operations

The Trust will be led by an external management team that has the requisite range of experience required to acquire, finance, operate, maintain and grow a diverse portfolio of real estate across Canada. The Trust's management has substantial experience successfully managing multi-tenant residential, multi-tenant and single tenant industrial, net lease convenience retail, and core service provider professional space and possess a broad network of relationships and financing experience that the Trust believes will aid it in identifying and closing accretive acquisitions. The Trust will also benefit from the reputation, commitment and stability of management.

The Trust is managed by a group of dedicated real estate professionals with expertise in a number of complementary disciplines in the real estate field, including:

- finance and property management;
- acquisitions and dispositions;
- development and joint ventures;
- strategic planning;
- mortgage banking;
- capital markets
- financial reporting and public disclosure; and
- legal and accounting.

Debt Strategy

The Trust will seek to maintain a combination of short, medium and long-term debt maturities that are appropriate for the overall debt level of its portfolio including revolving acquisition facilities and convertible debentures, taking into account availability of financing and market conditions, and the financial characteristics of each property. The Trust's target leverage will be 60% to 65% of Gross Book Value. Our preference will be to have staggered debt maturities to mitigate interest rate risk and to limit financing exposure in any particular period. The Declaration of Trust provides that the Trust may not incur or assume any indebtedness if, after giving effect to the incurrence or assumption of such indebtedness, the total indebtedness of the Trust would be more than 75% of Gross Book Value. See "The Trust – Declaration of Trust – Investment Guidelines and Operating Policies — Operating Policies".

Trustees and Management of The Trust

Governance and Board of Trustees

The Declaration of Trust provides that, subject to certain conditions, the Trustees will have full, absolute and exclusive power, control and authority over the Trust's assets, affairs and operations, to the same extent as if the Trustees were the sole owners of the Trust's assets. The governance practices, investment guidelines and operating policies of the Trust will be overseen by a Board of Trustee consisting of a minimum of three and a maximum of nine Trustees, a majority of whom will be will be Canadian residents. At the completion of the Arrangement, the Trust will have nine Trustees.

The standard of care and duties of the Trustees provided in the Declaration of Trust will be similar to those imposed on directors of a corporation governed by the CBCA. Accordingly, each Trustee will be required to exercise the powers and discharge the duties of his or her office honestly, in good faith and in the best interests of the Trust and the Unitholders and, in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Declaration of Trust provides that each Trustee will be entitled to indemnification from the Trust in respect of the exercise of the Trustee's powers and the discharge of the Trustee's duties, provided that the Trustee acted honestly and in good faith with a view to the best interests of the Trust and the Unitholders or, in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, where the Trustee had reasonable grounds for believing that his or her conduct was lawful.

Other than Trustees appointed prior to completion of the Arrangement, which Trustees will hold office for a term expiring at the close of the Trust's annual meeting in 2013 or until a successor is appointed, Trustees will be elected at each annual meeting of Unitholders to hold office for a term expiring at the close of the next annual meeting, or until a successor is appointed, and will be eligible for re-election. Nominees will be nominated by the Asset Manager in connection with its nomination rights for election by Unitholders as Trustees in accordance with the provisions of the Declaration of Trust and will be included in the proxy-related materials to be sent to Unitholders prior to each annual meeting of Unitholders.

The Unitholders or the Trustees will be entitled to change the number of Trustees comprising the Board. A quorum of the Trustees, being the majority of the Trustees then holding office (provided a majority of the Trustees comprising such quorum are residents of Canada), will be permitted to fill a vacancy in the Board of Trustee, except a vacancy resulting from a failure of the Unitholders to elect the required number of Trustees. In the absence of a quorum of Trustees, or if the vacancy has arisen from a failure of the Unitholders to elect the minimum required number of Trustees, the Trustees will promptly call a special meeting of the Unitholders to fill the vacancy. If the Trustees fail to call that meeting or if there is no Trustee then in office, any Unitholder will be entitled to call such meeting. Except as otherwise provided in the Declaration of Trust, the Trustees may, between annual meetings of Unitholders, appoint one or more additional Trustees to serve until the next annual meeting of Unitholders, provided that the number of additional Trustees so appointed will not at any time exceed one-third of the number of Trustees who held such office at the conclusion of the immediately preceding annual meeting of Unitholders. Any Trustee may resign at any time by an instrument in writing signed by him and delivered to the President. Any Trustee may be removed by a special resolution passed by a two-thirds majority of the votes cast at a meeting of Unitholders called for that purpose.

The following table sets forth certain information regarding each of the individuals who have agreed to act as Trustees of the Trust as of the completion of the Arrangement. The Trust anticipates naming Mr. Sandy Poklar, the Chief Financial Officer of the Trust, and a ninth independent Trustee to the Board of Trustees prior to the Effective Time. As of the date of this circular, only Messrs. Dadouch and McKee are Trustees of the Trust. The other individuals designated as Trustees of the Trust are not currently Trustees of the Trust. Each such individual has agreed to become a Trustee of the Trust and it is expected that such individuals will be appointed to the Board on or prior to Closing. As such individuals are not members of the Board at the time of this circular, the Trust does not believe any such individuals has any liability for the contents of this circular in such capacity under the applicable securities laws of the provinces and territories of Canada.

Name and Municipality of Residence	Position with the Trust	Principal Occupation
Stanley Goldfarb[(1)(2)] Toronto, Ontario	Chairman and Independent Trustee	Chairman of Firm Capital Mortgage Corporation
Larry Shulman[(1)(2)] Toronto, Ontario	Independent Trustee	Director of Firm Capital Mortgage Corporation
Howard Smuschkowitz[(2)] Toronto, Ontario	Independent Trustee	President of Total Body Care Inc.
Manfred Walt[(2)] Toronto, Ontario	Independent Trustee	President & CEO of Walt & Co. Inc.

Name and Municipality of Residence	Position with the Trust	Principal Occupation
Eli Dadouch[(2)] Toronto, Ontario	Vice Chairman, Co-Chief Investment Officer and Trustee	President & CEO of Firm Capital Corporation
Jonathan Mair[(1)(2)] Toronto, Ontario	Co-Chief Investment Officer and Trustee	Vice President, Mortgage Banking – Firm Capital Corporation
Robert McKee[(2)] Toronto, Ontario	President, Chief Executive Officer and Trustee	President and Chief Executive Officer of the Trust

Notes:
(1) Member of the Audit Committee.
(2) Member of the Investment Committee.

Immediately following the Effective Time, Firm Capital Mortgage Corporation (a company wholly-owned by Eli Dadouch) will acquire Units of the Trust pursuant to the Arrangement. In addition, the Trustees collectively own 354,500 Shares.

Trustee Biographies

Stanley Goldfarb, F.C.A. is Chief Executive Officer of Goldfarb Management Services Limited (a private investment management company). Mr. Goldfarb is also President, Treasurer and a director of Consolidated HCI Holdings Inc. (a publicly traded real estate investment and development company), a director of The Goldfarb Corporation (a publicly traded investment holding company), a director of Firm Capital Mortgage Investment Corporation, and was a founding partner of Goldfarb, Shulman, Patel and Co., Chartered Accountants (a chartered accountant firm that is now part of Pricewaterhouse Coopers LLP), where he practiced from 1959 to January 1999. Mr. Goldfarb has been a chartered accountant since 1957. Mr. Goldfarb was a director of Fleming Packaging Corporation, a corporation controlled by The Goldfarb Corporation, which became bankrupt in 2003.

Eli Dadouch is the President of Firm Capital Corporation, Firm Capital Properties Inc. (a property management company) and Firm Capital Mortgage Corporation (a mortgage investment company) since 1988. Mr. Dadouch is also the President, Chief Executive Officer and a director of Firm Capital Mortgage Investment Corporation.

Jonathan Mair, C.A. is the Vice-President, Mortgage Banking, of Firm Capital Corporation and the Chief Financial Officer of Firm Capital Mortgage Investment Corporation. Prior to that, Mr. Mair was a Vice-President of KPMG Inc. (a financial advisory services firm) specializing in the management and debt restructuring of mortgage lending institutions and mortgage portfolios from 1993 to 1997. Mr. Mair has been a chartered accountant since 1991.

Robert McKee is currently a managing director of Firm Capital Realty Partners Inc. and is Vice President Finance and Administration of Firm Capital Mortgage Investment Corp. Previously, Mr. McKee was a member of the Real Estate Investment Banking Group at TD Securities Inc. Mr. McKee currently serves on the board of trustees of True Northern Apartment Real Estate Trust.

Lawrence Shulman, C.A. graduated with a Bachelor of Commerce degree from the University of Toronto in 1961 and has been a Chartered Accountant since 1964. From that time, up until his retirement in June 2006, he has been a senior partner of Goldfarb, Shulman, Patel & Co. LLP, an accounting firm that is now part of Pricewaterhouse Coopers LLP. Goldfarb, Shulman, Patel & Co. LLP, which had a staff of 75 professionals and support personnel, concentrated its practice in the land development and construction company areas. As well, they offered a full range of services and were affiliated with other accounting firms around the world. Mr. Shulman has lectured extensively in income taxes and estate planning and has had significant experience in advising real estate developers and construction company executives, both local and non-resident. He currently manages, on behalf of clients, portfolios of investment funds in excess of $30 million and has acted as the financial advisor on the sale of numerous corporations, including a large multi-national corporation with sales approaching $100 million annually. Over the years Mr. Shulman has worked with many professional and religious organizations, both in administrative

and fundraising roles. He currently serves as President of the New Gamebridge Beach Cottage Association and as a director of Firm Capital Mortgage Investment Corporation.

Howard Smuschkowitz has been a president of Total Body Care Inc. since 2011, a manufacturer of private label health and beauty aid products. He has experience with private companies across many sectors of the economy, as well as experience in commercial real estate ownership. Prior to joining Total Body Care Inc., Mr. Smuschkowitz was president of Homeland Self Storages from 2005 until its sale in 2011 and president of Concord Confections Inc (Dubble Bubble) from 1986 to 2004, the company was sold to Tootsie Roll Industries, Inc.

Manfred Walt is currently President and Chief Executive Officer of Walt & Co. Inc., a private investment and management company that provides various consulting services to entities owned by or associated with the Reichmann family and other third parties. Mr. Walt previously held various consulting or management positions with Chartwell Seniors Housing REIT, Retirement Residences REIT and Brookfield Asset Management. Mr. Walt current serves on the board of Killam Properties Inc. and previously served on the boards of Canadian Apartment Properties REIT and Retirement Residences REIT.

Except as otherwise disclosed herein, no Trustee: (A) is or has been in the last 10 years, a director, trustee, chief executive officer or chief financial officer of any issuer that (i) was subject to a cease trade order or similar order or an order that denied the issuer access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the person was acting in the capacity as director, trustee, chief executive officer or chief financial officer or (ii) was subject to a cease trade order or similar order or an order that denied the issuer access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the person ceased to be a director, trustee, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, trustee, chief executive officer or chief financial officer; (B) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; (C) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision; (D) is or has been in the last 10 years, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (E) has in the last 10 years become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold such person's assets.

Management Position Descriptions

Chief Executive Officer of the Trust

The primary functions of the Chief Executive Officer of the Trust are to lead the management of the Trust's business and affairs and to lead the implementation of the resolutions and policies of the Board of Trustees. The Board of Trustees will develop a written position description and mandate for the Chief Executive Officer which will set out the Chief Executive Officer's key responsibilities, including duties relating to strategic planning, operational direction, Board of Trustee interaction, succession planning and communication with Unitholders and regulators. The Chief Executive Officer mandate will be considered by the Board of Trustees for approval annually.

Committees of the Board

Pursuant to the Declaration of Trust, the Board of Trustees has established two committees: the Audit Committee and the Investment Committee. A majority of the Audit Committee will be Independent Trustees and on the completion of the Arrangement, a majority of the members of the Investment Committee will be Independent Trustees.

Audit Committee

The Audit Committee will initially consist of Stanley Goldfarb, Jonathan Mair and Lawrence Shulman, each of whom is "financially literate" within the meaning of National Instrument 52-110 — Audit Committees. Messrs. Goldfarb and Shulman are "independent" within the meaning of National Instrument 52-110 – Audit Committees. Each of the Audit Committee members has an understanding of the accounting principles used to prepare the Trust's financial statements, experience preparing, auditing, analyzing or evaluating comparable financial statements and experience as to the general application of relevant accounting principles, as well as an understanding of the internal controls and procedures necessary for financial reporting.

The following is a brief summary of the education or experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as a member of the Audit Committee, including any education or experience that has provided the member with an understanding of the accounting principles used by us to prepare our annual and interim financial statements:

Name of Audit Committee Member	**Relevant Education and Experience**
Stanley Goldfarb (Chairman)	Mr. Goldfarb obtained his Chartered Accountant designation in 1957 and started his own chartered accounting firm in 1959. The public accounting firm he started 50 years ago was known as Goldfarb, Shulman, Patel & Co. LLP, and is now part of Pricewaterhouse Coopers LLP. Mr. Goldfarb also holds an FCA designation.
Jonathan Mair	Mr. Mair is the Vice-President, Mortgage Banking, of Firm Capital Corporation and the Chief Financial Officer of Firm Capital Mortgage Investment Corporation. Prior to that, Mr. Mair was a Vice-President of KPMG Inc. (a financial advisory services firm) specializing in the management and debt restructuring of mortgage lending institutions and mortgage portfolios from 1993 to 1997. Mr. Mair has been a chartered accountant since 1991..
Lawrence Shulman	Mr. Shulman obtained a Bachelor of Commerce degree in 1961 and a Chartered Accountant designation in 1964. From that time, up until his retirement in June 2006, he was a senior partner in the public accounting firm of Goldfarb, Shulman, Patel & Co. LLP, which is now part of Pricewaterhouse Coopers LLP. Mr. Shulman has lectured extensively on income tax and estate planning, and currently manages, on behalf of clients, portfolios of investment funds in excess of $30 million. He has also acted as the financial advisor on the sale of numerous corporations, including a large multi-national corporation with sales approaching $100 million annually. Over the years Mr. Shulman has worked with many professional and religious organizations, both in administrative and fundraising roles. He currently serves as President of the New Gamebridge Beach Cottage Association and as a director of Firm Capital Mortgage Investment Corporation.

Investment Committee

Pursuant to the Investment Committee charter, each of the Investment Committee members must have at least five years of substantial experience in the real estate industry. The Investment Committee will initially consist of all of the members of the Board of Trustees. The Investment Committee will (i) review all investments of the Trust on at least an annual basis; (ii) adjudicate and advise on transactions involving potential conflicts of interest or any other transactions which may be detrimental to the interests of the Unitholders; and (iii) deal with such other matters as may be referred to the Investment Committee by the Trustees.

Trustee Compensation

The Trustees will not be entitled to any remuneration for their participation on the Board of Trustees unless the Gross Book Value of the Trust is equal to $50 million or more. However, the Trust will obtain customary directors and officers liability insurance in favour of each Trustee.

Declaration of Trust

Capitalized terms used in this summary of the Declaration of Trust that are not otherwise defined in this Circular have the meanings given to them in the Declaration of Trust.

General

The Trust is an unincorporated open-ended real estate investment trust established pursuant to the Declaration of Trust under, and governed by, the laws of the Province of Ontario. Although the Trust is expected to qualify as a "mutual fund trust" as defined in the Tax Act, the Trust will not be a "mutual fund" as defined by applicable securities legislation.

The Units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under the provisions of such Act or any other legislation. Furthermore, the Trust is not a trust company and accordingly, is not registered under any trust and loan company legislation as it does not carry on or intend to carry on the business of a trust company. The Units represent a fractional interest in the Trust and do not represent a direct investment in the Trust's assets and should not be viewed by investors as direct securities of the Trust's assets. A Unitholder does not hold a share of a body corporate. As Unitholders will not have statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring "oppression" or "derivative" actions. The rights of Unitholders are based primarily on the Declaration of Trust. There is no statute governing the affairs of the Trust equivalent to the CBCA which sets out the rights and entitlements of shareholders of corporations in various circumstances. As well, the Trust may not be a recognized entity under certain existing insolvency legislation such as the *Bankruptcy and Insolvency Act* (Canada) and the *Companies Creditors' Arrangement Act* (Canada) and thus the treatment of Unitholders upon an insolvency is uncertain.

Units and Special Voting Units

The Trust is authorized to issue an unlimited number of Units and an unlimited number of Special Voting Units. Issued and outstanding Voting Units may be subdivided or consolidated from time to time by the Trustees without notice to or approval of the holders thereof.

Units

Units will not have preference or priority over one another. No Unitholder will have or be deemed to have any right of ownership of any of the assets of the Trust. Each Unit will represent a Unitholder's proportionate undivided beneficial ownership interest in the Trust and will confer the right to one vote at any meeting of Unitholders and to participate *pro rata* in any distributions by the Trust, whether of net income, net realized capital gains of the Trust or other amounts and, in the event of termination or winding-up of the Trust, in the net assets of the Trust remaining after satisfaction of all liabilities. Units will be fully paid and non-assessable when issued (unless issued on an instalment basis) and are transferable. The Units are redeemable at the holder's option, as described below under "— Redemption Right" and the Units have no other conversion, retraction, redemption or pre-emptive rights. On any consolidation, any fractional Units, if any, will not be issued but rather rounded down to the nearest whole Unit.

Special Voting Units

Special Voting Units have no economic entitlement in the Trust or in the distributions or assets of the Trust but entitle the holder record to one vote per Special Voting Unit at any meeting of the Unitholders. Special Voting

Units may only be issued in connection with or in relation to securities exchangeable into Units, including Partnership Units, for the purpose of providing voting rights with respect to the Trust to the holders of such securities. At the Effective Time, no Special Voting Units will be issued and outstanding. The initial Special Voting Units will be issued in conjunction with the Partnership Units to which they relate, and will be evidenced only by the certificates representing such Partnership Units. Special Voting Units will not be transferable separately from the exchangeable securities to which they are attached and will be automatically transferred upon the transfer of such exchangeable securities. Each Special Voting Unit will entitle the holder thereof to that number of votes at any meeting of Unitholders that is equal to the number of Units that may be obtained upon the exchange of the exchangeable security to which such Special Voting Unit is attached. Upon the exchange or surrender of a Partnership Unit for a Unit, the Special Voting Unit attached to such Partnership Unit will automatically be redeemed and cancelled for no consideration without any further action of the Trustees, and the former holder of such Special Voting Unit will cease to have any rights with respect thereto. See "The Partnership — Partnership Units".

Meetings of Unitholders

The Declaration of Trust provides that meetings of Unitholders will be required to be called and held in various circumstances, including (i) for the appointment, election or removal of Trustees, (ii) the appointment or removal of the auditors of the Trust, (iii) the approval of amendments to the Declaration of Trust (except as described under "Declaration of Trust – Amendments to Declaration of Trust"), (iv) the sale or transfer of the assets of the Trust as an entirety or substantially as an entirety (other than as part of an internal reorganization of the assets of the Trust approved by the Trustees), (v) the termination of the Trust or the Declaration of Trust, (vi) generally, any other matter which requires a resolution of Unitholders, and (vii) for the transaction of any other business as the Trustees may determine or as may be properly brought before the meeting. Meetings of Unitholders will be called and held annually, commencing in 2013, for the election of the Trustees and the appointment of the auditors of the Trust.

A meeting of Unitholders may be convened at any time and for any purpose by the Trustees and must be convened, except in certain circumstances, if requisitioned in writing by the holders of not less than 10% of the aggregate Voting Units then outstanding. A requisition must state in reasonable detail the business proposed to be transacted at the meeting.

Unitholders may attend and vote at all meetings of Unitholders either in person or by proxy and a proxyholder need not be a Unitholder. Two or more persons present in person or represented by proxy representing in the aggregate not less than 5% of the total number of outstanding Voting Units on the record date for the meeting will constitute a quorum for the transaction of business at all such meetings.

Holders of Special Voting Units will have an equal right to be notified of, attend and participate in meetings of Unitholders on the same basis as Unitholders.

Pursuant to the Declaration of Trust, a resolution in writing executed by Unitholders holding a proportion of the outstanding Voting Units (or a class thereof) equal to the proportion required to vote in favour thereof at a meeting of Unitholders to approve that resolution is valid as if it had been passed at a meeting of Unitholders.

Distribution Policy

The Trust may make such cash distributions to Unitholders on each Distribution Date, as the Trustees determine in their sole discretion. Special Voting Units have no economic entitlement in the Trust and have no entitlement to any distributions from the Trust. Management of the Trust believes that an initial payout ratio of between 85% to 95% of distributable income should allow the Trust to meet its internal funding needs, while being able to support stable growth in cash distributions. However, the precise payout ratio will be determined by the Trustees from time to time in their discretion.

Pursuant to the Declaration of Trust, any distribution shall be made on a Distribution Date proportionately to Unitholders as of the close of business on the record date for such distribution. Each year the Trust intends to

deduct such amounts as are paid or payable to Unitholders for the year as is necessary to ensure that the Trust is not liable for non-refundable income tax under Part I of the Tax Act in the related Taxation Year. If the Trustees determine that the Trust does not have cash in an amount sufficient to make payment of the full amount of any distribution, the payment may include the issuance of additional Units having a value equal to the difference between the amount of such distribution and the amount of cash which has been determined by the Trustees to be available for the payment of such distribution

The General Partner, on behalf of the Partnership, will make monthly cash distributions to holders of Class A Partnership Units and holders of Class B Partnership Units by reference to the monthly cash distributions payable by the Trust to Unitholders of Units on a per Unit basis. See "The Partnership – Distributions".

Redemption Right

A Unitholder may at any time demand redemption of some or all of its Units by delivering to the Trust a duly completed and properly executed notice requiring redemption in a form satisfactory to the Trustees, together with written instructions as to the number of Units to be redeemed. Upon receipt of the redemption notice by the Trust, all rights to and under the Units tendered for redemption shall be surrendered and the holder thereof will be entitled to receive a price per Unit (the "**Redemption Price**") equal to the lesser of:

(a) 90% of the Market Price (as defined below) of a Unit calculated as of the date on which the Units were surrendered for redemption (the "**Redemption Date**"); and

(b) 100% of the Closing Market Price (as defined below) on the Redemption Date.

For purposes of this calculation, the market price of a Unit as at a specified date (the "**Market Price**") will be:

(a) an amount equal to the weighted average trading price of a Unit on the principal exchange or market on which the Units are listed or quoted for trading during the period of ten consecutive trading days ending on such date;

(b) an amount equal to the weighted average of the Closing Market Prices (as defined below) of a Unit on the principal exchange or market on which the Units are listed or quoted for trading during the period of ten consecutive trading days ending on such date, if the applicable exchange or market does not provide information necessary to compute a weighted average trading price; or

(c) if there was trading on the applicable exchange or market for fewer than five of the ten trading days, an amount equal to the simple average of the following prices established for each of the ten consecutive trading days ending on such date: the simple average of the last bid and last asking price of the Units for each day on which there was no trading; the closing price of the Units for each day that there was trading if the exchange or market provides a closing price; and the simple average of the highest and lowest prices of the Units for each day that there was trading, if the market provides only the highest and lowest prices of Units traded on a particular day.

The closing market price of a Unit for the purpose of the foregoing calculations (the "**Closing Market Price**"), as at any date, will be:

(a) an amount equal to the weighted average trading price of a Unit on the principal exchange or market on which the Units are listed or quoted for trading on the specified date if the principal exchange or market provides information necessary to compute a weighted average trading price of the Units on the specified date;

(b) an amount equal to the closing price of a Unit on the principal market or exchange if there was a trade on the specified date and the principal exchange or market provides only a closing price of the Units on the specified date;

(c) an amount equal to the simple average of the highest and lowest prices of the Units on the principal market or exchange, if there was trading on the specified date and the principal exchange or market provides only the highest and lowest trading prices of the Units on the specified date; or

(d) the simple average of the last bid and last asking prices of the Units on the principal market or exchange, if there was no trading on the specified date.

If Units are not listed or quoted for trading in a public market, the Redemption Price will be the fair market value of the Units, which will be determined by the Trustees in their sole discretion.

The aggregate Redemption Price payable by the Trust in respect of any Units surrendered for redemption during any calendar month will be satisfied by way of a cash payment in Canadian dollars on or before the last day of the calendar month immediately following the month in which the Units were tendered for redemption, provided that the entitlement of holders of Units to receive cash upon the redemption of their Units is subject to the limitations that: (i) the total amount payable by the Trust in respect of such Units and all other Units tendered for redemption in the same calendar month must not exceed $50,000 (the "**Monthly Limit**") (provided that such limitation may be waived at the discretion of the Trustees in respect of all Units tendered for redemption in such calendar month); (ii) at the time such Units are tendered for redemption, the outstanding Units must be listed for trading on the TSXV or traded or quoted on any other stock exchange or market which the Trustees consider, in their sole discretion, provides representative fair market value prices for the Units; and (iii) the normal trading of Units is not suspended or halted on any stock exchange on which the Units are listed (or, if not listed on a stock exchange, in any market where the Units are quoted for trading) on the Redemption Date or for more than five trading days during the ten-day trading period commencing immediately after the Redemption Date.

To the extent a Unitholder is not entitled to receive cash upon the redemption of Units as a result of the Monthly Limit, then the portion of the Redemption Price per Unit equal to the Monthly Limit divided by the number of Units tendered for redemption in the month shall be paid and satisfied by way of a cash payment in Canadian dollars and the remainder of the Redemption Price per Unit shall be paid and satisfied by way of a distribution *in specie* to such holder of Units of Subsidiary Notes having a fair market value equal to the product of (i) the remainder of the Redemption Price per Unit of the Units tendered for redemption and (ii) the number of Units tendered by such Unitholder for redemption. To the extent a Unitholder is not entitled to receive cash upon the redemption of Units as a result of the limitations described at (ii) or (iii) of the foregoing paragraph, then the Redemption Price per Unit shall be paid and satisfied by way of a distribution *in specie* of Subsidiary Notes having a fair market value determined by the Trustees equal to the product of (i) the Redemption Price per Unit of the Units tendered for redemption and (ii) the number of Units tendered by such holder of Units for redemption. No Subsidiary Notes in integral multiples of less than $100 will be distributed and, where Subsidiary Notes to be received by a Unitholder includes a multiple less than that number, the number of Subsidiary Notes shall be rounded to the next lowest integral multiple of $100 and the balance shall be paid in cash. The Redemption Price payable as described in this paragraph in respect of Units tendered for redemption during any month shall be paid by the transfer to or to the order of the holder of Units who exercised the right of redemption, of the Subsidiary Notes, if any, and the cash payment, if any, on or before the last day of the calendar month immediately following the month in which the Units were tendered for redemption. Payments by the Trust as described in this paragraph are conclusively deemed to have been made upon the mailing of certificates representing the Subsidiary Notes, if any, and a cheque, if any, by registered mail in a postage prepaid envelope addressed to the former Unitholder and/or any party having a security interest and, upon such payment, the Trust shall be discharged from all liability to such former Unitholder and any party having a security interest in respect of the Units so redeemed. The Trust shall be entitled to all interest paid on the Subsidiary Notes, if any, on or before the date of distribution *in specie* as described in the foregoing paragraph. Any issuance of Subsidiary Notes will be subject to receipt of all necessary regulatory approvals, which the Trust shall use reasonable commercial efforts to obtain forthwith.

It is anticipated that the redemption right described above will not be the primary mechanism for holders of Units to dispose of their Units. Subsidiary Notes which may be distributed to holders of Units in connection with a redemption will not be listed on any exchange, no market is expected to develop in Subsidiary Notes and such securities may be subject to an indefinite "hold period" or other resale restrictions under applicable securities laws. Subsidiary Notes so distributed may not be qualified investments for Plans, depending upon the circumstances at the time.

Purchases of Units by the Trust

The Trust may from time to time purchase for cancellation at any time the whole or from time to time any part of the outstanding Units in accordance with applicable securities legislation and the rules prescribed under applicable stock exchange rules and regulatory policies.

Take-Over Bids

The Declaration of Trust contains provisions to the effect that if a take-over bid or issuer bid is made for Units within the meaning of the *Securities Act* (Ontario) and not less than 90% of the Units (other than Units held at the date of the take-over bid by or on behalf of the offeror or associates or affiliates of the offeror) are taken up and paid for by the offeror, the offeror will be entitled to acquire the Units held by Unitholders who do not accept the offer, either on the terms offered by the offeror or, at the option of the holder of the applicable Units, at the fair value of their Units.

Issuance of Units

The Trust may issue new Units from time to time, in such manner, for such consideration and to such person or persons as the Trustees shall determine, subject to the requirement that Units be issued as fully paid and non-assessable.

If the Trustees determine that the Trust does not have cash in an amount sufficient to make payment of the full amount of any distribution in respect of Units, the payment may include the issuance of additional Units having a value equal to the difference between the amount of such distribution and the amount of cash which has been determined by the Trustees to be available for the payment of such distribution.

The Declaration of Trust also provides that immediately after any *pro rata* distribution of Units to all Unitholders in satisfaction of any non-cash distribution, the number of outstanding Units will be consolidated so that each Unitholder will hold, after the consolidation, the same number of Units as the holder held before the non-cash distribution. In this case, each certificate representing a number of Units prior to the non-cash distribution is deemed to represent the same number of Units after the non-cash distribution and the consolidation. Where amounts distributed to non-resident Unitholders are subject to taxes required to be withheld, such taxes will be deducted from the amounts distributed and the consolidation will not result in such non-resident Unitholders holding the same number of Units. Such non-resident Unitholders will be required to surrender the certificates (if any) representing their original Units in exchange for a certificate representing post-consolidation Units.

Non-Certificated Inventory System

Other than pursuant to certain exceptions, registration of interests in and transfers of Units held through CDS Clearing and Depository Services Inc. ("**CDS**"), or its nominee, will be made electronically through the NCI system of CDS. On closing of the Arrangement, the Trust, via its transfer agent, will electronically deliver the Units registered to CDS or its nominee. Units held in CDS must be purchased, transferred and surrendered for redemption through a CDS participant, which includes securities brokers and dealers, banks and trust companies. All rights of unitholders who hold Units in CDS must be exercised through, and all payments or other property to which such unitholders are entitled will be made or delivered by CDS or the CDS participant through which the unitholder holds such Units. A holder of a Unit participating in the NCI system will not be entitled to a certificate or other instrument from the Trust or the Trust's transfer agent evidencing that person's interest in or ownership of Units, nor, to the extent applicable, will such unitholder be shown on the records maintained by CDS, except through an agent who is a CDS participant.

The ability of a beneficial owner of Units to pledge such Units or otherwise take action with respect to such unitholder's interest in such Units (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

Limitation on Non-Resident Ownership

In order for the Trust to maintain its status as a "mutual fund trust" under the Tax Act, the Trust must not be established or maintained primarily for the benefit of non-residents of Canada within the meaning of the Tax Act. Accordingly, at no time may (i) non-residents of Canada and (ii) partnerships that are not Canadian partnerships or (iii) a combination of non-residents and such partnerships (all within the meaning of the Tax Act) ("**Non-Residents**") be the beneficial owners of more than 49% of the Units and the Trustees will inform the transfer agent of this restriction. The Trustees may require a registered holder of Units to provide the Trustees with a declaration as to the jurisdictions in which beneficial owners of the Units registered in such Unitholder's name are resident and as to whether such beneficial owners are Non-Residents (or in the case of a partnership, whether the partnership is a Non-Resident). If the Trustees become aware, as a result of acquiring such declarations as to beneficial ownership or as a result of any other investigations, that the beneficial owners of 49% of the Units are, or may be, Non-Residents or that such a situation is imminent, the Trustees may make a public announcement thereof and shall not accept a subscription for Units from or issue or register a transfer of Units to a person or partnership unless the person or partnership provides a declaration in form and content satisfactory to the Trustees that the person or partnership, as the case may be, is not a Non-Resident and does not hold such Units for the benefit of Non-Residents. If, notwithstanding the foregoing, the Trustees determine that more than 49% of the Units are held by Non-Residents, the Trustees may send a notice to such Non-Resident holders of the Units chosen in inverse order to the order of acquisition or registration or in such other manner as the Trustees may consider equitable and practicable, requiring them to sell their Units or a portion thereof within a specified period of not more than 30 days. If the Unitholders receiving such notice have not sold the specified number of Units or provided the Trustees with satisfactory evidence that they are not Non-Residents within such period, the Trustees may on behalf of such holders sell such Units and, in the interim, shall suspend the voting and distribution rights attached to such Units (other than the right to receive the net proceeds from the sale). Upon such sale, the affected holders shall cease to be holders of the relevant Units and their rights shall be limited to receiving the net proceeds of sale upon surrender of the certificates, if any, representing such Units. The Trustees will have no liability for the amount received provided that they act in good faith. The Trust may direct its transfer agent to assist the Trustees with respect to any of the foregoing. Partnership Units, which are economically equivalent to Units, are not permitted to be transferred to Non-Residents. See "The Partnership — Transfer of Partnership Units".

Notwithstanding the foregoing, the Trustees may determine not to take any of the actions described above if the Trustees have been advised by legal counsel that the failure to take any of such actions would not adversely impact the status of the Trust as a "mutual fund trust" for purposes of the Tax Act or, alternatively, may take such other action or actions as may be necessary to maintain the status of the Trust as a "mutual fund trust" for purposes of the Tax Act.

Amendments to Declaration of Trust

The Declaration of Trust may be amended or altered from time to time. Certain amendments require approval by not less than two-thirds of the votes cast at a meeting of Unitholders called for such purpose. Other amendments to the Declaration of Trust require approval by a majority of the votes cast at a meeting of Unitholders called for such purpose.

Approval by Special Resolution of Unitholders

The following amendments, among others, require the approval of not less than two-thirds of the votes cast by all Unitholders at a meeting (or by written resolution in lieu thereof):

(a) any amendment to change a right with respect to any outstanding Units of the Trust to reduce the amount payable thereon upon termination of the Trust or to diminish or eliminate any voting rights pertaining thereto;

(b) any amendment relating to the powers, duties, obligations, liabilities or indemnification of the Trustees;

(c) any amendment to the duration or termination provisions of the Trust;

(d) any sale or transfer of the assets of the Trust (other than a sale or other disposition of the Ingersoll Property) as an entirety or substantially as an entirety (other than as part of an internal reorganization of the assets of the Trust as approved by the Trustees); and

(e) any amendment to the Trust's investment guidelines or operating guidelines, except for any amendment which, in the opinion of the Trustees, are not prejudicial to Unitholders and are necessary or desirable.

Approval by Trustees

Notwithstanding the foregoing, the Trustees may, without the approval of the Unitholders, make certain amendments to the Declaration of Trust, including amendments:

(a) aimed at ensuring continuing compliance with applicable laws, regulations, requirements or policies of any governmental authority having jurisdiction over: (i) the Trustees; (ii) the Trust; or (iii) the distribution of Units;

(b) which, in the opinion of the Trustees, provide additional protection for the Unitholders;

(c) to remove any conflicts or inconsistencies in the Declaration of Trust or to make minor corrections which are, in the opinion of the Trustees, necessary or desirable and not prejudicial to the Unitholders;

(d) which, in the opinion of the Trustees, are necessary or desirable to remove conflicts or inconsistencies between the disclosure in a prospectus and the Declaration of Trust;

(e) of a minor or clerical nature or to correct typographical mistakes, ambiguities or manifest omissions or errors, which amendments, in the opinion of the Trustees, are necessary or desirable and not prejudicial to the Unitholders;

(f) which, in the opinion of the Trustees, are necessary or desirable as a result of changes in taxation laws;

(g) for any purpose which, in the opinion of the Trustees, are not prejudicial to Unitholders and are necessary or desirable (which, for greater certainty, exclude amendments in respect of which a Unitholder vote is specifically otherwise required);

(h) (i) to create and issue one or more new classes of Preferred Units (each of which may be comprised of unlimited series) that rank in priority to the Trust Units and Special Voting Units (in payment of distributions and in connection with any termination or winding-up of the Trust) and/or (ii) to remove the redemption right attaching to the Units and convert the Trust into a closed-end limited purpose trust;;

(i) which, in the opinion of the Trustees, are necessary or desirable to enable the Trust to issue Units for which the purchase price is payable on an instalment basis; and

(j) to create one or more additional classes of units solely to provide voting rights to holders of shares, units or other securities that are exchangeable for Units entitling the holder thereof to a number of votes not exceeding the number of Units into which the exchangeable shares, units or other securities are exchangeable or convertible but that do not otherwise entitle the holder thereof to any rights with respect to the Trust's property or income other than a return of capital; and

(k) as otherwise deemed by the Trustees in good faith to be necessary or desirable.

Investment Guidelines and Operating Policies

Investment Guidelines

The Trust may invest, directly or indirectly, in (i) interests (including ownership and leasehold interests) in income-producing real property that will be capital property of the Trust and (ii) corporations, trusts, partnerships or other persons which are real estate investment trusts for the purposes of the Tax Act (or proposed amendments thereto).

Except where any such investments would cause the Trust not to qualify as a real estate investment trust for the purposes of the Tax Act, the Trust may invest in immovable hypothecs, mortgages, hypothecary bonds or mortgage bonds (including a participating or convertible immovable hypothec or mortgage) and similar instruments where (i) the hypothec, mortgage, hypothecary bond or mortgage bond is issued by a subsidiary, (ii) the real property, which is security therefor, is income-producing real property which otherwise complies with the other investment guidelines of the Trust, (iii) the immovable hypothec or mortgage is an immovable hypothec or mortgage registered on title to the real property which is security therefor, and (iv) the aggregate value of the investments of the Trust in these instruments will not exceed 20% of the aggregate of the amount of Unitholders' equity and the amount of accumulated depreciation and amortization recorded in the books and records of the Trust in respect of its properties. In addition, the Trust may invest in any immovable hypothecs or mortgages which are not first ranking for purposes of providing, directly or indirectly, financing in connection with a transaction in which the Trust is the vendor or with the intention of using such mortgage as part of a method for subsequently acquiring an interest in or control of a property or a portfolio of properties.

The Trust may, with the prior approval of the Trustees, directly or indirectly, invest in a joint venture arrangement for the purposes of owning interests or investments otherwise permitted to be held by the Trust; provided that such joint venture arrangement contains terms and conditions which, in the opinion of the Asset Manager, are commercially reasonable, including without limitation such terms and conditions relating to restrictions on transfer and the acquisition and sale of the Trust's and any joint venturer's interest in the joint venture arrangement, provisions to provide liquidity to the Trust, provisions to limit the liability of the Trust and its Unitholders to third parties, and provisions to provide for the participation of the Trust in the management of the joint venture arrangement.

Investment Restrictions

The Trust shall not make any investment, take any action or omit to take any action that would result in Units not being units of a "mutual fund trust" within the meaning of the Tax Act (or otherwise disqualify the Trust as a "mutual fund trust" within the meaning of the Tax Act) or that would result in Units not being a "qualified investment", for investment by Plans (other than registered education savings plan) or other persons subject to tax under Part XI of the Tax Act or that would result in Units being foreign property for the purpose of the Tax Act for any Plans.

The Trust shall not make any investment or take any action or omit to take any action which would cause the Trust to be a "SIFT Trust" within the meaning of the Tax Act (or proposed amendments thereto) at any time during a taxation year, or which would cause the Trust to be unable to maintain its status as a "real estate investment trust" within the meaning of the Tax Act (or proposed amendments thereto);

Except for temporary investments held in cash, deposits with a Canadian chartered bank or trust company registered under the laws of a province of Canada, short-term government debt securities and except as otherwise permitted pursuant to the investment guidelines and operating policies of the Trust, the Trust may not hold securities other than to the extent such securities would constitute an investment in real property (as determined by the Trustees).

The Trust may not invest in rights to or interests in mineral or other natural resources, including oil or gas, except as ancillary to an investment in real property. In addition, the Trust will not invest, directly or indirectly in another trust, partnership, corporation or other entity unless (i) the entity would, if it were a trust, satisfy the

conditions set out in paragraphs (a) to (d) of the definition of "real estate investment trust" under the Tax Act, (ii) the person derives all or substantially all of its revenues from maintaining, improving, leasing or managing real property that is capital properties of the Trust or of an entity of which the Trust holds a share or an interest, including real property that the Trust, or an entity of which the Trust holds a share or an interest, holds together with one or more other persons, and (iii) the entity holds no property other than legal title to real property of the Trust (including real property that the Trust holds together with one or more other persons), and property ancillary to the earning by the Trust of rents or gains from the sale of real property that is capital property.

Operating Policies

The operations and affairs of the Trust shall be conducted in accordance with the following policies:

- the Trust shall not purchase, sell, market or trade in currency or interest rate futures contracts otherwise than for hedging purposes where, for the purposes hereof, the term "hedging" shall have the meaning ascribed thereto by National Instrument 81-102 adopted by the Canadian Securities Administrators, as amended from time to time;

- any written instrument creating an obligation which is or includes the granting by the Trust of a mortgage, and to the extent management of the Trust determines to be practicable, any written instrument which is, in the judgment of management of the Trust, a material obligation, shall contain a provision or be subject to an acknowledgement to the effect that the obligation being created is not personally binding upon, and that resort shall not be had to, nor shall recourse or satisfaction be sought from, the private property of any of the Trustees, Unitholders, annuitants under a plan of which a Unitholder acts as a trustee or carrier, or officers, employees or agents of the Trust, but that only property of the Trust or a specific portion thereof shall be bound; the Trust, however, is not required, but shall use all reasonable efforts, to comply with this requirement in respect of obligations assumed by the Trust upon the acquisition of real property;

- the Trust may engage in construction or development of real property in order to maintain its real properties in good repair or to enhance the income-producing potential of properties that are capital property of the Trust;

- title to each real property shall be held by and registered in the name of the Trustees or, to the extent permitted by applicable law in the name of the Trust or in the name of a corporation or other entity owned, directly or indirectly, by the Trust or jointly-owned, directly or indirectly, by the Trust, with joint venturers or a corporation which is a nominee of the Trust which holds as its only property registered title to such real property pursuant to a nominee agreement with the Trust;

- the Trust will not incur or assume any Indebtedness if, after giving effect to the incurring of the indebtedness, the total Indebtedness of the Trust would be more than 75% of the Gross Book Value;

- the Trust will monitor its tax status as a "mutual fund trust" and a "real estate investment trust";

- the Trust will not directly or indirectly guarantee any Indebtedness or liabilities of any kind of any person, except Indebtedness or liabilities assumed or incurred by a person in which the Trust holds an interest, directly or indirectly, or by an entity jointly-owned by the Trust with joint venturers and operated solely for the purpose of holding a particular property or properties where such Indebtedness, if granted by the Trust directly, would not cause the Trust to otherwise contravene the its investment guidelines. The Trust is not required but shall use its reasonable best efforts to comply with this requirement:

    - in respect of obligations assumed by the Trust pursuant to the acquisition of real property; or

- if doing so is necessary or desirable in order to further the initiatives of the Trust;

- the Trust will obtain or have received an independent appraisal of each property or an independent valuation of a portfolio of properties that it intends to acquire;

- the Trust shall obtain and maintain at all times insurance coverage in respect of potential liabilities of the Trust and the accidental loss of value of trust property of the Trust from risks, in amounts, with such insurers, and on such terms as the Trustees consider appropriate, taking into account all relevant factors including the practices of owners of comparable properties; and

- the Trust shall obtain or review a Phase I environmental audit (or reliance letter from an environmental consultant in respect of a Phase I environmental audit) of each real property to be acquired by it, dated within eighteen months of the date of acquisition, and, if the Phase I environmental audit report recommends or recommended a Phase II environmental audit be obtained, the Trust shall obtain or review a Phase II environmental audit, in each case by an independent and experienced environmental consultant; as a condition to any acquisition, such audit must be satisfactory to the Trustees.

THE PARTNERSHIP

General

The Partnership is a limited partnership formed under the laws of the Province of Ontario and governed by the Partnership Agreement. The Partnership will operate and lease the Trust's real estate assets and property and engage in all activities ancillary and incidental thereto. The general partner of the Partnership is the General Partner and, at the Effective Time, the limited partner of the Partnership will be the Trust.

Partnership Units

At the Effective time, the Partnership will have outstanding GP Units, all of which will be held by the General Partner and Class A Partnership Units, all of which will be held by the Trust. The Partnership is authorized to issue Class B Units to future limited partners as consideration for future acquisitions. As at the Effective Time, no Class B Partnership Units will be issued and outstanding.

The Class B Partnership Units will, in all material respects, be economically equivalent to the Units on a per unit basis. Under the Exchange Agreement, the Class B Partnership Units will be exchangeable on a one-for-one basis for Units (subject to customary anti-dilution adjustments) at any time at the option of their holder, unless the exchange would jeopardize the Trust's status as a "mutual fund trust" under the Tax Act and subject to satisfaction of conditions set out therein.

Except as required by law or the Partnership Agreement, and in certain specified circumstances in which the rights of a holders of Class B Partnership Units are particularly affected, the holders of Class B Partnership Units will not be entitled to vote at any meeting of the holders of Partnership Units.

Operation

The business and affairs of the Partnership will be managed and controlled by the General Partner which will be bound by the investment guidelines and operating policies applicable to the Trust. The Limited Partners will not be entitled to take part in the management or control of the business or affairs of the Partnership. The Partnership will reimburse the General Partner for all direct costs and expenses incurred by it in the performance of its duties as general partners of the Partnership.

The Board of Trustees shall determine the composition of the General Partner board of directors; provided the General Partner shall have a majority of directors who are "independent" within the meaning of applicable securities laws.

The Partnership will operate in a manner to ensure, to the greatest extent possible, the limited liability of the Limited Partners. The Limited Partners may lose their limited liability in certain circumstances. If the limited liability of any Limited Partner is lost by reason of the negligence of the General Partner in performing its duties and obligations under the Partnership Agreement, the General Partner will indemnify any Limited Partner against all claims arising from assertions that its liabilities are not limited as intended by the Partnership Agreement. The General Partner, however, will have no significant assets or financial resources other than their respective distribution entitlements from the Partnership. Accordingly, this indemnity may only be of nominal value.

Duties and Responsibilities of the General Partner

The General Partner will be the general partner of the Partnership and will manage and control the operations and affairs of the Partnership and make all decisions regarding the business and activities of the Partnership.

Distributions

Distribution Policy and Priority

The General Partner shall, on behalf of the Partnership, distribute cash, subject to the priorities and other provisions set out below.

The General Partner shall determine on a monthly basis, but in no event later than the 10th day of each month, the amount of cash on hand of the Partnership that is derived from any source and that is determined by the General Partner not to be required for use in connection with the business of the Partnership.

The General Partner, as the sole holder of the GP Units, will receive priority distributions from the Partnership equal to 0.001% of distributions made by the Partnership, in priority to distributions to holders of the Class A Partnership Units and the Class B Partnership Units.

The General Partner, on behalf of the Partnership, will make monthly cash distributions to the holder of the Class A Partnership Units in the amount required to account for expenses incurred directly by the Trust as determined by the General Partner. Distributions on the Class A Partnership Units for expenses incurred by the Trust will be made in priority to distributions to holders of the Class B Partnership Units but after the holders of GP Units have been paid their respective distributions.

In addition, the General Partner, on behalf of the Partnership, will make monthly cash distributions to holders of Class A Partnership Units and to holders of Class B Partnership Units by reference to the monthly cash distributions payable by the Trust to Unitholders on a per Unit basis. Distributions to be made on the Class B Partnership Units will be equal to the distributions that the holders of Class B Partnership Units would have received if they were holding Units instead of Class B Partnership Units.

Allocation of Partnership Net Income

Partnership Net Income will be allocated at the end of each fiscal year in the following manner:

(a) first, as to Partnership Net Income and as to net loss, 0.001% to the General Partner, as holder of the GP Units; and

(b) the balance, first to the holders of the Class A Partnership Units, such amount as is necessary to account for expenses incurred by the Trust as determined by the General Partner and then any residual amount among the holder of the Class A Partnership Units and the Class B Partnership Units based on their proportionate share of distributions received or receivable for such fiscal year.

Transfer of Partnership Units

The Partnership Units will not be permitted to be transferred or assigned to any person. No assignee of the Partnership Units will be entitled to be admitted to the Partnership as a partner pursuant to an assignment thereof, except with the prior written consent of the General Partner and on the terms and conditions of such consent and unless the assignee has delivered to the General Partner an assignment, power of attorney and such other instruments and documents as may be required by the General Partner in appropriate form completed and executed in a manner acceptable to the General Partner. A transferee of a Partnership Unit will not become a partner or be admitted to the Partnership and will not be subject to the obligations and entitled to the rights of the transferor under the Partnership Agreement until the foregoing conditions are satisfied and such transferee is recorded on the Partnership's register of partners.

Withdrawal or Removal of the General Partner

The General Partner will be permitted to resign as general partner on not less than 180 days' prior written notice to the Partners, provided that the General Partner will not resign if the effect would be to dissolve the Partnership.

The General Partner may be removed as general partner of the Partnership, without its consent, if:

- the shareholders or directors of the General Partner pass a resolution in connection with the bankruptcy, dissolution, liquidation or winding up of the General Partner, or the General Partner commits certain other acts of bankruptcy or ceases to be a subsisting corporation, provided that certain other conditions are satisfied, including a requirement that a successor general partner agrees to act as managing general partner under the Partnership Agreement; or

- a Partnership Special Resolution has been passed and a successor general partner agrees to act as managing general partner under the Partnership Agreement.

Amendments to the Partnership Agreement

The Partnership Agreement will provide that it may only be amended with the approval by a Partnership Special Resolution, except in the circumstances set out below:

- no amendment will be permitted to be made to the Partnership Agreement that would alter the ability of the limited partners to remove the General Partner involuntarily, change the limited liability of any limited partner, allow any limited partner to exercise control over the business of the General Partner, change the right of a partner to vote, adversely affect the rights, privileges or conditions attaching to any of the Partnership Units, create a new class of Partnership units ranking in priority to or *pari passu* with any Partnership Units, or change the Partnership from a limited partnership to a general partnership, in each case, without the unanimous written consent of all partners; and

- no amendment which would adversely affect the rights and/or obligations of the General Partner, as general partner, will be permitted to be made without its consent.

PROPERTY AND ASSET MANAGEMENT

Property Management

Firm Capital Properties Inc. (the "**Manager**") will be responsible for providing management, operation and maintenance services in respect of the Trust's properties pursuant to the Property Management Agreement. The Manager, with the prior approval of the Partnership, may delegate some or all of its rights and obligations under the Property Management Agreement to a duly qualified agent, provided that any person to whom property management

services have been delegated shall be paid out of the fees payable to the Manager under the Property Management Agreement.

Services provided under the Property Management Agreement will primarily include the following: (i) leasing, (ii) collection of rents, (iii) maintenance and repair, (iv) performance, on behalf of the Trust, of all of the obligations, covenants and agreements to tenants, mortgagees, contractors and all others to whom the Trust or the Manager shall have contracted, (v) obtaining and renewing licences, permit and approvals, (vi) collection and disbursement of revenues, and (vii) preparation of budgets. The term of the Property Management Agreement will commence on the completion of the Arrangement for five years and will be automatically renewed for successive five year terms unless otherwise terminated. Notwithstanding the foregoing, on or after the expiry of the initial five year term, the Property Management Agreement may be terminated by the Manager upon 90 days' prior written notice.

Under the terms of the Property Management Agreement, the Manager will be entitled to the following fees: (i) a management fee ranging from 2.0% to 4.25% of Gross Revenue (as defined therein) depending on the size and type of properties managed; (ii) commercial leasing fees and commercial leasing renewal fees ranging from 0.5% to 3.0% of the net rental payments depending on the term of the lease involved. Additionally, where the Manager is requested by the Trust to construct tenant improvements or to renovate same (collectively, "**Capital Expenditures**"), the Manager will be entitled to a construction and development fee in the amount of 5.0% of the cost of such Capital Expenditures.

Asset Management

Pursuant to the Asset Management Agreement, Firm Capital Realty Advisors Inc. (the "**Asset Manager**") will provide asset management, administrative and reporting services to the Trust. The Asset Manager will provide these services to the Trust through the provision of qualified senior management. In particular, the Asset Manager will be responsible for arranging the financing, refinancing or restructuring of financing relating to the Future Properties as well as identifying and recommending properties for acquisition or disposition. The Asset Manager will also provide the Trust with the services of Messrs. Dadouch and McKee and the services of the Asset Manager's other senior officers. These individuals will devote the amount of time necessary to the management of the Trust in order to carry out its business objectives.

The Asset Management Agreement also requires the Asset Manager to provide the Trust with support services consisting of investor relations activities and assisting the Trust with regulatory and financial reporting requirements. The Asset Management Agreement may be terminated by the Trust at any time upon the occurrence of certain events of default. The Asset Manager can terminate the Asset Management Agreement at any time upon 90 days' prior written notice.

Under the terms of the Asset Management Agreement, the Asset Manager will be entitled to the following fees: (i) management fees ranging from 0.50% to 0.75% of the Gross Book Value (as defined therein) of the Trust's properties depending on the Gross Book Value of the Trust's portfolio of properties, (ii) acquisition fees ranging from 0.50% to 0.75% of the aggregate Gross Book Value of properties acquired by the Trust depending on the Gross Book Value of the properties acquired by the Trust, (iii) performance incentive fees equal to 15% of distributable income once distributable income exceeds $0.36 per Unit and (iv) financing fees equal to 0.25% of the aggregate value of all third-party financing arranged by the Asset Manager.

PRO FORMA CAPITALIZATION OF THE TRUST

The following table sets forth the Trust's capitalization as at August 30, 2012 and after giving effect to the Private Placements, the Ingersoll Sale and the Arrangement. The table should be read in conjunction with the Trust's unaudited pro forma consolidated financial statements and notes attached hereto as Appendix H, ISG's financial statements, and management's discussion and analysis thereof and the other financial information contained in or incorporated by reference in this Circular.

	As At October 3, 2012	
	Actual	***Pro Forma* As Adjusted**
Unitholders equity	$10	$4,962,520
Total capitalization	$10	$4,962,520

Notes:

The Trust will raise a minimum $500,000 in a private placement for 100,000 Units at $5.00 per Unit prior to closing and a minimum private placement in ISG of $4,000,000 at an equivalent value of $5.00 per Share post consolidation.

PRINCIPAL SECURITY HOLDERS OF THE TRUST

To the knowledge of the Trust, the following Unitholders will own or control more than 10% of the issued and outstanding Units as of the Effective Time:

Name and Municipality of Residence	Type of Ownership	Number and percentage of Units owned[(1)]
FCMC Toronto, Ontario	Beneficial	72,485/27.1%
Firm Capital Toronto, Ontario	Beneficial	100,000/37.4%

(1) Assuming a $500,000 investment from Firm Capital, but not including the Private Placement.

MATERIAL CONTRACTS OF THE TRUST

The following are the only material agreements of the Trust or its subsidiaries that will be in effect as of the completion of the Arrangement:

(a) the Purchase and Sale Agreements described under "Acquisition of Future Properties — Purchase Agreements";

(b) the Declaration of Trust described under "Declaration of Trust";

(c) the Partnership Agreement described under "Partnership";

(d) the Property Management Agreement described under "Property and Asset Management"; and

(e) the Asset Management Agreement described under "Property and Asset Management".

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as noted below, there are no material interests, direct or indirect, of any Trustee or executive officer of the Trust, any Unitholder that beneficially owns, or controls or directs, (directly or indirectly) more than 10% of the Units or Special Voting Units of the Trust, or any associate or affiliate of any of the foregoing persons, in any transaction within the three years before the date thereof that has materially affected or is reasonably expected to materially affect the Trust or any of its subsidiaries.

RISK FACTORS

An investment in the Units involves significant risks. Investors should carefully consider the risks described below and the other information contained elsewhere in this circular before making a decision to elect to receive Units. If any of the following, or other, risks occur, the Trust's business, prospects, financial condition, results of operations and cash flows could be materially adversely impacted. In that case, the trading price of the Units could decline and investors could lose all or part of their investment in the Units. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the below described, or other unforeseen, risks.

Risks Related to the Real Estate Industry

Real Property Ownership and Tenant Risks

Real property investments are relatively illiquid. This illiquidity will tend to limit the ability of the Trust to respond to changing economic or investment conditions. If the Trust were to be required to liquidate assets quickly, there is a risk the proceeds realized from such sale would be less than the book value of the assets or less than what could be expected to be realized under normal circumstances. By specializing in a particular type of real estate, the Trust is exposed to adverse effects on that segment of the real estate market and does not benefit from a broader diversification of its portfolio by property class.

All real property investments are subject to elements of risk. The value of real property and any improvements thereto depend on the credit and financial stability of tenants and upon the vacancy rates of the properties. The properties generate revenue through rental payments made by the tenants thereof. The ability to rent unleased space in properties will be affected by many factors, including changes in general economic conditions (such as the availability and cost of mortgage funds), local conditions (such as an oversupply of space or a reduction in demand for real estate in the area), government regulations, changing demographics, competition from other available properties, and various other factors. Cash available for distribution will be adversely affected if a significant number of tenants are unable to meet their obligations under their leases or if a significant amount of available space in the properties becomes vacant and cannot be leased on economically favourable lease terms. If properties do not generate revenues sufficient to meet operating expenses, including debt service and capital expenditures, this could have a material adverse effect on the Trust's business, cash flows, financial condition and results of operations and ability to make distributions to holders of Units.

Historical occupancy rates and revenues are not necessarily an accurate prediction of the future occupancy rates for the Trust's Future Properties or revenues to be derived therefrom. Reported estimates of market rent can be seasonal and the significance of any variations from quarter to quarter would materially affect the Trust's annualized estimated gain-to-lease amount. There can be no assurance that upon the expiry or termination of existing leases, the average occupancy rates and revenues will be higher than historical occupancy rates and revenues and it may take a significant amount of time for market rents to be recognized by the Trust due to internal and external limitations on its ability to charge these new market-based rents in the short term.

The short-term nature of residential tenant leases will expose the Trust to the effects of declining market rent, which could materially adversely affect the Trust's results from operations and ability to make distributions to holders of Units.

Competition

Many of the sectors in which the Trust will operate are highly competitive. The Trust faces competition from many sources, including from other buildings in the immediate vicinity of the various Future Properties and the broader geographic areas where the Trust's properties are and will be located. In addition, overbuilding in the geographic areas where the Trust's properties are may increase the supply of competing properties and may reduce occupancy rates and rental revenues of the Trust and could have a material adverse effect on the Trust's business, cash flows, financial condition and results of operations and ability to make distributions to holders of Units.

Changes in Applicable Laws

The Trust's operations will have to comply with numerous federal, provincial and local laws and regulations, some of which may conflict with one another or be subject to limited judicial or regulatory interpretations. These laws and regulations may include zoning laws, building codes, landlord tenant laws and other laws generally applicable to business operations. Non-compliance with laws could expose the Trust to liability.

Lower revenue growth or significant unanticipated expenditures may result from the Trust's need to comply with changes in applicable laws, including (i) laws imposing environmental remedial requirements and the potential liability for environmental conditions existing on properties or the restrictions on discharges or other conditions, (ii) rent control or rent stabilization laws or other residential landlord/tenant laws, or (iii) other governmental rules and regulations or enforcement policies affecting the development, use and operation of the Trust's properties, including changes to building codes and fire and life-safety codes.

Environmental Matters

As an owner of interests in real property in Canada, the Trust will be subject to various Canadian federal, provincial and municipal laws relating to environmental matters.

Under these laws, the Trust could be held liable for the costs, which may be significant, of removal or remediation of certain hazardous substances, wastes or other regulated substances present in buildings or released or deposited on, in or under its properties or disposed of at other locations. The presence and migration of such substances and the failure to remove or remediate such substances, if any, could adversely affect the Trust's ability to sell its real estate or to borrow using real estate as collateral, and could potentially also result in civil claims for damages, statutory prosecutions, administrative orders or other proceedings against the Trust and in a reduction of property value. Environmental laws and regulations can change rapidly and the Trust may become subject to more stringent environmental laws and regulations in the future. Compliance with more stringent environmental laws and regulations could have an adverse effect on its business, financial condition or results of operations.

General Uninsured Loss

The Trust will carry comprehensive general liability, fire, flood, extended coverage and rental loss insurance with policy specifications, limits and deductibles customarily carried for similar properties. There are, however, certain types of risks, generally of a catastrophic nature, such as wars, terrorism or environmental contamination, which are either uninsurable or not insurable on an economically viable basis. The Trust will have insurance for earthquake risks, subject to certain policy limits, deductibles and self-insurance arrangements, and will continue to carry such insurance if it is economical to do so. Should an uninsured or underinsured loss occur, the Trust could lose its investment in, and anticipated profits and cash flows from, one or more of its properties, but the Trust would continue to be obliged to repay any recourse mortgage indebtedness on such properties. Claims against the Trust, regardless of their merit or eventual outcome, may have a material adverse effect on the ability of the Trust to attract tenants or expand its business and will require Management to devote time to matters unrelated to the operations of the business.

Fixed Costs and Increased Expenses

The failure to maintain stable or increasing average monthly rental rates combined with acceptable occupancy levels would likely have a material adverse effect on the Trust's business, cash flows, financial condition and results of operations and ability to make distributions to holders of Units. Certain significant expenditures, including property taxes, maintenance costs, mortgage payments, insurance costs and related charges, must be made throughout the period of ownership of real property regardless of whether a property is producing any income. If the Trust is unable to meet mortgage payments on any property, losses could be sustained as a result of the mortgagee's exercise of its rights of foreclosure or sale.

The Trust is also subject to utility and property tax risk relating to increased costs that the Trust may experience as a result of higher resource prices as well as its exposure to significant increases in property taxes. There is a risk that property taxes may be raised as a result of re-valuations of properties and their adherent tax rates.

In some instances, enhancements to properties may result in significant increases in property assessments following a re-valuation. Additionally, utility expenses, mainly consisting of natural gas and electricity service charges, have been subject to considerable price fluctuations over the past several years. Any significant increase in these resource costs that the Trust cannot charge back to the tenant may have a material adverse effect on the Trust's business, cash flows, financial condition and results of operations and ability to make distributions to holders of Units.

The timing and amount of capital expenditures by the Trust will affect the amount of cash available for distributions to holders of Units. Distributions may be reduced, or even eliminated, at times when the Trust deems it necessary to make significant capital or other expenditures.

Interest Rate Risk

Interest rate risk is the combined risk that the Trust would experience a loss as a result of its exposure to a higher interest rate environment (interest rate risk) and the possibility that at the end of a mortgage term the Trust would be unable to renew the maturing debt either with the existing or a new lender (renewal risk).

With the current world economic and financial crisis, there is a heightened risk that not only will existing maturing mortgages be subject to increased interest rates, but the distinct possibility also exists that maturing mortgages will not be renewed or, if they are renewed, they will be renewed at significantly lower loan-to-value ratios.

Limit on Activities

In order to maintain its status as a "mutual fund trust" under the Tax Act, the Trust cannot carry on most active business activities and is limited in these types of investments it may make. The Declaration of Trust contains restrictions to this effect.

Risks Related to the Trust and its Business

Unidentified Property Acquisitions

Although the Trust expects to purchase the Future Properties in the near term, it cannot be determined when such properties will be acquired. The Unitholders' return on their investments in the Units will vary depending on the return on investment achieved on the Future Properties that may be acquired. An investment in Units is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment.

Acquisition of Future Properties

There can be no assurance that the acquisition of the Future Properties will be consummated. In the event that such acquisition or another acquisition is not completed within 90 days of the Effective Date, the Trust may cease to meet the listing requirements for Tier 1 of the TSXV, in which case the Units will be removed from listing on the Tier 1 board and will be transferred to NEX.

Dependence on the Partnership

The Trust is an unincorporated, open-ended real estate investment trust which will be entirely dependent on the operations and assets of the Partnership through the Trust's expected ownership of a 100% limited partnership interest in the Partnership. Cash distributions to holders of Units will be dependent on, among other things, the ability of the Partnership to make cash distributions in respect of the Partnership Units. The Partnership and its subsidiaries are separate and distinct legal entities. The ability of the Partnership to make cash distributions or other payments or advances will depend on the Partnership's results of operations and may be restricted by, among other things, applicable corporate, tax and other laws and regulations and contractual restrictions contained in the instruments governing any indebtedness of the Partnership (including the Retained Debt), any priority distributions contained in the Partnership Agreement and other agreements governing the Partnership and restrictions contained in the agreements governing the arrangement with the co-owners of certain properties.

Acquisitions

The Trust's strategy includes growth through identifying suitable acquisition opportunities, pursuing such opportunities, consummating acquisitions and effectively operating and leasing such properties. If the Trust is unable to manage its growth effectively, it could have a material adverse effect on the Trust's business, cash flows, financial condition and results of operations and ability to make distributions to Unitholders. There can be no assurance as to the pace of growth through property acquisitions or that the Trust will be able to acquire assets on an accretive basis, and, as such, there can be no assurance that distributions to Unitholders will increase in the future.

Operational Risks

Operational risk is the risk that a direct or indirect loss may result from an inadequate or failed technology, from a human process or from external events. The impact of this loss may be financial loss, loss of reputation or legal and regulatory proceedings. Management endeavours to minimize losses in this area by ensuring that effective infrastructure and controls exist. These controls are constantly reviewed and if deemed necessary improvements are implemented.

Risk Related to Insurance Renewals

Certain events could make it more difficult and expensive to obtain property and casualty insurance, including coverage for catastrophic risks. When the Trust's insurance policies expire, the Trust may encounter difficulty in obtaining or renewing property or casualty insurance on its properties at the same levels of coverage and under similar terms. Such insurance may be more limited and, for catastrophic risks (e.g., earthquake, hurricane, flood and terrorism), may not be generally available to fully cover potential losses. Even if the Trust is able to renew its policies at levels and with limitations consistent with its current policies, the Trust cannot be sure that it will be able to obtain such insurance at premiums that are reasonable. If the Trust is unable to obtain adequate insurance on its properties for certain risks, it could cause the Trust to be in default under specific covenants on certain of its indebtedness or other contractual commitments that it has which require the Trust to maintain adequate insurance on its properties to protect against the risk of loss. If this were to occur, or if the Trust were unable to obtain adequate insurance, and its properties experienced damages that would otherwise have been covered by insurance, it could have a material adverse effect on the Trust's business, cash flows, financial condition and results of operations and ability to make distributions to holders of Units.

Access to Capital

The real estate industry is highly capital intensive. The Trust will require access to capital to maintain its properties, as well as to fund its growth strategy and significant capital expenditures from time to time. There can be no assurance that the Trust will have access to sufficient capital or access to capital on terms favourable to the Trust for future property acquisitions, financing or refinancing of properties, funding operating expenses or other purposes. Further, in certain circumstances, the Trust may not be able to borrow funds due to the limitations set forth in the Declaration of Trust.

In addition, global financial markets have experienced a sharp increase in volatility during recent years. This has been, in part, the result of the re-valuation of assets on the balance sheets of international financial institutions and related securities. This has contributed to a reduction in liquidity among financial institutions and has reduced the availability of credit to those institutions and to the issuers who borrow from them. While central banks as well as governments continue attempts to restore liquidity to the global economy, no assurance can be given that the combined impact of the significant re-valuations and constraints on the availability of credit will not continue to materially and adversely affect economies around the world in the near to medium term. These market conditions and unexpected volatility or illiquidity in financial markets may inhibit the Trust's access to long-term financing in the Canadian capital markets. As a result, it is possible that financing which the Trust may require in order to grow and expand its operations, upon the expiry of the term of financing, on refinancing any particular property owned by the Trust or otherwise, may not be available or, if it is available, may not be available on favourable terms to the Trust. Failure by the Trust to access required capital could have a material adverse effect on the Trust's business, cash flows, financial condition and results of operations and ability to make distributions to holders of Units.

Financing Risk

The Trust will be subject to the risks associated with debt financing, including the risk that the mortgages and banking facilities, if any, secured by the Trust's properties will not be able to be refinanced or that the terms of such refinancing will not be as favourable as the terms of existing indebtedness, which may reduce distributable income per Unit. To the extent that the Trust utilizes variable rate debt, such debt will result in fluctuations in the Trust's cost of borrowing as interest rates change. To the extent that interest rates rise following the completion of the Arrangement, there may be a material adverse effect on the Trust's business, cash flows, financial condition and results of operations and ability to make distributions to holders of Units.

The Trust's credit facilities will also contain covenants that require it to maintain certain financial ratios on a consolidated basis. If the Trust does not maintain such ratios, its ability to make distributions will be limited.

Degree of Leverage

The Trust's degree of leverage could have important consequences to Unitholders. For example, the degree of leverage could affect the Trust's ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions, development or other general trust purposes, making the Trust more vulnerable to a downturn in business or the economy in general. Under the Declaration of Trust, the maximum the Trust can leverage is 75% of its Gross Book Value.

Taxation Matters

The Tax Act contains restrictions relating to the activities and the investments permitted by a mutual fund trust and the requirements of the REIT Exception. No assurance can be given that the Trust will be able to comply with these restrictions at all times. If the Trust were not to qualify as a mutual fund trust or would fail to meet the requirements of the REIT Exception, the income tax considerations for Unitholders would, in some respects, be materially and adversely affected.

In addition, no assurance can be given that Canadian federal income tax law will not be changed in a manner which adversely affects the Trust and its securityholders.

Litigation Risks

In the normal course of the Trust's operations, whether directly or indirectly, it may become involved in, named as a party to or the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions relating to personal injuries, property damage, property taxes, land rights, the environment and contract disputes. The outcome with respect to outstanding, pending or future proceedings cannot be predicted with certainty and may be determined in a manner adverse to the Trust and as a result, could have a material adverse effect on the Trust's assets, liabilities, business, financial condition and results of operations. Even if the Trust prevails in any such legal proceeding, the proceedings could be costly and time-consuming and may divert the attention of management and key personnel from the Trust's business operations, which could have a material adverse effect on the Trust's business, cash flows, financial condition and results of operations and ability to make distributions to holders of Units.

Potential Conflicts of Interest with Trustees

The Trustees will, from time to time, in their individual capacities, deal with parties with whom the Trust may be dealing, or may be seeking investments similar to those desired by the Trust. The interests of these persons could conflict with those of the Trust. The Declaration of the Trust contains conflict of interest provisions requiring the Trustees to disclose their interests in certain contracts and transactions and to refrain from voting on those matters. In addition, certain decisions regarding matters that may give rise to a conflict of interest must be made by a majority of Independent Trustees only.

Potential Conflicts of Interest

The Manager has and will likely continue to have ongoing business relationships with other entities that may from time to time compete with the Trust including entities owned or controlled by Eli Dadouch. The Trust may not be able to resolve any such conflicts, and, even if it does, the resolution may be less favourable to the Trust than if it were dealing with a party that only managed the Trust's properties.

Dependence on and Relationship with Manager and Asset Manager

The Manager and Asset Manager will provide property management and asset management services to the Trust pursuant to the Property Management Agreement and the Asset Management Agreement and the Trust will depend on the Manager and the Asset Manager for all aspects of the day-to-day management of its properties and business and the execution of its business plan. There can be no assurance that if the Manager or the Asset Manager stopped providing these services a suitable replacement would be found in a timely manner or at all.

Reliance on Key Personnel

The Trust, the Manager and the Asset Manager depend on the services of certain key personnel, including in particular Eli Dadouch and Robert McKee. The loss of the services of any of these key personnel could have a material adverse effect on the Trust. In addition, each of these individuals will continue to be employed by entities owned or controlled by Eli Dadouch and will not be required to devote their time exclusively to the affairs of the Trust.

Restrictions on Redemptions

It is not anticipated that the redemption right will be the primary mechanism for holders of Units to liquidate their investments. Subsidiary Notes which may be distributed in specie to holders of Units in connection with a redemption will not be listed on any stock exchange and no established market is expected to develop for such securities, and such securities may be subject to an indefinite "hold period" or other resale restrictions under applicable securities laws. Subsidiary Notes so distributed may not be qualified investments for Plans, depending upon the circumstances at the time. Regulatory approvals will be required in connection with the distribution of Subsidiary Notes in specie to holders of Units in connection with a redemption.

The entitlement of Unitholders to receive cash upon the redemption of their Units is subject to the following limitations: (i) the total amount payable by the Trust in respect of such units and all other units tendered for redemption in the same calendar month must not exceed $50,000 (provided that such limitation may be waived at the discretion of the Trustees in respect of all Units tendered for redemption in such calendar month); (ii) at the time such Units are tendered for redemption, the outstanding Units must be listed for trading on the TSXV or traded or quoted on another market which the Trustees consider, in their sole discretion, provides representative fair market value prices for the Units; and (iii) the trading of Units is not suspended or halted on any stock exchange on which the Units are listed (or, if not listed on a stock exchange, on any market on which the Units are quoted for trading) on the Redemption Date for more than five trading days during the ten-day trading period commencing immediately after the Redemption Date.

Cash Distributions Are Not Guaranteed and May Fluctuate with the Trust's Performance

Although the Trust intends, to the extent possible, to make equal monthly cash distributions to Unitholders, such cash distributions are not guaranteed and may fluctuate with its performance. The Trust will depend on revenue generated from its properties to make such distributions. There can be no assurance regarding the amount of revenue generated by the Trust's properties. The amount of distributable income will depend upon numerous factors, including the profitability of the, fluctuations in working capital, interest rates, capital expenditures, and other factors which may be beyond the control of the Trust. If the Trustees determine that it would be in the best interests of the Trust, they may reduce for any period the percentage of distributable income to be distributed to the Unitholders.

Potential Volatility of Unit Prices

One of the factors that may influence the market price of the Units is the annual yield on the Units. An increase in market interest rates may lead purchasers of Units to demand a higher annual yield, which accordingly could adversely affect the market price of the Units. In addition, the market price of the Units may be affected by changes in general market conditions, fluctuations in the markets for equity securities and numerous other factors beyond the control of the Trust.

Structural Subordination of Units

In the event of a bankruptcy, liquidation or reorganization of the Trust or any of its subsidiaries, holders of certain of their indebtedness and certain trade creditors will generally be entitled to payment of their claims from the assets of the Trust and those subsidiaries before any assets are made available for distribution to the Unitholders. The Units will be effectively subordinated to most of the indebtedness and other liabilities of the Trust and its subsidiaries. Neither the Trust nor any of its subsidiaries will be limited in its ability to incur additional secured or unsecured indebtedness.

Nature of Investment

A holder of a Unit does not hold a share of a body corporate. As holders of Units, the Unitholders will not have statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring "oppression" or "derivative" actions. The rights of Unitholders are based primarily on the Declaration of Trust. There is no statute governing the affairs of the Trust equivalent to the *Business Corporations Act* (Ontario) or the *Canada Business Corporations Act* which sets out the rights and entitlements of shareholders of corporations in various circumstances.

Dilution

The number of Units the Trust is authorized to issue is unlimited. The Trust may, in its sole discretion, issue additional Units from time to time, and the interests of the holders of Units may be diluted thereby.

Absence of a Prior Public Market

Prior to the Arrangement, there was no public market for the Units. The Trust cannot predict at what price the Units will trade and there can be no assurance that an active trading market will develop after the Arrangement or, if developed, that such a market will be sustained at the price level of the Arrangement. A publicly traded real estate investment trust will not necessarily trade at values determined solely by reference to the underlying value of its real estate assets. Accordingly, the Units may trade at a premium or a discount to net asset value.

Risks Related to the Transactions

Cash Redemption Amount and Unit Redemption Amount Are Not Fixed

The Cash Redemption Amount and Unit Redemption Amount are not fixed amounts and will be determined at the Effective Time based on, among other things, the Corporation's cash on hand and transaction expenses at the time. There can be no assurance that the Cash Redemption Amount or the Unit Redemption as finally determined in accordance with the Plan of Arrangement will be the same as the amounts that the Corporation currently expects them to be due to, among other things, transaction expenses being higher than predicted.

Minimum Exchange Requirement

The ability of Shareholders to elect the form of consideration they will receive in exchange for their Shares under the Plan or Arrangement is subject to the Minimum Exchange Requirement, which requires that each Shareholder who holds at the Effective Time such number of Shares which, upon conversation at the Exchange Ratio, is equal to at least one Board Lot of Units, will be deemed to have elected to receive a minimum of one Board Lot of Units in

exchange for its Shares. Accordingly, Shareholders who are subject to the Minimum Exchange Requirement will not be permitted to receive the Cash Redemption Amount in respect of all of their Shares.

Failure to Complete the Transactions

The Transactions are subject to certain conditions that may be outside the control of the Corporation, including, without limitation, receipt of all necessary Court, Shareholder and TSXV approvals. There can be no assurance that these conditions will be satisfied or, if satisfied, when they will be satisfied. If either of the Transactions is not completed, the market price of the Shares may decline. If the Ingersoll Sale is completed but the Arrangement is not completed, the Shares may be delisted from the TSXV and there can be no assurance that (i) the Corporation will be able to find another party willing to acquire the Corporation on terms that are equivalent or more favourable to the Corporation and Shareholders than the Arrangement or (ii) that the Corporation will distribute any of the net cash proceeds from the Ingersoll Sale to Shareholders or as to the quantum of such net cash proceeds that might be available for distribution. In addition, if the Arrangement is not completed, the Corporation may be responsible for paying up to $85,000 to Firm Capital as reimbursement of its costs associated with negotiating potential transactions between Firm Capital and ISG prior to the Arrangement.

Termination of the Arrangement Agreement

Each of the Trust and ISG have the right to terminate the Arrangement Agreement and the Arrangement in certain circumstances. Accordingly, there can be no assurance that the Arrangement Agreement will not be terminated by before the completion of the Arrangement. For example, the Trust has the right, in certain circumstances, to terminate the Arrangement Agreement if a Material Adverse Effect occurs. Although a Material Adverse Effect excludes certain events that are beyond the control of ISG, there can be no assurance that a Material Adverse Effect will not occur before the Effective Date, in which case the Trust could elect to terminate the Arrangement Agreement and the Arrangement would not proceed. In addition, in certain circumstances ISG could be required to pay the Trust a termination payment of $200,000 in the event the Arrangement Agreement is terminated in certain circumstances and there can be no assurance that ISG would have the financial resources to make such payment.

ELIGIBILITY FOR INVESTMENT IN CANADA

In the opinion of Stikeman Elliott LLP, counsel to the Trust, provided that the Trust is a "mutual fund trust" within the meaning of the Tax Act as at the Effective Time or the Units are listed on a designated stock exchange (as defined in the Tax Act and which currently includes Tier 1 and Tier 2 of the TSXV) as at the Effective Time, the Units will be, as at the Effective Time, qualified investments under the Tax Act for a trust governed by a Plan.

Notwithstanding that Units may be qualified investments for a trust governed by a tax-free savings account ("**TFSA**"), registered retirement savings plan ("**RRSP**") or registered retirement income fund ("**RRIF**"), the holder of a TFSA or the annuitant of an RRSP or RRIF, as the case may be, will be subject to a penalty tax if the holder or annuitant, as applicable, does not deal at arm's length with the Trust for purposes of the Tax Act or if the holder or annuitant, as applicable, has a "significant interest" (within the meaning of the Tax Act) in the Trust or in a corporation, partnership or trust with which the Trust does not deal at arm's length for purposes of the Tax Act. For these purposes, a holder or annuitant, as the case may be, will have a significant interest in the Trust at a particular time if the holder or annuitant, or the holder or annuitant together with persons or partnerships with which the holder or annuitant does not deal at arm's length, holds at that time interests as a beneficiary under the Trust that have a fair market value of 10% or more of the fair market value of the interests of all beneficiaries under the Trust. The Department of Finance (Canada) has recently indicated that it is prepared to recommend further amendments to the prohibited investment rules contained in the Tax Act that will narrow the circumstances in which a holder of a TFSA or an annuitant of an RRSP or RRIF will have a ''significant interest'', however, no proposed amendments to the Tax Act have been released as at the date hereof. Investors who intend to hold Units in a TFSA, RRSP or RRIF should consult with their own tax advisors regarding the application of the foregoing having regard to their particular circumstances.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS OF THE ARRANGEMENT

ISG has been advised by Goodmans LLP that the following summary accurately describes, as at the date hereof, the principal Canadian federal income tax considerations generally applicable to a redemption of Shares pursuant to the Arrangement from a Shareholder who, at all relevant times, for purposes of the Tax Act and any applicable income tax treaty or convention is, or is deemed to be, resident in Canada (a "**Holder**") where, for purposes of the Tax Act and at all relevant times, such Holder is not exempt from tax under the Tax Act, holds its Shares as capital property, and deals at arm's length with, and is not affiliated with, the Company. Generally, the Shares will be considered to be capital property to a Holder provided that such Holder does not hold the Shares in the course of carrying on a business or as part of an adventure or concern in the nature of trade. Certain Shareholders resident in Canada whose Shares might not otherwise qualify as capital property may be entitled to make an irrevocable election in accordance with subsection 39(4) of the Tax Act to have such Shares and any other "Canadian security" as defined in the Tax Act owned by such Holder treated as capital property in the taxation year of the election and in all subsequent taxation years. Shareholders considering such an election should consult their own tax advisors.

This summary is not applicable to a Holder (i) that is a "financial institution" (as defined in the Tax Act for purposes of the mark-to-market rules), (ii) that is a "specified financial institution" or a "restricted financial institution" for purposes of the Tax Act, (iii) an interest in which is a "tax shelter investment" (as defined in the Tax Act), or (iv) that has elected to report its "Canadian tax results" (as defined in the Tax Act) in a currency other than Canadian currency. Such Shareholders should consult their own tax advisors regarding their particular circumstances.

This summary is based on the provisions of the Tax Act as of the date hereof, the regulations thereunder, all specific proposals to amend the Tax Act and the regulations thereunder publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**") and counsel's understanding of the administrative policies and assessing practices published in writing by the CRA prior to the date hereof. This summary is not exhaustive of all Canadian federal income tax considerations. Except as referred to above, this summary does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial decision or action, or in the administrative policies and assessing practices of the CRA, nor does this summary take into account any other federal or any provincial, territorial or foreign tax legislation or considerations, which may differ significantly from those described herein. This summary assumes that the Tax Proposals will be enacted as proposed but no assurance can be given that this will be the case.

This summary is of a general nature only and is not intended to be, nor should it be considered to be, legal or tax advice to any particular Holder and no representation is made with respect to the income tax consequences to any particular Shareholder. As noted above, it does not address the income tax considerations applicable to certain taxpayers, such as financial institutions. Shareholders should consult their own tax advisors with respect to their particular circumstances and the tax consequences to them of disposing of their Shares pursuant to the Arrangement.

Individual Holders

Holders who are individuals (including trusts) and whose shares are redeemed pursuant to the Arrangement will be deemed to receive a taxable dividend equal to the excess of the amount paid by ISG for the Shares over their paid-up capital for purposes of the Tax Act. Counsel has been advised that management expects that the paid-up capital per share will be at least equal to the Cash Redemption Amount or the Unit Redemption Amount, as the case may be. Accordingly, no deemed dividend should arise. However, to the extend a deemed dividend does arise, the deemed dividend will be subject to the normal gross-up and dividend tax credit rules applicable to taxable dividends received by individual shareholders from a taxable Canadian corporation, including the enhanced dividend tax credit rules applicable to any dividends designated by ISG as "eligible dividends" in accordance with the Tax Act.

The excess of the amount paid by ISG (whether in cash or in Units) over the amount deemed to be received by the individual Holder as a dividend will be treated as the proceeds of disposition of the Shares to the Holder for purposes of computing any capital gain or capital loss arising upon the redemption of Shares pursuant to the Arrangement. The individual Holder will realize a capital loss (or a capital gain) on the redemption of Shares equal

to the amount by which the individual Holder's proceeds of disposition, net of any reasonable costs of disposition, are less than (or exceed) the adjusted cost base to the Holder of the Shares. See "Taxation of Capital Gains and Losses" below.

An individual Holder (other than a trust) who has realized a capital loss on the redemption of Shares pursuant to the Arrangement could have all or a portion of that loss denied under the "superficial loss" rules of the Tax Act. In general, these rules apply where the individual Holder or a person affiliated with such Holder has acquired Shares in the period beginning 30 days before the redemption of Shares pursuant to the Arrangement and ending 30 days after the redemption of Shares pursuant to the Arrangement and such acquired Shares are owned by such Individual Holder or a person affiliated with such Holder at the end of such period. Trusts are subject to similar loss denial rules in such circumstances.

If the Holder is a trust of which a corporation is a beneficiary, the amount of any capital loss otherwise determined will be reduced by the amount of dividends received or deemed to be received on the Shares (including any dividends deemed to be received as a result of the redemption of Shares by ISG pursuant to the Arrangement) to the extent and under the circumstances prescribed by the Tax Act. Similar rules may apply where a partnership or a trust is a beneficiary of a trust or such a trust is a member of a partnership that disposes of Shares pursuant to the Arrangement.

Individual Holders (including certain trusts) who realize a capital gain as a result of a redemption of Shares pursuant to the Arrangement may be subject to "alternative minimum tax" under the Tax Act and should consult their own tax advisors in this regard.

Corporate Holders

A Holder that is a corporation whose shares are redeemed pursuant to the Arrangement will (subject to the potential application of subsection 55(2) of the Tax Act, described below) be deemed to receive a taxable dividend equal to the excess of the amount paid by ISG for the Shares over their paid-up capital for purposes of the Tax Act.

Counsel has been advised that management expects that the paid-up capital per share will be at least equal to the Cash Redemption Amount or the Unit Redemption Amount, as the case may be. Accordingly, no deemed dividend should arise. However, to the extend a deemed dividend does arise, the amount of any deemed dividend that is not required to be recognized as proceeds of disposition under subsection 55(2) of the Tax Act, as described below will be included in computing the corporate Holder's income as a taxable dividend and will ordinarily be deductible in computing its taxable income. To the extent that such a deduction is available, private corporations (as defined in the Tax Act) and certain other corporations may be liable to pay refundable tax under Part IV of the Tax Act at a rate of 33⅓% on the amount of the deemed dividend. Corporate Holders should consult their own tax advisors with respect to the possible application of Part IV tax.

Under subsection 55(2) of the Tax Act, a corporate Holder may be required to treat all or a portion of the deemed dividend as proceeds of disposition and not as a taxable dividend. Subsection 55(2) of the Tax Act does not apply to that portion of the dividend subject to tax under Part IV of the Tax Act that is not refunded under the circumstances specified in subsection 55(2) and does not apply if the dividend would not be deductible in computing taxable income. Further, subsection 55(2) will not apply on a redemption of Shares by ISG pursuant to the Arrangement unless the corporate Holder would have realized a capital gain if it disposed of a Share at fair market value immediately before its redemption by ISG and the redemption by ISG resulted in a significant reduction in the portion of the capital gain that could reasonably be considered to be attributable to anything other than the corporate Holder's "safe income" in respect of the particular Share. Generally the safe income in respect of a particular Share held by a Holder is the portion of the Company's undistributed income for purposes of the Tax Act which is attributable to such Share and which is earned or realized after the later of 1971 and the time the Holder acquired the particular Share. Corporate Shareholders should consult their tax advisors for specific advice with respect to the potential application of subsection 55(2) of the Tax Act.

The difference between the amount paid by ISG and the amount deemed to be received by the corporate Holder as a taxable dividend, after application of subsection 55(2) of the Tax Act, will be treated as proceeds of disposition of the Shares for purposes of computing any capital gain or capital loss arising on the redemption of

Shares. Such Holder will realize a capital loss (or capital gain) on the disposition of the Shares equal to the amount by which the Shareholder's proceeds of disposition, net of any reasonable costs of disposition, are less than (or exceed) the adjusted cost base to the Holder of the Shares. See "Taxation of Capital Gains and Losses" below.

The amount of any capital loss otherwise determined will be reduced by the amount of dividends or deemed dividends received on the Shares (including any dividends deemed to be received as a result of the redemption of the Shares by ISG pursuant to the Arrangement) to the extent and under the circumstances specified by the Tax Act. Similar rules apply where a corporation is a member of a partnership or a beneficiary of a trust that disposes of Shares pursuant to the Arrangement, and where a corporation is a beneficiary of a trust and such trust is a member of a partnership that disposes of Shares pursuant to the Arrangement.

A corporate Holder that has realized a capital loss on the redemption of Shares pursuant to the Arrangement may have all or a portion of that loss denied if the corporate Holder or a person affiliated with such Holder has acquired additional Shares in a period beginning 30 days before the redemption of Shares pursuant to the Arrangement and ending 30 days after the redemption of Shares pursuant to the Arrangement and such acquired Shares are owned by such Holder or a person affiliated with such Holder at the end of such period. Corporate Holders should consult their own tax advisors with respect to these stop-loss rules. A corporate Holder that is a Canadian-controlled private corporation (as defined in the Tax Act) throughout the year may be liable to pay an additional refundable tax of 6⅔% on its "aggregate investment income" for the year, which is defined to include an amount in respect of taxable capital gains (but not to include dividends or deemed dividends that are deductible in computing taxable income).

Taxation of Capital Gains and Losses

Under the Tax Act, one-half of any capital loss realized by such Holder is an allowable capital loss and one-half of any capital gain realized by such Holder is a taxable capital gain. A taxable capital gain must be included in the Holder's income. Subject to and in accordance with the Tax Act, allowable capital losses may be deducted only against taxable capital gains of the Holder in the year in which such allowable capital losses are realized. Any remaining allowable capital losses may ordinarily be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against taxable capital gains realized in such years, to the extent and under the circumstances specified in the Tax Act.

DISSENT RIGHTS

Dissent Rights in respect of the Ingersoll Sale

Section 190 of the CBCA provides shareholders with the right to dissent from certain resolutions of a corporation which effect extraordinary corporate transactions or fundamental changes, including a sale of all or substantially all of a corporation's assets under Section 189(3) of the CBCA. The Corporation has determined that the Ingersoll Sale represents a sale of all or substantially all of the Corporation's assets as contemplated under Section 189(3) of the CBCA. Accordingly, any Shareholder who dissents from the Ingersoll Sale Resolution in compliance with Section 190 of the CBCA will be entitled, in the event the Ingersoll Sale becomes effective, to be paid by the Corporation the fair value of the Shares held by such Dissenting Shareholder determined as of the close of business on the day before the Ingersoll Sale Resolution is adopted.

Section 190 of the CBCA provides that a shareholder may only make a claim under such section with respect to all the shares of a class held by the shareholder on behalf of any one beneficial owner and registered in the shareholder's name. One consequence of this provision is that a holder of Shares may only exercise the right to dissent under Section 190 of the CBCA in respect of the Shares which are registered in that holder's name. In many cases, shares beneficially owned by a person are registered either: (a) in the name of an intermediary that the non-registered holder deals with in respect of the shares (such as banks, trust companies, securities dealers and brokers, trustees or managers of self-administered registered retirement savings plans, registered retirement income funds, registered educational savings plans and similar plans, and their nominees); or (b) in the name of a clearing agency (such as CDS) of which the intermediary is a participant. Accordingly, a non-registered holder will not be entitled to exercise the right to dissent under Section 190 of the CBCA directly (unless the Shares are re-registered in the non-registered holder's name). A non-registered holder who wishes to exercise the right to dissent should immediately

contact the intermediary with whom the non-registered holder deals in respect of his, her or its Shares and either: (i) instruct the intermediary to exercise the right to dissent on the non-registered holder's behalf (which, if the Shares are registered in the name of CDS or other clearing agency, would require that the Shares first be re-registered in the name of the intermediary); or (ii) instruct the intermediary to re-register the Shares in the name of the non-registered holder, in which case the non-registered holder would have to exercise the right to dissent directly.

Section 190(5) of the CBCA provides that a Shareholder who wishes to dissent from the Ingersoll Sale Resolution must provide Notice of Dissent to the Corporation c/o Goodmans LLP, Bay Adelaide Centre, 333 Bay Street, Suite 3400, Toronto, Ontario M5H 2S7, Attention: Michael Partridge at or before the Meeting. The filing of a Notice of Dissent does not deprive a Shareholder of the right to vote at the Meeting; however, the CBCA provides, in effect, that a Shareholder who has submitted a notice of dissent and who votes in favour of the Ingersoll Sale Resolution will be deprived of further rights under Section 190 of the CBCA. The CBCA does not provide, and the Corporation will not assume, that a vote against the Ingersoll Sale Resolution or an abstention constitutes a Notice of Dissent, but a Shareholder need not vote his, her or its Shares against the Ingersoll Sale Resolution in order to dissent. Similarly, the revocation of a proxy conferring authority on the proxy holder to vote in favour of the Ingersoll Sale Resolution does not constitute a notice of dissent; however, any proxy granted by a Shareholder who intends to dissent, other than a proxy that instructs the proxy holder to vote against the Ingersoll Sale Resolution, should be validly revoked (see General Information Concerning the Meeting and Voting – Revocability of Proxy") in order to prevent the proxy holder from voting such Shares in favour of the Ingersoll Sale Resolution and thereby causing the Shareholder to forfeit his, her or its right to dissent.

The Corporation is required, within ten (10) days after the Shareholders adopt the Ingersoll Sale Resolution, to notify each Dissenting Shareholder that the Ingersoll Sale Resolution has been adopted. Such notice is not required to be sent to any Dissenting Shareholder who has voted for the Ingersoll Sale Resolution or who has withdrawn his, her or its Notice of Dissent. A Dissenting Shareholder who has not withdrawn his, her or its Notice of Dissent must then, within twenty (20) days after receipt of notice that the Ingersoll Sale Resolution has been adopted or, if the Dissenting Shareholder does not receive such notice, within twenty (20) days after he or she learns that the Ingersoll Sale Resolution has been adopted, send to the Corporation a demand for payment, containing his, her or its name and address, the number of Shares in respect of which he or she dissents, and a demand for payment of the fair value of such Shares. Within thirty (30) days after sending a demand for payment, the Dissenting Shareholder must send to the Corporation or its transfer agent the certificates representing the Shares in respect of which he or she dissents. A Dissenting Shareholder who fails to send certificates representing the Shares in respect of which he or she dissents forfeits his, her or its right to dissent. The Corporation or its transfer agent will endorse on any share certificate received from a Dissenting Shareholder a notice that the holder is a Dissenting Shareholder and will forthwith return the share certificates to the Dissenting Shareholder. After sending a demand for payment, a Dissenting Shareholder ceases to have any rights as a holder of the Shares in respect of which the Shareholder has dissented, other than the right to be paid the fair value of such shares as determined under Section 190 of the CBCA, unless: (i) the Dissenting Shareholder withdraws the demand for payment before the Corporation makes the offer to pay; (ii) the Corporation fails to make a timely offer to pay to the Dissenting Shareholder and the Dissenting Shareholder withdraws his, her or its demand for payment; or (iii) the directors of the Corporation revoke the Ingersoll Sale Resolution in all of which cases the Dissenting Shareholder's rights as a holder of the Shares in respect of which he or she has dissented are reinstated.

The Corporation is required, not later than seven (7) days after the later of the effective date the Ingersoll Sale or the date on which the Corporation receives a demand for payment from a Dissenting Shareholder, to send to the Dissenting Shareholder an offer to pay for the Shares in respect of which he or she has dissented in an amount considered by the Board to be the fair value thereof, accompanied by a statement showing the manner in which such fair value was determined. Every offer to pay must be on the same terms. The Corporation must pay for the Shares of a Dissenting Shareholder within ten (10) days after an offer to pay has been accepted by such Dissenting Shareholder, but any such offer lapses if the Corporation does not receive an acceptance thereof within thirty (30) days after the offer to pay has been made.

If the Corporation fails to make an offer to pay for a Dissenting Shareholder's Shares, or if a Dissenting Shareholder fails to accept an offer which has been made, the Corporation may, within fifty (50) days after the effective date the Ingersoll Sale or within such further period as the Court may allow, apply to the Court to fix a fair value for the Shares of any remaining Dissenting Shareholders. If the Corporation fails to apply to the Court, a

Dissenting Shareholder may apply to the Court for the same purpose within a further period of twenty (20) days or within such further period as the Court may allow. A Dissenting Shareholder is not required to give security for costs in such an application. Upon an application to the Court, all Dissenting Shareholders whose Shares have not been purchased by the Corporation will be joined as parties and bound by the decision of the Court, and the Corporation will be required to notify each affected Dissenting Shareholder of the date, place and consequences of the application and of such Dissenting Shareholder's right to appear and be heard in person or by counsel. Upon any such application to the Court, the Court may determine whether any person is a Dissenting Shareholder who should be joined as a party, and the order will be rendered against the Corporation in favour of each Dissenting Shareholder and for the amount of the fair value of his, her or its Shares as fixed by the Court.

The Court may, in its discretion, allow a reasonable rate of interest on the amount payable to each Dissenting Shareholder from the effective date the Ingersoll Sale until the date of payment. An application by either the Corporation or a Dissenting Shareholder must be made to the Court.

The foregoing is only a summary of the dissenting shareholder provisions of the CBCA, which are technical and complex. A complete copy of Section 190 of the CBCA is attached to this Circular as Appendix K. It is recommended that any Shareholder wishing to avail himself or herself of Dissent Rights under those provisions seek legal advice, as failure to comply strictly with the provisions of the CBCA may prejudice, or result in a loss of, the right of dissent.

Dissent Rights in respect of the Arrangement

As discussed above, Section 190 of the CBCA provides shareholders with the right to dissent from certain resolutions of a corporation which effect extraordinary corporate transactions or fundamental corporate changes. The Interim Order expressly provides Shareholders with the right to dissent from the Arrangement Resolution pursuant to Section 190 of the CBCA and the Plan of Arrangement. Any Shareholder who dissents from the Arrangement Resolution in compliance with Section 190 of the CBCA and the Plan of Arrangement will be entitled, in the event the Arrangement becomes effective, to be paid by the Corporation the fair value of the Shares held by such Dissenting Shareholder determined as of the close of business on the day before the Arrangement Resolution is adopted.

Section 190 of the CBCA provides that a shareholder may only make a claim under such section with respect to all the shares of a class held by the shareholder on behalf of any one beneficial owner and registered in the shareholder's name. One consequence of this provision is that a holder of Shares may only exercise the right to dissent under Section 190 of the CBCA in respect of the Shares which are registered in that holder's name. In many cases, shares beneficially owned by a person are registered either: (a) in the name of an intermediary that the non-registered holder deals with in respect of the shares (such as banks, trust companies, securities dealers and brokers, trustees or managers of self-administered registered retirement savings plans, registered retirement income funds, registered educational savings plans and similar plans, and their nominees); or (b) in the name of a clearing agency (such as CDS) of which the intermediary is a participant. Accordingly, a non-registered holder will not be entitled to exercise the right to dissent under Section 190 of the CBCA directly (unless the Shares are re-registered in the non-registered holder's name). A non-registered holder who wishes to exercise the right to dissent should immediately contact the intermediary with whom the non-registered holder deals in respect of his, her or its Shares and either: (i) instruct the intermediary to exercise the right to dissent on the non-registered holder's behalf (which, if the Shares are registered in the name of CDS or other clearing agency, would require that the Shares first be re-registered in the name of the intermediary); or (ii) instruct the intermediary to re-register the Shares in the name of the non-registered holder, in which case the non-registered holder would have to exercise the right to dissent directly.

The Interim Order provides that a Shareholder who wishes to dissent from the Arrangement Resolution must provide a notice of dissent to the Corporation c/o Goodmans LLP, Bay Adelaide Centre, 333 Bay Street, Suite 3400, Toronto, Ontario M5H 2S7, Attention: Michael Partridge prior to 5:00 p.m. (Toronto time) on October 26, 2012 (or on the day that is one Business Day immediately preceding any adjourned or postponed Meeting). It is important that Shareholders strictly comply with this requirement and understand that it is different from the statutory dissent provisions of the CBCA which would permit a notice of dissent to be provided at or prior to the Meeting. The filing of a Notice of Dissent does not deprive a Shareholder of the right to vote at the Meeting; however, the CBCA provides, in effect, that a Shareholder who has submitted a

notice of dissent and who votes in favour of the Arrangement Resolution will be deprived of further rights under Section 190 of the CBCA. The CBCA does not provide, and the Corporation will not assume, that a vote against the Arrangement Resolution or an abstention constitutes a Notice of Dissent, but a Shareholder need not vote his, her or its Shares against the Arrangement Resolution in order to dissent. Similarly, the revocation of a proxy conferring authority on the proxy holder to vote in favour of the Arrangement Resolution does not constitute a notice of dissent; however, any proxy granted by a Shareholder who intends to dissent, other than a proxy that instructs the proxy holder to vote against the Arrangement Resolution, should be validly revoked (see "General Information Concerning the Meeting and Voting – Revocability of Proxy") in order to prevent the proxy holder from voting such Shares in favour of the Arrangement Resolution and thereby causing the Shareholder to forfeit his, her or its right to dissent.

The Corporation is required, within ten (10) days after the Shareholders adopt the Arrangement Resolution, to notify each Dissenting Shareholder that the Arrangement Resolution has been adopted. Such notice is not required to be sent to any Dissenting Shareholder who has voted for the Arrangement Resolution or who has withdrawn his, her or its Notice of Dissent. A Dissenting Shareholder who has not withdrawn his, her or its Notice of Dissent must then, within twenty (20) days after receipt of notice that the Arrangement Resolution has been adopted or, if the Dissenting Shareholder does not receive such notice, within twenty (20) days after he or she learns that the Arrangement Resolution has been adopted, send to the Corporation a demand for payment, containing his, her or its name and address, the number of Shares in respect of which he or she dissents, and a demand for payment of the fair value of such Shares. Within thirty (30) days after sending a demand for payment, the Dissenting Shareholder must send to the Corporation or its transfer agent the certificates representing the Shares in respect of which he or she dissents. A Dissenting Shareholder who fails to send certificates representing the Shares in respect of which he or she dissents forfeits his, her or its right to dissent. The Corporation or its transfer agent will endorse on any share certificate received from a Dissenting Shareholder a notice that the holder is a Dissenting Shareholder and will forthwith return the share certificates to the Dissenting Shareholder. After sending a demand for payment, a Dissenting Shareholder ceases to have any rights as a holder of the Shares in respect of which the Shareholder has dissented, other than the right to be paid the fair value of such shares as determined under Section 190 of the CBCA, unless: (i) the Dissenting Shareholder withdraws the demand for payment before the Corporation makes the offer to pay; (ii) the Corporation fails to make a timely offer to pay to the Dissenting Shareholder and the Dissenting Shareholder withdraws his, her or its demand for payment; or (iii) the directors of the Corporation revoke the Ingersoll Sale Resolution or Arrangement Resolution, as applicable, in all of which cases the Dissenting Shareholder's rights as a holder of the Shares in respect of which he or she has dissented are reinstated.

In addition, pursuant to the Plan of Arrangement, Shareholders who duly exercise such rights of dissent and who are ultimately determined to be entitled to be paid fair value for their Shares will be deemed to have transferred such Shares to the Corporation at the Effective Date.

The Corporation is required, not later than seven (7) days after the later of the Effective Date and the date on which the Corporation receives a demand for payment from a Dissenting Shareholder, to send to the Dissenting Shareholder an offer to pay for the Shares in respect of which he or she has dissented in an amount considered by the Board to be the fair value thereof, accompanied by a statement showing the manner in which such fair value was determined. Every offer to pay must be on the same terms. The Corporation must pay for the Shares of a Dissenting Shareholder within ten (10) days after an offer to pay has been accepted by such Dissenting Shareholder, but any such offer lapses if the Corporation does not receive an acceptance thereof within thirty (30) days after the offer to pay has been made.

If the Corporation fails to make an offer to pay for a Dissenting Shareholder's Shares, or if a Dissenting Shareholder fails to accept an offer which has been made, the Corporation may, within fifty (50) days after the later of the Effective Date or within such further period as the Court may allow, apply to the Court to fix a fair value for the Shares of any remaining Dissenting Shareholders. If the Corporation fails to apply to the Court, a Dissenting Shareholder may apply to the Court for the same purpose within a further period of twenty (20) days or within such further period as the Court may allow. A Dissenting Shareholder is not required to give security for costs in such an application. Upon an application to the Court, all Dissenting Shareholders whose Shares have not been purchased by the Corporation will be joined as parties and bound by the decision of the Court, and the Corporation will be required to notify each affected Dissenting Shareholder of the date, place and consequences of the application and of such Dissenting Shareholder's right to appear and be heard in person or by counsel. Upon any such application to the Court, the Court may determine whether any person is a Dissenting Shareholder who should be joined as a party,

and the order will be rendered against the Corporation in favour of each Dissenting Shareholder and for the amount of the fair value of his, her or its Shares as fixed by the Court.

The Court may, in its discretion, allow a reasonable rate of interest on the amount payable to each Dissenting Shareholder from the Effective Date until the date of payment. An application by either the Corporation or a Dissenting Shareholder must be made to the Court.

The foregoing is only a summary of the dissenting shareholder provisions of the CBCA, the Interim Order and the Plan of Arrangement, which are technical and complex. The Interim Order is attached to this Circular as Appendix F. A complete copy of Section 190 of the CBCA is attached to this Circular as Appendix K. The Plan of Arrangement is attached as Schedule A to the Arrangement Agreement, which is attached to this Circular as Appendix E. It is recommended that any Shareholder wishing to avail himself or herself of Dissent Rights under those provisions seek legal advice, as failure to comply strictly with the provisions of the CBCA, the Interim Order and the Plan of Arrangement may prejudice, or result in a loss of, the right of dissent.

ANNUAL BUSINESS MATTERS

Particulars of Matters To Be Acted Upon

Audited Financial Statements

The Corporation's audited financial statements for the fiscal year ended December 31, 2011 together with the auditor's report thereon will be submitted to Shareholders at the Meeting. Receipt at such Meeting of the auditors' report and the Corporation's financial statements for its last completed fiscal period will not constitute approval or disapproval of any matters referred to therein. Copies of the Corporation's financial statements for the fiscal year ended December 31, 2011 together with the report of the auditor's thereon, management's discussion and analysis of the Corporation's financial condition and results of operations for the fiscal year ended December 31, 2011 are available upon request from the Corporation or can be accessed at www.sedar.com.

Appointment of Auditors

KPMG LLP ("**KPMG**") was first appointed as auditors of the Corporation in November, 2007. It is proposed that KPMG be appointed as auditors of the Corporation.

Unless such authority is withheld, it is intended that the persons named in the accompanying form of proxy will vote the shares represented thereby in favour of appointing KPMG as the auditor of the Corporation and authorizing the directors of the Corporation to fix their remuneration. A majority of the votes cast by shareholders of the Meeting is required to approve the appointment of the auditor and to authorize the directors to fix the remuneration of the auditor.

Election of Directors

Directors of the Corporation are elected annually by the Shareholders. The articles of the Corporation provide that the number of directors to be elected shall be a minimum of one and a maximum of twenty. The number of directors to be elected has been fixed at five. It is proposed that a Board of five directors is to be elected at the Meeting.

The term of office of all present directors of the Corporation expires at the Meeting. If, prior to the Meeting, any vacancies occur in the slate of proposed nominees herein submitted, the persons named in the accompanying form of proxy will vote the shares represented thereby in favour of election as directors any substitute nominee or nominees recommended by the management of the Corporation as well as in favour of the remaining proposed nominees. Management has been informed by each nominee that he is willing to stand for election and serve as a director. The term of office of each director will be from the date of the meeting at which he is elected until the next annual meeting or until his successor is elected or appointed.

Unless such authority is withheld, it is intended that the persons named in the accompanying form of proxy will vote the shares represented thereby in favour of electing as directors the nominees named below.

The following information is submitted with respect to the nominees for directors:

Name, Province/State of Residence	Office Held	Principal Occupation or Employment for the Past Five Years[1]	Date First Appointed	Number of Voting Securities Beneficially Owned Directly or Indirectly, Controlled or Directed at October 3, 2012[1]
Garry Bryan Beres[2] Alberta, Canada	Director	Senior Vice President, CB Richard Ellis Principal and founder of Beres Realty Ltd.	November, 2007	475,000
Amy Powell Erixon[2] Ontario, Canada	Director	Managing Director, Global Products, Avison Young Commercial Real Estate, formerly CEO of IG Realty Investments Inc., an integrated real estate investment, development, and asset management company; Consultant to Giffels Management Limited	November, 2007	800,000
David Stanley Ogden Ontario, Canada	Director, President and Chief Executive Officer	President and Chief Executive Officer of the Corporation; Founder and President of the Secure Capital Group of Companies	November, 2007	3,013,000
Philip Ernest Rossiter[2] Nova Scotia, Canada	Director and Chief Financial Officer	Partner, Dockrill Horwich Rossiter	November, 2007	90,000
Joseph Dominic Sorbara Ontario, Canada	Chairman of the Board and Secretary	Principal of The Sorbara Group and Partner, Tanzola & Sorbara	November, 2007	3,141,000

(1) The information as to principal occupation or employment and common shares beneficially owned or controlled by the nominees, not being within the knowledge of the Corporation, has been furnished by the respective proposed nominees.
(2) Member of the Audit Committee

As at the date of this Circular, the current directors and officers of the Corporation as a group, directly or indirectly, beneficially own or exercise control or direction over 7,519,000 common shares, representing approximately 41% of the issued and outstanding Shares.

Corporate Cease Trade Orders or Bankruptcies

During the past 10 years, no director or proposed director of the Corporation has been a director or executive officer of any other reporting issuer that, while such person was acting in that capacity:

(a) was the subject of a cease trade order or similar order or an order that denied the company access to any exemption under securities legislation for a period of more than 30 consecutive days; or

(b) was subject to an event that resulted, after the director ceased to be a director or executive officer of the company being the subject of a cease trade order or similar order or an order that denied the

relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or

(c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Individual Bankruptcies

No director or proposed director of the Corporation has, within the 10 years prior to the date of this Circular, become bankrupt or made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

Ratification of Option Plan

In accordance with the requirements of the TSXV, shareholders are required to approve annually the 10% rolling option plan of the Corporation (the "**Option Plan**"), as same may be amended, pursuant to which the Directors of the Corporation are authorized to grant options for up to 10% of the issued and outstanding shares from time to time. Accordingly, at the meeting, shareholders will be asked to pass the Option Plan Resolution, a copy of which can be found at Schedule M to this Circular.

The following information is intended to be a brief description of the Option Plan.

Grants of ISG Options are awarded periodically at the discretion of the Board. Previous grants of option-based awards are taken into account when considering new grants. These grants are a long-term incentive designed to tie the long-term interests of the Corporation's executive officers and Directors to those of shareholders and to encourage the executive officers and Directors to own and hold shares. ISG Options have a maximum term of five years from the date of the grant and vest over a period determined by the Board.

The Option Plan is administered by the Board, which will have full and final authority with respect to the granting of all ISG Options thereunder subject to the requirements of the TSXV. ISG Options may be granted under the Option Plan to such Optionees as the Board may from time to time designate.

The Option Plan authorizes the Board to grant ISG Options to the Optionees on the following terms:

- the aggregate number of shares which may be issued pursuant to ISG Options granted under the Option Plan, unless otherwise approved by the shareholders, will not exceed that number which is equal to 10% of the shares issued at the time of the grant;

- the aggregate number of ISG Options granted to Insiders (as defined in the Option Plan), within a 12- month period shall not exceed 10% of the number of outstanding shares at such time (on a non-diluted basis);

- the number of ISG Options granted at any time to any one Optionee shall not exceed 5% of the issued and outstanding shares in any 12-month period, subject to certain adjustments under the Option Plan;

- the number of ISG Options granted to any Consultant (as defined in the Option Plan), in a 12-month period shall not exceed 2% of the issued and outstanding shares of the Corporation, as calculated on the date that the Option is granted;

- no ISG Options may be granted to any person providing Investor Relations Activities (as defined in the Option Plan), promotional or other market–making services;

- the exercise price of an ISG Option may not be set at less than the "discounted market price" (as defined in the Option Plan);

- the term of ISG Options may not exceed five years from the date of their grant;

- all ISG Options granted to Optionees that are not then exercisable (i.e. not vested) shall terminate immediately in the event such Optionee ceases to be an "eligible person" under the Option Plan;

- vested ISG Options granted to Optionees shall terminate no longer than 90 days after any such persons cease to be employed by the Corporation, provided however that in the event such person's employment is terminated with cause, the right of any such person to exercise ISG Options will cease immediately;

- in the event of death of an Optionee, his or her personal representative, heirs or legatees may, notwithstanding the maximum term of the ISG Option, exercise any vested Options granted to such deceased Optionee up to the earlier of (i) the expiry date of the option, and (ii) within one year after his or her death;

- an ISG Option may not be assigned or transferred and during the lifetime of an Optionee, the option may be exercised only by the Optionee; and

- any amendments to reduce the exercise price of Options granted to "insiders" (as defined in the Option Plan) of the Corporation shall be subject to disinterested Shareholder approval.

Executive Compensation

Compensation of Executive Officers

The following table sets forth information concerning the annual and long term compensation earned for services rendered to the Corporation and its subsidiaries since incorporation in respect of each of the individuals who were at any time during the fiscal year ending December 31, 2011, the Chief Executive Officer and the Chief Financial Officer (the "**Named Executive Officers**"). It should be noted that there are only the two Named Executive Officers for the Corporation and both are detailed below:

Summary Compensation Table

		Annual Compensation			Long Term Compensation Awards	
Name and Principal Position	**Year**	**Salary ($)**	**Bonus ($)**	**Other Annual Compensation**	**Securities Under Options Granted (#)**	**All Other Compensation ($)**
DAVID OGDEN Chief Executive Officer	2011		-	-	262,500	$12,449[(1)]
PHILIP ROSSITER Chief Financial Officer	2011		-	-	100,000	$18,300[(2)]

(1) Represents reimbursement of expenses incurred on behalf of the Corporation by Secure Capital, a company controlled by David Ogden and represented fees for the rental of office equipment and the provision of certain administrative services.

(2) This amount was paid to AC Dockrill Howich Rossiter an accounting firm of which Mr. Rossiter is a partner, for accounting services provided to the Corporation

Compensation Discussion and Analysis

The following Compensation Discussion and Analysis provides a discussion of (i) the Corporation's objectives with respect to compensation of its executive officers with respect to fiscal 2011 and moving forward through fiscal 2012 and (ii) the policies the Corporation has implemented with respect to these objectives. It also outlines what each compensation program is designed to reward, each element of compensation, why the Corporation has chosen to pay each element, how the Corporation determined the amount it would pay and how each compensation element fits into the Corporation's overall compensation objectives.

The Corporation has been unable to finance additional acquisitions since it completed the acquisition of the Ingersoll Property in February, 2009. As a result, it implemented a series of initiatives in the second quarter of 2010 to reduce cash utilization and match general and administrative expenses to the rental income generated by the Ingersoll Property. To date, these initiatives have been successful in doing so. Given that salaries are the largest portion of general and administrative expenses, key to this reduction in cash utilization was the termination of non-key personnel and the agreement of the CEO and CFO to waive payment of salary indefinitely.

In November 2010, the Board of Directors agreed to the creation of the MIP with a value of $300,000 to be divided amongst the CEO, CFO and a consultant to the Corporation. Payment of the MIP, in part or in full, is dependent on the attainment of pre-determined milestones that, in the opinion of the ISG Board, deliver significant material value to Shareholders. This includes, (i) the sale of the Ingersoll Property, (ii) the establishment of a strategic partnership to accelerate the execution of its business plan and provide asset management and related operating expertise, and (iii) a business combination or financing which provides additional liquidity to existing Shareholders. As a result, the Corporation believes it has more fully aligned the interests of management with those of Shareholders and that the Corporation has retained the human resources required. To date, no funds from the MIP have been earned or distributed.

Compensation and Corporate Governance Committee

The Board of Directors does not have a standing Compensation Committee. As such, the Board alone is responsible for remuneration of the Chief Executive Officer and the Chief Financial Officer.

Objectives and Philosophy of Overall Compensation Policy

As noted above, commencing May 1, 2010, no salary or other compensation has been paid to either Executive Officer. Accordingly, all references to compensation policy and programs noted below did not have application in 2011 or to date in 2012 and will not apply to the Trust following the completion of the proposed Plan of Arrangement.

The planned compensation program for the Corporation's executive officers was designed to attract and retain competent and motivated executive officers to achieve its business objectives. The total compensation package took into account the executive officer's past performance, experience and level of responsibility. The various components of the Corporation's executive compensation program were designed to play a role in:

- providing a fair and competitive total compensation package;
- retaining executive officers critical to the success of the Corporation and the enhancement of Shareholder value;
- rewarding performance, both on an individual basis and with respect to the business in general; and
- reinforcing the link between the Shareholders' interests and the compensation of the Corporation's executive officers.

In order to achieve these objectives, the compensation of executive officers was to have consisted of the following components:

- base salary;
- potential fixed and discretionary incentive bonuses; and
- potential grants of ISG Options.

Benchmarking

The Corporation does not benchmark compensation levels or mix against a specific group of peers. To provide context for compensation decisions, however, the Corporation reviews general industry information on the real estate industry in Canada (including private companies to the extent that such information is available). For purposes of assessing reasonableness of the compensation levels, the Corporation also reviews the public filings of other issuers, but does not benchmark pay against these issuers.

Base Salaries

As outlined above, base salaries were one component of the total compensation package provided to the Executive Officers of the Corporation. When paid, these salaries were reviewed annually by the Board. Base salaries were intended to be compensation for time expended but because of the stage of development of the Corporation and the opportunities for growth, the compensation framework relied meaningfully on the incentive-oriented compensation elements described above.

Annual Incentive Bonuses

Potential incentive bonuses are a significant variable component of executive compensation intended to reward individual and business performance and the achievement of short and long-term strategies and objectives of the Corporation. Payments are made upon (i) the achievement of pre-determined milestones which are defined in advance and selected on the basis of their definable measurement of the achievement of the Corporation's business plan and (ii) at the discretion of the Board

Long-term Incentive Plan (LTIP) Awards

The Corporation currently has no long-term incentive plans, other than stock options granted from time to time by the Board under the provisions of the Corporation's Option Plan.

Option Plan

Upon completion of its initial public offering on November 28, 2007, the Corporation granted an aggregate of 1,250,000 ISG Options under its Option Plan of which 362,500 were granted to the Named Executive Officers.

Options Granted During the Fiscal Year Ended December 31, 2011

No options were granted in the Fiscal Year ended December 31, 2011.

Aggregated Option Exercises and Option Values

There were no options exercised during the fiscal year ended December 31, 2011. The following table sets forth, for each Named Executive Officer, all awards outstanding as of December 31, 2011:

	Option-based Awards			
Name	**Number of Securities underlying unexercised options (#)**	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the-money options ($)[1]**
DAVID OGDEN Chief Executive Officer	262,500	0.20	November 28, 2012	Nil
PHILIP ROSSITER Chief Financial Officer	100,000	0.20	November 28, 2012	Nil

(1) Based on a closing price of $0.12 on December 31st, 2011, the last trading day of 2011.

Termination of Employment, Change in Responsibilities and Employment Contracts

For the year-ended December 31, 2011, the Corporation had no employment contracts with its Named Executive Officers. The Corporation has no compensatory plan, contract or arrangement where a Named Executive Officer is entitled to receive more than $100,000 (including periodic payments or instalments) to compensate such executive officer in the event of resignation, retirement or other termination of the Named Executive Officer's employment with the Corporation, a change of control of the Corporation, or a change in responsibilities of the Named Executive Officer following a change in control.

Compensation of Directors

No compensation was paid to the directors in their capacity as directors of the Corporation during the fiscal year ended December 31, 2011.

Indebtedness of Directors and Executive Officers

Aggregate Indebtedness

As of the date hereof and during the year ended December 31, 2011, there was no indebtedness owing to the Corporation in connection with the purchase of securities or other indebtedness by any current or former executive officers, directors, employees of the Corporation.

Indebtedness of Directors and Executive Officers under Securities Purchase and Other Programs

As of the date hereof, there was no indebtedness owing to the Corporation under any securities purchase or other programs of the Corporation by any individuals who at any time during the year ended December 31, 2011 were directors, executive officers or senior officers of the Corporation or associates of the foregoing.

Directors' and Officers' Liability Insurance

The Corporation maintains liability insurance for directors and officers of the Corporation and its subsidiaries. The policy provides insurance for directors and officers of the Corporation in respect of losses arising from claims against them for certain of their acts, errors or omissions in their capacity as directors or officers. Additionally, the Corporation is also insured against any loss arising out of any liability that it may be required or

permitted by law to pay to directors or officers in respect of such claims. The policy does not distinguish between the liability insurance for its directors and officers, the coverage being the same for both groups.

The policy limit for such insurance coverage is $2,000,000 in each policy year. The premium for the period ending December 31, 2011, was approximately $35,000, which was paid by the Corporation. The premium is not allocated between the directors and officers as separate groups.

Statement of Corporate Governance Practices

General

The Corporation's Board and senior management consider good corporate governance to be central to the effective and efficient operation of the Corporation. National Instrument 58-101 (Disclosure of Corporate Governance Practices) ("**NI 58-101**") requires the Corporation to disclose its corporate governance practices by providing in the Circular the disclosure required by Form 58-101F2. National Policy 58-201 ("**NP 58-201**") establishes corporate governance guidelines which apply to all public companies. The Corporation has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Corporation's practices comply with the guidelines; however, since the completion of its Qualifying Transaction on February 4, 2009, the Corporation has engaged in limited commercial activity and the Board has not yet adopted any specific policies regarding corporate governance, except those identified below. The Corporation will continue to review and implement corporate governance guidelines as warranted.

Board of Directors

The Board is currently composed of five directors. NP 58-201 recommends that the Board of every listed Corporation should be constituted with a majority of individuals who qualify as "independent" directors within the meaning that term is given in MI 52-110, which instrument provides that a director is "independent" if he or she has no direct or indirect "material relationship" with the Corporation. "Material relationship" is defined as a relationship which could, in the view of the Corporation's Board be reasonably expected to interfere with the exercise of a director's independent judgment. Of the proposed nominees, David Ogden (Chief Executive Officer), Philip Rossiter (Chief Financial Officer) and Joseph Sorbara (Chairman of the Board and Secretary) are not considered to be "independent" of the Corporation within the meaning of MI 52-110. Each of the remaining two proposed directors is considered by the Board to be "independent", within the meaning of MI 52-110. In assessing director independence and making the foregoing determinations, the circumstances of each director have been examined in relation to a number of factors.

Directorships

The following table sets forth the directors of the Corporation who currently hold or have held directorships or senior management positions with other reporting issuers:

Name	Name of reporting Issuer	Name of exchange (if applicable)	Position	From	To
Philip Ernest Rossiter	Summit Trust.	TSX	CFO	January 1996	October 1998
Garry Bryan Beres	Quadra Properties Corporation	TSXV	Secretary and Director	August 1997	November 2000

Orientation and Continuing Education

The Board does not have any formal policies with respect to the orientation of new directors nor does it take any measures to provide continuing education for the directors. At this stage of the Corporation's development and given the levels of experience of the current members of the Board, the Board does not feel it necessary to have such policies or programs in place. As the Corporation grows in size and scope, the Board anticipates that it will

develop a formal orientation program for new directors and provide ongoing educational opportunities for all directors.

Ethical Business Conduct

To date, the Board has not adopted a formal written Code of Business Conduct and Ethics. However, the current limited size of the Corporation's operations, and the small number of officers and consultants, allow the Board to monitor on an ongoing basis the activities of management and to ensure that a standard of ethical conduct is maintained.

Nomination of Directors and Compensation

The Board has not yet had to select new nominees to the Board and, therefore, a formal process has not been adopted. The Board expects that when the time comes to appoint new directors to the Board that the nominees would be recruited by the current Board members, and the recruitment process would involve both formal and informal discussions among Board members and the Chief Executive Officer. The Board monitors, but does not formally assess, the performance of individual Board members and their contributions.

Board Committees

At this point in the Corporation's development, the Audit Committee is the only standing committee of the Board of Directors. As appropriate, *ad* hoc committees of the Board are created.

Assessments

The Board does not have a formal process in place for assessing the effectiveness of the Board as a whole, its committees or individual directors, but will consider implementing one in the future should circumstances warrant. Based on the Corporation's size, its stage of development and the limited number of individuals on the Board, the Board considers a formal assessment process to be inappropriate at this time.

Audit Disclosure

The Audit Committee of the Board of Directors of the Corporation is a committee of the Board of Directors established for the purpose of overseeing the accounting and financial reporting process of the Corporation and annual external audits of the consolidated financial statements. The committee has set out its responsibilities and composition requirements in fulfilling its oversight in relation to the Corporation's internal accounting standards and practises, financial information, accounting systems and procedures, which procedures are set out in the Corporation's audit committee charter attached as Appendix L.

Audit Committee Members

Garry Beres, Amy Erixon and Phillip Rossiter are the members of the Corporation's Audit Committee. Both Ms. Erixon and Mr. Beres are independent, as that term is defined above.

Garry B. Beres – Mr. Beres is currently a Senior Vice-President with CB Richard Ellis Limited and the founder of Beres Realty Ltd. During his career as a commercial real estate broker, Garry has sold in excess of $3 billion worth of investment properties in the Canadian market. In February, 1993 Garry and two partners entered into a joint venture with CB Richard Ellis Limited to form CB Richard Ellis Alberta Limited. Garry and his partners have grown the company from 5 employees, when they established the company, to 125 employees making it the dominant brokerage in the Alberta market. Garry's career in the commercial real estate business began in 1979 after 7 years of successful employment with Xerox Canada Inc. Garry joined Knowlton Realty Ltd. in Calgary in March, 1979 and became one of its highest performing salesmen, culminating in accolades as the top producer in North America for the company in 1988 and 1989. Garry was promoted to Vice President, Sales for the company before leaving its employ in early 1993. Garry holds a Bachelor of Commerce degree from the University of Alberta and a Diploma in Urban Land Economics from the University of British Columbia. He has also been awarded a

CMR (Certified in the Marketing of Real Estate) designation by the Real Estate Institute of Canada. Garry is a past Director of Quadra Properties Corporation and sat on the Board of Governors of West Island College, both of Calgary. He is currently a Director of Hillside Estate Winery located in Penticton, British Columbia and of Reign Developments Inc., a real estate development company.

Amy P. Erixon – Amy is a senior real estate executive with extensive cross border expertise, broad institutional relationships and proven investment, relationship management, start-up and turn-around skills. She is currently Managing Director, Global Products, Avison Young Commercial Real Estate. Prior to that, she served as the President and Chief Executive Officer of IG Realty Investments ("**IGRI**"). IGRI is the successor organization to Giffels Management Limited, where she served as Chief Operating Officer. At Giffels, she brought in more than $400 million in new institutional capital and grew Giffels from a turnkey development manager to a full service investment firm. Prior to Amy's position at Giffels, she held the position of International Director with LaSalle Investment Management, As part of a 10-person global executive team, and member of the North American Investment Committee, she launched and managed numerous investment mandates across the product spectrum during her 12 years with the firm. This included new business enterprises in Mexico and Canada. Prior to LaSalle, Amy held the position of Regional Partner for two land development companies. Her responsibilities included building regional enterprises to acquire $100 million of land assets, completion of zoning, securing more than 10 million square feet of entitlements, and development of approximately 1 million square feet of industrial and office product. Amy holds a Masters in City Planning, Real Estate Development from Massachusetts Institute of Technology (M.I.T.) and a Bachelor of Science in Urban and Regional Planning, also from M.I.T. She currently serves on the Board of Directors of the Chicago Girl Scout Council and of IGRI.

Philip E. Rossiter – Philip is currently a partner with AC Dockrill Horwich Rossiter Chartered Accountants which is located in Halifax, Nova Scotia. Mr. Rossiter is a Chartered Accountant as well as a Chartered Business Valuator. Philip worked in the real estate industry from 1985 to 1998, initially as controller for a property management company with offices in the Maritimes and Western Canada and subsequently as Chief Financial Officer for Summit Real Estate Investment Trust with offices in Halifax, Toronto and Charlotte, North Carolina. This position required a good working knowledge of public company financial reporting and disclosures, and an understanding of Canada – U.S. tax issues. Philip has experience both internally and externally in working with audit committees in a public company environment. His primary areas of practice currently include business valuations, assurance, tax consulting and corporate finance related issues.

Each of the members of the Audit Committee is financially literate within the meaning of MI 52-110 as each has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

Audit Fees

The following table provides detail in respect of audit, audit related, tax and other fees paid by the Corporation to the external auditors for professional services:

	Audit Fees	**Audit-Related Fees**	**Tax Fees**	**All Other Fees**
Year Ended December 31, 2011	$28,050	-	-	-

Exemptions

The Corporation is relying on Section 6.1 of Multilateral Instrument 52-110 as the Corporation is a Venture Issuer.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed in this Circular, within the three years prior to the date of this Circular, no informed person of the Corporation or any associate or affiliate of an informed person, has or had any material interest, direct

or indirect, in any transaction or any proposed transaction which has materially affected or will materially affect the Corporation.

INTEREST OF EXPERTS

Except as described below or elsewhere in this Circular, no person or company who is named as having prepared or certified a statement, report, valuation or opinion described or included in this Circular has any direct or indirect interest in the securities or property of ISG, the Trust or any of their respective associates or affiliates and no such person is expected to be elected, appointed or employed as a director, trustee, officer or employee of ISG, the Trust or any of their respective associates or affiliates.

KPMG, the external auditors of the Trust, have prepared the auditor's report on the balance sheet of the Trust dated August 30, 2012. KPMG have advised that they are independent with respect to the Trust within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

ADDITIONAL INFORMATION

Copies of the Corporation's audited consolidated financial statements for the year ended December 31, 2011 together with the report of the auditor thereon, management's discussion and analysis of the Corporation's financial condition and results for the year ended December 31, 2011, any interim financial statements of the Corporation for periods subsequent to the end of the Company's last fiscal year and this Circular are available free of charge on SEDAR at www.sedar.com.

APPROVAL OF THIS CIRCULAR

The Board has approved the contents of this Circular and authorized it to be sent to each Shareholder who is eligible to receive notice of and vote his or her Shares at the Meeting, as well as to each director and to the auditors of the Corporation.

By Order of the Board

"*Joseph Sorbara*"

Joseph Sorbara
Chairman

AUDITOR'S CONSENT

We have read the ISG Capital Corporation Notice of Annual and Special Meeting of Shareholders to be held on October 29, 2012 and Information Circular with respect to annual and special business including the proposed sale of the corporation's sole property and a Plan of Arrangement involving ISG Capital Corporation, Firm Capital Property Trust (the "**Trust**") and Shareholders of ISG Capital Corporation dated as at October 3, 2012 (the "**Information Circular**"). We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the above-mentioned Information Circular of our report to the Board of Trustees of the Trust on the balance sheet of the Trust as at August 30, 2012 and notes, comprising a summary of significant accounting policies and other explanatory information. Our report is dated September 27, 2012.

{Signed} KPMG LLP

October 3, 2012
Toronto, Canada

APPENDIX A
FORM OF INGERSOLL SALE RESOLUTION

BE IT RESOLVED THAT:

1. The sale of the sole real estate asset of ISG Capital Corporation (the "**Company**"), an industrial distribution facility at 311 Ingersoll Road in Ingersoll, Ontario (the "**Ingersoll Sale**"), pursuant to the agreement of purchase and sale dated June 28, 2012 between the Company and BTB Acquisition and Operating Trust (as amended, the "**Ingersoll Sale Agreement**"), representing a sale of all or substantially all of the property of the Company pursuant to Section 189 of the *Canada Business Corporations Act*, as more particularly described and set forth in the management information circular dated October 3, 2012 of the Company, is hereby authorized and approved.

2. The actions of the directors of the Company in approving the Ingersoll Sale and executing and delivering the Ingersoll Sale Agreement, and any amendments, modifications or supplements thereto, are hereby authorized and approved.

3. Notwithstanding that this resolution has been passed by the shareholders of the Company, the directors of the Company are hereby authorized and empowered to, without notice to or approval of the shareholders of the Company, (i) amend, modify or supplement the Ingersoll Sale Agreement, and (ii) not to proceed with the Ingersoll Sale.

4. Any officer or director of the Company is hereby authorized and directed for and on behalf of the Company to execute or cause to be executed and to deliver or cause to be delivered all such other documents and instruments and to perform or cause to be performed all such other acts and things as such person determines may be necessary or desirable to give full effect to the foregoing resolution and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or instrument or the doing of any such act or thing.

APPENDIX B
FORM OF ARRANGEMENT RESOLUTION

BE IT RESOLVED THAT:

1. The arrangement (the "Arrangement") under Section 192 of the *Canada Business Corporations Act* (the "**CBCA**") of ISG Capital Corporation (the "**Company**"), as more particularly described and set forth in the management proxy circular (the "**Circular**") dated October 3, 2012 of the Company accompanying the notice of this meeting (as the Arrangement may be amended, modified or supplemented in accordance with the definitive agreement (the "**Arrangement Agreement**") made as of August 30, 2012 as amended by an amended and restatement arrangement agreement dated September 26, 2012 between the Company and Firm Capital Property Trust), is hereby authorized, approved and adopted.

2. The plan of arrangement of the Company (as it has been or may be amended, modified or supplemented in accordance with the Arrangement Agreement (the "**Plan of Arrangement**")), the full text of which is set out in Appendix "E" to the Circular, is hereby authorized, approved and adopted.

3. The (i) Arrangement Agreement and related transactions, (ii) actions of the directors of the Company in approving the Arrangement Agreement, and (iii) actions of the directors and officers of the Company in executing and delivering the Arrangement Agreement, and any amendments, modifications or supplements thereto, are hereby ratified and approved.

4. The Company be and is hereby authorized to apply for a final order from the Ontario Superior Court to approve the Arrangement on the terms set forth in the Arrangement Agreement and the Plan of Arrangement (as they may be amended, modified or supplemented and as described in the Circular).

5. Notwithstanding that this resolution has been passed (and the Arrangement adopted) by the shareholders of the Company or that the Arrangement has been approved by the Ontario Superior Court, the directors of the Company are hereby authorized and empowered to, without notice to or approval of the shareholders of the Company, (i) amend, modify or supplement the Arrangement Agreement or the Plan Arrangement to the extent permitted by the Arrangement Agreement, and (ii) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement and related transactions.

6. Any officer or director of the Company is hereby authorized and directed for and on behalf of the Company to execute and deliver for filing with the Director under the CBCA articles of arrangement and such other documents as are necessary or desirable to give effect to the Arrangement in accordance with the Arrangement Agreement, such determination to be conclusively evidenced by the execution and delivery of such articles of arrangement and any such other documents.

7. Any officer or director of the Company is hereby authorized and directed for and on behalf of the Company to execute or cause to be executed and to deliver or cause to be delivered all such other documents and instruments and to perform or cause to be performed all such other acts and things as such person determines may be necessary or desirable to give full effect to the foregoing resolution and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or instrument or the doing of any such act or thing.

APPENDIX C
FORM OF STATED CAPITAL REDUCTION RESOLUTION

BE IT RESOLVED THAT:

1. The directors of ISG Capital Corporation (the "**Company**") are hereby authorized and directed without further action on the part of the shareholders of the Company to effect a reduction of the stated capital maintained in respect of the common shares of the Company (the "**Common Shares**") by the amount (the "**Stated Capital Reduction Amount**") necessary to meet the solvency test in subsection 192(2) of the *Canada Business Corporations Act*.

2. Upon determination by the directors of the Company, the reduction of the Stated Capital Reduction Amount from the stated capital account maintained for the Common Shares is hereby authorized, approved and directed.

3. Notwithstanding that this resolution has been duly passed by the shareholders of the Company, the directors of the Company are hereby authorized not to proceed with the above reduction of stated capital authorized by this resolution at any time prior to the implementation of the reduction of the Stated Capital Reduction Amount without further approval of the shareholders of the Company and in such case, this resolution approving and adopting the reduction of the stated capital shall be deemed to have been rescinded.

4. Any officer or director of the Company is hereby authorized and directed for and on behalf of the Company to execute or cause to be executed and to deliver or cause to be delivered all such other documents and instruments and to perform or cause to be performed all such other acts and things as such person determines may be necessary or desirable to give full effect to the foregoing resolution and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or instrument or the doing of any such act or thing.

APPENDIX D
INGERSOLL SALE AGREEMENT

See attached.

AGREEMENT OF PURCHASE AND SALE

BETWEEN:

ISG CAPITAL CORPORATION
a corporation incorporated pursuant to the laws of Canada

(hereinafter called the "**Vendor**")

- and -

BTB ACQUISITION & OPERATING TRUST
an unincorporated open-ended real estate trust formed and governed under the laws of the Province of Quebec

(hereinafter called the "**Purchaser**")

ARTICLE I
INTERPRETATION

1.01 Definitions

In this Agreement, the following terms have the following meanings:

"**Acceptance Date**" means June 28, 2012;

"**Additional Deposit**" means a second deposit, of one-hundred and fifty thousand dollars ($150,000) payable by certified cheque or negotiable bank draft drawn on one of the five largest Canadian chartered banks listed in Schedule 1 to the *Bank Act* (Canada), payable to the Purchaser's Solicitors, in trust, which must accompany a Waiver Notice indicating that the Purchaser's Due Diligence Condition has been satisfied as described in Section 3.02. The Additional Deposit shall be held by Purchaser's counsel in a separate interest bearing trust account as provided in Section 2.05, pending the Closing or other termination of this Agreement and to be credited on account of the Purchase Price on Closing;

"**Adjustments**" means the items set out in Section 8.01;

"**Agreement**" means the Offer as submitted by the Purchaser and accepted by the Vendor;

"**Applicable Laws**" means any and all applicable federal, provincial and municipal statutes, by-laws, rules, regulations, codes, orders, published policies and published guide-lines;

"**Approvals**" means the approvals of both (i) the Exchange; and (ii) at least 66 2/3% of the votes cast by shareholders of the Vendor at a properly constituted meeting of shareholders of the

Vendor called for the purposes of seeking approval of the Vendor's obligations under this Agreement (the Vendor will obtain both approvals at its expense);

"**Approved Contracts**" means the Contracts together with any Proposed Contracts approved pursuant to Section 6.01;

"**Approved Leases**" means the Existing Lease together with any Proposed Leases approved pursuant to Section 6.01;

"**Assumed Mortgage**" means the first mortgage on the Lands in favour of the Mortgagee as described on Schedule "D";

"**BTB**" means BTB Real Estate Investment Trust;

"**Board Approval**" has the meaning ascribed thereto in Section 9.17 hereof.

"**Building**" means collectively the storage and distribution facility municipally known as 311 Ingersoll Street, Ingersoll, Ontario and all other structures, fixtures and improvements constructed on or affixed to the Lands with exception of any fixtures that a tenant of the Building has the right to remove pursuant to its lease or by law;

"**Business Day(s)**" means any day, other than a Saturday, Sunday or statutory holiday in Ontario. Whenever any action or payment to be taken or made under this Agreement shall be stated to be required to be taken or made on a day other than a Business Day, such payment shall be made or such action shall be taken on the next succeeding Business Day;

"**Chattels**" means any chattels and tangible personal property necessary for or used in connection with the operation and maintenance of the Property, other than any of the foregoing belonging to tenants;

"**Closing Date**" or "**Closing**" means the date which is within 30 days following the date on which the Purchaser issues a Waiver Notice indicating that the Purchaser's Due Diligence Condition has been satisfied as described in Section 3.02, provided that the Approvals have been received prior to the Closing Date; if the Vendor has not received the Approvals on or prior to the Closing Date, then Closing shall occur on the first Business Day following receipt of the Approvals provided that if the Approvals are not obtained on or prior to December 31, 2012, this Agreement shall thereupon automatically become null and void provided that the Deposits together with all accrued interest earned thereon shall forthwith be returned to the Purchaser in its entirety, and without any set-off or deduction and the Purchaser shall be fully and unconditionally released from each of its covenants and obligations contained herein other than those in Sections 3.01(c), (d) and (e), 3.03 and 6.02 hereof;

"**Contracts**" means any contracts in any way related to the supervision, operation, management, servicing, maintenance, repair or cleaning of the Purchased Assets or the furnishing of supplies and services thereto, a list of which shall be provided together with the materials in Schedule "E" attached hereto and, for greater certainty, there are no employment contracts;

"**Deposits**" means the First Deposit and the Additional Deposit;

"**Encumbrances**" means any security interest, lien, charge, pledge, Lease, encumbrance, mortgage, title retention agreement, easement, encroachment, right-of-way, restrictive covenant, license, lease, agreement or any other claim of any nature or kind, whether financial or otherwise, including, without limitation, any work order, notice of violation, notice of non-compliance or other instrument issued by any board, commission tribunal or government department or agency;

"**Exchange**" means the TSX Venture Exchange;

"**Existing Lease**" means the Lease of the Property described in Schedule "C" hereto;

"**Financial Statements**" means the operating and profit and loss statements for the Property for the years ended December 31, 2009, 2010 and 2011 together with a balance sheet as at December 31, 2009, 2010 and 2011;

"**First Deposit"** means the sum of One hundred Thousand Dollars ($100,000.00) submitted with this Offer, payable by certified cheque or negotiable Bank Draft drawn on one of the five largest Canadian chartered banks listed in Schedule 1 to the *Bank Act* (Canada), payable to the Purchaser's Solicitors, in trust, to be held by them in a separate interest bearing trust account as provided in Section 2.05, pending the Closing or other termination of this Agreement and to be credited on account of the Purchase Price on Closing;

"**Interim Period**" means the period between the Acceptance Date and the Closing Date;

"**Lands**" means the real and immovable property in the Town of Ingersoll municipally known as 311 Ingersoll Street, Ingersoll, Ontario and legally described as set out in Schedule "A" including, without limitation, all easements, rights-of-way and other rights enjoyed by the Vendor as appurtenant to or in conjunction with such real or immovable property;

"**Leases**" means all written or oral letters of intent, agreements to lease or sublease, leases, subleases, and, in each case, all renewals and/or extensions thereof and other rights (including licences, concessions, subleases or occupancy agreements but excluding rights in the nature of easements) granted by or on behalf of, or which bind, the Vendor or its predecessors in title and which entitle the Vendor or any Person to possess or occupy any space within the Property, together with all security, guarantees and indemnities relating thereto, in each case as amended, extended, renewed or otherwise varied to the date hereof, and "**Lease**" means any one of the Leases including the Lease in favour of Hercules Tire Company of Canada, Inc., more particularly described in Schedule "C" attached;

"**Mortgagee**" means Computershare Trust Company of Canada;

"**Offer**" means this document, including all schedules, executed by the Purchaser and delivered to the Vendor together with the Deposit;

"**Permitted Encumbrances**" means the Assumed Mortgage, the Approved Leases, the Encumbrances set out in Schedule "B" and those Encumbrances which the Purchaser elects to accept, in its sole discretion, in writing, during the title search period referred to in Section 5.01;

"**Property**" means the Building and the Lands;

"**Proposed Contract**" means any Contract which the Vendor proposes to execute during the Interim Period;

"**Proposed Lease**" means any Lease which the Vendor proposes to execute during the Interim Period;

"**Purchase Price**" means $10,282,250.00;

"**Purchased Assets**" means the Property, the Chattels, the Approved Leases and the Approved Contracts;

"**Purchaser's Conditional Period**" has the meaning ascribed thereto in Section 3.02 hereof;

"**Purchaser's Due Diligence Condition**" has the meaning ascribed thereto in Section 3.02 hereof;

"Purchaser's Solicitors" means" De Grandpré Chait
Lawyers
1000 De La Gauchetière Street West
Suite 2900
Montréal, Québec
H3B 4W5

Attention: Michel G. Beaudin
Tel: (514) 878-3224
Fax: (514) 878-5724
E-mail: mbeaudin@degrandpre.com

And: Blaney McMurtry LLP
2 Queen Street East
Suite 1500
Toronto, Ontario
M5C 3G5

Attention: Dennis J. Tobin
Tel: (416) 596-2897
Fax: (416) 593-2764
E-mail: dtobin@blaney.com

"**sole discretion**" means, in each instance, discretion exercised by the relevant party in its sole, subjective and unfettered discretion which discretion may be exercised unreasonably and/or arbitrarily;

"**TSX**" means the Toronto Stock Exchange;

"**Vendor's Solicitors**" means Goodmans LLP
Suite 3400
333 Bay Street
Toronto, Ontario
M5H 2S7

Attention: Ira Barkin/Michael Partridge
Tel: (416) 597-4112/(416) 597-5498
Fax: (416) 979-1234
Email: ibarkin@goodmans.ca
Email: mpartridge@goodmans.ca

"**Waiver Deadline**" has the meaning ascribed thereto in Section 3.02 hereof;

"**Waiver Notice**" has the meaning ascribed thereto in Section 3.02 hereof;

ARTICLE II
OFFER, PRICE, PAYMENT AND CLOSING

2.01 Offer

The Purchaser offers to purchase the Purchased Assets from the Vendor for the Purchase Price on the Closing Date on the terms and conditions set out in this Agreement.

2.02 Payment of the Purchase Price

The Purchase Price shall be paid as follows:

(a) within three (3) Business Days of Board Approval, by payment of the First Deposit to the Purchaser's Solicitors, in trust; and

(b) Upon issuance of a Waiver Notice indicating that the Purchaser's Due Diligence Condition has been satisfied, by payment of the Additional Deposit to the Purchaser's Solicitors, in trust; and

(c) on Closing by:

(i) Purchaser's assumption of the Assumed Mortgage;

(ii) payment, to the Vendor, or as the Vendor may direct, of the balance of the Purchase Price by wire transfer or cheque certified by one of the five (5) largest Canadian chartered banks listed in Schedule 1 to the *Bank Act* (Canada), subject to the Adjustments.

2.03 Closing Date

The transaction of purchase and sale contemplated by this Agreement shall be completed on the Closing Date.

2.04 Time and Manner of Closing

The Vendor and the Purchaser covenant and agree to cause their respective solicitors to enter into a document registration agreement in the form recommended by the Law Society of Upper Canada (the "**DRA**") to govern the electronic submission of the transfer/deeds for the Property to the applicable Land Registry Office. The DRA shall outline or establish the procedures and timing for completing all registrations electronically and provide for all closing documents and closing funds to be held in escrow pending the submission of the transfer/deeds to the Land Registry Office and their acceptance by virtue of each registration document being assigned a registration number. The DRA shall also provide that if there is a problem with the Teraview electronic registration system which does not allow the parties to electronically register all registration documents on Closing, the Closing Date shall be deemed to be extended until the next day when the said system is accessible and operating for the Land Registry Office applicable to the Lands.

2.05 Deposit and Additional Deposit (collectively "The Deposits")

Prior to Closing, the Deposits shall be held by the Purchaser's Solicitors in trust in a separate interest bearing trust account or term deposit, pending completion of this transaction or earlier termination of this Agreement. If the transaction of purchase and sale which is contemplated in this Agreement is not completed for any reason other than (and solely due to) the default of the Purchaser, the Deposits together with any accrued interest thereon shall forthwith be returned to the Purchaser in its entirety and without any set-off or deduction and the Purchaser shall be fully and unconditionally released from each of its covenants and obligations contained herein other than those in Sections 3.01(c), (d) and (e), 3.03 and 6.02 hereof. If the transaction of purchase and sale which is contemplated in this Agreement is not completed solely by reason of the default of the Purchaser, then, in addition to any other rights or remedies the parties may have under this Agreement or at law, the Vendor shall be entitled to retain the Deposits and any accrued interest thereon. The Deposits and any accrued interest shall be credited on account of the Purchase Price on Closing or, at the option of the Vendor, the accrued interest on the Deposits may be paid directly to the Purchaser on Closing. The Purchaser's Solicitors are hereby irrevocably and unconditionally directed to comply with the provisions of this Section 2.05.

2.06 "As Is" Basis

Save as otherwise set out herein and without in any manner reducing or adversely affecting the Purchaser's termination rights herein, the Purchased Assets will be purchased on the Closing Date and assumed by the Purchaser on an "as is, where is, with all faults" basis as of the Closing Date and save as otherwise set out herein without any express or implied agreement, representation or warranty of any kind whatsoever, including, without limitation, compliance with Applicable Laws, as to the title, lot size, condition, area, suitability for development, physical characteristics, defects in workmanship, state of repair, profitability, operating expenses, income potential, financial matters, use or zoning, heritage status, rentable area of the Building, rights of way, lane access, the existence of latent defects, soil conditions, presence of urea formaldehyde or asbestos or any environmental matter, and save as otherwise set out herein, the Vendor does hereby disclaim and renounce any such agreement, representation or warranty. Without limiting the generality of the foregoing but without in any manner reducing or adversely

affecting the Purchaser's termination rights herein, the Purchaser acknowledges and agrees to accept title to the Property on Closing subject only to the Permitted Encumbrances.

ARTICLE III
TERMINATION RIGHTS

3.01 Access to the Purchased Assets

(a) During the Purchaser's Conditional Period (as defined in Section 3.02), the Purchaser, its agents and consultants shall have the right as deemed necessary or desirable by the Purchaser, in its sole discretion, to conduct its due diligence in connection with the purchase and sale of the Purchased Assets, including all legal, business, corporate, accounting, auditing, financial, tax, technical, regulatory, title, off title, zoning, planning, development, environmental and engineering investigations, inquiries, reviews, inspections, appraisals (including independent property valuations) and analyses relating to the Purchased Assets and the Permitted Encumbrances. Said due diligence includes, but is not limited to, the ongoing right to access and physically inspect the Property and the Existing Lease or conduct tests in the course of its inspection, provided same are not prohibited by any of Applicable Laws and do not unduly interfere with the tenants of the Property. No environmental inspection, subsurface testing or drilling of the Property in excess of a Phase I environmental assessment shall be made without the prior written approval of the Vendor which approval may not be unreasonably withheld, delayed or conditioned. Any and all inspection fees, appraisal fees, engineering fees and other expenses of any kind incurred by the Purchaser relating to the inspection of the Property by the Purchaser shall be solely at the Purchaser's expense.

(b) Subject to the rights of the tenant set out in the Existing Lease, all inspections of the Property undertaken pursuant to this Section shall be made at reasonable times during normal business hours and on at least two (2) Business Days' notice to the Vendor and shall be done in the company of a representative of the Vendor, if the Vendor so requires. The Purchaser agrees that it will not initiate or request any inspections of the Property by any governmental authorities and that it will obtain the prior approval of the Vendor of any communications to be sent to any governmental authorities (other than routine due diligence searches which shall specifically prohibit the carrying out of inspections by the respective authorities).

(c) The Purchaser shall immediately and without delay fully repair and restore, at its sole cost and expense, in a good and workmanlike manner, any damage to the Property caused by the Purchaser's inspections or tests. The foregoing covenants and agreements shall survive the termination of this Agreement.

(d) The Purchaser agrees to keep the Property free and clear of all construction liens or other liens arising out of any of its activities or those of its representatives, agents or contractors.

(e) The Purchaser shall defend, indemnify and hold the Vendor and its officers, directors, shareholders, managers, affiliates, employees, representatives, invitees, agents, contractors, tenants and agents harmless from and against any and all actions, causes of action, claims, demands, injuries, losses, liens, claims, judgments, liabilities, costs, expenses and/or damages (including reasonable legal fees and court costs) sustained by or threatened against the Vendor which result from or arise out of any tests or inspections by the Purchaser or its representatives, agents and consultants pursuant to this Agreement. This paragraph shall survive any termination of this Agreement.

3.02 Right of Termination

Notwithstanding the foregoing or anything else contained herein or elsewhere, the Purchaser's obligation to complete this transaction is conditional until 5:00 p.m. on the date which is twenty-one (21) days following Board Approval (the "**Purchaser's Conditional Period**") upon the Purchaser being satisfied, in its sole discretion, with the results of its inspections and/or tests conducted pursuant to Section 3.01 and the results of whatever searches or due diligence activities the Purchaser, in its sole discretion, deems advisable with respect to the Property including, without limitation, legal title to the Property, zoning and potential for future development, compliance with all Applicable Laws, any agreements with third parties affecting the Property, environmental audits, operating costs analysis, review of Permitted Encumbrances, Contracts, the Assumed Mortgage and Existing Lease and any other matters of interest to the Purchaser with respect to the Property (the "**Purchaser's Due Diligence Condition**") as may be more fully described in Schedule "E".

The Purchaser's Due Diligence Condition is inserted for the sole benefit of the Purchaser and may be waived by it at any time, in the Purchaser's sole discretion. The Purchaser, in its sole discretion, may notify the Vendor or the Vendor's Solicitors in writing on or prior to 5:00 p.m. on the last day of the Purchaser's Conditional Period (the "**Waiver Deadline**"), that the Purchaser's Due Diligence Condition has been satisfied or waived in its entirety by the Purchaser (the "**Waiver Notice**"). If the Purchaser, in is sole discretion, so delivers the Waiver Notice on or before the Waiver Deadline then the Purchaser's right to terminate pursuant to the Section 3.02 shall no longer apply. If the Purchaser fails to deliver the Waiver Notice on or before the Waiver Deadline, or notifies the Vendor or the Vendor's Solicitors that the Purchaser's Due Diligence Condition have not been satisfied or waived, this Agreement shall thereupon automatically become null and void provided that the First Deposit together with any accrued interest thereon shall forthwith be returned to the Purchaser in its entirety and without any set-off or deduction and the Purchaser shall be fully and unconditionally released from each of its covenants and obligations contained herein other than those in Sections 3.01(c), (d) and (e), 3.03 and 6.02 hereof.

3.03 Return of Documents

If this Agreement is terminated by the Purchaser pursuant to Section 3.02, the Purchaser shall immediately thereafter return to the Vendor all documents which were given to it by the Vendor or copied by it in the course of the inspections referred to in Section 3.01.

3.04 Conditions of the Purchaser

Notwithstanding the foregoing or anything else contained herein or elsewhere, the Purchaser's obligation to carry out the transaction contemplated by this Agreement is subject to fulfilment of each of the following conditions on or before the Closing Date or such other date as may be specified, which conditions are for the sole benefit of the Purchaser and which may be waived by the Purchaser in whole or in part in its sole discretion:

(a) on or before the Waiver Deadline, the Purchaser shall have delivered the Waiver Notice in the Purchaser's sole discretion;

(b) all third party approvals and consents required for the transfer of the Purchased Assets to Purchaser including but not limited to the assignment of the Assumed Mortgage to Purchaser, shall have been obtained in form and substance satisfactory to Purchaser in its reasonable discretion;

(c) the covenants, representations and warranties set out in Section 4.01 shall be true and accurate in all material respects with the same effect as if made on and as of the Closing Date;

(d) on the Closing Date, all other documents or copies of documents required to be executed or delivered to the Purchaser pursuant to this Agreement shall have been so executed or delivered or both;

(e) all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Vendor on or before the Closing Date shall have been complied with or performed in all material respects; and

(f) on the Closing Date, title to the Purchased Assets shall be a good and marketable title in fee simple, free and clear of all Encumbrances, whatsoever except for the Permitted Encumbrances.

In the event any of the conditions set forth in this Section 3.04 are not satisfied or waived in their entirety by the Purchaser on or before the applicable date referred to in this Section 3.04, this Agreement shall, upon Notice on or before the applicable date by the Purchaser to the Vendor (if required), be terminated, the Deposits shall be forthwith returned to the Purchaser with all interest thereon and without any set-off or deduction (and the Purchaser's Solicitor is hereby irrevocably directed by the Vendor to forthwith return the Deposit and all interest thereon to the Purchaser without any set-off or deduction) and each of the Purchaser and Vendor shall be released from all covenants and obligations under this Agreement except for those obligations in Sections 3.01(c), (d) and (e), 3.03 and 6.02 of this Agreement.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES

4.01 Vendor's Representations and Warranties

The Vendor represents and warrants that as of the Acceptance Date:

(a) the Vendor is a corporation validly subsisting under the laws of Canada and has the power and capacity to enter into this Agreement and to carry out its obligations hereunder and to transfer beneficial title to the Property to the Purchaser and to cause its title nominee to transfer registered title to the Property to the Purchaser in accordance with the terms of this Agreement and the Vendor's nominee is a corporation validly subsisting under the laws of Ontario and has the corporate power and corporate capacity to carry out its obligations hereunder and to transfer registered title to the Property to the Purchaser in accordance with the terms of this Agreement;

(b) the Vendor has duly taken, or has caused to be taken, all requisite action required to be taken by it to authorize the execution and delivery of this Agreement and the performance of each of its obligations hereunder and to cause its title nominee to perform its obligations hereunder and the Vendor's title nominee has duly taken, or has caused to be taken, all requisite corporate action required to be taken by it to authorize the performance of each of its obligations hereunder;

(c) the Vendor has not retained any real estate agents or brokers in connection with the sale of the Property;

(d) with respect to the Existing Lease:

(i) there are no prepaid rents or security deposits except as disclosed in the statement of adjustments; and

(ii) to the best of the Vendor's knowledge neither the landlord nor the tenant is in material default or has a material dispute under any of the Existing Lease;

(iii) Vendor has delivered a true, correct and complete copy of the Existing Lease to Purchaser and the Existing Lease constitutes the entire agreement between the Vendor and the tenant thereunder and there are no other written or oral agreements, conditions, representations or warranties made or passing between them;

(iv) the tenant under the Existing Lease is in occupation of the premises demised thereunder and is paying the full rent due in accordance with the terms of the Existing Lease;

(v) the Existing Lease is not encumbered or assigned in favour of anyone by the Vendor or its predecessors in title other than to the Mortgagee;

(e) to the best of its knowledge, except for the Approved Leases and the Approved Contracts, there are in existence no Leases or Contracts in respect of the Property which would be binding upon the Purchaser;

(f) to the best of its knowledge, no law suits, actions or claims exist or are threatened with respect to the Purchased Assets or the Vendor's right or entitlement thereto or any part thereof;

(g) the Vendor is not a non-resident of Canada within the meaning of Section 116 of the *Income Tax Act* (Canada);

(h) there are no options to purchase or rights of first refusal to purchase with respect to any of the Property or any part thereof that have not expired or been waived;

(i) the Vendor's title nominee is the sole registered owner of the Property and the Vendor is the sole beneficial owner of the Property;

(j) to the best of the knowledge of the Vendor, the Assumed Mortgage is accurately described in Schedule "D" and is in good standing with no defaults thereunder; and

(k) to the best of the knowledge of the Vendor, the Vendor has not intentionally withheld from the Purchaser information or documents in its possession or control which are material to the Property.

4.02 Purchaser's Representations and Warranties

The Purchaser represents and warrants that:

(a) the Purchaser is an open-ended real estate investment trust duly organized and validly subsisting under the laws of Quebec;

(b) the Purchaser has all requisite trust power, authority and capacity to execute and deliver this Agreement and to perform each of its obligations hereunder;

(c) subject to the satisfaction of the conditions described in Section 3.04, the Purchaser has duly taken, or has caused to be taken, all requisite trust action required to be taken by it to authorize the execution and delivery of this Agreement and the performance of each of its obligations hereunder; and

(d) the Purchaser has not retained any real estate agents or brokers in connection with the sale of the Property.

4.03 Survival of Representations and Warranties

The representations and warranties of the Vendor and the Purchaser contained in Sections 4.01 and 4.02 hereof shall not merge on Closing but shall survive beyond the Closing Date for a period of one (1) year.

ARTICLE V
TITLE

5.01 Title

The Purchaser is to be allowed until the Waiver Deadline to examine the title to the Property at its own expense. If within the time period prescribed, the Purchaser furnishes to the Vendor notice in writing setting forth in reasonable detail any valid objections and which the Vendor shall be unwilling or unable to remove or correct and which the Purchaser will not, in its sole discretion waive, the Purchaser may terminate this Agreement by delivering notice in writing to the Vendor to this effect and this Agreement shall, upon delivery of such notice and notwithstanding any intermediate acts or negotiations, be terminated and the First Deposit (together with any interest accrued thereon) shall be returned to the Purchaser without any set-off or deduction (and the Purchaser's Solicitor is hereby irrevocably directed by the Vendor to forthwith return the First Deposit and all interest thereon to the Purchaser without any set-off or deduction) and each of the Purchaser and Vendor shall be released from all covenants and obligations under this Agreement (except for those obligations in Sections 3.01(c), (d) and (e), 3.03 and 6.02 of this Agreement). and neither party shall be liable for any costs or damages of the other. Save as to any valid objections so made by such day the Purchaser shall be conclusively deemed to have accepted the Vendor's title to the Property. Should the Purchaser, in its sole discretion, waive in writing any objections to Encumbrances on title or, in its sole discretion, state that it is satisfied in writing with the Vendor's answer in respect thereto, then such Encumbrances shall be deemed to be Permitted Encumbrances.

ARTICLE VI
INTERIM PERIOD

6.01 Approvals of the Purchaser

Prior to the Waiver Deadline, the Vendor may not amend, alter, cancel or accept a surrender or forfeiture of any of the Existing Lease or Contracts or enter into a Proposed Lease or a Proposed Contract without the prior written consent of the Purchaser, such consent not to be unreasonably withheld or delayed. The Vendor agrees that after the last day of the Purchaser's Conditional Period, the Vendor will not modify, amend, alter, cancel, or accept a surrender or forfeiture of any of the Existing Lease or any Contracts without the prior written consent of the Purchaser nor will the Vendor enter into any Proposed Lease or Proposed Contract without the prior written approval of the Purchaser, which consent may be withheld or delayed by the Purchaser in the Purchaser's sole discretion. The execution by the Vendor of a Proposed Lease approved by the Purchaser shall render such lease an Approved Lease. The execution by the Vendor of a Contract approved by the Purchaser shall render such contract an Approved Contract. The Purchaser shall supply to the Vendor within four (4) Business Days of the time of the Purchaser's receipt from the Vendor of a request for consent or approval of any modification, amendment, alteration, cancellation, surrender or forfeiture of any of the Existing Lease, or of any Proposed Lease or Proposed Contract, its written approval, consent or rejection for any such proposal, failing which the Purchaser shall be deemed to have given its written consent or approval to the proposal if received prior to the Purchaser's Conditional Period and deemed to have denied its written consent or approval to the proposal if received on or after the Purchaser's Conditional Period.

Notwithstanding the foregoing, the Vendor may enter into a Proposed Contract without the prior consent of the Purchaser as long as such Proposed Contract may be terminated on not more than thirty (30) days notice by the Vendor without payment of any penalty or fee or the Purchaser and any such Proposed Contract shall expire prior to the Closing Date. In all cases, the Vendor shall provide to the Purchaser all information that the Purchaser reasonably determines to be necessary in order to decide whether or not to grant its consent or approval.

6.02 Confidentiality

Except as otherwise contemplated herein or as required by the Exchange or Applicable Law or in the event of a dispute between the Vendor and the Purchaser, the Purchaser shall keep in strict confidence all information obtained with respect to this Agreement (including, without limitation, all information obtained with respect to the tenants) until such time as the Closing is completed. The Purchaser agrees to instruct its agents, employees, advisers and consultants to comply with the provisions of this Section. Notwithstanding the foregoing, the Purchaser and Vendor may each disclose all information obtained with respect to the Property to its respective directors/trustees, bankers and advisers as long as such parties agree to keep the information confidential until such time as the Closing is completed. If the purchase and sale of the Property is not completed for any reason, the Purchaser shall, upon request, promptly return to the Vendor all Vendor Deliveries or copies thereof pursuant to this Agreement or made by the Purchaser and shall keep in confidence all information obtained from the Vendor and all discussions between the Vendor and the Purchaser with respect to the Purchased Assets in connection with the review by the Purchaser of the Purchased Assets. The provisions of this paragraph shall be in addition to, and shall not derogate from any other agreement entered into between the parties prior to the date hereof respecting confidentiality.

The Parties both recognize that the issuance of a Waiver Notice and the Closing will constitute material events that will require disclosure in accordance with each party's obligations as a reporting issuer. Accordingly, the parties shall use reasonable commercial efforts to collaborate on such disclosure as may be required and, to the extent reasonably possible in the circumstances, provide each other with reasonable advance opportunity to review and comment on the proposed disclosure of the other.

The parties acknowledge that each of the Purchaser's parent, BTB, and the Vendor is a reporting issuer; under the *Securities Act* (Quebec) in the case of the Purchaser's parent and the *Securities Act* (Ontario) in the case of the Vendor. The securities of the Vendor trade on the Exchange under the symbol "SUS" and the securities of BTB trade on the TSX under the symbols "BTB.UN" and "BTB.DB". The disclosure of this Agreement, the name of Hercules Tire Company of Canada, Inc. and of the Purchased Assets, the financing of the acquisition of the Purchased Assets and any other material information related to the transaction contemplated under this Agreement will have to be communicated by press release as and when it is required by law to do so, and may be subject to the prior approval of the Exchange and/or the TSX in the case of disclosure requirements by one or both of the parties.

6.03 Management

During the Interim Period, the Vendor shall continue to manage and operate the Purchased Assets in the manner in which it has managed and operated the Purchased Assets in the past and as would a prudent owner of the Purchased Assets.

ARTICLE VII
COMPLETION OF PURCHASE

7.01 Vendor's Deliveries

On Closing, the Vendor shall deliver or cause its title nominee to deliver (as the case may be):

(a) a transfer/deed or deeds to the Property in recordable form with the statements set out in clauses (a) and (b) of subsection 50(22) of the *Planning Act* (Ontario) completed by the Vendor and the Vendor's Solicitors together with (a) beneficial transfer/deed or deeds to the Property;

(b) undertaking to readjust in accordance with Section 8.01;

(c) an executed Bill of Sale for the Chattels in favour of the Purchaser;

(d) a statutory declaration of an authorized signing officer of the Vendor confirming that the Vendor is not a non-resident of Canada within the meaning of Section 116 of the *Income Tax Act* (Canada) or a certificate issued by the Minister of National Revenue pursuant to Section 116(4) of the *Income Tax Act* (Canada) with a certificate limit in an amount not less than the Purchase Price;

(e) an assignment and assumption agreement in respect of the Approved Leases which assignment shall contain a covenant that the Vendor will indemnify and save harmless the Purchaser from and against all actions, suits, costs, losses, charges, demands and expenses arising as a result of any default on its part as landlord pursuant to the Approved Leases prior to the Closing Date and a covenant that the Purchaser will indemnify and save harmless the Vendor from and against all actions, suits, costs, losses, charges, demands and expenses arising as a result of any default on its part as landlord pursuant to the Approved Leases on or after the Closing Date;

(f) an assignment and assumption agreement in respect of the Approved Contracts which assignment shall contain a covenant that the Vendor will indemnify and save harmless the Purchaser from and against all actions, suits, costs, losses, charges, demands and expenses arising as a result of any default on its part pursuant to the Approved Contracts prior to the Closing Date and a covenant that the Purchaser will indemnify and save harmless the Vendor from and against all actions, suits, costs, losses, charges, demands and expenses arising as a result of any default on its part pursuant to the Approved Contracts on or after the Closing Date;

(g) a written direction to the tenant of the Building to pay all future rents and other moneys payable by it to the Purchaser or as the Purchaser may direct;

(h) executed copies of all Approved Leases and all Approved Contracts;

(i) an executed copy of the Assumed Mortgage and all documentation related thereto (including security documents);

(j) an originally executed estoppel certificate from the tenant under the Existing Lease in a form reasonably acceptable to Purchaser;

(k) all duplicate keys, master keys, combinations and codes in the Vendor's possession or control to the offices, security devices and other locks in the Building;

(l) all warranties and guarantees, if any, with respect to the Purchased Assets and assignments thereof from the Vendor;

(m) registrable discharges of all Encumbrances that are not Permitted Encumbrances;

(n) a statutory declaration of possession, in the form prepared by the Purchaser's Solicitors, from an authorized signing officer of the Vendor;

(o) a statement of adjustments, in duplicate;

(p) the Financial Statements;

(q) an assumption agreement and all such other agreements, if any, that the Mortgagee reasonably requires to be signed by the Vendor and/or the Vendor's title nominee in connection with the assumption by the Purchaser of the Assumed Mortgage, together with a mortgage assumption statement provided that under no circumstances shall the Vendor be obligated to provide a letter of credit to the Mortgagee, it being one of the conditions precedent to the assumption by the Purchaser of the Assumed Mortgage that the existing letter of credit be released by the Mortgagee on Closing and, if reasonably required by the Mortgagee, the Purchaser shall provide a replacement letter of credit;

(r) a *Bulk Sales Act* (Ontario) indemnity;

(s) an indemnity in respect of any construction liens registered against the Property from and after Closing which relates to work or services contracted by or on behalf of the Vendor prior to Closing;

(t) a non-merger agreement;

(u) a bring-down certificate;

(v) an existing survey of the Property if available; and

(w) such further documentation relative to the completion of this transaction as the Purchaser or the Purchaser's Solicitors may reasonably require.

7.02 Purchaser's Deliveries

On Closing the Purchaser shall deliver or cause its title nominee to deliver (as the case may be):

(a) the balance of the Purchase Price;

(b) undertaking to readjust in accordance with Section 8.01;

(c) the assignment and assumption agreements referred to in Sections 7.01(e) and 7.01(f) duly executed by the Purchaser;

(d) a certificate of the Purchaser confirming the Purchaser's HST registration number pursuant to Section 8.03;

(e) the agreement contemplated in Section 7.01(t);

(f) the certificate contemplated in Section 7.01(u);

(g) an assumption agreement and all such other agreements, security documents and letters of credit if any, that the Mortgagee reasonably requires to be signed by the Purchaser in connection with the assumption by the Purchaser of the Assumed Mortgage together with the payment to the Mortgagee of all mortgage assumption costs and fees;

(h) if the Vendor is not able to obtain a release of its covenants and the covenants of its title nominee with respect to the Assumed Mortgage, an indemnity in favour of the Vendor and its title nominee with respect to such covenants provided that, for greater certainty, the Vendor shall be solely responsible for any costs associated with any such release; and

(i) such further documentation relative to the completion of this transaction as the Vendor or the Vendor's Solicitors may reasonably require.

7.03 Damage Before Closing

The interest of the Vendor in and to the Property shall be at the risk of the Vendor until Closing. In the event that the Property shall be damaged prior to Closing then the Vendor shall advise the Purchaser, in writing, within twenty-four (24) hours of the Vendor learning of same. If the cost of repair shall be, in the opinion of an independent architect, quantity surveyor or insurance adjuster selected by the Vendor, to be delivered to the parties within five (5) days of the occurrence of the event (failing agreement between the parties, each acting reasonably, on the issue within 48 hours of the event), in excess of $250,000.00, then the Purchaser shall be entitled, within ten (10) Business Days after being advised, to elect, in its sole discretion, to terminate this Agreement by notice, in writing, to the Vendor and in such event the parties hereto shall be released from all obligations and liabilities hereunder and the Deposit together with any

interest accrued thereon shall be returned to the Purchaser forthwith, without any set-off or deduction. If the Purchaser shall not elect, in its sole discretion to terminate this Agreement as set out above or if the cost of repair (determined in the manner set out above) is less than or equal to $250,000.00 then the transaction contemplated hereunder shall be completed and the Purchaser shall receive all insurance proceeds relating to the damage (which shall be assigned by the Vendor as reasonably required), and the Vendor shall release its interest in the insurance proceeds payable in respect thereof. If the insurance proceeds are less than required in the opinion of the independent architect to rebuild and repair the damage, the Purchase Price shall be decreased by the amount of the shortfall.

7.04 Assignment

The Purchaser will not have the right to assign this Agreement without the Vendor's consent, which consent may be unreasonably withheld unless such assignment is to a wholly owned entity is (directly or indirectly) of the Purchaser or BTB Real Estate Investment Trust, in which case the Vendor's consent shall not be required. If such consent is granted or if such consent is not required to be granted, the Purchaser shall in each such instance nevertheless remain jointly and severally liable with the assignee for all liability under this Agreement.

ARTICLE VIII
ADJUSTMENTS

8.01 Adjustments

The Purchase Price will be adjusted by apportioning as between the Purchaser and the Vendor as of the Closing Date all rents (including prepaid rent and other amounts, if any prepaid by tenants, in the nature of accounts of tenants for real property taxes, utilities and operating costs), all prepayments in respect of Approved Contracts and all real property taxes and utilities. The Vendor will prepare a draft statement of adjustments and submit it to the Purchaser for the Purchaser's prior written approval at least ten (10) Business Days prior to the Closing Date. The Vendor and the Purchaser agree to readjust the adjustments made on Closing, if necessary, as soon as reasonably convenient, but no later than one (1) year after Closing.

8.02 Readjustment

If the final cost or amount of any item which is to be adjusted under Section 8.01 hereof cannot be determined at Closing, then an initial adjustment for such item shall be made at Closing, such amount to be estimated by the Vendor, acting reasonably and in good faith, 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 Purchaser, as the case may be, shall, within thirty (30) days of determination, provide a complete statement thereof to the other and within thirty (30) days thereafter the parties hereto shall make a final adjustment as of the end of the day preceding 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 the Vendor's independent and qualified auditors as approved by the Purchaser with the cost of such auditors' determination being shared equally between the parties hereto.

8.03 Harmonized Sales Tax ("HST")

If this transaction is subject to HST under the *Excise Tax Act* (Canada) as amended (the "**Act**"), any HST exigible in connection with the completion of the transaction shall be in addition to, and not included in, the Purchase Price, and shall be collected and remitted in accordance with the Act. Provided however, and the Vendor hereby acknowledges and agrees, that so long as the Purchaser provides to the Vendor on Closing, in a form prepared by the Purchaser's Solicitors, a certificate:

(a) containing a representation and warranty that the Property is being purchased by the Purchaser as principal for its own account and not as an agent or trustee or on behalf of any other person;

(b) confirming that the Purchaser is a registrant under the Act and setting out the Purchaser's HST registration number;

(c) undertaking to self-assess and, if necessary, remit within the time period stipulated in the Act, all HST payable in respect of this transaction under the Act; and

(d) indemnifying the Vendor in respect of any claims, liability, penalty, interest, costs or expenses whatsoever arising directly or indirectly out of the failure by the Purchaser to self-assess and remit to the appropriate taxing authority any and all HST payable in respect of this transaction;

then the Purchaser shall not be required to pay to the Vendor on closing any HST nor shall the Vendor be required or entitled to collect HST in respect of the Property from the Purchaser on Closing.

ARTICLE IX
GENERAL

9.01 Canadian Funds

All dollar amounts referred to in this Agreement are in Canadian funds unless otherwise provided.

9.02 Extended Meanings

In this Agreement, words importing the singular number include the plural and vice versa and words importing the masculine gender include the feminine and neuter genders.

9.03 Entire Agreement

This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, of the parties and there are no warranties,

representations or other agreements between the parties in connection with the subject matter hereof except as specifically set forth herein.

9.04 Headings

Article and Section headings are not to be considered part of this Agreement and are included solely for convenience of reference and are not intended to be full or accurate descriptions of the contents thereof.

9.05 Successors and Assigns

All of the terms and provisions in this Agreement shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors and assigns.

9.06 Planning Act

This Agreement shall be effective to create an interest in the Property only if the subdivision control provisions of the *Planning Act* are complied with by the Vendor on or before Closing, by the Vendor at its sole expense. The Vendor covenants to immediately obtain any necessary consent to the conveyance of the Property under the *Planning Act* at its sole expense and shall fulfill any conditions imposed in connection with such consent at its sole expense.

9.07 Time of the Essence

Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by the Vendor and the Purchaser or by their respective solicitors who are hereby expressly appointed in this regard.

9.08 Tender

Any tender of documents or money hereunder may be made upon Vendor or Purchaser or their respective solicitors on Closing. Money may be tendered by cheque certified by one of the five largest Canadian chartered banks listed in Schedule 1 to the *Bank Act* (Canada).

9.09 Residency of Vendor

The Purchaser shall be credited towards the Purchase Price with the amount, if any, which it shall be necessary for the Purchaser to pay to the Minister of National Revenue in order to satisfy the Purchaser's liability in respect of tax payable by the Vendor under the non-residency provisions of the *Income Tax Act* by reason of the sale of the Purchased Assets. The Purchaser shall not claim such credit if the Vendor delivers on Closing the prescribed certificate or a statutory declaration by an officer of the Vendor having knowledge that the Vendor is not then or on Closing will not be a non-resident of Canada.

9.10 Schedules

The parties agree that the following schedules annexed hereto shall form part of this Agreement:

Schedule "A"	Legal Description of Lands
Schedule "B"	Permitted Encumbrances
Schedule "C"	Description of Existing Lease
Schedule "D"	Description of Assumed Mortgage
Schedule "E"	Description of Due Diligence Materials to be provided by the Vendor

9.11 Notices

Any notice, demand, approval, consent, information, agreement, offer, request or other communication (herein 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 during regular business hours on any Business Day or by facsimile transmission or 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) to the Vendor, at:

ISG Capital Corporation
114 Avenue Road
Toronto, ON M5R 2H4

Attention: David Ogden
Tel No.: (416) 203-7538
Fax No.: (416) 367-1508

With a copy to the Vendor's Solicitors at the address set out in this Agreement.

(b) To the Purchaser at:

BTB Acquisition & Operating Trust
2155 Crescent Street
Suite 300
Montreal, QC H3G 2C1

Attention: Michel Leonard
Tel No.: (514) 286-0188
Fax No.: (514) 286-0011

With a copy to the Purchaser's Solicitors at the address set out in this Agreement.

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 facsimile transmission or other electronic communication with confirmation of transmission prior to 5:00 p.m., shall be deemed to have

been validly and effectively given and received on the Business Day it was sent unless the confirmation of transmission was after 5:00 p.m. in which case it shall be deemed to have been received on the next following Business Day.

9.12 Effect of Termination of Agreement

Notwithstanding the termination of this Agreement for any reason, the confidentiality provisions contained in Section 6.02 of this Agreement shall survive such termination and remain in full force and effect for a period of twelve (12) months thereafter. In addition, the repair provision contained in Section 3.01 and the indemnity provision contained in Section 4.02(d) shall survive such termination and shall remain in full force and effect for a period of twelve (12) months thereafter.

9.13 Solicitors as Agents and Tender

Any notice, approval, waiver, agreement, instrument, document or communication permitted, required or contemplated in this Agreement may be given or delivered and accepted or received by the Purchaser's Solicitors on behalf of the Purchaser and by the Vendor's Solicitors on behalf of the Vendor.

9.14 No Registration of Agreement

Unless the Vendor is in default hereunder, the Purchaser covenants and agrees not to register this Agreement or any notice of this Agreement or any caution, caveat or other instrument on title to the Lands or any part of them and this Section may be pleaded as an estoppel in the event of any registration and the Purchaser shall be hereby deemed to have appointed the Vendor as its attorney at law for the purpose of executing and delivering in the name of the Purchaser any instrument required to effect the vacating, discharge or release of any such registered instrument.

9.15 Facsimiles

All parties agree that this Agreement may be transmitted by telecopier and that the reproduction of signatures by way of telecopier will be treated as though such reproduction were executed originals and each party undertakes to provide the other with a copy of this Agreement bearing original signatures within a reasonable time after the date of execution.

9.16 Counterparts

This Agreement may be executed in several counterparts, and each of which so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

9.17 Time for Acceptance

Notwithstanding the execution of this Agreement, the Agreement requires approval of both the Purchaser's Board of Trustees and the Vendor's Board of Directors (the "**Board Approval**") which shall, in each case, be obtained on or before 5:00 p.m. on July 5, 2012 and failure to obtain Board Approval shall render this Agreement null and void.

9.18 No Liability

The obligations being created by this Agreement, and any liabilities arising in any manner whatsoever out of or in connection with this Agreement, are not personally binding upon, and resort shall not be had to, nor shall recourse or satisfaction be sought from, the private property of any of:

(a) the unitholders of BTB Real Estate Investment Trust (the "**Trust**");

(b) annuitants under a plan of which a unitholder of the Trust acts as trustee or carrier; and

(c) the officers, trustees, employees or agents of the Trust.

9.19 Governing Law

This Agreement shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein.

DATED at Toronto this 28th day of June, 2012.

ISG CAPITAL CORPORATION

Per: "*David Ogden*"
Name: David Ogden
Title: President and Chief Executive Officer

Per: _____
Name:
Title:

I/We have authority to bind the corporation.

The undersigned hereby accepts the above offer on the terms and conditions set forth therein.

DATED at Toronto this 28th day of June, 2012.

BTB ACQUISITION & OPERATING TRUST

Per: "*Michael Léonard*"
Name: Michael Léonard
Title: President

Per: "*Benoit Cyr*"
Name: Benoit Cyr
Title: Vice President and Chief Financial Officer

I/We have the authority to bind the trust.

SCHEDULE "A"

LEGAL DESCRIPTION OF LANDS

Whole of PIN No. 00153-0235 (LT) being Part Lot 22, Concession 1, West Oxford, being Part 2 on Reference Plan 41R-8188, together with the rights set out in Instrument No. 414740 and together with an easement as set out in Instrument No. CO35148, City of Ingersoll.

SCHEDULE "B"

PERMITTED ENCUMBRANCES

General

1. The reservations and exceptions contained in the original Grants from the Crown as varied by statute;

2. any liens for realty taxes or public utility rates or charges not yet due;

3. any encroachments either onto the Property by improvements on adjoining lands or by improvements on the Property onto adjoining lands and any discrepancies in the legal descriptions of the Property or adjoining lands which are expressly revealed by an up-to-date survey;

4. any registered restrictions or covenants that run with the Property providing that such are complied with;

5. any registered municipal agreements and registered agreements with publicly regulated utilities providing such have been complied with, or security has been posted to ensure compliance and completion; and

6. the exceptions to which the Property is statutorily subject on conversion to Land Titles Conversion Qualified title.

Specific

1. Restrictive Covenants contained in Z254267;

2. Notice of Lease CO21885 (in favour of Hercules Tire Company of Canada Inc.);

3. Charge CO21900 in favour of Computershare Trust Company of Canada;

4. General Assignment of Rents CO21901 in favour of Computershare Trust Company of Canada;

5. Access Agreement CO46321; and

6. Transfer Restrictions Notice CO46235.

SCHEDULE "C"

DESCRIPTION OF EXISTING LEASE

Amended and Restated Lease dated as of January 1, 2011 in favour of Hercules Tire Company of Canada, Inc. as Tenant with Hercules Tire & Rubber Company as Indemnifier, for a Term commencing January 1, 2011 and expiring December 31, 2017 together with 2 options to renew for 5 years each paying net annual rent of $842,580.00 until March 31, 2013 and thereafter paying net annual rent of $852,612.00.

SCHEDULE "D"

DESCRIPTION OF ASSUMED MORTGAGE

Mortgagee:	Computershare Trust Company of Canada (administered by Midland Loan Services, Inc.)
Principal Amount:	$6,580,739.68 as at July 1, 2012
Interest Rate:	6.14%
Balance Due Date:	July 1, 2014
Blended Monthly Payment:	$47,385.58

SCHEDULE "E"

FINANCIAL INFORMATION

The Vendor shall provide copies of the following documents that are in its possession within five (5) Business Days of Board Approval:

1. Audited financial statements (last 3 years) if available;

2. Auditors' certificate of Operating Expenses and Real Estate taxes for recoveries from tenants of the Property (for the last 3 years) or Vendor's recovery report;

3. List of all anticipated major capital expenditures and list of previously authorized capital expenditures;

4. Copies of all adjustment invoices (13^{th} invoice) for the last 2 years;

5. Report on the area leased vs. area used for billing;

6. Copies of all water tax, real estate tax, school tax bills and proof of payments. Also provide a copy of the municipal tax assessment, together with all assessment appeal and material file in support thereto. Vendor hereby declares that there are no pending assessment appeals;

7. List of current accounts receivables for the current year;

8. All accrued liabilities regarding Property up to the Closing will be either paid at Closing or the Vendor will grant the Purchaser an "hold Harmless" regarding same;

9. Copy of major tenants proof of rent deposits for the last 6 months. The Purchaser will give a list of the deposits it wishes to verify and Vendor will provide proof of same;

10. Vendor to give access to its accounting department and name the contact person;

11. Amortization schedule for all recoverable capital expenses;

12. Copies of utility bills (for the last 2 years);

13. List of post dated cheques;

14. List of moveable hypothecs and expiration dates;

15. List of tenants' deposits and amounts;

16. Existing survey for the Property;

17. Title reports on the Property;

18. Copy of existing Certificates of location for the Property prepared by independent land surveyor;

19. Certified copies of all environmental studies and assessments related to the Property in Vendor's possession, including:

    (a) Any document relating to any decontamination of the Property or removal of any underground tank; and

    (b) Any certificate issued by the Ministry of the Environment of Ontario or any other body having jurisdiction;

20. Copy of any infraction notice or notice of non-compliance of any nature whatsoever issued by any Governmental Authority against the Property for the last 24 months;

21. Copy of any recommendation of insurance companies regarding the Property for the last 24 months;

22. All inspection reports and physical assessment of the Property in Vendor's possession;

23. Copies of all Existing Leases, any amendments and correspondence between Landlord and tenants of the building;

24. Copies of Existing Lease summaries and Existing Leases rent rolls together with the list of all options to renew for Existing Leases;

25. List all new leases renewals for the last 18 months, including the costs associated thereto such as tenant improvement and real estate commissions;

26. Copies of all claims regarding the Property;

27. Copy of building standard leases, on a 'gross' and 'net' basis;

28. Argus if available;

29. Copies of tenants financial statements (if available);

30. List of tenants with special arrangements including loans granted to tenants of the Property;

31. For all Existing Leases on a 'gross' basis (i.e. with a base year):

    (a) Show the calculation of the Base year; and

    (b) Produce billings to those tenants for the last 2 years showing the base year adjustments;

32. For all leases on percentages show the calculation of the percentage rent;

33. List of all commission agreements having a financial impact on the future cash flow of the Property. Furnish a copy of all said commission agreements; and

34. List all prepaid rent, deposits paid by tenants on account of rent or tenant improvements and any other security.

FIRST AMENDMENT TO
AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT is made as of the 26th day of July, 2012.

BETWEEN:

ISG CAPITAL CORPORATION
a corporation incorporated pursuant to
the laws of Canada

(hereinafter called the "**Vendor**")

OF THE FIRST PART,

- and -

BTB ACQUISITION & OPERATING TRUST
an unincorporated open-ended real estate trust formed
and governed under the laws of the Province of Quebec

(hereinafter called the "**Purchaser**")

OF THE SECOND PART.

WHEREAS the Vendor and the Purchaser entered into an agreement of purchase and Sale dated June 28, 2012, as may be amended from time to time (the "**Agreement of Purchase and Sale**");

NOW THEREFORE, for good and valuable consideration and the sum of One ($1.00) Dollar paid by each of the parties hereto, the receipt and sufficiency of which are hereby acknowledged, the parties covenant and agree as follows:

1. All capitalized terms used in this First Amendment Agreement which are not otherwise defined herein, shall have the meanings ascribed thereto in the Agreement of Purchase and Sale.

2. Section 3.02 of the Agreement of Purchase and Sale is hereby amended by deleting the words "the date which is twenty-one (21) days following Board Approval" and inserting the words "August 7, 2012".

3. All other terms and conditions of the Agreement of Purchase and Sale shall remain in full force and effect and unamended and time shall remain of the essence thereof.

4. This First Amendment Agreement may be executed in counterparts and when each party has executed a counterpart each of such counterparts shall be deemed to be an original and all of such counterparts when taken together shall constitute one and the same agreement.

5. This First Amendment Agreement shall enure to the benefit of, and be binding on, the parties hereto and their respective successors and permitted assigns.

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

ISG CAPITAL CORPORATION

Per: "*David Ogden*"
Name: David Ogden
Title: President and Chief Executive Officer

Per: _____
Name:
Title:

I/We have authority to bind the corporation

BTB ACQUISITION & OPERATING TRUST

Per: "*Michael Léonard*"
Name: Michael Léonard
Title: President

Per: "*Benoit Cyr*"
Name: Benoit Cyr
Title: Vice President and Chief Financial Officer

I/We have authority to bind the trust

SECOND AMENDMENT TO
AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT is made as of the 8th day of August, 2012.

BETWEEN:

ISG CAPITAL CORPORATION
a corporation incorporated pursuant to
the laws of Canada

(hereinafter called the "**Vendor**")

OF THE FIRST PART,

- and -

BTB ACQUISITION & OPERATING TRUST
an unincorporated open-ended real estate trust formed
and governed under the laws of the Province of Quebec

(hereinafter called the "**Purchaser**")

OF THE SECOND PART.

WHEREAS the Vendor and the Purchaser entered into an agreement of purchase and Sale dated June 28, 2012, as may be amended from time to time (the "**Agreement of Purchase and Sale**");

NOW THEREFORE, for good and valuable consideration and the sum of One ($1.00) Dollar paid by each of the parties hereto, the receipt and sufficiency of which are hereby acknowledged, the parties covenant and agree as follows:

1. All capitalized terms used in this Second Amendment Agreement which are not otherwise defined herein, shall have the meanings ascribed thereto in the Agreement of Purchase and Sale.

2. Section 3.02 of the Agreement of Purchase and Sale is hereby amended by deleting the words "August 7, 2012" and inserting the words "August 8, 2012".

3. The Purchaser hereby waives the Purchaser's Due Diligence Condition in its entirety subject to the Purchaser obtaining satisfactory responses to the requisitions set out in the Purchaser's Solicitors' Requisition Letter dated August 7, 2012 on or prior to Closing and the parties agree that this paragraph shall constitute the Waiver Notice.

4. Section 3.04 of the Agreement of Purchase and Sale is hereby amended by adding the following: "(h) on or before the Closing Date, the parties to the Lease described in Schedule "C" hereof shall have signed and delivered a non-binding "Request for Proposal – Renewal" presented by CBRE in which the original term of the Lease is extended to at least December 31, 2022 (the "**RFP**"). The parties agree that the circular or other similar

public disclosure document required under applicable securities laws to be delivered in connection with the Approvals shall not be distributed to the shareholders of the Vendor until the RFP is executed and delivered by the parties thereto."

5. Section 8.01 of the Agreement of Purchase and Sale is hereby amended by adding the following:

"The Purchaser agrees to be responsible for the cost of:

(a) the survey of the Property prepared by David J. Raithby O.L.S. dated July 30, 2012 ($1,500.00 plus HST);

(b) the legal fees in connection with the negotiation and finalization of the Exclusive Lease Negotiation and Construction Supervision Agreement dated July 30, 2012 between the Vendor's nominee and ICORR Properties Management ULC (the "**ICORR Agreement**") ($4,240.00);

(c) all costs incurred by the Vendor and its nominee pursuant to the ICORR Agreement; and

(d) the Baseline Property Condition Assessment with respect to the Property prepared by Pinchin Environmental Ltd. dated August 2, 2012 ($2,150.00 plus HST)

(collectively, the "**Interim Costs**").

On Closing, the Vendor shall receive a credit on the statement of adjustments for the Interim Costs. If Closing does not occur for any reason other than due to the default of the Vendor, the Vendor shall be entitled to deduct the Interim Costs from the Deposits provided that reasonable back-up documentation is provided by the Vendor to the Purchaser with respect to the amount set out in paragraph (c) above."

6. The definition of "Approved Contracts" is hereby amended to include the ICORR Agreement and, upon execution by the parties thereto, the RFP provided that notwithstanding anything in the Agreement of Purchase and Sale, the Purchaser shall consent to the terms of the RFP acting reasonably and without delay.

7. All other terms and conditions of the Agreement of Purchase and Sale shall remain in full force and effect and unamended and time shall remain of the essence thereof.

8. This Second Amendment Agreement may be executed in counterparts and when each party has executed a counterpart each of such counterparts shall be deemed to be an original and all of such counterparts when taken together shall constitute one and the same agreement.

9. This Second Amendment Agreement shall enure to the benefit of, and be binding on, the parties hereto and their respective successors and permitted assigns.

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

ISG CAPITAL CORPORATION

Per: "*David Ogden*"
Name: David Ogden
Title: President & Chief Executive Officer

Per: _____
Name:
Title:
I/We have authority to bind the corporation

BTB ACQUISITION & OPERATING TRUST

Per: "*Benoit Cyr*"
Name: Benoit Cyr
Title: Vice President and Chief Financial Officer

Per: "*Georges A. Renaud*"
Name: Georges A. Renaud
Title: Vice President Property Management
I/We have authority to bind the trust

APPENDIX E
ARRANGEMENT AGREEMENT AND PLAN OF ARRANGEMENT

See attached.

Execution Version

FIRM CAPITAL PROPERTY TRUST

as the Purchaser

and

ISG CAPITAL CORPORATION

as the Company

AMENDED AND RESTATED ARRANGEMENT AGREEMENT

September 26, 2012

TABLE OF CONTENTS

ARTICLE 6
CONDITIONS

ARTICLE 7
TERM AND TERMINATION

ARTICLE 8
GENERAL PROVISIONS

SCHEDULES

AMENDED AND RESTATED ARRANGEMENT AGREEMENT

THIS AMENDED AND RESTATED ARRANGEMENT AGREEMENT is made as of September 26**,** 2012,

B E T W E E N:

Firm Capital Property Trust, an unincorporated open-ended real estate investment trust established under the laws of the Province of Ontario pursuant to a declaration of trust dated as of August 30**,** 2012

(the "**Purchaser**")

- and -

ISG Capital Corporation, a corporation incorporated under the laws of Canada

(the "**Company**").

WITNESSES THAT WHEREAS:

A. The Parties entered into an arrangement agreement dated August 30, 2012 (the "**Original Agreement**"), and the Parties wish to amend and restate the Original Agreement in its entirety.

NOW THEREFORE, in consideration of the covenants and agreements herein contained, the Parties agree as follows:

ARTICLE 1
INTERPRETATION

Section 1.1 Defined Terms.

As used in this Agreement, the following terms have the following meanings:

"**Acquisition Proposal**" means (a) any proposal or offer with respect to any merger, amalgamation, arrangement, business combination, liquidation, dissolution, recapitalization, take-over bid, tender offer or other similar transaction involving the Company; (b) the acquisition, in any manner, directly or indirectly, of any assets representing greater than 20% of the assets of the Company (or any lease or other arrangement having similar economic effect to a purchase of assets) other than the Ingersoll Property; (c) the acquisition, in any manner, directly or indirectly, of beneficial or registered ownership of 20% or more of the equity securities of the Company (or rights thereto); or (d) a proposal or offer or public announcement of an

intention to do any of (a), (b) or (c), excluding the transactions contemplated or permitted pursuant to this Agreement.

"**affiliate**" has the meaning given to that term in the *Securities Act* (Ontario).

"Agreement" means this amended and restated arrangement agreement.

"**Applicable Laws**" includes any federal, provincial, state, regional, municipal or local laws, ordinances, rules, policies, guidelines, judgements, decrees, orders, authorizations, approvals, notices, licences, permits, directives or other requirements of any Governmental Authority having the force of law.

"**Arrangement**" means an arrangement under Section 192 of the CBCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations to the Plan of Arrangement made in accordance with the terms of this Agreement or made at the direction of the Court in the Final Order with the prior written consent of the Company and the Purchaser, each acting reasonably.

"**Arrangement Resolution**" means the special resolution approving the Plan of Arrangement to be considered at the Company Meeting, substantially in the form of Schedule "B".

"**Articles of Arrangement**" means the articles of arrangement of the Company in respect of the Arrangement required by the CBCA to be sent to the Director after the Final Order is made, which shall include the Plan of Arrangement and otherwise be in a form and content satisfactory to the Company and the Purchaser, each acting reasonably.

"**associate**" has the meaning specified in the *Securities Act* (Ontario).

"**Authorization**" means, with respect to any Person, any order, permit, approval, consent, waiver, licence or similar authorization of any Governmental Entity having jurisdiction over the Person.

"**Board**" means the board of directors of the Company as constituted from time to time.

"**Board Recommendation**" has the meaning specified in Section 2.4(2).

"**Books and Records**" means all information in any form relating to the business of the Company, including books of account, financial and accounting information and records, personnel records, Tax records, sales and purchase records, customer and supplier lists, lists of potential customers, referral sources, research and development reports and records, production reports and records, equipment logs, operating guides and manuals, business reports, plans and projections, marketing and advertising materials and all other documents, files, correspondence and other

information (whether in written, printed, electronic or computer printout form, or stored on computer discs or other data and software storage and media devices).

"**Buildings and Fixtures**" means all plant, buildings, structures, erections, improvements, appurtenances and fixtures (including fixed machinery and fixed equipment) situate on the Ingersoll Property.

"**Business**" means the business carried on by the Company, including, for greater certainty, the acquisition, improvement and leasing of commercial real estate properties;

"**Business Day**" means any day other than a Saturday, a Sunday or a Jewish Holiday on which Schedule I Canadian chartered banks are open for business in Toronto.

"**Canadian Securities Legislation**" means the applicable securities laws of the provinces and territories and the applicable rules and regulations of the TSX-V.

"**Canadian Securities Regulatory Authorities**" means the applicable securities commissions or similar regulatory authorities in each of the provinces or territories of Canada.

"**CBCA**" means the *Canada Business Corporations Act*.

"**Certificate of Arrangement**" means the certificate of arrangement to be issued by the Director pursuant to subsection 192(7) of the CBCA in respect of the Articles of Arrangement.

"**Change in Recommendation**" has the meaning specified in Section 7.2(1)(d)(ii).

"**Collective Agreements**" means all collective bargaining agreements or union agreements currently applicable to the Company and/or any of its Subsidiaries and all related documents, including letters or memorandums of understanding, letters of intent or other written communications with bargaining agents for any Company Employee which impose any obligations upon the Company and/or any of its Subsidiaries.

"**Common Shares**" means the common shares in the capital of the Company.

"**Company**" means ISG Capital Corporation.

"**Company Circular**" means the notice of the Company Meeting and accompanying management information circular, including all schedules, appendices and exhibits to, and information incorporated by reference in, such management information circular, to be sent to the Shareholders in connection with the Company Meeting, as amended, supplemented or otherwise modified from time to time in accordance with the terms of this Agreement.

"**Company Financial Statements**" has the meaning set out in paragraph (v) of Schedule "C" hereto.

"**Company Intellectual Property**" means any and all Intellectual Property that is developed by or for, that is used (other than pursuant to license from a third party) by, that has been assigned or transferred to or is otherwise owned by the Company.

"**Company Meeting**" means the special meeting of Shareholders, including any adjournment or postponement of such special meeting in accordance with the terms of this Agreement, to be called and held in accordance with the Interim Order to consider, among other things, the Arrangement Resolution.

"**Consideration**" means the consideration to be received by the Shareholders pursuant to the Plan of Arrangement as consideration for their Common Shares.

"**Constating Documents**" means articles of incorporation, amalgamation, or continuation, as applicable, by-laws and all amendments to such articles or by-laws.

"**Contract**" means any written or oral agreement, indenture, contract, lease, sublease, deed of trust, licence, option, commitment, understanding, arrangement or other legally enforceable obligation**.**

"**Court**" means the Ontario Superior Court of Justice (Commercial List), or other court as applicable.

"**D&O Insurance**" means directors' and officers' liability insurance for the Company's present and former directors and officers, covering claims made prior to and within six (6) years after the Effective Time, on a "trailing" or "run-off" basis.

"**Declaration of Trust**" means the declaration of trust of the Purchaser dated August 30, 2012.

"**Deposit**" means the sum of $150,000 deposited by the Purchaser or an affiliate of the Purchaser with Goodmans LLP, the Company's solicitors.

"**Deposit Agreement**" means the agreement dated as of the date hereof relating to the Deposit among the Purchaser, the Company and Goodmans LLP.

"**Depositary**" means Computershare Trust Company of Canada.

"**Director**" means the Director appointed pursuant to Section 260 of the CBCA.

"**Dissent Rights**" means the rights of dissent in respect of the Arrangement described in the Plan of Arrangement.

"**Effective Date**" means the date shown on the Certificate of Arrangement giving effect to the Arrangement.

"**Effective Time**" means 12:01 a.m. on the Effective Date, or such other time as the Parties agree to in writing before the Effective Date.

"**Employee Plans**" means all plans, arrangements, agreements, programs, policies, practices or undertakings, formal or informal, written or oral, funded or unfunded, insured or uninsured, registered or unregistered to which the Company is a party or bound by, or in which any of the Employees participate, or under which the Company may have any liability or contingent liability or otherwise, or pursuant to which payments are made, or benefits are provided to, or an entitlement to payments or benefits may arise with respect to any Employees or former employees, directors or officers, individuals working on contract with the Company or other individuals providing services to it of a kind normally provided by Employees (or any spouses, dependants, survivors or beneficiaries of any such persons), relating to retirement savings, pensions, employee benefits, fringe benefits, bonuses, profit sharing, retention bonuses, change of control payments, deferred compensation, incentive compensation, equity based compensation, life or accident insurance, hospitalization, health, welfare, medical or dental treatment or expenses, disability, unemployment insurance benefits, supplemental unemployment benefits, employee loans, vacation pay, severance or termination pay or other benefit plan.

"**Employees**" means those individuals employed or retained by the Company on a full-time, part-time or temporary basis, including those employees on disability leave, parental leave or other absence;

"**Encumbrance**" means any mortgage, trust, lien, pledge, charge, security interest, restriction, claim, easement, encroachment, leasehold estate, defect, encumbrance, right to use or acquire, ownership interest, action, demand or other encumbrance of any nature whatsoever.

"**Environmental Laws**" means all applicable multinational, federal, provincial and local laws, rules, regulations, codes, ordinances, orders, decrees, directives, Environmental Permits and judgments, common law, Contracts with Governmental Authorities, and all other requirements relating to pollution, contamination, Hazardous Materials or protection of the environment, transportation of dangerous goods or worker health and safety prescribed by any Governmental Authority or by any Applicable Laws, and all authorizations, guidelines and policies issued pursuant to such laws and Contracts.

"**Environmental Permits**" means all permits, licences, written authorizations, certificates, approvals, program participation requirements, sign-offs or registrations issued or required by any Governmental Authority under any Environmental Laws.

"**Final Order**" means the final order of the Court in a form acceptable to the Company and the Purchaser, each acting reasonably, approving the Arrangement, as such order may be amended by the Court (with the consent of both the Company and the Purchaser, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as

amended (provided that any such amendment is acceptable to both the Company and the Purchaser, each acting reasonably) on appeal.

"**Governmental Authority**" or "**Governmental Authorities**" means any (i) international, multinational, federal, provincial, territorial, regional, state, municipal, local or other governmental or public department, central bank, court, tribunal, commission, commissioner, tribunal, board, bureau, agency, ministry or instrumentality, domestic or foreign, (ii) any subdivision or authority of any of the foregoing, (iii) any stock exchange, or (iv) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above.

"**Hazardous Materials**" means any substance, material or waste which is prohibited, controlled or regulated pursuant to any Environmental Laws or other requirement relating to such substance or otherwise relating to the environment or human or worker health or safety, including any substance which is defined as "hazardous waste", "hazardous material", "hazardous substance", "pollutant", "toxic", "deleterious", "dangerous" or "contaminant" under any provision of Environmental Laws, and including any sound, heat, vibration, radiation or other form of energy, petroleum, petroleum products, asbestos, asbestos containing material, urea formaldehyde and polychlorinated biphenyls.

"**HST**" means harmonized sales tax.

"**IFRS**" means International Financial Reporting Standards.

"**Indebtedness**" means (a) any liability for borrowed money, or evidenced by an instrument for the payment of money or incurred in connection with the acquisition of any property, services or assets (including securities), or relating to a capitalized lease obligation, other than accounts payable or any other indebtedness to trade creditors created or assumed in the ordinary course of business in connection with the obtaining of materials or services, (b) any obligations under exchange rate contracts or interest rate protection agreements, (c) any obligations to reimburse the issuer of any letter of credit, surety bond, performance bond or other guarantee of contractual performance, in each case to the extent drawn or otherwise not contingent, and (d) any payments, fines, fees, penalties or other amounts applicable to or otherwise incurred in connection with or as a result of any prepayment or early satisfaction of any obligation described in clauses (a) through (c) above.

"**Information Technology**" means all computer hardware, Software, websites for the Company or the Business, datebooks, telecommunication equipment and facilities and other information technology owned, used or held by the Company.

"**Ingersoll Lease**" means the lease between the Company and a single tenant relating to the Ingersoll Property.

"**Ingersoll Mortgage**" means the Assumed Mortgage as defined in the Ingersoll Purchase and Sale Agreement.

"**Ingersoll Property**" means the approximately 200,000 square foot facility located on 19.98 acres of land in Ingersoll, Ontario with the municipal address of 311 Ingersoll Street, Ingersoll, Ontario.

"**Ingersoll Purchase and Sale Agreement**" means the purchase and sale agreement dated June 28, 2012, pursuant to which the Company has agreed to sell the Ingersoll Property to a third party, and the third party has agreed to purchase the Ingersoll Property from the Company.

"**Intellectual Property**" means domestic and foreign: (i) patents, applications for patents and reissues, divisions, continuations, renewals, extensions and continuations-in-part of patents or patent applications; (ii) proprietary and non-public business information, including inventions (whether patentable or not), invention disclosures, improvements, discoveries, trade secrets, confidential information, know-how, methods, processes, designs, technology, technical data, schematics, formulae and customer lists, and documentation relating to any of the foregoing; (iii) copyrights, copyright registrations and applications for copyright registration; (iv) mask works, mask work registrations and applications for mask work registrations; (v) designs, design registrations, design registration applications and integrated circuit topographies; (vi) trade names, business names, corporate names, domain names, website names and world wide web addresses, common law trade-marks, trade-mark registrations, trade mark applications, trade dress and logos, and the goodwill associated with any of the foregoing; (vii) Software; and (viii) any other intellectual property and industrial property.

"**Interim Order**" means the interim order of the Court, providing for, among other things, the calling and holding of the Company Meeting, as such order may be amended by the Court with the consent of the Company and the Purchaser, each acting reasonably.

"**Jewish Holiday**" means the period from sundown on Friday until sundown on Saturday and all of the First Day of Passover, the Second Day of Passover, the Seventh Day of Passover, the Eighth Day of Passover, the First Day of Shavuoth, the Second Day of Shavuoth, the First Day of Rosh Hashanah, the Second Day of Rosh Hashanah, Yom Kippur, the First Day of Sukkoth, the Second Day of Sukkoth, Shemini Azereth and Simchas Torah.

"**Management Agreements**" means the asset management agreement by and between the Purchaser and Firm Capital Realty Advisors Inc. and the property management agreement by and between the Purchaser and Firm Capital Properties Inc.

"**Match Period"** has the meaning specified in Section 5.3.

"**Material Adverse Effect**" means any change, effect, event, circumstance, fact or occurrence which would, or would reasonably be expected to, individually or in the aggregate with any other change, effect, event or occurrence, (a) be material and adverse to the financial condition, business, affairs, properties, operations, claims, rights, privileges, results of operations, liabilities (including contingent liabilities), or financial results of operations of the Company, or (b) prevent the Company from performing its obligations under this Agreement in any material respect; provided, however, that any change, effect, event, circumstance, fact or occurrence (i) relating to general political, economic or financial conditions in Canada, (provided that the Company is not materially disproportionately affected by such changes compared to other companies of similar size operating in the commercial real estate industry), (ii) relating to the state of securities markets in general (provided that the state of the markets does not affect the Company in a manner that is materially disproportionate to others in the industry in which the Company operates), (iii) relating to the commercial real estate industry in general (and not to the Company in a manner that is materially disproportionate to other companies of similar size operating in the commercial real estate industry), (iv) relating to changes in IFRS, accounting rules, Applicable Laws or announcements in respect of proposed changes in Applicable Laws (provided that such changes do not affect the Company in a manner that is materially disproportionate to other companies of similar size operating in the commercial real estate industry), (v) attributable to the negotiation, execution, announcement or performance of this Agreement or the transactions contemplated hereby, (vi) relating to any suit, claim, action or proceedings brought, asserted or threatened by or on behalf of any Shareholder(s) in the Company, arising out of or relating to this Agreement or the Transactions contemplated by this Agreement, (vii) attributable to changes in foreign exchange or interest rates, (viii) attributable to any natural disaster or acts of terrorism, sabotage, military action or war (whether or not declared) or any escalation or worsening thereof, (provided that such acts do not affect the Company in a manner that is materially disproportionate to other companies of similar size operating in the commercial real estate industry), (ix) attributable to any change in the market price of the Shares (provided that such change does not result from any of the factors noted above in (a), (b) or (c)), or (x) relating to, or arising from, any action taken by the Company at the written request of the Purchaser, shall be deemed not to constitute a "**Material Adverse Effect**" and shall not be considered in determining whether a "**Material Adverse Effect**" has occurred.

"**Material Contract**" means each Contract to which the Company is a party (i) involving aggregate payments to, or expenditures by, the Company pursuant to the terms of such Contract aggregating in excess of $5,000 per year; (ii) whose termination (other than those terminating by passage of time) would reasonably be expected to have a Material Adverse Effect; (iii) outside the Ordinary Course, including, without limitation, any Contract that contains non-competition, confidentiality, standstill or exclusivity provisions where such provisions restrict the Company (other than Contracts that only contain confidentiality provisions); (iv) creating, incurring, assuming or guaranteeing any Indebtedness or granting an

Encumbrance on any of the Company's assets, whether tangible or intangible, to secure any Indebtedness.

"**MI 61-101**" means Multilateral Instrument 61-101 *Protection of Minority Shareholders in Special Transactions*.

"**MIP**" means the Company's management incentive pool.

"**Misrepresentation**" means an untrue statement of a material fact or an omission to state a material fact required or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made.

"**officer**" has the meaning specified in the *Securities Act* (Ontario).

"**Optionholders**" means the holders of Options.

"**Options**" means the outstanding options to purchase Common Shares issued pursuant to the Company's Stock Option Plan.

"**Ordinary Course**" means, with respect to an action taken by the Company, that such action is consistent with the past practices of the Company and is taken in the ordinary course of the normal day-to-day operations of the business of the Company.

"**Outside Date**" means December 28, 2012, subject to the right of the Purchaser to extend in accordance with the terms hereof.

"**Parties**" means the Company and the Purchaser and "**Party**" means any one of them.

"**Permitted Encumbrances**" means (i) Encumbrances for Taxes not yet due and delinquent, (ii) Encumbrances for Taxes, assessments and governmental charges due and being contested in good faith and diligently by appropriate proceedings (and for the payment of which adequate provision has been made in the Company's Financial Statements), (iii) easements, servitudes, encroachments, party wall agreements, rights of way, restrictive covenants and other similar rights and agreements which do not and will not have a Material Adverse Effect, (iv) title defects or irregularities which are of a minor nature and which do not or will not have a Material Adverse Effect, (v) security given in the ordinary course of business to any public utility or Governmental Authority, other than security for borrowed money and (vi) the Ingersoll Mortgage.

"**Person**" includes any individual, partnership, association, body corporate, organization, trust, estate, trustee, executor, administrator, legal representative, government (including Governmental Entity), syndicate or other entity, whether or not having legal status.

"**Plan of Arrangement**" means the plan of arrangement, substantially in the form of Schedule "A", subject to any amendments or variations to such plan made in accordance with Section 8.1 or made at the direction of the Court in the Final Order with the prior written consent of the Company and the Purchaser, each acting reasonably.

"**Private Placement**" means the sale of Common Shares from treasury on a prospectus-exempt basis, such private placement to close immediately prior to the Effective Time.

"**Proposed Agreement**" has the meaning set out in Section 5.3.

"**Public Documents**" has the meaning specified in paragraph (l)(iii) of Schedule "A".

"**Purchaser**" means Firm Capital Property Trust.

"**Required Approval**" has the meaning specified in Section 2.2(b).

"**Required Contractual Consents**" means those consents required to be obtained by the Company to complete the transactions contemplated by this Agreement;

"**Shareholders**" means the registered or beneficial holders of the Common Shares, as the context requires.

"**Software**" means computer software and programs (both source code and object code form), all proprietary rights in the computer software and programs and all documentation and other materials related to the computer software and programs.

"**Stock Option Plan**" means the stock option plan for directors, officers, Employees and consultants of the Company.

"**Subsidiary**" means: a person shall be deemed to be a subsidiary of another person if (a) it is controlled by, (i) that other, or that other and one or more persons each of which is controlled by that other, or (iii) two or more persons each of which is controlled by that other; or (b) it is a subsidiary of a person that is that other's subsidiary; provided, without limitation, that a person will be deemed to control another person if it owns, directly or indirectly, more than 50% of the voting interest in that other person.

"**Superior Proposal**" means any *bona fide* written Acquisition Proposal made after the date hereof by a third party (other than the Purchaser and its affiliates) that was not solicited after the date hereof in contravention of Section 5.1(1), that, in the good faith determination of the Board (following consultation with outside legal advisors) would reasonably be expected, if consummated in accordance with its terms (but not assuming away any risk of non-completion), to result in a transaction more favourable to Shareholders from a financial point of view than the Arrangement contemplated by this Agreement, and that otherwise would reasonably be expected

to be capable of completion in accordance with its terms, taking into account all legal, financial, regulatory and other aspects of such Acquisition Proposal (including the conditions to such Acquisition Proposal) considered appropriate by the Board.

"**Tax Act**" means the *Income Tax Act* (Canada).

"**Tax**" and "**Taxes**" means, with respect to any entity, all income taxes (including any tax on or based upon net income, gross income, income as specially defined, earnings, profits or selected items of income, earnings or profits) and all capital taxes, gross receipts taxes, environmental taxes, sales taxes, use taxes, ad valorem taxes, value added taxes, transfer taxes, licence taxes, withholding taxes, payroll taxes, premiums and charges pursuant to any workplace safety and insurance legislation, employment taxes, Canada or Québec Pension Plan premiums, excise taxes, severance, social security, workers' compensation, unemployment insurance or compensation, stamp taxes, occupation taxes, premium taxes, property taxes, windfall profits taxes, alternative or add-on minimum taxes, goods and services taxes, harmonized sales taxes, customs duties or other taxes, fees, imposts, assessments or charges of any kind whatsoever, together with any interest and any penalties or additional amounts imposed by any taxing authority (domestic or foreign) on such entity, and any interest, penalties, additional taxes and additions to tax imposed with respect to the foregoing;

"**Tax Returns**" means all returns, declarations, reports, information returns, elections, designations, schedules and statements and any other filings relating to Taxes.

"**Termination Fee**" has the meaning specified in Section 8.2.

"**Termination Fee Event**" has the meaning specified in Section 8.2.

"**TSX-V"** means the TSX Venture Exchange.

"**United States**" means the United States of America, its territories and possessions, any State of the United States and the District of Columbia.

"**Units**" means the trust units in the capital of the Purchaser, any securities into or for which such units or any of them may be reclassified, sub-divided, consolidated, converted or exchanged, and any rights and benefits arising therefrom.

"**U.S. Exchange Act**" means the United States Securities Exchange Act of 1934, as amended.

Section 1.2 Interpretation Not Affected by Headings

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 1.3 References

Unless the contrary intention appears, references in this Agreement to an Article, Section or Schedule by number or letter or both refer to the Article, Section or Schedule, respectively, bearing that designation in this Agreement.

Section 1.4 Number and Gender

In this Agreement, unless the contrary intention appears, words importing the singular include the plural and vice versa and words importing gender shall include all genders.

Section 1.5 Date for Any Action

If the date on which any action is required to be taken hereunder by any of the parties is not a business day, such action shall be required to be taken on the next succeeding day that is a business day.

Section 1.6 Currency

Unless otherwise stated, all references in this Agreement to sums of money are expressed in lawful money of Canada.

Section 1.7 Accounting Matters

Unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable thereto under IFRS and all determinations of an accounting nature required to be made shall be made in a manner consistent with IFRS.

Section 1.8 Certain Expressions

The terms "material" and "materially" shall, when used in this Agreement, be construed, measured or assessed on the basis of whether the matter would materially affect a party and its Subsidiaries, associates and other related entities, taken as a whole. The terms "including" or "includes" shall, when used in this Agreement, be construed to mean including or includes without limitation. References to "herein", "hereby", "hereunder", "hereof" and similar expressions are references to this Agreement and not to any particular Section of or Schedule to this Agreement.

Section 1.9 Knowledge

Where any representation or warranty contained in this Agreement is expressly qualified by reference to the knowledge of the Company, it shall be deemed to refer to the actual knowledge (after due inquiry) of Messrs. Ogden and Sorbara.

Section 1.10 Schedules

The following schedules are incorporated in and form an integral part of this Agreement:

Schedule "A"– Plan of Arrangement

Schedule "B" – Arrangement Resolution

Schedule "C" – Representations and Warranties of the Purchaser

Schedule "D" – Representations and Warranties of the Company

ARTICLE 2
THE ARRANGEMENT

Section 2.1 Arrangement

The Company and the Purchaser agree that the Arrangement will be implemented in accordance with and subject to the terms and conditions of this Agreement and the Plan of Arrangement.

Section 2.2 Interim Order

As soon as reasonably practicable after the date of this Agreement, but in any event on or before September 28, 2012 the Company shall apply in a manner reasonably acceptable to the Purchaser pursuant to Section 192 of the CBCA and, in cooperation with the Purchaser, prepare, file and diligently pursue an application for the Interim Order, which must provide, among other things:

(a) for the class of persons to whom notice is to be provided in respect of the Arrangement and the Company Meeting and for the manner in which such notice is to be provided;

(b) that the required level of approval (the "**Required Approval**") for the Arrangement Resolution shall be: (i) 66 2/3% of the votes cast on the Arrangement Resolution by Shareholders present in person or represented by proxy at the Company Meeting; and (ii) a majority of the votes attached to Common Shares held by Shareholders present in person or represented by proxy at the Company Meeting excluding for this purpose votes attached to Common Shares held by persons described in items (a) through (d) of section 8.1(2) of MI 61-101.

(c) that, in all other respects, the terms, restrictions and conditions of the Company's Constating Documents, including quorum requirements and all other matters, shall apply in respect of the Company Meeting;

(d) for the grant of the Dissent Rights to those Shareholders who are registered Shareholders;

(e) for the notice requirements with respect to the presentation of the application to the Court for the Final Order; and

(f) that the Company Meeting may be adjourned or postponed from time to time by the Company in accordance with the terms of this Agreement without the need for additional approval of the Court; and

(g) that the record date for the Shareholders entitled to notice of and to vote at the Company Meeting will not change in respect of any adjournment(s) of the Company Meeting, unless required by Applicable Laws; and

(h) for such other matters as the Purchaser may reasonably require, subject to obtaining the prior consent of the Company, such consent not to be unreasonably withheld or delayed.

Section 2.3 The Company Meeting

The Company shall:

(a) provided the Purchaser has complied with its obligations pursuant to Section Section 2.4(4), convene and conduct the Company Meeting in accordance with the Interim Order, the Company's Constating Documents and Applicable Law on or before October 31, 2012 and not adjourn, postpone or cancel (or propose the adjournment, postponement or cancellation of) the Company Meeting without the prior written consent of the Purchaser except in the case of an adjournment required for quorum purposes;

(b) solicit proxies in favour of the approval of the Arrangement Resolution and against any resolution submitted by any Shareholder that is inconsistent with the Arrangement Resolution and the completion of any of the transactions contemplated by this Agreement, including, if so requested by the Purchaser, acting reasonably, using dealer and proxy solicitation services firms at the Purchaser's expense and cooperating with any Persons engaged by the Purchaser to solicit proxies in favour of the approval of the Arrangement Resolution;

(c) provide the Purchaser with copies of or access to information regarding the Company Meeting generated by any dealer or proxy solicitation services firm, as requested from time to time by the Purchaser;

(d) permit the Purchaser to, on behalf of the management of the Company, directly or through a soliciting dealer, actively solicit proxies in favour of the Arrangement on behalf of management of the Company in compliance with Applicable Law and disclose in the Company Circular that the Purchaser may make such solicitations;

(e) consult with the Purchaser in fixing the date of the Company Meeting, give notice to the Purchaser of the Company Meeting and allow the Purchaser's representatives and legal counsel to attend the Company Meeting;

(f) promptly advise the Purchaser, at such times as the Purchaser may reasonably request and at least on a daily basis on each of the last 10 Business Days prior to the date of the Company Meeting, as to the aggregate tally of

the proxies received by the Company in respect of the Arrangement Resolution;

(g) promptly advise the Purchaser of any communication (written or oral) from any Shareholder in opposition to the Arrangement, written notice of dissent, purported exercise or withdrawal of Dissent Rights, and written communications sent by or on behalf of the Company to any Shareholder exercising or purporting to exercise Dissent Rights;

(h) not make any payment or settlement offer, or agree to any payment or settlement prior to the Effective Time with respect to Dissent Rights without the prior written consent of the Purchaser;

(i) not change the record date for the Shareholders entitled to vote at the Company Meeting in connection with any adjournment or postponement of the Company Meeting; and

(j) at the request of the Purchaser from time to time, provide the Purchaser with a list (in both written and electronic form) of (i) the Shareholders, together with their addresses and respective holdings of Common Shares, (ii) the names, addresses and holdings of all Persons having rights issued by the Company to acquire Common Shares (including holders of Options), and (iii) participants and book-based nominee registrants such as CDS & Co., CEDE & Co. and DTC, and non-objecting beneficial owners of Common Shares, together with their addresses and respective holdings of Common Shares. The Company shall from time to time require that its registrar and transfer agent furnish the Purchaser with such additional information, including updated or additional lists of Shareholders, and lists of securities positions and other assistance as the Purchaser may reasonably request in order to be able to communicate with respect to the Arrangement with the Shareholders and with such other Persons as are entitled to vote on the Arrangement Resolution.

Section 2.4 The Company Circular

(1) The Company shall promptly prepare and complete, in consultation with the Purchaser, the Company Circular together with any other documents required by Applicable Law in connection with the Company Meeting and the Arrangement, and the Company shall, promptly after obtaining the Interim Order, cause the Company Circular and such other documents to be filed and sent to each Shareholder and other Person as required by the Interim Order and Applicable Law, in each case so as to permit the Company Meeting to be held by the date specified in Section 2.3(a).

(2) The Company shall ensure that the Company Circular complies in material respects with Applicable Law, does not contain any Misrepresentation and provides the Shareholders with sufficient information to permit them to form a

reasoned judgement concerning the matters to be placed before the Company Meeting. Without limiting the generality of the foregoing, the Company Circular must include: (i) a statement that the Board has unanimously determined that the Arrangement Resolution is in the best interests of the Company and recommends that the Shareholders vote in favour of the Arrangement Resolution (the "**Board Recommendation**"), and (ii) a statement that each director and senior officer of the Company intends to vote all of such individual's Common Shares in favour of the Arrangement Resolution and against any resolution submitted by any Shareholder that is inconsistent with the Arrangement.

(3) The Company shall give the Purchaser and its legal counsel a reasonable opportunity to review and comment on drafts of the Company Circular and other related documents, and shall give reasonable consideration to any comments made by the Purchaser and its counsel, and agrees that all information relating solely to the Purchaser included in the Company Circular must be in a form and content satisfactory to the Purchaser, acting reasonably.

(4) The Purchaser shall provide, in a timely manner, all necessary information concerning the Purchaser that is required by Applicable Law to be included by the Company in the Company Circular or other related documents to the Company in writing, and shall ensure that such information does not contain any Misrepresentation.

(5) The Purchaser hereby indemnifies and saves harmless the Company, its Subsidiaries and their respective representatives from and against any and all liabilities, claims, demands, losses, costs, damages and expenses to which the Company, any Subsidiary or any of their respective representatives may be subject or may suffer as a result of, or arising from, any Misrepresentation or alleged Misrepresentation contained in any information included in the Company Circular that was provided by the Purchaser pursuant to Section 2.4(4), including as a result of any order made, or any inquiry, investigation or proceeding instituted by any Canadian Securities Regulatory Authority or other Governmental Entity based on such a Misrepresentation or alleged Misrepresentation.

(6) Each Party shall promptly notify the other Party if it becomes aware that the Company Circular contains a Misrepresentation, or otherwise requires an amendment or supplement. The Parties shall co-operate in the preparation of any such amendment or supplement as required or appropriate, and the Company shall promptly mail, file or otherwise publicly disseminate any such amendment or supplement to the Shareholders and, if required by the Court or by Applicable Law, file the same with the Canadian Securities Regulatory Authorities or any other Governmental Entity as required.

Section 2.5 Final Order

If the Interim Order is obtained and the Required Approval is obtained at the Company Meeting, the Company shall take all steps necessary or desirable to submit the Arrangement to the Court and diligently pursue an application for the Final Order pursuant to Section 192 of the CBCA as soon as reasonably practicable thereafter.

Section 2.6 Court Proceedings

In connection with all Court proceedings relating to obtaining the Interim Order and the Final Order, the Company shall:

(a) diligently pursue, and cooperate with the Purchaser in diligently pursuing, the Interim Order and the Final Order;

(b) provide legal counsel to the Purchaser with a reasonable opportunity to review and comment upon drafts of all material to be filed with the Court in connection with the Arrangement, and give reasonable consideration to all such comments;

(c) provide copies of any notice of appearance, evidence or other documents served on the Company or its legal counsel in respect of the application for the Interim Order or the Final Order or any appeal from them, and any notice, written or oral, indicating the intention of any Person to appeal, or oppose the granting of, the Interim Order or the Final Order;

(d) ensure that all material filed with the Court in connection with the Arrangement is consistent with this Agreement and the Plan of Arrangement;

(e) not file any material with the Court in connection with the Arrangement or serve any such material, or agree to modify or amend any material so filed or served, except as contemplated by this Agreement or with the Purchaser's prior written consent, such consent not to be unreasonably withheld, conditioned or delayed, provided the Purchaser is not required to agree or consent to any increase in or variation in the form of the Consideration or other modification or amendment to such filed or served materials that expands or increases the Purchaser's obligations, or diminishes or limits the Purchaser's rights, set forth in any such filed or served materials or under this Agreement; and

(f) oppose any proposal from any Person that the Final Order contain any provision inconsistent with this Agreement, and if required by the terms of the Final Order or by Applicable Law to return to Court with respect to the Final Order do so only after notice to, and in consultation and cooperation with, the Purchaser; and

(g) not object to legal counsel to the Purchaser making such submissions on the hearing of the motion for the Interim Order and the application for the Final Order as such counsel considers appropriate, provided the Purchaser advises the Company of the nature of any such submissions prior to the hearing and such submissions are consistent with this Agreement and the Plan of Arrangement.

Section 2.7 Articles of Arrangement and Effective Date

(1) The Company shall file the Articles of Arrangement with the Director within two Business Days of the satisfaction or, where not prohibited, the waiver by the applicable Party or Parties in whose favour the condition is, of the conditions set out in Article 6 (excluding conditions that, by their terms, cannot be satisfied until the Effective Date, but subject to the satisfaction or, where not prohibited, the waiver by the applicable Party or Parties in whose favour the condition is, of those conditions as of the Effective Date), unless another time or date is agreed to in writing by the Parties.

(2) The closing of the Arrangement will take place at the offices of Stikeman Elliott LLP, or at such other location as may be agreed upon by the Parties.

Section 2.8 Payment of Consideration

The Purchaser shall, following receipt of the Final Order and immediately prior to the filing by the Company of the Articles of Arrangement with the Director, provide the Depositary with sufficient funds and Units to be held in escrow (the terms and conditions of such escrow to be satisfactory to the Company and the Purchaser, acting reasonably) to satisfy the aggregate Consideration as provided in the Plan of Arrangement.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

Section 3.1 Representations and Warranties of the Company

(1) The Company represents and warrants to the Purchaser as set forth in Schedule "C" and acknowledges and agrees that the Purchaser is relying upon such representations and warranties in connection with the entering into of this Agreement:

(2) The representations and warranties of the Company contained in this Agreement shall not survive the completion of the Arrangement and shall expire and be terminated on the earlier of the Effective Time and the date on which this Agreement is terminated in accordance with its terms.

Section 3.2 Representations and Warranties of the Purchaser

(1) The Purchaser represents and warrants to the Company as set forth in Schedule "D" and acknowledges and agrees that the Company is relying upon the

representations and warranties in connection with the entering into of this Agreement.

(2) The representations and warranties of the Purchaser contained in this Agreement shall not survive the completion of the Arrangement and shall expire and be terminated on the earlier of the Effective Time and the date on which this Agreement is terminated in accordance with its terms.

ARTICLE 4
COVENANTS

Section 4.1 Conduct of Business.

(1) Prior to the earlier of (i) the Effective Time and (ii) the termination of this Agreement, the Company covenants and agrees, as permitted by law, that, without the prior written consent of the Purchaser (which consent shall not be unreasonably withheld), or unless otherwise contemplated or permitted by this Agreement or required by Applicable Laws or Governmental Authority:

(a) the Company shall conduct its business or other activity only in, not take any action except in, and maintain its facilities in the Ordinary Course;

(b) the Company shall take all such action and shall execute and deliver all such documents as is or are reasonably required to carry out the Private Placement including, but not limited to, (i) providing assistance to the underwriters engaged in connection with the Private Placement (the "**Underwriters**") in the marketing of the Private Placement and (ii) providing all books and records of the Company as is necessary to complete any due diligence investigations by the Underwriters and its counsel, the whole as the Purchaser may reasonably request;

(c) without limiting the generality of Section 4.1(1), except for the Private Placement and transactions in the Ordinary Course and excluding the purchase of pre-paid non-cancellable D&O Insurance, the Company shall not, directly or indirectly, do or permit to occur any of the following:

(i) issue, sell, grant, pledge, lease, dispose of, encumber or agree to issue, sell, grant, pledge, lease, dispose of or encumber any Common Shares or other securities, or any options, warrants, calls, conversion privileges or rights of any kind to acquire any Shares;

(ii) amend or propose to amend the articles, by-laws or other constating documents of the Company;

(iii) split, combine or reclassify any outstanding Common Shares, or declare, set aside or pay any dividend or other distribution payable in

cash, stock, property or otherwise with respect to the Common Shares or other securities owned by any Person;

(iv) redeem, purchase or offer to purchase any Common Shares or other securities of the Company;

(v) reduce the capital or stated capital of the Company;

(vi) acquire or agree to acquire (by merger, amalgamation, acquisition of stock or assets or otherwise) (i) any Person, company, partnership, business trust or other business organization or division, or (ii) make any investment, either by purchase of shares, units or securities, contributions of capital, property transfer or purchase, in any property or assets of any other person, company, partnership, business trust or other business organization;

(vii) enter into any joint venture or similar agreement, arrangement or relationship;

(viii) incur or commit to provide guarantees for borrowed money, incur or assume additional Indebtedness for borrowed money, issue any debt securities, enter into any new capital lease, otherwise become responsible for the obligations of any other person, or make any loans or advances or voluntary debt repayments, provided that notwithstanding the foregoing, the Company shall comply with all mandatory debt repayments as stipulated in its existing credit agreement and capital lease obligations;

(ix) other than as reflected or reserved against in the Company's Financial Statements, pay, settle, discharge, or satisfy any material uninsured claims, liabilities or obligations in excess of $10,000 in the aggregate without the prior written consent of the Purchaser, such consent not to be unreasonably withheld, other than (i) payments to the Company's auditors in the Ordinary Course in respect of the Company Financial Statements and (ii) payments on account of the fees, costs and expenses described in clause (b)(ii) of the definition of "Cash Redemption Amount" in the Plan of Arrangement;

(x) enter into, terminate, modify or amend any Material Contract or submit any proposal that could lead to a Contract involving expenditures by or payments to the Company pursuant to the terms of such Contract;

(xi) waive, release, grant or transfer, or authorize, recommend, propose or agree to any release, waiver or relinquishment of, any right of material value;

(xii) incur or commit to incur any capital expenditure in respect of the Ingersoll Property;

(xiii) enter into any interest rate, forward, swap, hedge or other similar financial obligations;

(xiv) enter into any contract, agreement, arrangement, understanding, commitment or other transaction between the Company on the one hand and (1) any officer or director of the Company, (2) any holder of record or beneficial owner of 5% or more of the Common Shares, or (3) any affiliate, associate or other person not dealing at arm's length with any such officer, director, holder of record, or beneficial owner, on the other hand;

(xv) sell, transfer, lease, license, mortgage, encumber (including grant any rights of first refusal, options to purchase, or any other right of participation) or otherwise dispose of any of its properties or assets other than the Ingersoll Property;

(xvi) make any investment (by contribution to capital, property transfers, purchase of securities or otherwise) in, or loan or advance (other than travel and similar advances to its Employees in the Ordinary Course) to, any person;

(xvii) make any changes in financial or tax accounting methods, principles, policies or practices (or change an annual accounting period), except insofar as may be required by a change in IFRS or Applicable Laws;

(xviii) abandon or fail to diligently pursue any application for (or take active steps to rescind or allow to lapse or be subject to any suspension) any licences, permits, certificates, consents, orders, waivers, authorizations, approvals or registrations to which the Company is a party;

(xix) amend the Ingersoll Purchase and Sale Agreement to provide for a closing date thereunder that is later than October 31, 2012, other than to the extent required to allow the purchaser thereunder to obtain all necessary lender approvals to assume the mortgage on the Ingersoll Property (provided that is understood that the Ingersoll Purchase and Sale Agreement presently provides that the closing date thereunder will automatically be extended beyond such date in certain circumstances);

(xx) agree, in writing or otherwise, to take any of the foregoing actions, or take any action or agree, in writing or otherwise, to take any action that would in any material respect impede or delay the ability of the

parties to consummate the Transactions contemplated by this Agreement;

(d) the Company shall not (i) reorganize, amalgamate, or merge the Company with any other Person, partnership or other business organization whatsoever, (ii) liquidate, dissolve or wind-up or (iii) adopt a plan or resolutions providing for any of the foregoing;

(e) the Company shall not enter into or modify any employment, consulting, severance, or similar agreements or arrangements with, or grant any bonuses, salary or fee increases, severance or termination pay to, any former or current officers, Employees or consultants, or take any action other than in the Ordinary Course and other than the payments in satisfaction of the MIP;

(f) the Company shall not adopt any Employee Plans or Collective Agreement;

(g) the Company shall use its reasonable commercial efforts to cause its current insurance (or re-insurance) policies not to be cancelled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance and re-insurance companies of nationally recognized standing providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect;

(h) the Company shall:

(i) use its reasonable commercial efforts to preserve intact its respective business organization, assets and goodwill and to maintain its real property interests (including title to or leasehold interests in respect of any real property) in good standing, to keep available the services of its officers and Employees as a group and to maintain satisfactory relationships with suppliers, distributors, customers and others having business relationships with the Company; and

(ii) promptly notify the Purchaser, initially orally and promptly thereafter in writing, of (i) any Material Adverse Effect, or any change which would reasonably be expected to have a Material Adverse Effect, (ii) any Governmental Authority or third party litigation, complaints, investigations or hearings which would reasonably be expected to have a Material Adverse Effect or materially delay the completion of the transactions contemplated by this Agreement, and (iii) of any material change (actual, anticipated, contemplated or threatened, financial or otherwise) in its financial condition, business, properties, assets, liabilities (including contingent liabilities) or results of operations which change is or may be of such a nature to render any representation or warranty misleading or untrue in any material

respect, and the Company shall in good faith discuss with the Purchaser any change in circumstances (actual, anticipated, contemplated, or threatened) which is of such a nature that there may be a reasonable question as to whether notice need to be given to the Purchaser pursuant to this Section 4.1(1)(h)(ii);

(i) the Company shall:

(i) duly and timely file all Tax Returns required to be filed by it on or after the date hereof, and all such Tax Returns will be true, complete and correct in all material respects;

(ii) timely pay all Taxes which are due and payable unless validly contested;

(iii) not make or rescind any material express or deemed election relating to Taxes;

(iv) not make a request for a Tax ruling or enter into a closing agreement with any taxing authorities;

(v) not settle or compromise any claim, action, suit, litigation, proceeding, arbitration, investigation, audit or controversy relating to Taxes that could reasonably be expected to have a Material Adverse Effect; and

(vi) not change in any material respect any of its methods of reporting income, deductions or accounting for income tax purposes from those employed in the preparation of its income tax return for the taxation year ending December 31, 2011, except as may be required by Applicable Laws;

Section 4.2 Mutual Covenants Regarding the Arrangement

Each Party shall use its commercially reasonable efforts to take or cause to be taken all actions and to do or cause to be done all things necessary, proper or advisable under Applicable Law to consummate the Arrangement as soon as practicable, including:

(a) obtaining all Required Contractual Consents and any required exemption orders, consents or approvals and file any such documents as may be required under Applicable Laws to permit the Purchaser to complete the Arrangement and perform its other obligations hereunder;

(b) cooperating with the other Party to oppose, lift or rescind any injunction or restraining order or other order or action seeking to enjoin or otherwise adversely affecting the Purchaser's ability to consummate the Arrangement;

(c) carrying out the terms of the Interim Order and the Final Order applicable to it and complying promptly with all requirements imposed by Applicable Law on it or its Subsidiaries with respect to this Agreement or the Arrangement; and

(d) obtaining TSX-V approval for the transactions contemplated by this Agreement and to obtain listing of the Purchaser's Units on the TSX-V;

provided that nothing in this Section 4.1 shall derogate from either Party's rights under Section 7.2.

Section 4.3 Access to Information; Confidentiality

The Company shall afford the Purchaser's (and its affiliates' and related entities') representatives reasonable access, during normal business hours and at such other time or times as the Purchaser may reasonably request from the date hereof and until the expiration or termination of this Agreement, to its businesses, properties, Books and Records, Contracts and management personnel, and, during such period, the Company shall furnish promptly to the Purchaser in writing all information and documentation concerning its businesses, properties and personnel as the Purchaser or its representatives may reasonably request.

Section 4.4 Directors and Officers of the Company

(1) Following the Effective Time, the Purchaser shall cause the Company (or its successors) to comply with all of its obligations to the present and former directors and officers of the Company under rights to indemnification or exculpation set forth in the Company's by-laws. Such rights to indemnification or exculpation shall not be amended, repealed or otherwise modified in a manner that would adversely affect the rights of present and former officers and directors of the Company for a period of six (6) years from the Effective Time.

(2) Other than for claims based on fraud or fraudulent or wilful misrepresentation, no director or officer of the Company shall have any personal liability whatsoever to the Purchaser under this Agreement or any other document delivered in connection with the transactions contemplated hereby on behalf of the Company.

(3) This Section 4.4 shall survive the consummation of the Arrangement. This Section 4.4 is intended for the benefit of, and shall be enforceable by, each present and former director or officer of the Company, and the heirs and legal representatives of each such person and, for such purpose, the Company hereby confirms that it is acting as agent and trustee on their behalf.

ARTICLE 5
ADDITIONAL COVENANTS REGARDING NON-SOLICITATION

Section 5.1 Non-Solicitation

(1) On and after the date hereof until the earlier of the Effective Time or the date upon which this Agreement is terminated, the Company shall not, directly or indirectly, through any director, officer, employee, advisor, representative, agent or otherwise:

(a) make, solicit, initiate or encourage inquiries from or submissions of proposals or offers from any other Person which would constitute an Acquisition Proposal;

(b) except as expressly permitted pursuant to this Agreement, participate in any substantive discussions or negotiations regarding, or furnish to any Person, any information other than a copy of this Agreement with respect to any Acquisition Proposal;

(c) except as expressly permitted pursuant to this Agreement, withdraw the Board Recommendation or change such recommendation in a manner that has substantially the same effect as a withdrawal thereof; or

(d) except as expressly permitted pursuant to this Agreement, approve or recommend any Acquisition Proposal or enter into any agreement related to any Acquisition Proposal made by a third party after the date hereof,

provided that subject to the foregoing or such other applicable provisions of this Agreement, the Board shall not be restricted from receiving, considering, negotiating, approving, implementing and recommending a Superior Acquisition Proposal.

(2) The Company shall immediately cease and cause to be terminated any existing solicitations, encouragements, activities, discussions or negotiations with any parties (other than the Purchaser and its affiliates and their representatives or agents) with respect to any potential Acquisition Proposal. The Company agrees not to amend, release any third party from, waive or otherwise forbear in the enforcement of any confidentiality, non-solicitation or standstill agreement to which the Company and such third party are parties, provided that the foregoing shall not prevent the Board from considering and accepting any Superior Acquisition Proposal that might be made by any such third party or providing any information as contemplated in Section 5.2 if the remaining provisions of this Agreement are complied with. The Company shall immediately cease to provide any other party with access to information concerning the Company and, if it has not already, shall immediately request the return and/or destruction of all information provided to any third parties that have entered into a confidentiality agreement with the Company relating to any potential Acquisition Proposal.

Section 5.2 Notification of Acquisition Proposal

(1) Notwithstanding Section 5.1(1) or any other provision of this Agreement to the contrary, following the receipt by the Company of a *bona fide* written Acquisition Proposal (that was not solicited after the date hereof in contravention of Section 5.1(1)), the Board may (directly or through its advisors or representatives):

(a) contact the person making such Acquisition Proposal and its advisors solely for the purpose of clarifying such Acquisition Proposal and any material terms thereof and the conditions to and likelihood of consummation so as to determine whether such proposal is, or could reasonably be expected to lead to, a Superior Acquisition Proposal; and

(b) if the Board, acting in good faith, after receiving advice from its outside legal counsel, determines that the proposal is, or could reasonably be expected to lead to, a Superior Acquisition Proposal, then, and only in such case, the Company may:

(i) furnish information with respect to the Company to such party only after such person enters into a confidentiality agreement (if one has not already been entered into) which is customary in such situations; provided that (i) such confidentiality agreement may not include any provision calling for an exclusive right to negotiate with the Company and may not prohibit the Company from providing the information required by this Article 5 to the Purchaser regarding any Acquisition Proposal, and (ii) the Company advises the Purchaser of all non-public information delivered to such party which was not also delivered to the Purchaser; and

(ii) consider and/or participate in discussions or negotiations with such party regarding such Acquisition Proposal.

(2) The Company shall as soon as practicable, and in any event within 24 hours following receipt thereof, provide notice to the Purchaser of (i) any future *bona fide* Acquisition Proposal, (ii) any request for non-public information relating to the Company in connection with such a *bona fide* Acquisition Proposal or (iii) any request for access to the Ingersoll Property or Books and Records relating to the Company, by any person or entity that informs the Company or any member of the Board that it is considering making, or has made, an Acquisition Proposal. Such notice to the Purchaser shall be promptly made, first orally and then in writing, and such notice and all subsequent notices shall indicate the identity of the person making the Acquisition Proposal, inquiry or contact, as well as all material terms of such proposal (including copies of all agreements, documentation and correspondence relating thereto) and such other details of the Acquisition Proposal known to the Company as the Purchaser may reasonably request.

Section 5.3 Right to Match

(1) Notwithstanding Section 5.1(1), the Company may enter into an agreement (a "**Proposed Agreement**") with any third party providing for or to facilitate another Acquisition Proposal, if such Acquisition Proposal is, or would reasonably be expected to be, if consummated in accordance with its terms (but not assuming away any risk of non-completion), a Superior Acquisition Proposal; provided that the Company may do so only after the Company has provided the Purchaser with written notice that the Board has determined that it has received a Superior Acquisition Proposal, identified the party making the Superior Acquisition Proposal and provided the Purchaser with a copy of any Proposed Agreement, together with all ancillary agreements, documentation and correspondence relating thereto, not less than five (5) business days (the "**Match Period**") prior to its proposed execution by the Company.

(2) During the Match Period, the Company acknowledges and agrees that the Purchaser shall have the opportunity, but not the obligation, to offer to amend the terms of this Agreement (including increasing or modifying the consideration to be received by the Shareholders) in order to provide for financial terms at least as favourable to the Shareholders from a financial point of view to those provided for in the Proposed Agreement. If the Purchaser does so, then the Board shall review any such proposal by the Purchaser to determine (acting in good faith and in accordance with its fiduciary duties) whether the Acquisition Proposal to which the Purchaser is responding would continue to be a Superior Acquisition Proposal when assessed against the amended terms as proposed by the Purchaser. If the Board determines that the Acquisition Proposal would thereby cease to be a Superior Acquisition Proposal, it will cause the Company to enter into an amendment to this Agreement reflecting the amended terms presented by the Purchaser, and will further agree not to enter into any Proposed Agreement and not to withdraw, modify or change the Board Recommendation, save and except to reaffirm the Board Recommendation in connection with the amended terms of the Arrangement or otherwise in accordance with the terms of this Agreement.

(3) If (i) the Purchaser does not offer to amend the terms of this Agreement within the Match Period or (ii) the Board determines (acting in good faith, after receiving advice from its outside legal counsel), that the Acquisition Proposal would nonetheless remain a Superior Acquisition Proposal with respect to the Purchaser's proposal to amend the terms of this Agreement, and therefore rejects the Purchaser's offer to amend the terms of this Agreement, the Company shall be entitled to terminate this Agreement and enter into the Proposed Agreement upon payment to the Purchaser of the amount payable pursuant Section 8.2.

(4) The Company acknowledges and agrees that each successive modification of any Proposed Agreement shall constitute a new Acquisition Proposal for purposes of the requirement of Section 5.3 to initiate an additional five (5) business day notice period.

(5) Nothing contained in this Article 5 shall prohibit the Board from making any disclosure to the Shareholders or taking any other action prior to the Expiry Date if, in the good faith judgment of the Board and after consultation with outside counsel, such disclosure or action is necessary for the Board to act in a manner consistent with its fiduciary duties or is otherwise required under Applicable Laws.

(6) Nothing in this Agreement shall prevent the Board from responding through a Directors' Circular or otherwise as required by Applicable Laws to an Acquisition Proposal that it determines is not a Superior Acquisition Proposal.

Section 5.4 Breach by Representatives and Advisors

(1) The Company shall ensure that the directors and officers of the Company and any of its investment bankers, counsel or other advisors, representatives or agents retained by the Company are aware of the provisions of this Article 5, and the Company shall be responsible for any breach of this Article 5 by such officers, directors, investment bankers, counsel, advisors, representatives or agents.

ARTICLE 6
CONDITIONS

Section 6.1 Mutual Conditions Precedent

The Parties are not required to complete the Arrangement unless each of the following conditions is satisfied on or prior to the Effective Time, which conditions may only be waived, in whole or in part, by the mutual consent of each of the Parties:

(1) **Arrangement Resolution.** The Arrangement Resolution has been approved and adopted by the Shareholders at the Company Meeting by the Required Vote in accordance with the Interim Order.

(2) **Interim and Final Order.** The Interim Order and the Final Order have each been obtained on terms consistent with this Agreement, and have not been set aside or modified in a manner unacceptable to either the Company or the Purchaser, each acting reasonably, on appeal or otherwise.

(3) **Illegality.** No Applicable Law shall be effect that makes the consummation of the Arrangement illegal or otherwise prohibits or enjoins the Company or the Purchaser from consummating the Arrangement.

(4) **Ingersoll Sale.** The Company shall have completed the sale of the Ingersoll Property**.**

(5) **TSX-V Approval and Listing.** The TSX-V shall have (i) approved the transactions contemplated by this Agreement (including the sale of the Ingersoll Property), (ii) conditionally approved the listing of the Units upon completion of the transactions contemplated by this Agreement and (iii) confirmed that the Trust

will satisfy the distribution requirements detailed in Section 3.1 of Exchange Policy 2.5 immediately following the Effective Time.

Section 6.2 Additional Conditions Precedent to the Obligations of the Purchaser

The Purchaser is not required to complete the Arrangement unless each of the following conditions is satisfied on or before the Effective Time, which conditions are for the exclusive benefit of the Purchaser and may only be waived, in whole or in part, by the Purchaser in its sole discretion:

(1) **Representations and Warranties.** Each of the representations and warranties of the Company set forth in this Agreement that is (i) that is qualified by materiality shall be true and correct in all respects and (ii) that is not so qualified shall be true and correct in all material respects, in each case at and as of the Effective Time as if made on and as of the Effective Time (except to the extent such representations and warranties speak as of an earlier date, the accuracy of which shall be determined as of such earlier date), and the Purchaser shall have delivered a certificate confiming same to the Company, executed by two (2) senior officers of the Company (in each case without personal liability) addressed to the Company and dated the Effective Date.

(2) **Performance of Covenants**. The Company has fulfilled or complied in all material respects with each of the covenants of the Company contained in this Agreement to be fulfilled or complied with by it on or prior to the Effective Time, and has delivered a certificate confirming same to the Purchaser, executed by two (2) senior officers of the Company (in each case without personal liability) addressed to the Purchaser and dated the Effective Date.

(3) **No Legal Action.** There is no action or proceeding pending or threatened by any Person (other than the Purchaser) in any jurisdiction to:

(a) cease trade, enjoin, prohibit, or impose any limitations, damages or conditions on, the Purchaser's ability to acquire, hold, or exercise full rights of ownership over, any Common Shares, including the right to vote the Common Shares;

(b) prohibit or restrict the Arrangement, or the ownership or operation by the Purchaser of a material portion of the business or assets of the Purchaser, the Company or any of its Subsidiaries, or compel the Purchaser to dispose of or hold separate any material portion of the business or assets of the Purchaser, the Company or any of its Subsidiaries as a result of the Arrangement; or

(c) prevent or materially delay the consummation of the Arrangement, or if the Arrangement is consummated, have a Material Adverse Effect.

(4) **Dissent Rights.** Dissent Rights have not been exercised with respect to more than 5% of the issued and outstanding Common Shares.

(5) **Voting Agreements.** There has not been a material breach of each of (i) the support and voting agreement by and between the Purchaser and David Ogden dated the date hereof and (ii) the support and voting agreement by and between the Purchaser and Joseph Sorbara dated the date hereof, other than by the Purchaser.

Section 6.3 Additional Conditions Precedent to the Obligations of the Company

The Company is not required to complete the Arrangement unless each of the following conditions is satisfied on or before the Effective Time, which conditions are for the exclusive benefit of the Company and may only be waived, in whole or in part, by the Company in its sole discretion:

(1) **Representations and Warranties.** Each of the representations and warranties of the Purchaser set forth in this Agreement that is (i) that is qualified by materiality or Material Adverse Effect shall be true and correct in all respects and (ii) that is not so qualified shall be true and correct in all material respects, in each case at and as of the Effective Time as if made on and as of the Effective Time (except to the extent such representations and warranties speak as of an earlier date, the accuracy of which shall be determined as of such earlier date), and the Company shall have delivered a certificate confirming same to the Purchaser, executed by two (2) senior officers of the Company (in each case without personal liability) addressed to the Purchaser and dated the Effective Date.

(2) **Performance of Covenants.** The Purchaser has fulfilled or complied in all material respects with each of the covenants of the Purchaser contained in this Agreement to be fulfilled or complied with by it on or prior to the Effective Time, and has delivered a certificate confirming same to the Company, executed by two (2) senior officers of the Purchaser (in each case without personal liability) addressed to the Company and dated the Effective Date.

(3) **Minimum Investment.** Firm Capital Asset Management Corp. or its affiliates shall subscribed for a minimum of $500,000 and a maximum of $1,500,000 of Units at a price of $5.00 per Unit.

(4) **Voting Agreement.** There has not been a material breach of the support and voting agreement by and between the Purchaser and Firm Capital Mortgage Corporation dated the date hereof, other than by the Purchaser

Section 6.4 Satisfaction of Conditions

The conditions precedent set out in Section 6.1, Section 6.2 and Section 6.3 will be conclusively deemed to have been satisfied, waived or released when the Certificate of Arrangement is issued by the Director.

ARTICLE 7
TERM AND TERMINATION

Section 7.1 Term

This Agreement shall be effective from the date hereof until the earlier of the Effective Date and the termination of this Agreement in accordance with its terms.

Section 7.2 Termination

(1) This Agreement may be terminated prior to the Effective Time by:

(a) the mutual written agreement of the Parties; or

(b) either the Company or the Purchaser if:

(i) the Required Approval is not obtained at the Company Meeting in accordance with the Interim Order provided that a Party may not terminate this Agreement pursuant to this Section 7.2(1)(b)(i) if the failure to obtain the Required Approval has been caused by, or is a result of, a breach by such Party of any of its representations or warranties or the failure of such Party to perform any of its covenants or agreements under this Agreement;

(ii) after the date of this Agreement, any Applicable Law makes the completion of the Arrangement illegal or otherwise prohibited;

(iii) the Effective Time does not occur on or prior to the Outside Date, provided that a Party may not terminate this Agreement pursuant to this Section 7.2(1)(b)(iii) if the failure of the Effective Time to so occur has been caused by, or is a result of, a breach by such Party of any of its representations or warranties or the failure of such Party to perform any of its covenants or agreements under this Agreement; or

(iv) the transactions contemplated by the Ingersoll Purchase and Sale Agreement have not been completed on or before October 31, 2012, provided that this Section 7.2(1)(b)(iv) shall not apply in circumstances where (A) such transactions have not been completed on or prior to such date due to the purchaser under the Ingersoll Purchase and Sale Agreement being unable or unwilling to complete such transactions and (B) the Company delivers to the Purchaser an executed letter of intent or purchase agreement in respect of the sale of the Ingersoll Property with another purchaser on substantially the same terms as those contained in the Ingersoll Purchase and Sale Agreement within thirty (30) days of the date on which the purchaser under the Ingersoll Purchase and Sale Agreement first gave notice of

its refusal or inability to complete the transactions contemplated by the Ingersoll Purchase and Sale Agreement.

(c) the Company if:

(i) (A) the Purchaser shall not have performed in all material respects any covenant to be performed by it under this Agreement (including the covenants in Article 4), or (B) any representation or warranty of the Purchaser (without giving effect to any materiality qualifiers contained therein) shall have been or becomes inaccurate in any material respect and such breach, failure to perform or inaccuracy of the representation or warranty is (X) reasonably likely to prevent, restrict or materially delay consummation of the Arrangement and (Y) not curable or, if curable, is not cured by the earlier of the date which is fifteen (15) days from the date of written notice of such breach and the Effective Time, provided however, that any intentional breach shall be deemed to be not curable; or

(ii) prior to the approval by the Shareholders of the Arrangement Resolution, the Board authorizes the Company to enter into a written agreement with respect to a Superior Proposal, provided the Company is then in compliance with Article 5 and that prior to or concurrent with such termination the Company pays the Termination Fee in accordance with Section 8.2.

(d) the Purchaser if:

(i) (A) the Company shall have intentionally and knowingly breached any covenant in Article 5 hereof, (B) the Company shall not have performed in all material respects any covenant to be performed by it under this Agreement (including the covenants in Article 4), or (C) any representation or warranty of the Company (without giving effect to any materiality qualifiers contained therein) shall have been or becomes inaccurate in any material respect and such breach, failure to perform or inaccuracy of the representation or warranty is (X) reasonably likely to cause a Material Adverse Effect (other than with respect to the representations and warranties set forth in subparagraph (l)(iv) of Schedule "C", which must be true in all respects) and (Y) not curable or, if curable, is not cured by the earlier of the date which is fifteen (15) days from the date of written notice of such breach and the Effective Time, provided however, that any breach of Section 5.1 or any intentional breach shall be deemed to be not curable;

(ii) the Board fails to unanimously recommend or withdraws, amends, modifies or qualifies, publicly proposes or states its intention to do so, or fails to publicly reaffirm (without qualification) within three (3)

Business Days after having been requested in writing by the Purchaser to do so, the Board Recommendation, or takes no position or a neutral position with respect to an Acquisition Proposal for more than three (3) Business Days after first learning of an Acquisition Proposal (a "**Change in Recommendation**"); or

(iii) there has occurred a Material Adverse Effect.

Section 7.3 Effect of Termination/Survival

If this Agreement is terminated pursuant to Section 7.1 or Section 7.2, this Agreement shall become void and of no further force or effect without liability of any Party (or any shareholder, director, officer, employee, agent, consultant or representative of such Party) to any other Party to this Agreement, except that in the event of termination under Section 7.2, this Section 7.3, Section 8.2 through to and including Section 8.17 shall survive, and provided further that no Party shall be relieved of any liability for any breach by it of this Agreement.

ARTICLE 8
GENERAL PROVISIONS

Section 8.1 Amendments

This Agreement and the Plan of Arrangement may, at any time and from time to time before or after the holding of the Company Meeting but not later than the Effective Time, be amended by mutual written agreement of the Parties, and any such amendment may, without limitation:

(a) change the time for performance of any of the obligations or acts of the Parties;

(b) modify any representation or warranty contained in this Agreement or in any document delivered pursuant to this Agreement;

(c) modify any of the covenants contained in this Agreement and waive or modify performance of any of the obligations of the Parties; and/or

(d) modify any mutual conditions contained in this Agreement.

Section 8.2 Termination Fees

(1) If after the execution of this Agreement:

(a) the Purchaser shall have terminated this Agreement pursuant to Section 7.2(1)(d)(i)(A) (Breach of Non-Solicitation Covenants), Section 7.2(1)(d)(i)(B) (Breach of Covenants) or Section 7.2(1)(d)(ii) (Change of Recommendation), then the Company shall pay to the Purchaser within five

(5) Business Days of termination of this Agreement, the amount of $200,000, by bank draft or wire transfer of immediately available fund to the account designated by the Purchaser (the "**Termination Fee**");

(b) the Company shall have terminated this Agreement pursuant to Section 7.2(1)(c)(ii) (Superior Proposal), then the Company shall pay the Purchaser the Termination Fee prior to or concurrently with entering into the written agreement with respect to a Superior Proposal; and

(c) and prior to the Company Meeting, an Acquisition Proposal is publicly announced or any person has publicly announced an intention to make an Acquisition Proposal, and such Acquisition Proposal either

(i) has been accepted by the Board; or

(ii) has not expired, been withdrawn or been publicly abandoned,

and, in the case of both (i) and (ii):

(A) the Arrangement is not completed as a result of either

(i) the Required Approval is not obtained; or

(ii) the Arrangement not having been consummated by the Outside Date; and

(B) within 12 months of the termination of this Agreement any person either,

(i) completes such Acquisition Proposal, or

(ii) enters into a definitive agreement with respect to such Acquisition Proposal and such Acquisition Proposal is completed at any time thereafter,

the Termination Fee shall be paid to the Purchaser on the date of completion of such Acquisition Proposal.

(2) For greater certainty, the Company shall not be obligated to make more than one payment under Section 8.2(1) if one or more of the events specified therein occurs.

Section 8.3 Deposit

If this Agreement is terminated by the Purchaser pursuant to Section 7.2(1)(c)(i), the full amount of the Deposit, including any interest accrued thereon, shall become the property of and be retained by the Company. The entitlement of the Company to retain the Deposit in such circumstances shall not limit the Company's right to exercise any other rights which the Company may have against the Purchaser in respect of such default,

including pursuant to Section 8.4. If this Agreement is terminated pursuant to any other provision of Section 7.2 or if the Effective Time occurs, the Purchaser shall direct Goodmans LLP to pay the Deposit, including any interest thereon, to the Purchaser or as it may otherwise direct in writing in accordance with the terms of the Deposit Agreement.

Section 8.4 Injunctive and Other Equitable Relief

Nothing contained herein shall preclude a party hereto from seeking injunctive or other equitable relief to restrain any breach or threatened breach of the covenants or agreements set forth in this Agreement or otherwise to obtain specific performance of any of such acts, covenants or agreements, without the necessity of posting a bond or security in connection therewith.

Section 8.5 Effect of Termination

(1) If this Agreement is terminated by the Company or the Purchaser as provided in Section 7.2, this Agreement shall forthwith become void and cease to have any force or effect and there shall be no further obligation on the part of any party hereto, except Section 8.2, which shall survive termination.

(2) In the event the Termination Fee is paid to the Purchaser, no other amounts will be due and payable as damages or otherwise by the Company, and the Purchaser hereby accepts that the payment of such Termination Fee is in lieu of any damages or any other payment or remedy to which it may be entitled; provided however, that this limitation shall not apply in any event of fraud or wilful breach by the Company. The Purchaser agrees that the payment of such Termination Fee constitutes payment of liquidated damages which are a genuine anticipated assessment or estimate of the damages which it will suffer or incur as a result of the termination of this Agreement. The Company irrevocably waives any right it may have to raise as a defence that any such liquidated damages are excessive or punitive.

Section 8.6 Public Statements

Except as required by Applicable Laws, neither the Purchaser nor the Company shall make any public announcement or statement with respect to the Arrangement or this Agreement without the approval of the other party, such approval not to be unreasonably withheld or delayed except to the extent necessary to comply with Applicable Laws. In any event, each party agrees to give prior notice to the other of any public announcement relating to the Arrangement and agrees to the fullest extent practicable given legal constraints to consult with each other prior to issuing each such public announcement and, promptly after the entering into of this Agreement, each shall issue a press release announcing the entering into of this Agreement, which press release shall, in such case, be satisfactory in form and substance to the other party, acting reasonably.

Section 8.7 Notices.

Any notice, or other communication given regarding the matters contemplated by this Agreement (must be in writing, sent by personal delivery, courier or facsimile (but not by electronic mail) and addressed:

(a) If to the Purchaser:

1244 Caledonia Road
Toronto, ON M6A 2X5

Fax: (416) 635-1713
Attention: Eli Dadouch

With a copy (which shall not constitute notice) to:

Stikeman Elliott LLP
5300 Commerce Court West
199 Bay Street
Toronto, ON M5L 1B9

Fax: (416) 947-0866
Attention: David Weinberger

(b) If to the Company:

The Directors of ISG Capital Corporation
c/o David S. Ogden
114 Avenue Road
Toronto, ON M5R 2H4

Fax: (416) 367-1508

With a copy (which shall not constitute notice) to:

Goodmans LLP
333 Bay Street, Suite 3400
Toronto, ON M5H 2S7

Fax: (416) 979-1234
Attention: Michael Partridge

Any notice or other communication is deemed to be given and received (i) if sent by personal delivery or same day courier, on the date of delivery if it is a Business Day and the delivery was made prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next Business Day, (ii) if sent by overnight courier, on the next Business Day, or (iii) if sent by facsimile, on the Business Day following the date of confirmation of transmission by the originating facsimile. A Party may change its address for service from time to time by providing a notice in accordance with the foregoing. Any subsequent notice or other communication must be sent to the Party at its changed address. Any element of a Party's address that is not specifically changed in a notice will be assumed not to be changed. Sending a copy of a notice or other communication to a Party's legal counsel as

contemplated above is for information purposes only and does not constitute delivery of the notice or other communication to that Party. The failure to send a copy of a notice or other communication to legal counsel does not invalidate delivery of that notice or other communication to a Party.

Section 8.8 Time of the Essence.

Time is of the essence in this Agreement.

Section 8.9 Third Party Beneficiaries.

(1) Except as provided in Section 4.4 which, without limiting its terms, are intended as stipulations for the benefit of the third Persons mentioned in such provisions (such third Persons referred to in this Section 8.9 as the "**Indemnified Persons**") and except for the rights of the Shareholders to receive the Consideration following the Effective Time pursuant to the Arrangement (for which purpose the Company hereby confirms that it is acting as agent on behalf of the Shareholders), the Company and the Purchaser intend that this Agreement will not benefit or create any right or cause of action in favour of any Person, other than the Parties and that no Person, other than the Parties, shall be entitled to rely on the provisions of this Agreement in any action, suit, proceeding, hearing or other forum.

(2) Despite the foregoing, the Purchaser acknowledges to each of the Indemnified Persons their direct rights against it under Section 8.9(1) of this Agreement, which is intended for the benefit of, and shall be enforceable by, each Indemnified Person, his or her heirs and his or her legal representatives, and for such purpose, the Company confirms that it is acting as trustee on their behalf, and agrees to enforce such provision on their behalf. The Parties reserve their right to vary or rescind the rights at any time and in any way whatsoever, if any, granted by or under this Agreement to any Person who is not a Party, without notice to or consent of that Person, including any Indemnified Person.

Section 8.10 Waiver.

No waiver of any of the provisions of this Agreement will constitute a waiver of any other provision (whether or not similar). No waiver will be binding unless executed in writing by the Party to be bound by the waiver. A Party's failure or delay in exercising any right under this Agreement will not operate as a waiver of that right. A single or partial exercise of any right will not preclude a Party from any other or further exercise of that right or the exercise of any other right.

Section 8.11 Entire Agreement.

This Agreement, the Deposit Agreement and the binding preliminary agreement dated August 20, 2012 between the Company and Firm Capital Asset Management Corp. constitute the entire agreement between the Parties with respect to the transactions contemplated by this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties. There are no representations, warranties, covenants, conditions or other agreements, express or implied,

collateral, statutory or otherwise, between the Parties in connection with the subject matter of this Agreement, except as specifically set forth in this Agreement. The Parties have not relied and are not relying on any other information, discussion or understanding in entering into and completing the transactions contemplated by this Agreement.

Section 8.12 Successors and Assigns.

(1) This Agreement becomes effective only when executed by the Company and the Purchaser. After that time, it will be binding upon and enure to the benefit of the Company, the Purchaser and their respective successors and permitted assigns.

(2) Neither this Agreement nor any of the rights or obligations under this Agreement are assignable or transferable by any Party without the prior written consent of the other Party.

Section 8.13 Severability.

If any provision of this Agreement is determined to be illegal, invalid or unenforceable by an arbitrator or any court of competent jurisdiction, that provision will be severed from this Agreement and the remaining provisions shall remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

Section 8.14 Governing Law.

(1) This Agreement will be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

(2) Each Party irrevocably attorns and submits to the exclusive jurisdiction of the Ontario courts situated in the City of Toronto and waives objection to the venue of any proceeding in such court or that such court provides an inconvenient forum.

Section 8.15 Rules of Construction.

The Parties to this Agreement waive the application of any Applicable Law or rule of construction providing that ambiguities in any agreement or other document shall be construed against the party drafting such agreement or other document.

Section 8.16 No Liability.

No director or officer of the Purchaser shall have any personal liability whatsoever to the Company under this Agreement or any other document delivered in connection with the transactions contemplated hereby on behalf of the Purchaser. No director or officer of the Company or any of its Subsidiaries shall have any personal liability whatsoever to the Purchaser under this Agreement or any other document delivered in connection with the transactions contemplated hereby on behalf of the Company or any of its Subsidiaries.

Section 8.17 Language.

The Parties expressly acknowledge that they have requested that this Agreement and all ancillary and related documents thereto be drafted in the English language only. Les parties aux présentes reconnaissent avoir exigé que la présente entente et tous les documents qui y sont accessoires soient rédigés en anglais seulement.

Section 8.18 Counterparts.

This Agreement may be executed in any number of counterparts (including counterparts by facsimile) and all such counterparts taken together shall be deemed to constitute one and the same instrument. The Parties shall be entitled to rely upon delivery of an executed facsimile or similar executed electronic copy of this Agreement, and such facsimile or similar executed electronic copy shall be legally effective to create a valid and binding agreement between the Parties.

[Remainder of page intentionally left blank. Signature pages follow.]

IN WITNESS WHEREOF the Parties have executed this Amended and Restated Arrangement Agreement.

FIRM CAPITAL PROPERTY TRUST

By: *{Signed}*

Name: Robert B. McKee

Title: President and Chief Executive Officer

ISG CAPITAL CORPORATION

By: *{Signed}*

Name: David Ogden

Title: President and Chief Executive Officer

Schedule A
Plan of Arrangement

Attached.

SCHEDULE A
PLAN OF ARRANGEMENT

PLAN OF ARRANGEMENT UNDER SECTION 192
OF THE *CANADA BUSINESS CORPORATIONS ACT*

ARTICLE 1
INTERPRETATION

1.1 Definitions

Unless indicated otherwise, where used in this Plan of Arrangement, capitalized terms used but not defined shall have the meanings specified in the Arrangement Agreement and the following terms shall have the following meanings (and grammatical variations of such terms shall have corresponding meanings):

"**Arrangement**" means the arrangement under Section 192 of the CBCA on the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments or variations made in accordance with the Arrangement Agreement or Section 5.1of this Plan of Arrangement or made at the direction of the Court in the Final Order with the prior written consent of the Company and the Purchaser, each acting reasonably.

"**Arrangement Agreement**" means the arrangement agreement dated August 30, 2012 between the Purchaser and the Company (including the Schedules thereto) as it may be amended, modified or supplemented from time to time in accordance with its terms.

"**Arrangement Resolution**" means the special resolution approving the Plan of Arrangement presented to the Shareholders at the Company Meeting.

"**Articles of Arrangement**" means the articles of arrangement of the Company in respect of the Arrangement, required by the CBCA to be sent to the Director after the Final Order is made, which shall include this Plan of Arrangement and otherwise be in a form and content satisfactory to the Company and the Purchaser, each acting reasonably.

"**Board Lot**" means one hundred (100) Purchaser Units.

"**Business Day**" means a day of the year, other than a Saturday, Sunday or any day on which major banks are closed for business in Toronto, Ontario.

"**Cash Redemption Amount**" means an amount determined by:

(a) adding the net cash proceeds received by the Company from the sale of the Ingersoll Property (net of all closing adjustments) and the Company's cash on hand as of the Effective Time (other than such cash on hand that constitutes the proceeds from the Private Placement);

(b) subtracting from such sum of (i) $300,000, (ii) the pre-paid cost of non-cancellable D&O Insurance, if applicable, and (iii) all of the Company's

legal, accounting and other professional advisory fees, costs and expenses incurred (A) in connection with the negotiation, preparation or execution of the Agreement, (B) in connection with all documents and instruments executed or delivered pursuant to this Agreement (including this Plan of Arrangement, the Company Circular and the binding preliminary agreement dated August 20, 2012 between the Company and Firm Capital Asset Management Corp.) and (C) on or prior to November 28, 2012, in connection with the performance of its obligations under the Agreement (including calling and holding the Company Meeting); provided that, for greater certainty, the fees and expenses associated with the Private Placement (regardless of whether they are incurred by the Company or the Trust) shall not be deducted from the amount in (a) above for the purposes of determining the Cash Redemption Amount;

(c) dividing the resulting amount by 18,242,000; and

(d) subtracting $0.005 from that amount.

"**CBCA**" means the *Canada Business Corporations Act*.

"**Certificate of Arrangement**" means the certificate of arrangement issued by the Director pursuant to subsection 192(7) of the CBCA in respect of the Articles of Arrangement.

"**Common Shares**" means the common shares in the capital of the Company.

"**Company**" means ISG Capital Corporation.

"**Company Circular**" means the notice of the Company Meeting and accompanying management information circular, including all schedules, appendices and exhibits to, and information incorporated by reference in, such management information circular, to be sent to the Shareholders in connection with the Company Meeting, as amended, supplemented or otherwise modified from time to time in accordance with the terms of the Arrangement Agreement.

"**Company Meeting**" means the special meeting of Shareholders, including any adjournment or postponement of such special meeting in accordance with the terms of the Arrangement Agreement, to be called and held in accordance with the Interim Order to consider the Arrangement Resolution.

"**Consideration**" means, in respect of each Common Share, the cash and/or fully paid and non-assessable Purchaser Units receivable therefor under Section 2.3(a).

"**Court**" means the Ontario Superior Court of Justice (Commercial List) or other court as applicable.

"**D&O Insurance**" means directors' and officers' liability insurance for the Company's present and former directors and officers, covering claims made prior to and within six (6) years after the Effective Time, on a "trailing" or "run-off" basis.

"**Depositary**" means Computershare Investor Services Inc., at its offices set out in the Letter of Transmittal.

"**Director**" means the Director appointed pursuant to Section 260 of the CBCA.

"**Dissent Rights**" has the meaning specified in Section 3.1 of this Plan of Arrangement.

"**Dissenting Holder**" means a holder of Common Shares who has duly exercised its Dissent Rights and has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights, but only in respect of the Common Shares in respect of which Dissent Rights are validly exercised by such holder.

"**Effective Date**" means the date shown on the Certificate of Arrangement.

"**Effective Time**" means 12:01 a.m. (Toronto time) on the Effective Date, or such other time as the Parties agree to in writing before the Effective Date.

"**Elected Cash Amount**" means the product of (1) the Cash Redemption Amount, and (2) the aggregate number of Common Shares in respect of which holders elect the Cash Redemption Amount (following any deemed election provided for in Section 2.5(b) and prior to any deemed election provided for in Section 2.4).

"**Elected Unit Amount**" means the aggregate number of Common Shares in respect of which holders elect the Unit Redemption Amount (following any deemed election (following any deemed election provided for in Section 2.3(c) and prior to any deemed election provided for in Section 2.4).

"**Election Deadline**" means 5:00 p.m. (Toronto time) at the place of deposit on the date which is three Business Days prior to the date of the Company Meeting.

"**Exchange Ratio**" means an amount determined by dividing the Unit Redemption Amount by $5.00.

"**Final Order**" means the final order of the Court in a form acceptable to the Company and the Purchaser, each acting reasonably, approving the Arrangement, as such order may be amended by the Court (with the consent of both the Company and the Purchaser, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to both the Company and the Purchaser, each acting reasonably) on appeal.

"**Governmental Entity**" means (i) any international, multinational, national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau, ministry, agency or instrumentality, domestic or foreign, (ii) any subdivision, agent or authority of any of the above, (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing or (iv) any stock exchange.

"**holder**" means a holder of Common Shares whose name appears in the register of holders of Common Shares maintained by or on behalf of the Company and, where applicable, includes joint holders of such Common Shares.

"**Interim Order**" means the interim order of the Court in a form acceptable to the Company and the Purchaser, each acting reasonably, providing for, among other things, the calling and holding of the Company Meeting, as such order may be amended by the Court with the consent of the Company and the Purchaser, each acting reasonably.

"**Lien"** means any mortgage, charge, pledge, hypothec, security interest, prior claim, encroachments, option, right of first refusal or first offer, occupancy right, covenant, assignment, lien (statutory or otherwise), defect of title, or restriction or adverse right or claim, or other third party interest or encumbrance of any kind, in each case, whether contingent or absolute.

"**Letter of Transmittal and Election Form**" means the letter of transmittal and election form sent to holders of Common Shares for use in connection with the Arrangement.

"**Options**" means the options to purchase Common Shares pursuant to the Company's stock option plan.

"**Person**" includes any individual, partnership, association, body corporate, organization, trust, estate, trustee, executor, administrator, legal representative, government (including Governmental Entity), syndicate or other entity, whether or not having legal status.

"**Plan of Arrangement**" means this plan of arrangement proposed under Section 192 of the CBCA, and any amendments or variations made in accordance with Section 8.1 of the Arrangement Agreement or Section 5.1 of this plan of arrangement or made at the direction of the Court in the Final Order with the consent of the Company and the Purchaser, each acting reasonably.

"**Private Placement**" means the sale of Common Shares from treasury on a prospectus-exempt basis, such private placement to close immediately prior to the Effective Time.

"**Private Placement Shares**" means the Common Shares issued in connection with the Private Placement.

"**Purchaser**" means Firm Capital Property Trust.

"**Purchaser Units**" means the trust units in the authorized capital of the Purchaser.

"**Shareholders**" means the registered or beneficial holders of the Common Shares, as the context requires.

"**Tax Act**" means the *Income Tax Act* (Canada).

"**Unit Redemption Amount**" means the Cash Redemption Amount plus $0.005.

1.2 Certain Rules of Interpretation.

In this Agreement, unless otherwise specified:

(1) **Headings, etc.** The division of this Plan of Arrangement into Articles and Sections and the insertion of headings are for convenient reference only and do not affect the construction or interpretation of this Plan of Arrangement.

(2) **Currency.** All references to dollars or to $ are references to Canadian dollars.

(3) **Gender and Number.** Any reference to gender includes all genders. Words importing the singular number only include the plural and vice versa.

(4) **Certain Phrases, etc.** The words (i) **"including"**, **"includes"** and **"include"** mean **"including (or includes or include) without limitation,"** (ii) **"the aggregate of"**, **"the total of"**, **"the sum of"**, or a phrase of similar meaning means **"the aggregate (or total or sum), without duplication, of,"** and (iii) unless stated otherwise, **"Article", "Section", and "Schedule"** followed by a number or letter mean and refer to the specified Article or Section of or Schedule to this Plan of Arrangement.

(5) **Statutes.** Any reference to a statute refers to such statute and all rules and regulations made under it, as it or they may have been or may from time to time be amended or re-enacted, unless stated otherwise.

(6) **Computation of Time.** A period of time is to be computed as beginning on the day following the event that began the period and ending at 4:30 p.m. on the last day of the period, if the last day of the period is a Business Day, or at 4:30 p.m. on the next Business Day if the last day of the period is not a Business Day. If the date on which any action is required or permitted to be taken under this Plan of Arrangement by a Person is not a Business Day, such action shall be required or permitted to be taken on the next succeeding day which is a Business Day.

(7) **Time References.** References to time are to local time, Toronto, Ontario.

ARTICLE 2
THE ARRANGEMENT

2.1 Arrangement Agreement

This Plan of Arrangement is made pursuant to the Arrangement Agreement.

2.2 Binding Effect

This Plan of Arrangement and the Arrangement, upon the filing of the Articles of Arrangement and the issuance of the Certificate of Arrangement, will become effective, and be binding on the Purchaser, the Company, all holders and beneficial owners of Common Shares

and Options, including Dissenting Holders, at and after, the Effective Time without any further act or formality required on the part of any Person.

2.3 Arrangement

At the Effective Time the following shall occur and shall be deemed to occur as set out below without any further authorization, act or formality, in each case effective as at five minute intervals starting at the Effective Time:

(a) the Company shall cause all entitlements under the MIP to be satisfied in full by: (i) issuing to or to the direction of Mr. David Ogden, at his election, either (A) a cash payment equal to $175,000 plus HST or (B) that number of Common Shares determined by dividing $175,000 by the Unit Redemption Amount plus a cash payment equal to HST on such amount; (ii) paying to or to the direction of Mr. Jonathan Wolch the sum of $75,000 in cash plus HST; and (iii) paying to or to the direction of Mr. Phillip Rossiter the sum of $50,000 in cash plus HST. Upon the issuance of the above Common Shares and the payment of the above amounts, all participants under the MIP shall cease to have any further rights or entitlements thereunder, and neither the Company nor the Purchaser shall have any further obligations thereunder and the MIP shall be terminated and no longer be in force and effect;

(b) the Purchaser will subscribe for such number of Common Shares, and will provide Purchaser Units at a ratio equal to the inverse of the Exchange Ratio as consideration therefor, as is necessary to satisfy the Unit Redemption Amount pursuant to Section 2.3(c) and Section 2.4.

(c) each Common Share (other than the Private Placement Shares) outstanding at the Effective Time, other than a Common Share held by (i) a Dissenting Holder who has validly exercised his, her or its Dissent Right, and (ii) if applicable, the Purchaser or any of its Affiliates (which Common Share, if any, shall not be exchanged under the Arrangement but shall remain outstanding as a Common Share held by the Purchaser or such Affiliate), shall be deemed to be redeemed by the Company in exchange for (as elected or deemed to be elected by the holder in accordance with the holder's Letter of Transmittal and Election Form and/or this Plan of Arrangement): (A) the Cash Redemption Amount; or (B) a number of Purchaser Units equal to the Exchange Ratio (the "**Purchaser Unit Option**"), subject to Sections 2.4;

(d) each Private Placement Share outstanding at the Effective Time shall be deemed to be redeemed by the Company in exchange for a number of Purchaser Units equal to the Exchange Ratio;

(e) each outstanding Company Option that has not been duly exercised prior to the Effective Time shall be exchanged with the Purchaser for a fully-vested and immediately exercisable option (a "**Replacement Option**") to purchase from the Purchaser a number of Purchaser Units equal to the product of the Exchange Ratio multiplied by the number of Common Shares subject to such Company

Option. Such Replacement Option shall provide for an exercise price per Purchaser Unit equal to the exercise price per Common Share of such Company Option immediately prior to the Effective Time divided by the Exchange Ratio. If the foregoing calculation results in the total Replacement Options of a particular holder being exercisable for a fraction of a Purchaser Unit, then the total number of Purchaser Units subject to such holder's total Replacement Options shall be rounded down to the next whole number of Purchaser Units and the total exercise price for such Replacement Options shall be reduced by the exercise price of the fractional Purchaser Units. Except as otherwise provided in this Section 2.3(b), the term to expiry, conditions to and manner of exercising, and all other terms and conditions of a Replacement Option will be the same as the Company Option for which it is exchanged, and any document or agreement previously evidencing a Company Option shall thereafter evidence and be deemed to evidence such Replacement Option;

(f) each Common Share in respect of which a holder of Common Shares has validly exercised his, her or its Dissent Right shall be directly assigned and transferred by such Dissenting Holder to the Purchaser (free and clear of all Liens) in accordance with Article 3; and

(g) the names of the holders of the Common Share transferred to the Purchaser shall be removed from the applicable registers of holders of Common Shares, and such Common Shares shall be cancelled (in the case of Common Shares held by holders other than Dissenting Holders) or the Purchaser shall be recorded as the registered holder of the Common Shares so transferred and shall be deemed the legal and beneficial owner thereof (in the case of Common Shares held by Dissenting Holders).

2.4 Manner of Making Elections

(a) Each holder (other than a holder of Private Placement Shares) shall have the opportunity to elect the Cash Redemption Amount, the Purchaser Unit Option or a combination thereof by depositing, or by causing its agent or other representative to deposit, with the Depositary prior to the Election Deadline, a duly completed Letter of Transmittal and Election Form indicating such holder's election together with the certificates representing such holder's Common Shares; provided, however, that each holder of Private Placement Shares shall be deemed to have elected the Purchaser Unit Option exclusively.

(b) Any holder who, in respect of Common Shares held by such holder, (i) does not deposit with the Depositary a duly completed Letter of Transmittal and Election Form prior to the Election Deadline or (ii) otherwise fails to comply fully with the requirements of Section 2.4(a) hereof and the Letter of Transmittal and Election Form in respect of such holder's election of the Cash Redemption Amount or Unit Redemption Amount shall be deemed to have elected the Unit Redemption Amount in respect of all of the Common Shares held by such holder.

(c) Notwithstanding the election specified in Section 2.4(a), each holder that holds at the Effective Time such number of Common Shares which, upon conversion at the Exchange Ratio, is equal to at at least one (1) Board Lot, shall be deemed to have elected to receive a minimum of one (1) Board Lot pursuant to the Unit Redemption Amount.

(d) Any deposit of a Letter of Transmittal and Election Form and accompanying certificates may be made at any of the offices of the Depositary specified in the Letter of Transmittal and Election Form.

ARTICLE 3
RIGHTS OF DISSENT

3.1 Rights of Dissent

Holders of Common Shares may exercise dissent rights ("**Dissent Rights**") in connection with the Arrangement pursuant to and in the manner set forth in Section 190 of the CBCA, as modified by the Interim Order and this Section 3.1; provided that, notwithstanding subsection 190(5) of the CBCA, the written objection to the Arrangement Resolution referred to in subsection 190(5) of the CBCA must be received by the Company not later than 5:00 p.m. (Toronto time) two Business Days immediately preceding the date of the Company Meeting (as it may be adjourned or postponed from time to time). Dissenting Holders who duly exercise their Dissent Rights shall be deemed to have transferred the Common Shares held by them and in respect of which Dissent Rights have been validly exercised to the Purchaser free and clear of all Liens, as provided in Section 2.3(b) and if they:

(a) ultimately are entitled to be paid fair value for such Common Shares, will be entitled to be paid the fair value of such Common Shares, and will not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such holders not exercised their Dissent Rights in respect of such Common Shares; or

(b) ultimately are not entitled, for any reason, to be paid fair value for such Common Shares shall be deemed to have participated in the Arrangement on the same basis as a non-dissenting holder of Common Shares.

3.2 Recognition of Dissenting Holders

(a) In no circumstances shall the Purchaser, the Company or any other Person be required to recognize a Person exercising Dissent Rights unless such Person is the holder of those Common Shares in respect of which such rights are sought to be exercised.

(b) For greater certainty, in no case shall the Purchaser, the Company or any other Person be required to recognize Dissenting Holders as holders of Common Shares in respect of which Dissent Rights have been validly exercised after the completion of the transfer under Section 2.3(b), and the names of such Dissenting Holders shall be removed from the registers of holders of Common Shares in respect of which Dissent Rights have been validly exercised at the same time as

the event described in Section 2.3(b) occurs. In addition to any other restrictions under Section 190 of the CBCA, holders of Common Shares who vote or have instructed a proxyholder to vote such Common Shares in favour of the Arrangement Resolution shall not be entitled to exercise Dissent Rights (but only in respect of such Common Shares).

ARTICLE 4
CERTIFICATES AND PAYMENTS

4.1 Exchange of Certificates for Consideration

Prior to the Effective Time, the Purchaser shall deposit or cause the deposit with the Depositary, for the benefit of the holders of Common Shares who will receive the Consideration under the Arrangement, the cash portion of such Consideration and certificates representing that number of whole Purchaser Units to be delivered pursuant to Section 2.3(a). Upon surrender to the Depositary for cancellation of a certificate which immediately prior to the Effective Time represented one or more Common Shares that were exchanged for the Consideration under the Arrangement, together with such other documents and instruments as would have been required to effect the transfer of the Common Shares under the CBCA and the articles of the Company and such other documents and instruments as the Depositary may reasonably require, the holder of such surrendered certificate shall be entitled to receive in exchange therefor, and the Depositary shall deliver to such holder (in each case less any amounts withheld pursuant to Section 4.4), (i) a cheque for the cash portion of the Consideration to which such holder is entitled, and (ii), a certificate representing that number (rounded down to the nearest whole number) of Purchaser Units which such holder has the right to receive, and the certificate so surrendered shall forthwith be cancelled. In the event of a transfer of ownership of Common Shares which was not registered in the transfer records of Company, a cheque for the cash portion of the Consideration and a certificate representing the proper number of Purchaser Units may, subject to Section 2.3, be issued to the transferee if the certificate which immediately prior to the Effective Time represented Common Shares that were exchanged for the Consideration under the Arrangement is presented to the Depositary, accompanied by all documents reasonably required to evidence and effect such transfer. Until surrendered as contemplated by this Section 4.1, each certificate which immediately prior to the Effective Time represented one or more outstanding Common Shares that were exchanged for the Consideration under the Arrangement, shall be deemed at all times after the Effective Time to represent only the right to receive upon such surrender (in each case, less any amounts withheld pursuant to Section 4.4), (i) a cheque for the cash portion of the Consideration to which such holder is entitled, and (ii) a certificate representing the Purchaser Units as contemplated by this Section 4.1, in each case, less any amounts withheld pursuant to Section 4.4.

4.2 No Fractional Shares

In no event shall any holder of Common Shares be entitled to a fractional Purchaser Unit. Where the aggregate number of Purchaser Units to be issued to a holder of Common Shares as consideration under this Arrangement would result in a fraction of a Purchaser Unit being issuable, the number of Purchaser Units to be received by such holder shall be rounded

down to the nearest whole Purchaser Unit without any payment being made to such holder with respect to the fractional Purchaser Unit.

4.3 Lost Certificates

In the event any certificate which immediately prior to the Effective Time represented one or more outstanding Common Shares that were transferred pursuant to Section 2.3(a) shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to be lost, stolen or destroyed, the Depositary will issue in exchange for such lost, stolen or destroyed certificate, cash deliverable in accordance with such holder's Letter of Transmittal. When authorizing such payment in exchange for any lost, stolen or destroyed certificate, the Person to whom such cash is to be delivered shall as a condition precedent to the delivery of such cash, give a bond satisfactory to the Purchaser and the Depositary (acting reasonably) in such sum as the Purchaser may direct, or otherwise indemnify the Purchaser and the Company in a manner satisfactory to Purchaser and the Company, acting reasonably, against any claim that may be made against the Purchaser and the Company with respect to the certificate alleged to have been lost, stolen or destroyed.

4.4 Withholding Rights

The Purchaser, the Company or the Depositary shall be entitled to deduct and withhold from any amount payable to any Person under the Plan of Arrangement (including, without limitation, any amounts payable pursuant to Section 3.1), such amounts as the Purchaser, the Company or the Depositary determines, acting reasonably, are required or permitted to be deducted and withheld with respect to such payment under the Tax Act, the United States Internal Revenue Code of 1986 or any provision of any other Law. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the Person in respect of which such withholding was made, provided that such amounts are actually remitted to the appropriate taxing authority.

4.5 No Liens

Any exchange or transfer of securities pursuant to this Plan of Arrangement shall be free and clear of any Liens or other claims of third parties of any kind.

4.6 Paramountcy

From and after the Effective Time: (a) this Plan of Arrangement shall take precedence and priority over any and all Common Shares issued prior to the Effective Time, (b) the rights and obligations of the Shareholders, the Company, the Purchaser, the Depositary and any transfer agent or other depositary therefor in relation thereto, shall be solely as provided for in this Plan of Arrangement, and (c) all actions, causes of action, claims or proceedings (actual or contingent and whether or not previously asserted) based on or in any way relating to any Common Shares shall be deemed to have been settled, compromised, released and determined without liability except as set forth in this Plan of Arrangement.

ARTICLE 5
AMENDMENTS

5.1 Amendments to Plan of Arrangement

(a) The Company may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment, modification and/or supplement must (i) be set out in writing, (ii) be approved by the Purchaser, (iii) filed with the Court and, if made following the Company Meeting, approved by the Court, and (iv) communicated to holders of Common Shares if and as required by the Court.

(b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by the Company at any time prior to the Company Meeting (provided that the Purchaser shall have consented thereto) with or without any other prior notice or communication, and if so proposed and accepted by the Persons voting at the Company Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

(c) Any amendment, modification or supplement to this Plan of Arrangement that is approved or directed by the Court following the Company Meeting shall be effective only if (i) it is consented to in writing by each of the Company and the Purchaser (in each case, acting reasonably), and (ii) if required by the Court, it is consented to by some or all of the Shareholders voting in the manner directed by the Court.

(d) Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date unilaterally by the Purchaser, provided that it concerns a matter which, in the reasonable opinion of the Purchaser, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of any person that, immediately prior to the Effective Time, was a holder of Common Shares or Options.

ARTICLE 6
FURTHER ASSURANCES

6.1 Further Assurances

Notwithstanding that the transactions and events set out in this Plan of Arrangement shall occur and shall be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the parties to the Arrangement Agreement shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by either of them in order further to document or evidence any of the transactions or events set out in this Plan of Arrangement.

Schedule B
Arrangement Resolution

BE IT RESOLVED THAT:

1. The arrangement (the "**Arrangement**") under Section 192 of the *Canada Business Corporations Act* (the "**CBCA**") of ISG Capital Corporation (the "**Company**"), as more particularly described and set forth in the management proxy circular (the "**Circular**") dated ●, 2012 of the Company accompanying the notice of this meeting (as the Arrangement may be amended, modified or supplemented in accordance with the definitive agreement (the "**Arrangement Agreement**") made as of August 30, 2012 between the Company and Firm Capital Property Trust, as amended by an amended and restated agreement made as of September 26, 2012), is hereby authorized, approved and adopted.

2. The plan of arrangement of the Company (as it has been or may be amended, modified or supplemented in accordance with the Arrangement Agreement (the "**Plan of Arrangement**")), the full text of which is set out in Appendix "●" to the Circular, is hereby authorized, approved and adopted.

3. The (i) Arrangement Agreement and related transactions, (ii) actions of the directors of the Company in approving the Arrangement Agreement, and (iii) actions of the directors and officers of the Company in executing and delivering the Arrangement Agreement, and any amendments, modifications or supplements thereto, are hereby ratified and approved.

4. The Company be and is hereby authorized to apply for a final order from the Ontario Superior Court to approve the Arrangement on the terms set forth in the Arrangement Agreement and the Plan of Arrangement (as they may be amended, modified or supplemented and as described in the Circular).

5. Notwithstanding that this resolution has been passed (and the Arrangement adopted) by the shareholders of the Company or that the Arrangement has been approved by the Ontario Superior Court, the directors of the Company are hereby authorized and empowered to, without notice to or approval of the shareholders of the Company, (i) amend, modify or supplement the Arrangement Agreement or the Plan Arrangement to the extent permitted by the Arrangement Agreement and (ii) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement and related transactions.

6. Any officer or director of the Company is hereby authorized and directed for and on behalf of the Company to execute and deliver for filing with the Director under the CBCA articles of arrangement and such other documents as are necessary or desirable to give effect to the Arrangement in accordance with the Arrangement Agreement, such determination to be conclusively evidenced by the execution and delivery of such articles of arrangement and any such other documents.

7. Any officer or director of the Company is hereby authorized and directed for and on behalf of the Company to execute or cause to be executed and to deliver or cause to be delivered all such other documents and instruments and to perform or cause to be

performed all such other acts and things as such person determines may be necessary or desirable to give full effect to the foregoing resolution and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or instrument or the doing of any such act or thing.

Schedule C
Representations and Warranties of the Company

(a) Organization and Qualification

The Company is a corporation duly organized and validly existing under the laws of the Province of Ontario and has full power and authority to own its assets and conduct its activities as now owned and conducted. The Company is duly qualified to carry on its business and is in good standing in each jurisdiction in which the character of its properties, owned or leased, or the nature of its activities makes such qualification necessary.

(b) Subsidiaries

(i) Other than ISG 311 Ingersoll Street Inc. (the "**Title Nominee**"), the Company does not have any equity or other interest, direct or indirect, in any person, company, partnership, joint venture or other business organization that owns or holds property (including in the capacity as a nominee) or other assets of any kind or carries on any business.

(ii) The Title Nominee is a corporation duly organized and validly existing under the laws of the Province of Ontario and has full power and authority to own its assets and conduct its activities as now owned and conducted. The Title Nominee is duly qualified to carry on its business and is in good standing in each jurisdiction in which the character of its properties, owned or leased, or the nature of its activities makes such qualification necessary.

(iii) The authorized equity capital of the Title Nomine consists of an unlimited number of common shares. As at the date hereof, one common share of the Title Nominee is issued and outstanding and is owned by the Company. All of the outstanding common shares of the Title Nominee have been issued in compliance with all Applicable Laws and have been duly authorized and validly issued. There are no options, warrants, conversion privileges, calls or other rights, shareholder rights plans, agreements, arrangements, commitments or obligations of the Company or the Title Nominee to issue or sell any common shares of the Title Nominee or securities or obligations of any kind convertible into, exchangeable for or otherwise carrying the right or obligation to acquire such shares. There are no bonds, debentures or other evidences of Indebtedness of the Title Nominee outstanding having a right to vote (or that are convertible for securities having a right to vote) with shareholders of the Title Nominee on any matter

(c) Capitalization

The authorized equity capital of the Company consists of an unlimited number of Common Shares. As at the date hereof, 18,242,000 Common Shares are issued and outstanding. All of the Common Shares have been issued in compliance with all Applicable Laws. All Comon Shares outstanding have been duly authorized and validly issued. Other than the 1,142,500 Options outstanding as of the date hereof, there are no options, warrants, conversion privileges, calls or other rights, shareholder rights plans, agreements, arrangements, commitments or obligations of the Company to issue or sell any Common Shares or securities or obligations of any kind convertible into, exchangeable for or otherwise carrying the right or obligation to acquire any Common Shares. In addition, other than as described herein, there are no bonds, debentures or other evidences of Indebtedness of the Company outstanding having a right to vote (or that are convertible for securities having a right to vote) with Shareholders on any matter.

(d) Shareholder and Similar Agreements

The Company is not a party to any shareholder, pooling, voting trust or other agreements relating to the issued and outstanding securities of the Company.

(e) Authority

The Company has the requisite power and authority to enter into this Agreement and to perform its obligations hereunder. The execution and delivery of this Agreement by the Company and the consummation by the Company of the Transactions contemplated by this Agreement have been duly authorized by the Board and no other proceedings on its part are necessary to authorize this Agreement and the performance of its obligations hereunder. This Agreement has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company, enforceable by the Purchaser against it in accordance with its terms, subject, however, to limitations with respect to enforcement imposed by law in connection with bankruptcy, insolvency or similar proceedings and to the extent that equitable remedies such as specific performance and injunction are in the discretion of the court from which they are sought.

(f) No Violations

(i) Assuming completion of the transactions contemplated by the Ingersoll Purchase and Sale Agreement, none of the execution and delivery of this Agreement by the Company, the completion of the Transactions contemplated by this Agreement nor the fulfilment and compliance by the Company with any of the terms and provisions hereof will:

(A) violate, conflict with, or result in a breach of any provision of, require any consent, approval or notice under this paragraph (f), or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) or result in a

right of termination or acceleration under any of the terms, conditions or provisions of:

(i) the articles of incorporation of the Company;

(ii) any Material Contract to which the Company is a party; or

(iii) other than in connection with or in compliance with Canadian Securities Legislation and the policies and by-laws of the TSX-V, any Applicable Laws to which the Company is subject or by which the Company is bound;

(B) subject to compliance with the statutes and policies referred to in subparagraph (f)(A)(iii), violate any judgment, ruling, order, writ, injunction, award, decree, statute, ordinance, rule or regulation applicable to the Company; or

(C) give rise to any rights of first refusal or trigger any change in control provisions or any restriction or limitation under any Material Contract, or result in the imposition of any Encumbrance, upon any of the Company's assets.

(ii) Other than in connection with or in compliance with Canadian Securities Legislation and the policies and bylaws of the TSX-V, Contracts which are not Material Contracts, and except as otherwise referred to in this paragraph (f) or otherwise contemplated herein: (i) there is no legal impediment to the Company's consummation of the Transactions contemplated by this Agreement; and (ii) no authorization, approval, license, permit, order, authorization of, or registration, declaration or filing with, any third party or Governmental Authority is required to be obtained or made by the Company in connection with the performance of its obligations hereunder.

(g) Consents and Approvals

Other than in connection with or in compliance with Canadian Securities Legislation and the policies and bylaws of the TSX-V, there is no authorization, consent, approval, license, permit, order, authorization of, or registration, declaration or filing with or notice to, any person or Governmental Authority required in connection with the execution, delivery or performance of this Agreement by the Company or the consummation of the Transactions contemplated by this Agreement, except for such authorizations, consents, approvals, filings or notices (a) required under Contracts which are not Material Contracts, or (b) as to which the failure to obtain, make or provide would not, individually or in the

aggregate, prevent or materially delay consummation of the Transactions contemplated by this Agreement.

(h) Board Approval

The Board, by resolutions duly adopted at a meeting duly called and held, which resolutions have not been subsequently rescinded, modified or withdrawn in any way, by unanimous vote (excluding those directors excluded from the vote by reason of a conflict of interest in respect of the transactions contemplated hereby): (i) determined that this Agreement and the Transactions contemplated by this Agreement are fair to, and in the best interests of, the Shareholders (excluding Shareholders who are members of management of the Company); (ii) approved this Agreement and declared its advisability; and (iii) recommended that the Shareholders approve the Arrangement Resolution.

(i) Brokers, Transaction Expenses

No broker, investment banker, financial advisor or other person is entitled to any advisory fee, success fee, brokerage commission, finder's fee or other like payment in connection with the transactions contemplated hereby based upon arrangements made by or on behalf of the Company.

(j) Absence of Certain Changes or Events

Except as otherwise disclosed in the Public Documents, since December 31, 2011: (i) the Company has conducted its business and operations, in all material respects, in the Ordinary Course; (ii) there has not been any event which has had or would be reasonably expected to have a Material Adverse Effect, and (iii) the Company has not:

(i) sold, transferred or otherwise disposed of or diminished the value of any assets used in the Business;

(ii) made any capital expenditures or commitment to do so which individually or in the aggregate exceeded $10,000;

(iii) discharged any secured or unsecured obligation or liability (whether accrued, absolute, contingent or otherwise);

(iv) increased its Indebtedness for borrowed money or made any loan or advance, or assumed, guaranteed or otherwise became liable with respect to the liabilities or obligations of any person;

(v) agreed to any offering, placement or arrangement of debt securities or bank financing;

(vi) made any bonus or profit sharing distribution or similar payment of any kind;

(vii) removed any auditor or director or terminated any officer or other senior employee;

(viii) granted any general increase in the rate of wages, salaries, bonuses or other remuneration of any Employees;

(ix) increased the benefits to which Employees of the Company are entitled under any Employee Plan or created any new Employee Plan for any Employee;

(x) suffered any extraordinary loss, whether or not covered by insurance;

(xi) suffered any material shortage or any cessation or interruption of inventory shipments, supplies or ordinary services;

(xii) cancelled or waived any material claims or rights;

(xiii) compromised or settled any litigation, proceeding or other governmental action relating to the assets, the Business or the Company; or

(xiv) cancelled or reduced any of its insurance coverage.

(k) Compliance with Applicable Laws

(i) The Company is conducting the Business and is in compliance with all Applicable Laws, other than acts of non-compliance which individually or in the aggregate are not material.

(ii) The Company owns, holds, possesses or lawfully uses in the operation of the Business, all Authorizations which are necessary for them to conduct the Business as presently or previously conducted or for the ownership and use of their respective assets in compliance with all Applicable Laws. Each Authorization is valid, subsisting and in good standing; the Company is not in default or breach of any Authorization; and, to the knowledge of the Company, no proceeding is pending or threatened to revoke or limit any Authorization except where such default, breach, revocation or limitation would not individually or in the aggregate have a Material Adverse Effect. All Authorizations are renewable by their terms or in the ordinary course of business without the need for the Company to comply with any special rules or procedures, agree to any materially different terms or conditions or pay any amounts other than routine filing fees.

(iii) The Company has not taken any action to suspend or revoke, nor has it received any written notice of, nor to the knowledge of the Company has any Governmental Authority or other person

threatened, any suspension, revocation or non-renewal of, any such Authorizations.

(l) Filings

(i) The Company is a reporting issuer in Alberta, British Columbia, Manitoba, New Brunswick, Nova Scotia, Ontario and Saskatchewan and is not in default in any material respect in the performance of any obligations under the securities laws of such provinces and is in compliance, in all material respects, with Canadian Securities Legislation.

(ii) No order ceasing or suspending trading in the Shares is outstanding and no proceedings for this purpose have been instituted or, to the knowledge of the Company, are pending, contemplated or threatened. As of the date hereof, there are no outstanding or unresolved comments in any review or inquiry letters received by the Company from the Canadian Securities Regulatory Authorities.

(iii) All documents or information filed by the Company under Canadian Securities Legislation, including any documents or information required to be filed by the Company under Applicable Laws after the date hereof and before the Effective Time (such documents or information available to the public on SEDAR being hereinafter collectively referred to as the "**Public Documents**") are, as of their respective dates, in compliance in all material respects with Applicable Laws.

(iv) The Public Documents, as of their respective dates, do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading as of the date made. The Company has not filed any confidential material change reports.

(v) The Company does not have, and does not have an obligation to have, a class of securities registered under section 12 of the U.S. Exchange Act, and does not have a reporting obligation under section 13(a) or 15(d) of the U.S. Exchange Act.

(vi) To the knowledge of the Company, less than 10% of the Shares are held by persons whose address appears on the records of the Company, any voting trustee, depository, share transfer agent or person acting in a similar capacity on behalf of the Company, as being located in the United States.

(m) Assets

The Company has good and valid title to (or a valid and enforceable right to use) (i) all of the assets, properties and rights of any kind whether real, personal or mixed, tangible or intangible, which are necessary to enable the Company to carry on the Business after the consummation of the Transactions contemplated by this Agreement substantially in the same manner as it is currently conducted and (ii) any other material assets reflected in the latest balance sheet of the Company included in the Public Documents (other than any such asset disposed of in the Ordinary Course), in each case with respect to clauses (i) and (ii) above free and clear of all Encumbrances other than the Permitted Encumbrances and pursuant to the Ingersoll Purchase and Sale Agreement.

(n) Rights of Other Persons

Except pursuant to the Ingersoll Purchase and Sale Agreement, no person has any right of first refusal, option, undertaking or commitment or any right or privilege capable of becoming such, to purchase, or any other right of participation in, any of the material properties or assets owned by the Company, or any part thereof.

(o) Real Property

(i) The Company has good and marketable title to the Ingersoll Property free and clear of all Encumbrances except for Permitted Encumbrances and pursuant to the Ingersoll Purchase and Sale Agreement. The Company is not the owner or lessee of, or subject to any agreement or option to own or lease, and the Company does not have any direct or indirect interest as a lessee in, any real property or any interest in any real property (or in any easements, rights-of-way and other rights appurtenant thereto), other than the Ingersoll Property. The Company has adequate rights of ingress and egress into the Ingersoll Property. The Ingersoll Property and its use, operation and maintenance by the current tenant under the Ingersoll Lease is in compliance with all Applicable Laws and with all restrictions registered against title to the Ingersoll Property. No condemnation or expropriation proceeding is pending or, to the knowledge of the Company, threatened which would preclude or impair the use of the Ingersoll Property for the purposes for which it is currently used. To the knowledge of the Company, there are no outstanding work orders from or required by any municipality, police department, fire department, sanitation, health or safety authorities or from any other person, and there are no matters under discussion with or by the Company relating to any work orders.

(ii) All of the Buildings and Fixtures on the Ingersoll Property were constructed in accordance, in all material respects, with all Applicable Laws, and have been constructed in a good and workmanlike manner, are structurally sound and are fully functional without

defect. The Buildings and Fixtures have been kept in compliance with all Applicable Laws and with all restrictions registered against title to the Ingersoll Property. None of the Ingersoll Property or the Buildings and Fixtures thereon, nor their use, operation or maintenance for the purpose of carrying on the Business, violates, in any material respect, any restrictive covenant or any provision of any Applicable Laws or encroaches on any property owned by any other person.

(iii) Except for the Ingersoll Purchase and Sale Agreement, the Company has not entered into any subsisting Contract to sell, transfer or otherwise dispose of the Ingersoll Property, or to acquire or lease any other real property or interest therein, and the Company has not received any notice threatening to terminate or not renew any lease or disputing a material provision of any lease.

(p) Ingersoll Lease

(i) Except for the Ingersoll Lease, there are no, and the Company is not bound by any agreement to enter into any, leases, subleases, agreements to lease or sublease, offers to lease or sublease, renewals of leases or subleases, storage agreements, parking agreements and other agreements, rights or licences allowing any person to use, possess or occupy any portion of the Ingersoll Property or any space within the Buildings and Fixtures or any part of them.

(ii) Neither the Ingersoll Lease nor the rents payable thereunder have been assigned or otherwise encumbered, other than by Encumbrances which the Company will discharge at its sole cost and expense prior to the Effective Time.

(iii) All rents and other payments due under the Ingersoll Lease have been paid. There are no prepaid rents, security deposits or damage deposits from the tenant under the Ingersoll Lease, and the Ingersoll Lease does not contains provisions, and no other agreements exist, under which the tenant is or will be entitled to occupy the Ingersoll Property on a rent-free or rent-reduced basis or to receive a tenant allowance or other inducement.

(iv) No notice has been received by the Company from the tenant under the Ingersoll Lease alleging default by the Company in the performance of its obligations as landlord under the Ingersoll Lease or alleging any defect in the condition or state of repair or state of completion of the Ingersoll Property and the Buildings and Fixtures thereon (which notice has not been complied with by the Company to the tenant's satisfaction).

(q) Material Contracts

Each Material Contract is in full force and effect and is enforceable against the Company and, to the knowledge of the Company, the other parties thereto, in each case, in accordance with its terms, except that such enforcement may be subject to limitations with respect to enforcement imposed by law in connection with bankruptcy, insolvency or similar proceedings affecting creditors' rights generally and to the extent that equitable remedies such as specific performance and injunction are in the discretion of the court from which they are sought. The Company has performed any accrued obligations under the Material Contracts. The Company is not in default under and has not repudiated, and there exists no event, condition or occurrence which, after notice or lapse of time or both, would constitute a default under or give rise to a right of termination or cancellation by any other party of, or result in any Indebtedness becoming due and payable under, any Material Contract where such default, termination, cancellation or Indebtedness would reasonably be expected to give rise to a Material Adverse Effect. The Company has not given notice of, or has no intention to, terminate, cancel, fail to renew or change the terms of any Material Contract. To the knowledge of the Company, no other party is in default under or has repudiated, or has given notice of an intention to breach, terminate, cancel, fail to renew or change the terms of, any Material Contract.

(r) No Default Under Non-Material Contracts

The Company is not in default under nor has it repudiated, and there exists no event, condition or occurrence which, after notice or lapse of time or both, would constitute a default under or give rise to a right of termination or cancellation by any other party of, or result in any Indebtedness becoming due and payable under, any Contract that is not a Material Contract where such default, termination, cancellation or Indebtedness would reasonably be expected to give rise to a Material Adverse Effect. The Company has not given notice of an intention to terminate, cancel, fail to renew or change the terms of any Contract that is not a Material Contract where such termination, cancellation, non-renewal or change would reasonably be expected to have a Material Adverse Effect. To the knowledge of the Company, no third party is in default under or has repudiated, or has given notice of an intention to breach, terminate, cancel, fail to renew or change the terms of any Contract that is not a Material Contract where such default, repudiation, breach, termination, cancellation, non-renewal or change would reasonably be expected to have a Material Adverse Effect.

(s) Intellectual Property

(i) The Company owns all right, title and interest in and to the Company Intellectual Property, free and clear of all liens, encumbrances or any other rights of others and has taken all steps reasonably necessary to validly maintain, and has not taken any steps that could constitute abandonment of, Company Intellectual Property or the Licensed Intellectual Property. The Company has been granted valid and sufficient licenses to use the Licensed Intellectual Property in the manner that it has currently been used by the Company and in the

manner that is currently contemplated for use in the future and no additional consent, permission or license from any person is required to use the Licensed Intellectual Property, other than normal course renewals.

(ii) Except as individually or in the aggregate would not reasonably be expected to have a Material Adverse Effect, to the knowledge of the Company, (i) the conduct of the Business and the use of the Company Intellectual Property and the Licensed Intellectual Property does not infringe, misappropriate or otherwise violate the Intellectual Property rights of any third party and (ii) no other person or Intellectual Property owned by any other person has infringed, misappropriated or otherwise conflicted with or harmed any of the Company Intellectual Property or the right and interest of the Company in the Licensed Intellectual Property, and with respect to clauses (i) and (ii) above, no proceedings have been instituted or are pending or threatened, and no claim has been received by the Company, alleging any such misappropriation, infringement, violation, conflict or harm or challenge to the validity, title, ownership or right to use or register any Company Intellectual Property or Licensed Intellectual Property.

(t) Information Technology

To the knowledge of the Company, the Information Technology is suitable for the purposes for which it is being used, and is free from material defects or deficiencies. No material upgrade to or replacement of the Information Technology after the date hereof has been approved by the Company.

(u) Books and Records

(i) The Books and Records of the Company (i) have been maintained in accordance with good business practices on a basis consistent with prior years and (ii) accurately and fairly reflect the basis for the Company Financial Statements, in each case, in all material respects. The Company has established and maintains a system of internal controls that provides reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded, that the Company is in compliance with all Applicable Laws, and that the financial records are reliable for preparing financial statements.

(ii) The minute books of the Company contain all of the resolutions and minutes of meetings of the directors, committees of the Board, and Shareholders, as applicable.

(v) Financials

(i) The (A) audited balance sheets, statements of operations, comprehensive income and deficit, and the statements of cash flows of the Company for the financial years ended December 31, 2011 and 2010 and (B) unaudited interim balance sheets, statements of operations, comprehensive income and deficit, and the statements of cash flows of the Company for the six-month periods ended June 30, 2012 and 2011, disclosed in the Public Documents (collectively, the "**Company Financial Statements**") comply in all material respects with the published rules, regulations and requirements of all Applicable Laws.

(ii) The Company is not a party to, nor does it have any commitment to become a party to, any joint venture, off balance sheet partnership or any similar agreement where the result, purpose or effect of such agreement is to avoid disclosure of any material transaction involving, or material liabilities of, the Company in the Company Financial Statements or any other documents filed by the Company pursuant to Applicable Laws.

(iii) There are no Contracts or other transactions currently in place between the Company, on the one hand, and (i) any director or Senior Officer of the Company, (ii) any holder of record or, to the knowledge of the Company, beneficial owner of any Shares, or (iii) any affiliate, associate or other person not dealing at arm's length with any such Senior Officer, director, holder of record or beneficial owner, on the other hand, that have not been disclosed and are otherwise required to be disclosed in the Company Financial Statements or the Public Documents.

(iv) The Company Financial Statements were prepared in accordance with IFRS (except (i) in the case of audited statements, as otherwise indicated in the related report of the Company's independent auditors, or (ii) in the case of unaudited quarterly interim statements, they may omit notes that are not required by Applicable Laws in the unaudited statements), and fairly and accurately present in all material respects the assets, liabilities, results of operations, cash flows and financial condition of the Company as at the dates indicated and the revenue, earnings and results of operations of the Company for the specified period.

(w) Expenses

The Company has provided the Purchaser with a reasonable and good faith estimate of the total fees, expenses and other obligations incurred or reasonably expected to be incurred by the Company relating to the Transactions contemplated by this Agreement,

including among other costs, the fees of legal counsel, auditors and financial advisors, any break fees payable under swaps or credit facilities (as applicable) and payments under any Employee Plans, employment or retention agreements and payments which could become payable under any change of control agreement or by reason of any action of the Purchaser, the Purchaser or the Company after the Effective Time, whether paid or payable at or prior to the Effective Time. On the day that is five (5) business days prior to the Expiry Date, the Company shall update this reasonable and good faith estimate and provide such written update to the Purchaser.

(x) Indebtedness, Liabilities and Guarantees

Except as set forth in the Company Financial Statements, and except for normal trade credit payables in the Ordinary Course, the Company does not have any outstanding liabilities (contingent or otherwise) or Indebtedness.

(y) No Disagreement with Auditors

There is not currently, and has not been, any reportable event (within the meaning of National Instrument 51-102 – *Continuous Disclosure Obligations* of the Canadian Securities Administrators) with the auditors of the Company.

(z) Employee Matters

(i) No Collective Agreement is currently being negotiated by the Company or any other person in respect of Employees and there is no Collective Agreement in force with respect to the Employees of the Company.

(ii) The Company is in compliance in all material respects with all terms and conditions of employment and all laws respecting employment, and there have been no claims, complaints, investigations or orders under any such Applicable Laws.

(iii) All amounts due or accrued for all salaries, wages, vacation pay, bonuses, commissions, benefits, incentive amounts, retention bonuses and awards under the Employee Plans relating to the Employees have either been paid or are accurately reflected and have been accrued in the Books and Records of the Company.

(iv) Except for payments under the MIP, neither the execution or delivery of this Agreement nor the consummation of the Transactions contemplated by this Agreement will (a) result in any payment becoming due to any current or former director, officer, Employee or independent contractor of the Company, (b) increase any benefits otherwise payable under any Employee Plan, (c) result in any acceleration of the time of payment or vesting of any benefits under any Employee Plan, (d) require the funding of any benefits under any

Employee Plan, or (e) result in the breach or violation of any Collective Agreement.

(aa) Employee Plans

(i) All Employee Plans have been established, registered, administered, communicated and invested in all material respects in accordance with all Applicable Laws. No fact or circumstance exists which could adversely affect the registered status of any such Employee Plan or a multi-employer.

(ii) The Company has never sponsored or participated in a defined benefit pension plan.

(iii) No Employee Plan is subject to any pending action, investigation, examination, claim (including claim for Taxes) or any other proceeding initiated by any person.

(iv) All liabilities of the Company (whether accrued, absolute, contingent or otherwise) related to all Employee Plans have been fully and accurately accrued and disclosed in accordance with IFRS or Canadian generally accepted accounting principles, as applicable, in the Company Financial Statements.

(bb) Environmental

Except as would not reasonably be expected to cause a Material Adverse Effect, the Company is in compliance with all Environmental Laws. The Company is not:

(i) to the knowledge of the Company, subject to any written demand or written notice with respect to the breach of or liability under any Environmental Laws applicable to the Company, including any Environmental Laws respecting the use, storage, treatment, transportation, disposition (including disposal or arranging for disposal) discharge, remediation or corrective action of Contaminants;

(ii) to the knowledge of the Company, subject to written demand or written notice with respect to liability, by contract (including real property leases) or operation of Applicable Laws, under Environmental Laws applicable to the Company or any of its predecessor entities, divisions or any currently or formerly owned, leased or operated properties or assets of the foregoing, including liability with respect to the presence, release, migration, discharge remediation or corrective action of contaminants in, on, under or from any currently or formerly owned, leased or operated properties or assets of the foregoing;

(iii) aware of any environmental audits, evaluations and assessments relating to any real property currently or formerly owned, leased or operated by the Company that are or with reasonable effort could be within the possession or control of the Company;

(iv) a party to any litigation or administrative proceeding which asserts or alleges that it violated any Environmental Laws or asserts or alleges that it is required to investigate, clean up, remove or take remedial action due to the release of any Hazardous Materials; or

(v) the cause of, nor has it permitted, the release of any Hazardous Materials at the Ingersoll Property that could reasonably be expected to give rise to any material liability of the Company.

(cc) Related Party Transactions

Except as set forth in the Public Documents, there are no Contracts or other transactions currently in place between the Company, on the one hand, and (i) any officer or director of the Company, (ii) to the knowledge of the Company, any holder of record or beneficial owner of 10% or more of the Shares, (iii) to the knowledge of the Company, any affiliate or associate of any such officer, director, holder of record or beneficial owner, on the other hand.

(dd) Insurance

All physical assets of the Company are covered by fire and other insurance, and the Company has comprehensive general liability insurance, with responsible insurers against such risks and in such amounts as are reasonable for prudent owners of comparable assets. All insurance maintained by the Company is in full force and effect and in good standing and the Company is not in default, in any material respect, whether as to payment of premium or otherwise, under the terms of such insurance, nor has the Company failed to give any material notice or present any material claim under any such insurance in a due and timely manner, nor has the Company received written notice or otherwise has knowledge of any intent of an insurer to either (i) claim any default on the part of the Company to deny any claim or to not renew any policy of insurance on its expiry or (ii) increase any deductible or cost.

(ee) Litigation Proceedings

There are no (i) actions, suits or proceedings, at law or in equity, by any person (including the Company), (ii) grievances, arbitrations or alternative dispute resolution processes, or (iii) administrative or other proceeding by or before any Governmental Authority, pending, or, to the knowledge of the Company, threatened against the Company, the Business or any of the assets of the Company, and there is no valid basis for any such action, complaint, grievance, suit, proceeding, arbitration or investigation by or against the Company. The Company is not subject to any judgment, order or decree entered in any lawsuit or proceeding nor has the Company settled any claim prior to being prosecuted in

respect of it. The Company is not the plaintiff or complainant in any action, suit or proceeding, grievance, arbitration or alternative dispute resolution process. There are no actions, causes of action, suits, proceedings, executions, judgments, duties, debts, accounts, contracts and covenants, claims and demands whatsoever for losses, damages, liabilities, indemnity, costs, expenses, interest or injury of every nature and kind whether in law or in equity, pending or otherwise, against the Company.

(ff) Taxes

(i) The Company has timely filed, or caused to be filed, with the appropriate Governmental Authority, all Tax Returns required to be filed by it, and all Tax Returns filed by the Company are correct and complete in all material respects. The Company has paid, collected, withheld or remitted, or caused to be paid, collected, withheld or remitted, all Taxes that are due and payable (including all instalments on account of Taxes for the current year that are due and payable by the Company whether or not assessed (or reassessed) by the appropriate Governmental Authority) or that were required to be withheld, collected or remitted, in each case within the time and in the manner required by Applicable Laws. The Company has paid all assessments or reassessments received in respect of Taxes except for any assessments or reassessments being contested in good faith.

(ii) The Company has provided adequate accruals in accordance with IFRS in the Company Financial Statements for any liability in respect of Taxes of the Company for the period covered by the Company Financial Statements that have not been paid, whether or not shown as being due on any Tax Returns.

(iii) The Company has made adequate provision in its Books and Records for any Taxes accruing in respect of the period subsequent to the period covered by the Company Financial Statements. Since December 31, 2011, no liability in respect of Taxes of the Company that is not provided for in its Books and Records has been assessed, proposed to be assessed, incurred or accrued, and there is no assessment or reassessment for Taxes with respect to the Company under review or appeal with any Governmental Authority.

(iv) There are no liens for Taxes against any of the assets of the Company, other than liens for Taxes that are not yet due and payable or that are being contested in good faith by appropriate proceedings diligently conducted, if adequate reserves with respect to such Taxes are maintained in the Books and Records of the Company in accordance with IFRS.

(v) There are no proceedings, investigations, audits or claims now pending or threatened against the Company in respect of any Taxes,

and there are no matters under discussion, audits or appeals with any Governmental Authority relating to Taxes with respect to the Company, and no waivers of statutes of limitations, agreements or other arrangements providing for an extension of time with respect to the filing of any Tax Return, the making of any election or similar filing, or payment of any Taxes that have been given or requested with respect to the Company. Except as reserved for in the Company Financial Statements, there are no contingent liabilities in respect of Taxes or any grounds that could prompt an assessment or reassessment of the Company nor has the Company received any indication from any Governmental Authority that an assessment or reassessment of Tax is proposed.

(vi) The Company is not a party to any Tax sharing allocation, Tax indemnity or similar agreement or arrangement pursuant to which the Company will have any obligation to make any payments at any time in the future.

(vii) All material elections with respect to Taxes of the Company that are in effect as of the date hereof have been made available to the Purchaser.

Schedule D
Representations and Warranties of the Purchaser

(a) Organization

The Purchaser is validly existing under the laws of Ontario and has the requisite power and authority to own its assets and conduct its business as now owned and conducted.

(b) Authority

The Purchaser has the requisite power and authority to enter into this Agreement and the Management Agreements and to perform its obligations hereunder and thereunder. The execution and delivery of this Agreement and the Management Agreements by the Purchaser and the performance by the Purchaser of its obligations hereunder and thereunder have been duly authorized by their respective board of directors and trustees, and no other proceedings on its part is necessary to authorize this Agreement or the Management Agreements and the consummation by the Purchaser of the Transactions contemplated by this Agreement or the performance by the Purchaser of its obligations under the Management Agreements. This Agreement and each of the Management Agreements has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser, enforceable by the Company against the Purchaser in accordance with its terms, subject, however, to limitations with respect to enforcement imposed by law in connection with bankruptcy, insolvency or similar proceedings and to the extent that equitable remedies such as specific performance and injunction are in the discretion of the court from which they are sought. The execution and delivery by the Purchaser of this Agreement and each of the Management Agreements and the performance by its of its obligations hereunder and thereunder do not violate, conflict with or result in a breach of any provision of:

(i) the Declaration of Trust;

(ii) any agreement, contract, indenture, deed of trust, mortgage, bond, instrument, licence, authorization or permit to which it is a party or by which it is bound; or

(iii) any Applicable Laws to which it is subject or by which it is bound.

(c) Consents and Approvals

There is no authorization, consent, approval, license, permit, order, authorization of, or registration, declaration or filing with or notice to, any person or Governmental Authority required in connection with the execution, delivery or performance of this Agreement by the Purchaser or the consummation of the transactions contemplated hereby, except for such other authorizations, consents, approvals and filings as to which the failure to obtain or make would not, individually or in the aggregate, reasonably be expected to prevent or materially delay consummation of the Transactions contemplated by this Agreement.

(d) Capitalization

The authorized capital of the Purchaser is comprised of Units and Special Voting Units, each of which may be issued in an unlimited number and have the rights, privileges and preferences set out in the Declaration of Trust. As of the date hereof: (i) there is one (1) Unit and no Special Voting Units issued and outstanding, (ii) except as contemplated in this Agreement, there are no options, warrants, conversion privileges or other rights, agreements, arrangements or commitments obligating the Purchaser to issue or sell any Units or other ownership interests of the Purchaser or securities or obligations of any kind convertible into or exchangeable for any Units or other ownership interests of the Purchaser, (iii) all Units to be issued as part of the Consideration will at the time of issuance be duly authorized and will be validly issued, free of pre-emptive rights and listed and posted for trading on the TSX-V, (iv) there are no outstanding bonds, debentures or other evidences of indebtedness of the Purchaser having the right to vote (or that are convertible for or exercisable into securities having the right to vote) on any matter, and (v) there are no outstanding contractual obligations of the Purchaser or any other Person to repurchase, redeem or otherwise acquire any of the outstanding securities of the Purchaser or with respect to the voting or disposition of any outstanding securities of the Purchaser.

(e) Material Agreements

The Declaration of Trust and each Management Agreement is in full force and effect and is enforceable against the trustees of the Purchaser (in the case of the Declaration of Trust) or the Purchaser (in the case of the Management Agreements) and in the case of the Management Agreements, to the knowledge of the Purchaser, the other parties thereto, in each case, in accordance with its terms, except that such enforcement may be subject to limitations with respect to enforcement imposed by law in connection with bankruptcy, insolvency or similar proceedings affecting creditors' rights generally and to the extent that equitable remedies such as specific performance and injunction are in the discretion of the court from which they are sought. The Purchaser has complied in all material respects with all of its obligations under the Declaration of Trust and each Management Agreement. The Purchaser has provided the Company with a true and complete copy of the Declaration of Trust and each Management Agreement.

(f) No Operations or Liabilities

The Purchaser has been formed for the purposes of entering into this Agreement and the Management Agreements and has not engaged in any business or activities other than in connection therewith. The Purchaser does not have, and will not have prior to the Effective Time, any material assets or liabilities other than (i) the proceeds from the subscription of units contemplated by Section 6.3(3) and (ii) liabilities incurred in the Ordinary Course in connection with its formation, the negotiation and execution of this Agreement and the Management Agreements.

(g) Ownership of Shares

As of the date of this Agreement, the Purchaser and its affiliates collectively own 2,071,000 Common Shares.

(h) Brokers

No broker, investment banker, financial advisor or other person is entitled to any advisory fee, success fee, brokerage commission, finder's fee or other like payment in connection with the transactions contemplated hereby based upon arrangements made by or on behalf of the Purchaser.

APPENDIX F
NOTICE OF APPLICATION AND INTERIM ORDER

See attached.

CV12-9851-00CL

Court File No.:

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF AN APPLICATION UNDER SECTION 192 OF THE *CANADA BUSINESS CORPORATIONS ACT*, R.S.C. 1985, c. C-44, AS AMENDED, AND RULES 14.05(2) AND 14.05(3) OF THE RULES OF CIVIL PROCEDURE

AND IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING ISG CAPITAL CORPORATION, ITS SHAREHOLDERS and FIRM CAPITAL PROPERTY TRUST

ISG CAPITAL CORPORATION

Applicant

NOTICE OF APPLICATION

TO THE RESPONDENT(S):

A LEGAL PROCEEDING HAS BEEN COMMENCED by the Applicant. The claim made by the Applicant appears on the following page.

THIS APPLICATION will come on for a hearing before a Judge presiding over the Commercial List on November 6, 2012 at 10:00 a.m., or as soon after that time as the application may be heard, at 330 University Avenue, Toronto, Ontario.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the Rules of Civil Procedure, serve it on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the Applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES,

LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date September 24, 2012

Issued by 
Local registrar

Address of court office: 330 University Avenue, 7th floor
Toronto, Ontario M5G 1R7

TO: **ALL HOLDERS OF SHARES OF ISG CAPITAL CORPORATION, AS AT SEPTEMBER 28, 2012**

AND TO: **ALL HOLDERS OF OPTIONS OF ISG CAPITAL CORPORATION, AS AT SEPTEMBER 28, 2012**

AND TO: **KPMG LLP**
Bay Adelaide Centre
333 Bay Street, Suite 4600
Toronto, Ontario M5H 2S5

Tel: (416) 777-8569
Fax: (416) 777-8818

Attn: Tom Rothfischer

Auditor to ISG Capital Corporation

AND TO: **THE DIRECTOR**
Compliance & Policy Directorate
Corporations Canada, Industry Canada
9th Floor, Jean Edmonds Tower South
365 Laurier Avenue West
Ottawa, Ontario K1A 0C8

APPLICATION

1. **THE APPLICANT MAKES APPLICATION FOR:**

   a) an interim Order for advice and directions pursuant to section 192(4) of the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended (the "CBCA") with respect to a proposed arrangement (the "Arrangement") involving ISG Capital Corporation ("ISG"), its shareholders, and Firm Capital Property Trust (the "Trust");

   b) a final Order approving the Arrangement pursuant to section 192(3) of the CBCA; and

   c) such further and other relief as this Honourable Court may deem just.

2. **THE GROUNDS FOR THE APPLICATION ARE:**

   a) ISG is a corporation incorporated under the laws of the Canada, with its registered head office located in Toronto, Ontario. The common shares of ISG (the "Shares") are listed on the TSX Venture Exchange;

   b) the Trust is an unincorporated open-ended real estate investment trust established under the laws of the Province of Ontario pursuant to a declaration of trust dated as of August 30, 2012;

   c) pursuant to the Arrangement, the holders of the Shares (the "Shareholders") will have the option of:

      - redeeming Shares for cash;
      - exchanging Shares for units of the Trust; or
      - a combination of the two,

      provided that each Shareholder who owns a sufficient number of Shares to receive 100 Trust units under the Plan of Arrangement will be required to exchange Shares for at least 100 Trust units.

d) all statutory requirements under the CBCA and any interim Order have been or will be satisfied by the return date of this Application;

e) it is not practicable to effect the Arrangement under any other provision of the CBCA;

f) ISG will not be insolvent as of the return date of this Application as: (i) the realizable value of its assets will not be less than the aggregate of its liabilities and stated capital of all classes; and (ii) it is not unable to pay its liabilities as they become due;

g) the Arrangement is procedurally and substantively fair and reasonable overall;

h) if made, the Order approving the Arrangement will constitute the basis for an exemption from the registration requirements of the *Securities Act of 1933*, as amended, of the United States of America, with respect to the securities to be issued in the United States of America pursuant to the Arrangement;

i) section 192 of the CBCA;

j) certain of the Shareholders are resident outside of Ontario and will be served at their addresses as they appear on the books and records of ISG as at September 28, 2012, pursuant to rules 17.02(n) and 17.02(o) of the *Rules of Civil Procedure* and the terms of any interim Order for advice and directions granted by this Honourable Court;

k) rules 14.05(2), 14.05(3) and 38 of the *Rules of Civil Procedure*; and

l) such further and other grounds as counsel may advise and this Honourable Court may permit.

3. **THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT THE HEARING OF THE APPLICATION:**

a) such interim Order as may be granted by this Honourable Court;

b) an Affidavit of David Ogden, the President and Chief Executive Officer of ISG, to be sworn on behalf of ISG, describing the Arrangement and outlining the basis for an interim Order for advice and directions, with exhibits thereto;

c) a further Affidavit(s) to be sworn on behalf of ISG, reporting as to compliance with any interim Order and the results of any meeting conducted pursuant to such interim Order, with exhibits thereto; and

d) such further and other material as counsel may advise and this Honourable Court may permit.

September 24, 2012

GOODMANS LLP
Barristers & Solicitors
333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7

Tom Friedland LSUC #: 31848L
Peter Kolla LSUC #: 54608K

Tel: (416) 979-2211
Fax: (416) 979-1234

Lawyers for the Applicant

IN THE MATTER OF AN APPLICATION UNDER SECTION 192,
***CANADA BUSINESS CORPORATIONS ACT*, R.S.C. 1985, c. C-44, AS AMENDED**

ISG CAPITAL CORPORATION
Applicant

CV-12-9851-00CL
Court File No:

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

NOTICE OF APPLICATION
(returnable November 6, 2012)

GOODMANS LLP
Barristers & Solicitors
333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7

Tom Friedland LSUC#: 31848L
Peter Kolla LSUC #: 54608K

Tel: (416) 979-2211
Fax: (416) 979-1234

Lawyers for the Applicant

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Court File No.: CV-12-9851-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.	) WEDNESDAY, THE 3RD
	)
JUSTICE MORAWETZ	) DAY OF OCTOBER, 2012

IN THE MATTER OF AN APPLICATION UNDER SECTION 192 OF THE *CANADA BUSINESS CORPORATIONS ACT*, R.S.C. 1985, c. C-44, AS AMENDED, AND RULES 14.05(2) AND 14.05(3) OF THE RULES OF CIVIL PROCEDURE

AND IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING ISG CAPITAL CORPORATION, ITS SHAREHOLDERS and FIRM CAPITAL PROPERTY TRUST

ISG CAPITAL CORPORATION

Applicant

INTERIM ORDER
(October 3, 2012)

THIS MOTION made by the Applicant, ISG Capital Corporation ("ISG"), for an interim order for advice and directions pursuant to section 192 of the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended (the "CBCA"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Notice of Application issued on September 24, 2012 and the affidavit of David S. Ogden sworn September 28, 2012 (the "Ogden Affidavit"), including the Plan of Arrangement, which is attached as Schedule "A" to the Arrangement Agreement, which is attached as Appendix "E" to the draft management information circular (the

"Circular") of ISG, which is itself attached as Exhibit "A" to the Ogden Affidavit, on hearing the submissions of counsel for ISG and counsel for Firm Capital Property Trust (the "Trust"), and on being advised that the Director appointed under the CBCA (the "Director") does not consider it necessary to appear.

Definitions

1. **THIS COURT ORDERS** that all definitions used in this Interim Order shall have the meaning ascribed thereto in the Circular or otherwise as specifically defined herein.

The Meeting

2. **THIS COURT ORDERS** that ISG is permitted to call, hold and conduct an annual and special meeting (the "Meeting") of holders (the "Shareholders") of ISG's common shares (the "Shares") to be held at the offices of Goodmans LLP, Suite 3400, 333 Bay Street, Toronto, Ontario, on October 29, 2012 at 10:00 a.m. (Toronto time) in order for the Shareholders to, among other things, consider and, if determined advisable, pass a special resolution authorizing, adopting and approving, with or without variation, the Arrangement and the Plan of Arrangement (collectively, the "Arrangement Resolution").

3. **THIS COURT ORDERS** that the Meeting shall be called, held and conducted in accordance with the CBCA, the notice of annual and special meeting of Shareholders, which accompanies the Circular (the "Notice of Meeting"), and the articles and by-laws of ISG, subject to what may be provided hereafter and subject to further order of this Honourable Court.

4. **THIS COURT ORDERS** that the record date (the "Record Date") for determination of the Shareholders entitled to notice of, and to vote at, the Meeting shall be September 28, 2012 at 5:00 p.m. (EDT).

5. **THIS COURT ORDERS** that the only persons entitled to attend or speak at the Meeting shall be:

   (a) the Shareholders or their respective proxyholders;

   (b) the officers, directors, trustees, auditors and advisors of ISG and the Trust;

   (c) the Director; and

   (d) other persons who may receive the permission of the Chair of the Meeting.

6. **THIS COURT ORDERS** that ISG may transact such other business at the Meeting as is contemplated in the Circular, or as may otherwise be properly before the Meeting.

Quorum

7. **THIS COURT ORDERS** that the Chair of the Meeting shall be determined by ISG and that the quorum at the Meeting shall be not less than two persons present in person at the opening of the Meeting who are entitled to vote at the Meeting either as Shareholders or proxyholders.

Amendments to the Arrangement and Plan of Arrangement

8. **THIS COURT ORDERS** that ISG is authorized to make, subject to the terms of the Arrangement Agreement, and paragraph 9, below, such amendments, modifications or

supplements to the Arrangement and the Plan of Arrangement as it may determine without any additional notice to the Shareholders, or others entitled to receive notice under paragraphs 12 and 13 hereof and the Arrangement and Plan of Arrangement, as so amended, modified or supplemented shall be the Arrangement and Plan of Arrangement to be submitted to the Shareholders at the Meeting and shall be the subject of the Arrangement Resolution. Amendments, modifications or supplements may be made following the Meeting, but shall be subject to review and, if appropriate, further direction by this Honourable Court at the hearing for the final approval of the Arrangement.

9. **THIS COURT ORDERS** that, if any amendments, modifications or supplements to the Arrangement or Plan of Arrangement as referred to in paragraph 8, above, would, if disclosed, reasonably be expected to affect a Shareholder's decision to vote for or against the Arrangement Resolution, notice of such amendment, modification or supplement shall be distributed, subject to further order of this Honourable Court, by press release, newspaper advertisement, prepaid ordinary mail, or by the method most reasonably practicable in the circumstances, as ISG may determine.

Amendments to the Circular

10. **THIS COURT ORDERS** that ISG is authorized to make such amendments, revisions and/or supplements to the draft Circular as it may determine and the Circular, as so amended, revised and/or supplemented, shall be the Circular to be distributed in accordance with paragraphs 12 and 13.

Adjournments and Postponements

11. **THIS COURT ORDERS** that ISG, if it deems advisable and subject to the terms of the Arrangement Agreement, is specifically authorized to adjourn or postpone the Meeting on one or more occasions, without the necessity of first convening the Meeting or first obtaining any vote of the Shareholders respecting the adjournment or postponement, and notice of any such adjournment or postponement shall be given by such method as ISG may determine is appropriate in the circumstances. This provision shall not limit the authority of the Chair of the Meeting in respect of adjournments and postponements.

Notice of Meeting

12. **THIS COURT ORDERS** that, in order to effect notice of the Meeting, ISG shall send the Circular (including the Notice of Application and this Interim Order), the Notice of Meeting, the form of proxy and the letter of transmittal, along with such amendments or additional documents as ISG may determine are necessary or desirable and are not inconsistent with the terms of this Interim Order (collectively, the "Meeting Materials"), to the following:

    (a) the registered Shareholders at the close of business on the Record Date, at least twenty-one (21) days prior to the date of the Meeting, excluding the date of sending and the date of the Meeting, by one or more of the following methods:

        (i) by pre-paid ordinary or first class mail at the addresses of the registered Shareholders as they appear on the books and records of ISG, or its registrar and transfer agent, at the close of business on the Record Date

and if no address is shown therein, then the last address of the person known to the Corporate Secretary of ISG;

(ii) by delivery, in person or by recognized courier service or inter-office mail, to the address specified in (i) above; or

(iii) by facsimile or electronic transmission to any registered Shareholder, who is identified to the satisfaction of ISG, who requests such transmission in writing and, if required by ISG, who is prepared to pay the charges for such transmission;

(b) non-registered Shareholders by providing sufficient copies of the Meeting Materials to intermediaries and registered nominees in a timely manner, in accordance with National Instrument 54-101 of the Canadian Securities Administrators; and

(c) the directors and auditor of ISG, and to the Director appointed under the CBCA, by delivery in person, by recognized courier service, by pre-paid ordinary or first class mail or by facsimile or electronic transmission, at least twenty-one (21) days prior to the date of the Meeting, excluding the date of sending and the date of the Meeting;

and that compliance with this paragraph shall constitute sufficient notice of the Meeting.

13. **THIS COURT ORDERS** that, in the event that ISG elects to distribute the Meeting Materials, ISG is hereby directed to distribute the Information Circular (including the Notice of Application, and this Interim Order), and any other communications or

documents determined by ISG to be necessary or desirable (collectively, the "Court Materials") to the holders of ISG options (the "Options") by any method permitted for notice to Shareholders as set forth in paragraphs 12(c), above, concurrently with the distribution described in paragraph 12 of this Interim Order. Distribution to such persons shall be to their addresses as they appear on the books and records of ISG or its registrar and transfer agent at the close of business on the Record Date.

14. **THIS COURT ORDERS** that accidental failure or omission by ISG to give notice of the Meeting or to distribute the Meeting Materials or Court Materials to any person entitled by this Interim Order to receive notice, or any failure or omission to give such notice as a result of events beyond the reasonable control of ISG, or the non-receipt of such notice shall, subject to further order of this Honourable Court, not constitute a breach of this Interim Order nor shall it invalidate any resolution passed or proceedings taken at the Meeting. If any such failure or omission is brought to the attention of ISG, it shall use its best efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.

15. **THIS COURT ORDERS** that ISG is hereby authorized to make such amendments, revisions or supplements to the Meeting Materials and Court Materials as ISG may determine in accordance with the terms of the Arrangement Agreement ("Additional Information"), and that notice of such Additional Information may, subject to paragraph 9, above, be distributed by press release, newspaper advertisement, pre-paid ordinary mail, or by the method most reasonably practicable in the circumstances, as ISG may determine.

16. **THIS COURT ORDERS** that distribution of the Meeting Materials and Court Materials pursuant to paragraphs 12 and 13 of this Interim Order shall constitute notice of the Meeting and good and sufficient service of the within Application upon the persons described in paragraphs 12 and 13 and that those persons are bound by any orders made on the within Application. Further, no other form of service of the Meeting Materials or Court Materials, or any portion thereof need be made, or notice given or other material served in respect of these proceedings and/or the Meeting to such persons or to any other persons, except to the extent required by paragraph 9, above.

Solicitation and Revocation of Proxies

17. **THIS COURT ORDERS** that ISG is authorized to use the letter of transmittal and election form and the form of proxy substantially in the forms of the drafts accompanying the Circular, with such amendments and additional information as ISG may determine are necessary or desirable, subject to the terms of the Arrangement Agreement. ISG is authorized, at its expense, to solicit proxies, directly or through its officers, directors or employees, and through such agents or representatives as it may retain for that purpose, and by mail or such other forms of personal or electronic communication as it may determine. ISG may waive generally, in its discretion, the time limits set out in the Circular for the deposit or revocation of proxies by Shareholders, if ISG deems it advisable to do so.

18. **THIS COURT ORDERS** that Shareholders shall be entitled to revoke their proxies in accordance with section 148(4) of the CBCA (except as the procedures of that section are varied by this paragraph) provided that any instruments in writing delivered pursuant to s.148(4)(a)(i) of the CBCA: (a) may be deposited at the registered office of ISG or with

the transfer agent of ISG as set out in the Information Circular; and (b) any such instruments must be received by ISG or its transfer agent not later than the last business day immediately preceding the Meeting (or any adjournment or postponement thereof).

Voting

19. **THIS COURT ORDERS** that the only persons entitled to vote in person or by proxy on the Arrangement Resolution, or such other business as may be properly brought before the Meeting, shall be those Shareholders who are registered Shareholders as of the close of business on the Record Date. Illegible votes, spoiled votes, defective votes and abstentions shall be deemed to be votes not cast. Proxies that are properly signed and dated but which do not contain voting instructions shall be voted in favour of the Arrangement Resolution.

20. **THIS COURT ORDERS** that votes shall be taken at the Meeting on the basis of one vote per Share and that in order for the Plan of Arrangement to be implemented, subject to further Order of this Honourable Court, the Arrangement Resolution must be passed, with or without variation, at the Meeting by:

    (a) an affirmative vote of at least two-thirds of the votes cast in respect of the Arrangement Resolution at the Meeting in person or by proxy by the Shareholders; and

    (b) a simple majority of the votes cast in respect of the Arrangement Resolution at the Meeting in person or by proxy by the Shareholders excluding votes attaching to Shares directly or indirectly held, by (a) any "interested party" to the Arrangement within the meaning of Multilateral Instrument 61-101 – Protection

of Minority Security Holders in Special Transactions of the Ontario Securities Commission and l'Autorité des marchés financiers (Québec) ("MI 61-101"), (b) any "related party" of an interested party within the meaning of MI 61-101 (subject to exceptions set out therein), and (c) any person that is a joint actor with any of the foregoing for the purposes of MI 61-101.

Such votes shall be sufficient to authorize ISG to do all such acts and things as may be necessary or desirable to give effect to the Arrangement and the Plan of Arrangement on a basis consistent with what is provided for in the Circular without the necessity of any further approval by the Shareholders, subject only to final approval of the Arrangement by this Honourable Court.

21. **THIS COURT ORDERS** that in respect of matters properly brought before the Meeting pertaining to items of business affecting ISG (other than in respect of the Arrangement Resolution), each Shareholder is entitled to one vote for each Share held.

Dissent Rights

22. **THIS COURT ORDERS** that each registered Shareholder shall be entitled to exercise Dissent Rights in connection with the Arrangement Resolution in accordance with section 190 of the CBCA (except as the procedures of that section are varied by this Interim Order and the Plan of Arrangement) provided that, notwithstanding subsection 190(5) of the CBCA, any Shareholder who wishes to dissent must, as a condition precedent thereto, provide written objection to the Arrangement Resolution to ISG in the form required by section 190 of the CBCA and the Arrangement Agreement, which written objection must be received by ISG not later than 5:00 p.m. (Eastern time) on the

last business day immediately preceding the Meeting (or any adjournment or postponement thereof), and must otherwise strictly comply with the requirements of the CBCA. For purposes of these proceedings, the "court" referred to in section 190 of the CBCA means this Honourable Court.

23. **THIS COURT ORDERS** that any registered Shareholder who duly exercises such Dissent Rights set out in paragraph 22 above and who:

(a) is ultimately determined by this Honourable Court to be entitled to be paid fair value for his, her or its Shares, shall be deemed to have transferred those Shares as of the Effective Time, without any further act or formality and free and clear of all liens, claims, encumbrances, charges, adverse interests or security interests to ISG for cancellation in consideration for a payment of cash from ISG equal to such fair value; or

(b) is for any reason ultimately determined by this Honourable Court not to be entitled to be paid fair value for his, her or its Shares pursuant to the exercise of the Dissent Right, shall be deemed to have participated in the Arrangement on the same basis and at the same time as any non-dissenting Shareholder;

but in no case shall ISG or any other person be required to recognize such Shareholders as holders of Shares at or after the Effective Time and the names of such Shareholders shall be deleted from ISG's register of holders of Shares at that time.

Hearing of Application for Approval of the Arrangement

24. **THIS COURT ORDERS** that upon approval by the Shareholders of the Plan of Arrangement in the manner set forth in this Interim Order, ISG may apply to this Honourable Court for final approval of the Arrangement.

25. **THIS COURT ORDERS** that distribution of the Notice of Application and the Interim Order in the Circular, when sent in accordance with paragraphs 12 and 13 shall constitute good and sufficient service of the Notice of Application and this Interim Order and no other form of service need be effected and no other material need be served unless a Notice of Appearance is served in accordance with paragraph 26.

26. **THIS COURT ORDERS** that any Notice of Appearance served in response to the Notice of Application shall be served on the solicitors for ISG and the Trust, as soon as reasonably practicable, and, in any event, no less than three (3) days before the hearing of this Application at the following addresses:

GOODMANS LLP
Barristers & Solicitors
333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7

Tom Friedland / Peter Kolla
Tel: (416) 979-2211
Fax: (416) 979-1234
Lawyers for the Applicant

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Ontario M5L 1B9

Dan Murdoch / Ellen Snow
Tel: (416) 869-5500

Fax: (416) 947-0866
Lawyers for the Trust

27. **THIS COURT ORDERS** that, subject to further order of this Honourable Court, the only persons entitled to appear and be heard at the hearing of the within application shall be:

(i) ISG;

(ii) the Trust;

(iii) the Director; and

(iv) any person who has filed a Notice of Appearance herein in accordance with the Notice of Application, this Interim Order and the *Rules of Civil Procedure*.

28. **THIS COURT ORDERS** that any materials to be filed by ISG in support of the within Application for final approval of the Arrangement may be filed up to one day prior to the hearing of the Application without further order of this Honourable Court.

29. **THIS COURT ORDERS** that in the event the within Application for final approval does not proceed on the date set forth in the Notice of Application, and is adjourned, only those persons who served and filed a Notice of Appearance in accordance with paragraph 26 shall be entitled to be given notice of the adjourned date.

Precedence

30. **THIS COURT ORDERS** that, to the extent of any inconsistency or discrepancy between this Interim Order and the terms of any instrument creating, governing or

collateral to the Shares, the Options, or the articles or by-laws of ISG, this Interim Order shall govern.

Extra-Territorial Assistance

31. **THIS COURT** seeks and requests the aid and recognition of any court or any judicial, regulatory or administrative body in any province of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province and any court or any judicial, regulatory or administrative body of the United States or other country to act in aid of and to assist this Honourable Court in carrying out the terms of this Interim Order.

Variance

32. **THIS COURT ORDERS** that ISG shall be entitled to seek leave to vary this Interim Order upon such terms and upon the giving of such notice as this Honourable Court may direct.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

OCT - 3 2012

PER/PAR:

IN THE MATTER OF AN APPLICATION UNDER SECTION 192, *CANADA BUSINESS CORPORATIONS ACT*, R.S.C. 1985, c. C-44, AS AMENDED

Court File No.: CV-12-9851-00CL

ISG CAPITAL CORPORATION
Applicant

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

INTERIM ORDER
(October 3, 2012)

GOODMANS LLP
Barristers & Solicitors
333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7

Tom Friedland LSUC#: 31848L
Peter Kolla LSUC #: 54608K

Tel: (416) 979-2211
Fax: (416) 979-1234

Lawyers for the Applicant

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APPENDIX G
FINANCIAL STATEMENTS OF THE TRUST

FIRM CAPITAL PROPERTY TRUST
BALANCE SHEET
AUGUST 30, 2012

Assets		
Cash & Cash Equivalents	$	10
	$	**10**
Unitholders Equity		
Unitholders' Equity	$	10
	$	**10**

FIRM CAPITAL PROPERTY TRUST
NOTES TO THE BALANCE SHEET
AUGUST 30, 2012

1. THE TRUST
Firm Capital Property Trust (the ''Trust'') is an unincorporated open-ended investment trust established on August 30, 2012 under the laws of the Province of Ontario pursuant to a Declaration of Trust. The Trust is a "mutual fund trust" as defined in the Tax Act, but is not a "mutual fund" within the meaning of applicable Canadian securities legislation. The head and registered office of the Trust is located at 1244 Caledonia Road Toronto, Ontario M6A 2X5.

The objectives of the Trust are to: (i) provide Unitholders with a tax efficient, income producing asset base that will focus on capital preservation through prudent acquisitions; (ii) provide Unitholders with stable and growing cash distributions from investments focused on real estate properties in Canada; (iii) enhance the value of the Trust's assets and maximize long-term Unit value through active management; and (iv) expand the asset base of the Trust and increase the Trust's cash flow, through internal growth strategies and accretive acquisitions.

The Trust has been formed to create long-term value for Unitholders, through (i) disciplined investing and capital preservation; and (ii) to achieve stable distributable income. The objectives will be achieved through partnership with management and industry leaders. The Trust will focus on co-owning a diversified property portfolio of multi-tenant residential, single and multi-tenant industrial, net lease convenience retail, and core service provider professional space. The Trust's primary focus will be on joint acquisitions with strong financial partners, and the acquisitions of partial interests from existing co-ownership groups, offering liquidity to those selling, and professional management for those remaining as co-partners. Firm Capital Realty Partners Inc. and Firm Capital Properties Inc., through a structure focused on an alignment of interest with the Trust, are the asset and property manager respectively, sourcing, syndicating and participating in investments.

2. SUBSEQUENT EVENTS
ISG Capital Corporation (the "Corporation"), incorporated under the Canada Business Corporations Act ("CBCA") on July 23, 2007 and the Trust entered into the Arrangement Agreement on August 30, 2012. The Arrangement Agreement provides for the implementation of the Plan of Arrangement pursuant to section 192(4) of the CBCA. The Plan of Arrangement provides that on the Effective Date, the following steps will occur and will be deemed to occur in the order set forth below:

- ***The Ingersoll Sale:*** ISG and BTB Acquisition and Operating Trust entered into the Ingersoll Sale Agreement on June 28, 2012, pursuant to which the Corporation has agreed to sell the Ingersoll Property, together with the Ingersoll Lease and any chattels and tangible personal property necessary or used in connection with the operation and maintenance of the Ingersoll Property (collectively, the "Purchased Assets").

- ***The Arrangement:*** Under the Plan of Arrangement, at the Effective Time each Shareholder of ISG will have the option of redeeming its Shares for the Cash Redemption Amount, exchanging them for Units on the basis of the Exchange Ratio or a combination of the two, provided that each Shareholder who owns a sufficient number of Shares to receive 100 Units under the Plan of Arrangement will be required to exchange Shares for at least 100 Units. The Cash Redemption Amount will be determined based on ISG's cash on hand as of the Effective Time less deductions for (i) required payments under ISG's management incentive plan (the "MIP"), (ii) the cost of purchasing a "run-off" directors' and officers' insurance policy and (iii) ISG's transaction costs, and less a further deduction of $0.005 per Share. The Corporation currently anticipates that this will result in a Cash Redemption Amount of approximately approximately $0.17 per Share. The Exchange Ratio will be determined by dividing (i) the Cash Redemption Amount plus $0.005 per Share (the "Unit Redemption Amount") by (ii) $5.00, being the initial value of the Units based on the price at which Firm Capital Asset Management Corp. ("Firm Capital"), an affiliate of the Trust, will be purchasing Units in order to capitalize the Trust immediately prior to the Effective Time. Assuming a Cash Redemption Amount of $0.17, this would result in a Unit Redemption Price of $0.175 and an Exchange Ratio of 0.035 Units for each Share. Following redemption of all the Shares pursuant to the Arrangement, the Corporation will be a wholly-owned subsidiary of the Trust.

3. RELATED PARTY TRANSACTIONS
The Trust has entered into Property and Asset Management Agreements with Firm Capital Corporation ("Firm Capital") and its related entities.

Property Management Agreement
Firm Capital Properties Inc. (the "Manager") will be responsible for providing management, operation and maintenance services in respect of the Trust's properties pursuant to the Property Management Agreement. The Manager, with the prior approval of the Partnership, may delegate some or all of its rights and obligations under the Property Management Agreement to a duly qualified agent, provided that any person to whom property management services have been delegated shall be paid out of the fees payable to the Manager under the Property Management Agreement.

Services provided under the Property Management Agreement will primarily include the following: (i) leasing, (ii) collection of rents, (iii) maintenance and repair, (iv) performance, on behalf of the Trust, of all of the obligations, covenants and agreements to tenants, mortgagees, contractors and all others to whom the Trust or the Manager shall have contracted, (v) obtaining and renewing licences, permit and approvals, (vi) collection and disbursement of revenues, and (vii) preparation of budgets. The term of the Property Management Agreement will commence on the completion of the Arrangement for five years and will be automatically renewed for successive five year terms unless otherwise terminated. Notwithstanding the foregoing, on or after the expiry of the initial five year term, the Property Management Agreement may be terminated by the Manager upon 90 days' prior written notice.

Under the terms of the Property Management Agreement, the Manager will be entitled to the following fees: (i) a management fee ranging from 2.0% to 4.25% of gross revenue depending on the size and type of properties managed; (ii) commercial leasing fees and commercial leasing renewal fees ranging from 0.5% to 3.0% of the net rental payments depending on the term of the lease involved. Additionally, where the Manager is requested by the Trust to construct tenant improvements or to renovate same (collectively, "Capital Expenditures"), the Manager will be entitled to a construction and development fee in the amount of 5.0% of the cost of such Capital Expenditures.

Asset Management Agreement
Pursuant to the Asset Management Agreement, Firm Capital Realty Advisors Inc. (the "Asset Manager") will provide asset management, administrative and reporting services to the Trust. The Asset Manager will provide these services to the Trust through the provision of qualified senior management. In particular, the Asset Manager will be responsible for arranging the financing, refinancing or restructuring of financing relating to the Future Properties as well as identifying and recommending properties for acquisition or disposition. The Asset Manager will also provide the Trust with the services of Messrs. Dadouch and McKee and the services of the Asset Manager's other senior officers. These individuals will devote the amount of time necessary to the management of the Trust in order to carry out its business objectives.

The Asset Management Agreement also requires the Asset Manager to provide the Trust with support services consisting of investor relations activities and assisting the Trust with regulatory and financial reporting requirements. The Asset Management Agreement may be terminated by the Trust at any time upon the occurrence of certain events of default. The Asset Manager can terminate the Asset Management Agreement at any time upon 90 days' prior written notice.

Under the terms of the Asset Management Agreement, the Asset Manager will be entitled to the following fees: (i) management fees ranging from 0.50% to 0.75% of the gross book value of the Trust's properties depending on the gross book value of the Trust's portfolio of properties, (ii) acquisition fees ranging from 0.50% to 0.75% of the aggregate gross book value of properties acquired by the Trust depending on the gross book value of the properties acquired by the Trust, (iii) performance incentive fees equal to 15% of AFFO once AFFO exceeds $0.36 per Unit and (iv) financing fees equal to 0.25% of the aggregate value of all third-party financing arranged by the Asset Manager.

INDEPENDENT AUDITORS' REPORT

To the Trustees of Firm Capital Property Trust

We have audited the accompanying balance sheet of Firm Capital Property Trust as at August 30, 2012, and notes, comprising a summary of significant accounting policies and other explanatory information (together "the financial statement").

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with International Financial Reporting Standards relevant to preparing such a financial statement, and for such internal control as management determines is necessary to enable the preparation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of financial statement, whether due to fraud or error.

In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement presents fairly, in all material respects the financial position of Firm Capital Property Trust as at August 30, 2012 in accordance with International Financial Reporting Standards relevant to preparing such a financial statement.

KPMG LLP

September 27, 2012
Toronto, Canada

APPENDIX H
PRO FORMA FINANCIAL STATEMENTS OF THE TRUST

FIRM CAPITAL PROPERTY TRUST
PRO FORMA CONSOLIDATED BALANCE SHEET
JUNE 30, 2012
(Unaudited)

	ISG Capital Corporation	Ingersoll Sale (Note 5a)	Closing Costs (Note 5b)	Share-for-Cash Redemption (Note 5c)	Private Placement (Note 5d)	Share-for-Unit Exchange (Note 5e)	Firm Capital Trust Unit Issuance (Note 5f)	Pro Forma
Assets								
Real Estate Property	$ 8,227,418	$ (8,227,418)	$ -	$ -	$ -	$ -	$ -	$ -
Accrued Rent Receivable	70,218	(70,218)	-	-	-	-	-	-
Prepaid Expenses & Other Assets	31,724	(20,550)	-	-	-	-	-	11,174
Cash & Cash Equivalents	91,477	3,520,546	(833,090)	(2,289,186)	4,000,000	-	500,000	4,989,747
	$ 8,420,837	**$ (4,797,640)**	**$ (833,090)**	**$ (2,289,186)**	**$ 4,000,000**	**$ -**	**$ 500,000**	**$ 5,000,921**
Liabilities & Shareholders' Equity								
Liabilities								
Mortgage Payable	$ 6,334,847	$ (6,334,847)	$ -	$ -	$ -	$ -	$ -	$ -
Prepaid Rent	192,798	(192,798)	-	-	-	-	-	-
Accounts Payable & Accrued Liabilities	71,506	(33,105)	-	-	-	-	-	38,401
	$ 6,599,151	**$ (6,560,750)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 38,401**
Shareholders' & Unitholders Equity								
Capital Stock	$ 4,270,471	$ -	$ -	$ (3,152,358)	$ 4,000,000	$ (5,118,113)	$ -	$ -
Unitholders' Equity	-	-			-	5,118,113	500,000	5,618,113
Contributed Surplus	300,000	-	-	863,172	-	-	-	1,163,172
Deficit	(2,748,785)	1,763,110	(833,090)	-	-	-	-	(1,818,765)
	$ 1,821,686	**$ 1,763,110**	**$ (833,090)**	**$ (2,289,186)**	**$ 4,000,000**	**$ -**	**$ 500,000**	**$ 4,962,520**
	$ 8,420,837	**$ (4,797,640)**	**$ (833,090)**	**$ (2,289,186)**	**$ 4,000,000**	**$ -**	**$ 500,000**	**$ 5,000,921**

FIRM CAPITAL PROPERTY TRUST
PRO FORMA CONSOLIDATED STATEMENT OF NET INCOME & COMPREHENSIVE NET INCOME
SIX MONTHS ENDED JUNE 30, 2012
(Unaudited)

	ISG Capital Corporation	Ingersoll Sale (Note 5a)	Closing Costs (Note 5b)	Share-for-Cash Redemption (Note 5c)	Private Placement (Note 5d)	Share-for-Unit Exchange (Note 5e)	Firm Capital Trust Unit Issuance (Note 5f)	Pro Forma
Revenue								
Revenue from Real Estate Property	$ 560,866	$ (560,866)	$ -	$ -	$ -	$ -	$ -	$ -
Gain on Sale of Ingersoll Asset	-	1,838,110						1,838,110
	$ 560,866	**$ 1,277,244**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,838,110**
Property Expenses								
Mortgage Interest	$ 257,026	$ (257,026)	$ -	$ -	$ -	$ -	$ -	$ -
Depreciation & Amortization	212,712	(212,712)	-	-	-	-	-	-
Recoverable Expenses	129,684	(129,684)	-	-	-	-	-	-
General & Administrative Expenses	132,406	75,000	833,090	-	-	-	-	1,040,496
	$ 731,828	**$ (524,422)**	**$ 833,090**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,040,496**
Net Income/(Loss) for the Period and Comprehensive Loss	**$ (170,962)**	**$ 1,801,666**	**$ (833,090)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 797,614**
Deficit, Beginning of Period	(2,577,823)	-	-	-	-	-	-	(2,577,823)
Less: Reversal of Net Income/(Loss) for the Period and Comprehensive Loss (Note 5a)	-	(38,556)	-	-	-	-	-	(38,556)
	$ (2,748,785)	**$ 1,763,110**	**$ (833,090)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ (1,818,765)**
Weighted Average Number of Common Shares/Trust Units Outstanding	**18,242,000**	**18,242,000**	**18,242,000**	**4,776,200**	**27,633,343**	**967,167**	**1,067,167**	**1,067,167**

FIRM CAPITAL PROPERTY TRUST
PRO FORMA CONSOLIDATED STATEMENT OF NET INCOME & COMPREHENSIVE NET INCOME
YEAR ENDED DECEMBER 31, 2011
(Unaudited)

	ISG Capital Corporation	Ingersoll Sale (Note 5a)	Closing Costs (Note 5b)	Share-for-Cash Redemption (Note 5c)	Private Placement (Note 5d)	Share-for-Unit Exchange (Note 5e)	Firm Capital Trust Unit Issuance (Note 5f)	Pro Forma
Revenue								
Revenue from Real Estate Property	$ 884,034	$ (884,034)	$ -	$ -	$ -	$ -	$ -	$ -
Recoveries	245,398	(245,398)	-	-	-	-	-	-
Other	14	-	-	-	-	-	-	14
Gain on Sale of Ingersoll Asset	-	1,570,671	-	-	-	-	-	1,570,671
	$ 1,129,446	**$ 441,239**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,570,685**
Property Expenses								
Finance Cost	$ 513,869	$ (513,869)	$ -	$ -	$ -	$ -	$ -	$ -
Depreciation & Amortization	424,531	(424,531)	-	-	-	-	-	-
Operating Expenses	255,398	(255,398)	-	-	-	-	-	-
General & Administrative	254,727	75,000	833,090	-	-	-	-	1,162,817
	$ 1,448,525	**$ (1,118,798)**	**$ 833,090**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,162,817**
Net Income/(Loss) for the Period and Comprehensive Loss	**$ (319,079)**	**$ 1,560,037**	**$ (833,090)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 407,868**
Deficit, Beginning of Period	(2,258,744)	-	-	-	-	-	-	(2,258,744)
Less: Reversal of Net Income/(Loss) for the Period and Comprehensive Loss (Note 5a)	-	(64,366)	-	-	-	-	-	(64,366)
	$ (2,577,823)	**$ 1,495,671**	**$ (833,090)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ (1,915,242)**
Weighted Average Number of Common Shares/Trust Units Outstanding	**18,242,000**	**18,242,000**	**18,242,000**	**4,776,200**	**27,633,343**	**967,167**	**1,067,167**	**1,067,167**

FIRM CAPITAL PROPERTY TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SIX MONTHS ENDED JUNE 30, 2012 & YEAR ENDED DECEMBER 31, 2011
(Unaudited)

1. THE TRUST

Firm Capital Property Trust (the ''Trust'') is an unincorporated open-ended investment trust established on August 30, 2012 under the laws of the Province of Ontario pursuant to a Declaration of Trust. The Trust is a "mutual fund trust" as defined in the Tax Act, but is not a "mutual fund" within the meaning of applicable Canadian securities legislation. The head and registered office of the Trust is located at 1244 Caledonia Road Toronto, Ontario M6A 2X5.

The objectives of the Trust are to: (i) provide Unitholders with a tax efficient, income producing asset base that will focus on capital preservation through prudent acquisitions; (ii) provide Unitholders with stable and growing cash distributions from investments focused on real estate properties in Canada; (iii) enhance the value of the Trust's assets and maximize long-term Unit value through active management; and (iv) expand the asset base of the Trust and increase the Trust's cash flow, through internal growth strategies and accretive acquisitions.

The Trust has been formed to create long-term value for Unitholders, through (i) disciplined investing and capital preservation; and (ii) to achieve stable distributable income. The objectives will be achieved through partnership with management and industry leaders. The Trust will focus on co-owning a diversified property portfolio of multi-tenant residential, single and multi-tenant industrial, net lease convenience retail, and core service provider professional space. The Trust's primary focus will be on joint acquisitions with strong financial partners, and the acquisitions of partial interests from existing co-ownership groups, offering liquidity to those selling, and professional management for those remaining as co-partners. Firm Capital Realty Partners Inc. and Firm Capital Properties Inc., through a structure focused on an alignment of interest with the Trust, are the asset and property manager respectively, sourcing, syndicating and participating in investments.

As part of the formation of the Trust, the following Transactions (as outlined below) will occur.

2. THE TRANSACTIONS

ISG Capital Corporation (the "Corporation"), incorporated under the Canada Business Corporations Act ("CBCA") on July 23, 2007 and the Trust entered into the Arrangement Agreement on August 30, 2012. The Arrangement Agreement provides for the implementation of the Plan of Arrangement pursuant to section 192(4) of the CBCA. The Plan of Arrangement provides that on the Effective Date, the following steps will occur and will be deemed to occur in the order set forth below:

- ***The Ingersoll Sale:*** ISG and BTB Acquisition and Operating Trust entered into the Ingersoll Sale Agreement on June 28, 2012, pursuant to which the Corporation has agreed to sell the Ingersoll Property, together with the Ingersoll Lease and any chattels and tangible personal property necessary or used in connection with the operation and maintenance of the Ingersoll Property (collectively, the "Purchased Assets").

- ***The Arrangement:*** Under the Plan of Arrangement, at the Effective Time each Shareholder of ISG will have the option of redeeming its Shares for the Cash Redemption Amount, exchanging them for Units on the basis of the Exchange Ratio or a combination of the two, provided that each Shareholder who owns a sufficient number of Shares to receive 100 Units under the Plan of Arrangement will be required to exchange Shares for at least 100 Units. The Cash Redemption Amount will be determined based on ISG's cash on hand as of the Effective Time less deductions for (i) required payments under ISG's management incentive plan (the "MIP"), (ii) the cost of purchasing a "run-off" directors' and officers' insurance policy and (iii) ISG's transaction costs, and less a further deduction of $0.005 per Share. The Corporation currently anticipates that this will result in a Cash Redemption Amount of approximately approximately $0.17 per Share. The Exchange Ratio will be determined by dividing (i) the Cash Redemption Amount plus $0.005 per Share (the "Unit Redemption Amount") by (ii) $5.00, being the initial value of the Units based on the price at which Firm Capital Asset Management Corp. ("Firm Capital"), an affiliate of the Trust, will be purchasing Units in order to capitalize the Trust immediately prior to the Effective Time. Assuming a Cash Redemption Amount of $0.17, this would result in a Unit Redemption Price of $0.175 and an Exchange Ratio of 0.035 Units for each Share. Following redemption of all the Shares pursuant to the Arrangement, the Corporation will be a wholly-owned subsidiary of the Trust.

The above transactions are described in more detail elsewhere in this Plan of Arrangement and the Information Circular.

3. BASIS OF PRESENTATION

These pro forma consolidated financial statements have been prepared from, and should be read in conjunction with, the audited annual financial statements as at December 31, 2011 and the unaudited financial statements as at June 30, 2012 of the Corporation, which financial statements are available on SEDAR (www.sedar.com). The pro forma consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (''IFRS'') as included in Part I of the Canadian Institute of Chartered Accountants Handbook — Accounting. The pro forma consolidated balance sheet gives effect to the transactions described below as if they had occurred on June 30, 2012. The pro forma consolidated statements of net income and comprehensive income give effect to the transactions described below as if they had occurred on January 1, 2011 and January 1, 2012. The pro forma consolidated financial statements are not necessarily indicative of the results that would have actually occurred if the transactions had been consummated on these dates, nor are they necessarily indicative of future operating results or the financial position of the Trust. Amounts are presented in Canadian dollars unless otherwise stated.

4. SIGNIFICANT ACCOUNTING POLICIES

These pro forma consolidated financial statements have been prepared in accordance with IFRS and reflect the following accounting policies:

(a) Basis of consolidation

The consolidated pro forma financial statements comprise the financial statements of the Trust and its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting periods as the Trust, using consistent accounting policies. Subsidiaries are 100% owned and fully controlled by the Trust. All intercompany balances, transactions and unrealized gains and losses arising from intercompany transactions, are eliminated on consolidation.

(b) Basis of Measurement

These pro forma consolidated financial statements have been prepared on a historical cost basis.

(c) Use of estimates and judgments:

The preparation of these financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies, the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results may differ from these estimates:

Use of estimates:

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Recoverable amount of the investment property subject to an impairment test:

The determination of the fair value less costs to sell requires the Trust to consider many factors such as local market conditions, recent sales of similar properties within similar market areas, physical characteristics of the investment property and forecasted income from the investment property.

Depreciation and amortization:

Useful lives of the investment property and the significant components thereof used to calculate depreciation and amortization.

Use of judgments:

The critical judgments made in applying accounting policies that have the most significant effect on the amounts recognized in these financial statements are as follows:

Leases:
The Trust's policy for property rental revenue recognition is described below. The Trust makes judgments in determining whether certain leases, in particular those tenant leases with long contractual terms where the Trust is the lessor, are operating or finance leases. The Trust has determined that all of its leases are operating leases.

Investment property componentization:
The Trust's accounting policies relating to investment property componentization are described below. In applying this policy, judgment is made in determining the degree of componentization for the property.

Tenant improvements:
The Trust makes judgments with respect to whether tenant improvements provided in connection with a lease enhance the value of the leased property, which determines whether such amounts are capitalized to investment property.

(d) Real Estate Property
Real estate property is recorded at cost less accumulated amortization. The real estate property is amortized on a straight-line basis over the useful life of the asset, which is estimated to be 25 years. Equipment is amortized on a straight-line basis over its useful life, which is estimated to be 10 years.

The Trust reviews whether the real estate property is impaired whenever events or changes in circumstances affect the ultimate value of the real estate property and indicate that the carrying amount may not be recoverable. If the sum of the estimated undiscounted future cash flows from operations and expected residual value is less than the carrying value of the real estate property, an impairment would be recognized, whereby the real estate property would be written down to its fair value.

(e) Leases
A lease is classified as a finance lease if it results in a transfer of substantially all the risks and rewards incidental to ownership from the Trust to the lessee. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership to the lessee. All leases to which the Trust is the lessor have been determined to be operating leases.

(f) Revenue Recognition
Rental revenue from operating leases is recognized on a straight-line basis, whereby the total amount of rental revenue to be received from the lease is accounted for on a straight-line basis over the term of the lease.

(g) Financial Instruments
The Trust recognizes financial assets and financial liabilities when the Trust becomes a party to a contract. Financial assets and financial liabilities, with the exception of financial assets classified as at fair value through profit or loss, are measured at fair value plus transaction costs on initial recognition. Financial assets at fair value through profit or loss are measured at fair value on initial recognition and transaction costs are expensed when incurred.

Measurement in subsequent periods depends on the classification of the financial instrument:

Financial assets at fair value through profit or loss (FVTPL)
Financial assets are classified as FVTPL when acquired principally for the purpose of trading, if so designated by management, or if they are derivative assets. Financial assets classified as FVTPL are measured at fair value, with changes recognized in the consolidated statements of comprehensive income. The Trust's financial assets classified as FVTPL include cash. The Trust does not currently hold any derivative assets.

Available-for-sale financial assets
Available-for-sale financial assets are non-derivative financial assets that are either designated as such by management or not classified in any of the other categories. Available-for-sale financial assets are measured at fair value with changes recognized in other comprehensive income. Upon sale or impairment, the accumulated fair value adjustments recognized in other comprehensive income are recorded in the consolidated statements of comprehensive income. If there is objective evidence that an asset is impaired, its recoverable amount is determined and any impairment loss is recognized in the consolidated statements of comprehensive income. Objective evidence would include a significant or prolonged decline in the fair value of an asset below its original cost.

Loans and receivables
Loans and receivables are non-derivative financial assets that have fixed or determinable payments and are not quoted in an active market. Subsequent to initial recognition, loans and receivables are carried at amortized cost using the effective interest method. If there is objective evidence that an asset is impaired, its recoverable amount is determined and any impairment loss is recognized in the statement of comprehensive income.

Financial liabilities at FVTPL
Financial liabilities are classified as FVTPL if they are designated as such by management, or they are derivative liabilities. Financial liabilities classified as FVTPL are measured at fair value, with changes recognized in the statement of comprehensive income.

Other financial liabilities
Other financial liabilities are financial liabilities that are not classified as FVTPL. Subsequent to initial recognition, other financial liabilities are measured at amortized cost using the effective interest method. The Trust's other financial liabilities include mortgages payable, accounts payable and accrued liabilities and prepaid rent. The effective interest method is a method of calculating the amortized cost of an instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or disbursements (including all transaction costs and other premiums or discounts) through the expected life of the debt instrument to the net carrying amount on initial recognition.

Accounts receivable and other assets
Accounts receivable and other assets include trade receivables, commodity taxes receivable and straight-line rent. Straight-line rent is used to straight-line revenue from operating leases over the term of the lease. The Trust recognizes the aggregate cost or benefit of straight-line rent as a reduction or increase of rental income over the lease term, on a straight-line basis.

Income Taxes
The Trust is a mutual fund trust and a real estate investment trust (a "REIT") pursuant to the Income Tax Act (Canada) (the "Tax Act"). Under current tax legislation, a REIT is entitled to deduct distributions of taxable income such that it is not liable to pay income taxes provided that its taxable income is fully distributed to Unitholders each year. The Trust is a REIT if it meets prescribed conditions under the Tax Act relating to the nature of its assets and revenue (the "REIT Conditions"). The Trust has reviewed the REIT Conditions and has assessed their interpretation and application.

The Trust intends to qualify as a REIT under the Tax Act and to make distributions not less than the amount necessary to ensure that the Trust will not be liable to pay income taxes.

Critical Accounting Estimates
The preparation of these financial statements requires the Trust to apply judgment when making estimates and assumptions that affect the reported amounts recognized in the financial statements. These estimates have a direct effect on the measurement of transactions and balances recognized in the financial statements. Actual results could differ from estimates.

Critical Judgements in Applying Accounting Policies
In the preparation of these financial statements the Trust has made judgments, aside from those that involve estimates, in the process of applying the accounting policies. These judgments can have an effect on the amounts recognized in the financial statements.

Leases: The Trust makes judgment in determining whether leases in which the Trust is the lessor are operating or finance leases, and determined that all of its leases are operating leases. The accounting treatment of leases as finance leases would have a significant effect on the measurement of transactions and balances in the financial statements.

Property acquisitions: When investment properties are acquired, the Trust is required to apply judgment as to whether or not the transaction should be accounted for as an asset acquisition or business combination. All of the Trust's property acquisitions have been accounted for as asset acquisition. Accounting treatment of property acquisitions as business combinations could result in significant differences in the measurement of balances and transactions.

(h) Income taxes:
The Trust is a mutual fund trust and a REIT pursuant to the Tax Act. Under current tax legislation, a REIT is entitled to deduct distributions of taxable income such that it is not liable to pay income taxes provided that its taxable income is fully distributed to Unitholders each year. The Trust intends to qualify as a REIT and to make distributions not less than the amount necessary to ensure that the Trust will not be liable to pay income taxes. Accordingly, no current or deferred income taxes have been recorded in the pro forma consolidated financial statements.

5. PRO FORMA ADJUSTMENTS
The pro forma adjustments to the pro forma consolidated financial statements have been prepared to account for the impact of the Transactions contemplated by the Plan of Arrangement as described in Note 2 and below:

(a) Ingersoll Sale
As outlined in the Plan of Arrangement, The Corporation and BTB Acquisition and Operating Trust entered into the Ingersoll Sale Agreement on June 28, 2012, pursuant to which the Corporation has agreed to sell the Ingersoll Property, together with the Ingersoll Lease and any chattels and tangible personal property necessary or used in connection with the operation and maintenance of the Ingersoll Property (collectively, the "Purchased Assets"), for a net purchase price of $10,282,250, subject to customary closing adjustments. The pro forma consolidated financial statements have recorded the net impact of the disposition as if the Ingersoll Sale occurred on January 1, 2011 and January 1, 2012.

Assuming the Ingersoll Sale occurred on January 1, 2011 and January 1, 2012; the net gain on sale and cash flow received and would have been as follows:

	January 1, 2012	January 1, 2011
Net Proceeds on Disposition	$ 10,282,250	$ 10,282,250
Add: Prepaid Rent	113,456	125,398
Less:		
Real Estate Asset Book Value	(8,227,418)	(8,449,131)
Closing Costs		
Accrued Rent Receivable	(70,218)	(72,254)
Deferred Finance Fees	(14,462)	(20,265)
Mortgage Fair Value Adjustment	(245,498)	(295,327)
Gain on Sale of Ingersoll Asset	**$ 1,838,110**	**$ 1,570,671**
Less: Closing Costs	(75,000)	(75,000)
Net Gain on Sale of Ingersoll Asset	**$ 1,763,110**	**$ 1,495,671**
Net Proceeds on Disposition	$ 10,282,250	$ 10,282,250
Add:		
Prepaid Expenses & Other Assets	20,550	20,550
Less:		
Mortgage Payable	(6,594,805)	(6,677,728)
Prepaid Rent	(79,344)	(79,343)
Closing Costs	(75,000)	(75,000)
Accounts Payable & Accrued Liabilities	(33,105)	(33,738)
Net Cash Flow Received	**$ 3,520,546**	**$ 3,436,991**

The consolidated financial statements also adjust for the impact of the Ingersoll Sale as if no revenue was received and expenses incurred in the ownership of the Ingersoll asset. These adjustments are outlined below:

	January 1, 2012	January 1, 2011
Revenue		
Revenue from Real Estate Property	$ (560,866)	$ (884,034)
Recoveries	-	(245,398)
	$ (560,866)	**$ (1,129,432)**
Property Expenses		
Finance Cost	(257,026)	(513,869)
Depreciation & Amortization	(212,712)	(424,531)
Operating Expenses	(129,684)	(255,398)
General & Administrative	-	-
	(599,422)	**(1,193,798)**
Reversal of Net Loss & Comprehensive Loss for the Period	**$ 38,556**	**$ 64,366**

(b) Closing Costs
Estimated closing costs to complete the Transaction as contemplated in the Plan of Arrangement (including costs for the Private Placement and Firm Capital Trust Unit Issuance) are outlined below:

ISG Management Incentive Pool ("MIP") Payments	$ 300,000
Legal Fees - Firm Capital Property Trust	240,000
Legal Fees - ISG Capital Corporation	143,090
"Run Off" Directors' & Officers' Insurance Policy	45,000
Audit & Tax Advisory Fees	70,000
Transfer Agent Fees	20,000
Printing Fees	10,000
Miscellaneous	5,000
Total Closing Costs	**$ 833,090**

(c) Share-for-Cash Redemption
As outlined in the Plan of Arrangement, each Shareholder of the Corporation will have the option of redeeming its Shares for the Cash Redemption Amount of approximately $0.17 per share. In addition, David Ogden, Joseph Sorbara and Firm Capital Mortgage Corporation have each agreed to exchange a minimum of 750,000; 750,000 and 2,071,000 Shares into Units of the Trust, respectively. Also, the ability of Shareholders to elect the form of consideration they will receive in exchange for their Shares under the Plan or Arrangement is subject to the Minimum Exchange Requirement, which requires that each Shareholder who holds at the Effective Time such number of Shares which, upon conversation at the Exchange Ratio, is equal to at least one Board Lot of Units, will be deemed to have elected to receive a minimum of one Board Lot of Units in exchange for its Shares. Accordingly, Shareholders who are subject to the Minimum Exchange Requirement will not be permitted to receive the Cash Redemption Amount in respect of all of their Shares.

Outlined below are the forecasted redemption amounts by Shareholders electing to receive cash as a result of the Plan of Arrangement (subject to the Minimum Exchange Requirement):

	Total Shares Outstanding	Less: Minimum Shares to be Exchanged into Trust Units	Shares to be Redeemed for Cash	Redemption Amount Per Share	Cash Redemption Amount
Joseph Sorbara	3,141,000	(750,000)	2,391,000	$ 0.17	$ 406,470
David Ogden	3,013,000	(750,000)	2,263,000	$ 0.17	384,710
Firm Capital Mortgage Corporation	2,071,000	(2,071,000)	-	$ 0.17	-
Other Shareholders	10,017,000	(1,205,200)	8,811,800	$ 0.17	1,498,006
Total Closing Costs	**18,242,000**	**(4,776,200)**	**13,465,800**		**$ 2,289,186**

The average cost base of issued and outstanding shares of the Corporation is approximately $0.23 per Share. Based on the forecasted Shares to be Redeemed for Cash, the Capital Stock to be redeemed along with adjustment to Contributed Surplus is as follows:

Shares to be Redeemed for Cash	13,465,800
Average Per Share Cost Base	$ 0.23
Cost Base of Shares to be Redeemed	**$ 3,152,358**
Less: Cash Redemption Amount	(2,289,186)
Contributed Surplus	**$ 863,172**

(d) Private Placement

As outlined in the Plan of Arrangement, the Corporation intends to complete a Private Placement at a price per Share equal to the Unit Redemption Amount for an aggregate subscription amount of between $4 million and $15 million. Assuming a Unit Redemption Amount of $0.175, this would result in the issuance of between 22,857,143 and 85,714,286 Shares pursuant to the Private Placement. The net proceeds from the Private Placement will be retained by the Corporation and available to the Trust following completion of the Arrangement. The pro forma consolidated financial statements have assumed that the minimum ($4 million or 22,857,143 shares) is raised through the Private Placement.

(e) Share-for-Unit Exchange

As outlined under the Plan of Arrangement, Shares not exchanged for the Cash Redemption Amount of $0.17 per Share will be exchanged into Units of the Trust at $0.175 per Share. (the "Unit Redemption Amount") In addition, the Shares will be consolidated via an Exchange Ratio which will be determined by dividing the (i) Unit Redemption Amount by (ii) $5.00. This results in an Exchange Ratio of 0.035 Units of the Trust for each Share. Following redemption of all the Shares pursuant to the Arrangement, the Corporation will be a wholly-owned subsidiary of the Trust.

Outlined below is the forecasted Share-for-Unit Exchange calculation:

Minimum Shares to be Exchanged into Trust Units (Note 5c)	4,776,200
Add: Shares Issued as a result of the Private Placement (Note 5d)	22,857,143
Total Shares to be Exchanged into Trust Units	**27,633,343**
Exchange Ratio	0.035
Total Trust Units	**967,167**

(f) Firm Capital Trust Unit Issuance

As outlined in the Plan of Arrangement, Firm Capital Asset Management Corp. or its Affiliates will be subscribing for a minimum of $500,000 and a maximum of $1,500,000 Units of the Trust at a price of $5.00 per Unit. The pro forma consolidated financial statements have assumed that the minimum ($500,000) of Units is issued to Firm Capital Asset Management Corp. which equates to 100,000 Units of the Trust.

6. SOURCES AND USES OF CASH

The Trust's sources and uses of cash after completion of the Transaction will be as follows:

Sources	
Ingersoll Sale (Note 5a)	$ 3,520,546
Private Placement (Note 5d)	4,000,000
Firm Capital Trust Unit Issuance (Note 5f)	500,000
Cash & Cash Equivalents - ISG Capital Corporation (June 30, 2012)	91,477
Uses	
Closing Costs (Note 5b)	(833,090)
Share-for-Cash Redemption (Note 5c)	(2,289,186)
Pro Forma Net Cash, Firm Capital Property Trust	**$ 4,989,747**

7. UNITHOLDERS' EQUITY

On completion of the Transaction, the Trust expects to have the following Unitholder's Equity:

	Issued	**$**
Trust Units	1,067,167	$ 5,618,113
Contributed Surplus		1,163,172
Deficit		(1,818,765)
Pro Forma Net Cash, Firm Capital Property Trust	**1,067,167**	**$ 4,962,520**

8. COMMITMENTS AND CONTINGENCIES

In connection with the Transaction, the Corporation will be required to pay a $200,000 termination fee if the Trust terminates the Arrangement Agreement due to (i) the Corporation's intentional and knowing breach of its non-solicitation covenants in the Arrangement Agreement, (ii) the Corporation's material breach of covenants in the Arrangement Agreement or (iii) a Change in Recommendation. Further, the Corporation will be required to pay the termination fee if the Corporation terminates the Arrangement Agreement to enter into a written agreement with respect to a Superior Proposal; or (i) prior to the Meeting, an Acquisition Proposal (or an intention to make an Acquisition Proposal) has been publicly announced and has not expired or been withdrawn, (ii) the Arrangement is not completed due to Shareholders not voting in favour of the Arrangement or a failure to close by the Outside Date and (iii) within 12 months of the termination of the Arrangement Agreement either (A) an Acquisition Proposal is completed or (B) the Corporation enters into a definitive agreement with respect to an Acquisition Proposal and such Acquisition Proposal is subsequently completed.

APPENDIX I
DECLARATION OF TRUST

See attached.

Execution Version

FIRM CAPITAL PROPERTY TRUST

DECLARATION OF TRUST

August 30, 2012

STIKEMAN ELLIOTT LLP

TABLE OF CONTENTS

FIRM CAPITAL PROPERTY TRUST

DECLARATION OF TRUST

THIS DECLARATION OF TRUST made in Toronto, Ontario as of the 30th day of August, 2012.

RECITALS

WHEREAS the undersigned, being all of the Trustees, wish to establish the Trust for the principal purpose of providing persons who may become the holders of Units of the Trust with an opportunity to participate in a portfolio of income-producing real property investments in Canada.

NOW THEREFORE, the undersigned being all of the Trustees hereby confirm and declare that the Trustees hold in trust as trustees the sum of $10.00 and any and all other property, real, personal or otherwise, tangible or intangible, which has been at the date hereof or is hereafter transferred, conveyed or paid to or otherwise received by them as such Trustees or to which the Trust is otherwise entitled and all rents, income, profits and gains therefrom for the benefit of the Unitholders hereunder in accordance with and subject to the express provisions of this Declaration of Trust, as follows:

ARTICLE 1
DEFINITIONS AND INTERPRETATION

Section 1.1 Definitions and Interpretation

In this Declaration of Trust, words in the singular number include the plural and words in the plural number include the singular, and the masculine includes the feminine and neuter. In this Declaration of Trust, except where the context otherwise requires:

"**Adjusted Unitholders' Equity**" means, at any time, the aggregate of the amount of Unitholders' equity and the amount of accumulated depreciation and amortization recorded in the books and records of the Trust in respect of its properties calculated in accordance with GAAP;

"**affiliate**" has the meaning ascribed thereto in the *Securities Act* (Ontario), as amended from time to time;

"**annuitant**" means the annuitant of a registered retirement savings plan or a registered retirement income fund, all as defined in the Tax Act;

"**associate**" has the meaning ascribed thereto in the *Canada Business Corporations Act*, as amended from time to time;

"**Audit Committee**" means the committee established pursuant to Section 9.3;

"**Auditors**" means the firm of chartered accountants appointed as auditors of the Trust from time to time in accordance with the provisions hereof and, initially means KPMG LLP;

"**Beneficial Owner**" has the meaning given thereto in Section 6.12;

"Book-Entry System" means the record-entry securities transfer and pledge system known, as of the date hereof, by such name, which is administered by CDS in accordance with the operating rules and procedures of CDSX in force from time to time, or any successor system which CDS may offer from time to time.

"Business Day" means any day other than a Saturday, Sunday or statutory holiday in the Province of Ontario;

"CDS" means CDS Clearing and Depository Services Inc. and its successors;

"CDS Participant" means a broker, dealer, bank, other financial institution or other person who, directly or indirectly, from time to time, effects book-based transfers with CDS and pledges of securities deposited with CDS;

"Chair", **"President"**, **"Lead Trustee"**, **"Vice-Chair"**, **"Chief Executive Officer"**, **"Chief Financial Officer"**, **"Chief Operating Officer"**, **"Treasurer"** and **"Secretary"** mean the person(s) holding the respective office, or acting in the respective capacity, from time to time if so elected, appointed, employed or engaged, directly or indirectly, by the Trustees;

"**Closing**" means the closing of the ISG Take-Over Bid;

"**Declaration of Trust**" means this declaration of trust as amended, supplemented or amended and restated from time to time;

"**dissenting offeree**" means, where a take-over bid is made for all of the Trust Units other than those held by the offeror, a holder of Trust Units who does not accept the take-over bid and includes a subsequent holder of those Trust Units who acquires them from the first mentioned holder;

"**Distribution Date**" means on or about the 15th day of each calendar month (other than January 15) and on December 31 in each calendar year following February 15, 2013, and on such other date or dates determined by the Trustees;

"**Exchangeable Units**" means the class B limited partnership units of any of the Partnerships;

"generally accepted accounting principles" or **"GAAP"** means Canadian generally accepted accounting principles for publicly accountable enterprises as defined by the Accounting Standards Board of The Canadian Institute of Chartered Accountants, as amended from time to time. Except as otherwise specified, all accounting terms used in this Declaration of Trust shall be construed in accordance with GAAP;

"**Global Unit certificate**" has the meaning given thereto in Section 6.12;

"**Gross Book Value**" means, at any time, the book value of the assets of the Trust and its consolidated subsidiaries, as shown on its then most recent consolidated balance sheet, plus the amount of accumulated depreciation and amortization in respect of such assets (and related intangible assets) shown thereon or in the notes thereto plus the amount of future income tax liability arising out of indirect acquisitions and excluding the amount of any receivable reflecting interest rate subsidies on any debt assumed by the Trust shown thereon or in the notes thereto, or if approved by a majority of the Trustees at any time, the appraised value of the assets of the Trust and its consolidated subsidiaries may be used instead of book value;

"**herein**", "**hereof**", "**hereby**", "**hereunder**" and similar expressions refer to this Declaration of Trust and include every instrument supplemental or ancillary to or in implementation of this Declaration of Trust and, except where the context otherwise requires, does not refer to any particular article, section or other portion hereof or thereof;

"including" means "including, without limitation";

"Indebtedness" means (without duplication) on a consolidated basis:

(i) any obligation of the Trust for borrowed money (other than the impact of any net discount or premium on Indebtedness at the time assumed from vendors of properties at rates of interest less or greater than, respectively, fair value and any undrawn amounts under any acquisition or operating facility);

(ii) any obligation of the Trust (other than the impact of any net discount or premium on Indebtedness at the time assumed from vendors of properties at rates of interest less or greater than, respectively, fair value and any undrawn amounts under any acquisition or operating facility) incurred in connection with the acquisition of property, assets or businesses other than the amount of future income tax liability arising out of indirect acquisitions;

(iii) any obligation of the Trust issued or assumed as the deferred purchase price of property;

(iv) any capital lease obligation of the Trust; and

(v) any obligation of the type referred to in subsections (i) through (iv) of another person, the payment of which the Trust has guaranteed or for which the Trust is responsible for or liable, other than such an obligation in connection with a property that has been disposed of by the Trust for which the purchaser has assumed such obligation and

provided the Trust with an indemnity or similar arrangement therefor;

provided that (A) for the purposes of subsections (i) through (iv), an obligation (other than convertible debentures) will constitute Indebtedness only to the extent that it would appear as a liability on the consolidated balance sheet of the Trust in accordance with GAAP, (B) obligations referred to in subsections (i) through (iii) exclude trade accounts payables, security deposits, distributions payable to Unitholders and accrued liabilities arising in the ordinary course of business, (C) convertible debentures will constitute Indebtedness to the extent of the principal amount thereof outstanding; and (D) Trust Units and exchangeable securities, including Exchangeable Units, will not constitute Indebtedness;

"Independent Trustee" means a Trustee who, in relation to the Trust from and after Closing, is "independent" within the meaning of National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, as replaced or amended from time to time (including any successor rule or policy thereto);

"**Ingersoll Property**" means the approximately 200,000 square foot facility located on 19.98 acres of land in Ingersoll, Ontario with the municipal address of 311 Ingersoll Street, Ingersoll, Ontario;

"**Investment Committee**" means the investment committee of the Trustees established pursuant to Section 9.2;

"Limited Partnership Agreements" means, collectively, the limited partnership agreements of the Partnerships, as such agreements may be amended, supplemented or amended and restated from time to time;

"Monthly Limit" has the meaning ascribed thereto in Section 6.13(6).

"Mortgage" means any mortgage, charge, hypothec, bond, debenture, note or other evidence of indebtedness, in each case which is directly or indirectly secured by real property;

"**Net Capital Gains**" means, for any year, the amount, if any, by which the aggregate of the capital gains of the Trust for the year, as determined under the Tax Act, exceeds the aggregate of (i) the amount of any of the capital losses of the Trust for the year, as determined under the Tax Act; and (ii) the amount of any net capital losses of the Trust for prior years, as determined under the Tax Act, and which the Trust has not deducted in a prior year pursuant to this definition;

"**offeree**" means a person to whom a take-over bid is made;

"**offeror**" means a person, other than an agent, who makes a take-over bid, and includes two or more persons who, directly or indirectly,

(a) make a take-over bid jointly or in concert; or

(b) intend to exercise jointly or in concert voting rights attached to the Trust Units for which a take-over bid is made;

"Partnerships" means, collectively, Firm Capital Property Limited Partnership, a limited partnership to be formed under the laws of Ontario, as well as such other limited partnerships that may be controlled by the Trust from time to time, and "Partnership" means any one of the foregoing;

"**person**" means and includes individuals, corporations, limited partnerships, general partnerships, joint stock companies, joint ventures, associations, companies, trusts, banks, trust companies, pension funds, land trusts, business trusts or other organizations, whether or not legal entities and governments and agencies and political subdivisions thereof;

"**Plans**" means, collectively, trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans and deferred profit sharing plans, each as defined in the Tax Act;

"**Preferred Units**" means the preferred units of the Trust that may from time to time be created and issued in one or more classes with such rights, privileges, restrictions and conditions attaching to each such class and series as the Board of Trustees may fix, and which shall, with respect to the payment of distributions (other than distributions paid solely through the distribution of additional Units or Special Voting Units) and the distribution of assets of the Trust or return of capital in the event of liquidation, dissolution or winding-up of the Trust, whether voluntary or involuntary, or any other return of capital or distribution of assets of the Trust among its Unitholders for the purpose of winding-up its affairs, be entitled to preference over the Units and Special Voting Units ranking by their terms junior to such preferred units.

"**real property**" means property which in law is real property and includes, whether or not the same would in law be real property, leaseholds, mortgages, undivided joint interests in real property (whether by way of tenancy-in-common, joint tenancy, co-ownership, joint venture or otherwise), any interests in any of the foregoing and securities of corporations the sole or principal purpose and activity of which is to invest in, hold and deal in real property;

"**Redemption Price**" has the meaning ascribed thereto in Section 6.13;

"**Register**" has the meaning ascribed thereto in Section 6.18;

"**resident Canadian**" means an individual who is a resident of Canada for purposes of the Tax Act;

"**Special Resolution**" means a resolution approved by at least 66.67% of the votes cast by Unitholders present in person or by proxy at a duly constituted meeting of Unitholders which has been called for that purpose or approval by way of a written instrument signed by Unitholders holding at least 66.67% of the Units;

"Special Voting Units" means the special voting units of the Trust designated as such in Section 6.1(1) authorized and issued hereunder;

"**subsidiaries**" has the meaning ascribed thereto in the *Securities Act* (Ontario);

"Subsidiary Notes" means promissory notes of a subsidiary of the Trust having a maturity date, determined at the time of issuance, of not more than five years, bearing interest at a market rate determined by the Trustees at the time of issuance;

"**take-over bid**" has the meaning ascribed to such term in the *Securities Act* (Ontario), as amended from time to time;

"**Tax Act**" means the *Income Tax Act* (Canada), as amended from time to time;

"**Trust**" means Firm Capital Property Trust established hereunder;

"**Trust Asset Management Agreement**" means the Trust asset management agreement to be entered into on Closing between the Trust Asset Manager and the Trust, providing for, among other things, the retention of the Trust Asset Manager by the Trust as the same may be amended, renewed, extended, supplemented or restated from time to time;

"**Trust Asset Manager**" means Firm Capital Realty Advisors Inc. and its successors as the Trust's asset manager under the Trust Asset Management Agreement;

"**Trust Capital**" means, at any time, the aggregate amount of Unitholders' equity;

"**Trustees**" means the trustees of the Trust;

"**Trustees' Regulations**" means the regulations adopted by the Trustees pursuant to Section 4.3;

"**Trust Property Management Agreement**" means the Trust property management agreement to be entered into on Closing between the Trust Property Manager and the Trust, providing for, among other things, the retention of the Trust Property Manager by the Trust as the same may be amended, renewed, extended, supplemented or restated from time to time;

"**Trust Property Manager**" means Firm Capital Properties Inc. and its successors as the Trust's property manager under the Trust Property Management Agreement;

"**Trust Unit**" means a unit of interest in the Trust, but, for greater certainty, excludes a Special Voting Unit;

"**Trust Unitholder**" means a person whose name appears on the Register as a holder of one or more Trust Units;

"**TSX-V**" means the TSX Venture Exchange;

"**Units**" means, collectively, the Trust Units and the Special Voting Units; and

"**Unitholder**" means a holder of one or more Trust Units or Special Voting Units.

Section 1.2 Tax Act

Any reference herein to a particular provision of the Tax Act shall include a reference to that provision as it may be replaced, renumbered or amended from time to time. Where there are proposals for amendments to the Tax Act that have not been enacted into law or proclaimed into force on or before the date on which such proposals are to become effective, the Trustees may take such proposals into consideration and apply the provisions hereof as if such proposals had been enacted into law and proclaimed into force.

Section 1.3 Day Not a Business Day

Except in respect of amounts to be determined or any actions required to be taken on the last day of a Taxation Year and except as expressly specified in this Declaration of Trust, in the event that any day on which any amount is to be determined or any action is required to be taken hereunder is not a Business Day, then such amount shall be determined or such action shall be required to be taken at or before the requisite time on the next succeeding day that is a Business Day.

Section 1.4 Time of Essence

Time shall be of essence in this Declaration of Trust.

ARTICLE 2
DECLARATION OF TRUST

Section 2.1 Establishment of the Trust

The Trustees hereby agree to hold and administer the property, real, personal or otherwise, tangible or intangible, which has been or is hereafter transferred, conveyed or paid to or otherwise received by the Trust or to which the Trust is otherwise entitled, including the Initial Contribution, and all rents, income, profits and gains therefrom in trust for the use and benefit of the Unitholders, their successors, permitted assigns and personal representatives upon the trusts and subject to the terms and conditions hereinafter declared and set forth, such trust to constitute the Trust hereunder.

Section 2.2 Initial Contribution

The Trustees hereby acknowledge and confirm that the Initial Unitholder has made the Initial Contribution to the Trustees for the purpose of establishing the Trust.

Section 2.3 Name

The name of the Trust is Firm Capital Property Trust in its English form and Fiducie Immeuble Firm Capital. As far as practicable and except as otherwise provided in this Declaration of Trust, the Trustees shall conduct the affairs of the Trust, hold property, execute all documents and take all legal proceedings under that name.

Section 2.4 Use of Name

Where the French form is not practicable, legal or convenient, they may use such other designation or they may adopt such other name for the Trust as they deem appropriate and the Trust may hold property and conduct its activities under such other designation or name. In the event of termination of the Trust Asset Management Agreement and the Trust Property Management Agreement, the Trustees shall, if so requested by Firm Capital Realty Advisors Inc. or Firm Capital Properties Inc., change the name of the Trust to a name that does not relate to "Firm Capital" or any variation thereof and the Trustees shall take all steps necessary to effect such change within 60 days of notice by Firm Capital Realty Advisors Inc. or Firm Capital Properties Inc.

Section 2.5 Office

The principal office and centre of administration of the Trust shall be at 1244 Caledonia Road, Toronto, Ontario unless changed by the Trustees to another location. The Trust may have such other offices or places for the conduct of its affairs as the Trustees may from time to time determine as necessary or desirable.

Section 2.6 Nature of the Trust

(1) The Trust is an unincorporated open-ended investment trust. The Trust shall be governed by the general law of trusts, except as such general law of trusts has been or is from time to time modified, altered or abridged for the Trust by:

(a) applicable laws and regulations or other requirements imposed by applicable securities or other regulatory authorities; and

(b) the terms, conditions and trusts set forth in this Declaration of Trust.

(2) The beneficial interest and rights generally of a Unitholder in the Trust shall be limited to the right to participate pro rata in distributions when and as declared by the Trustees as contemplated by Article 10 and distributions upon the termination of the Trust as contemplated in Article 13. The Trust is not and is not intended to be, shall not be deemed to be and shall not be treated as a general partnership, limited partnership, syndicate, association, joint venture, company, corporation or joint stock company nor shall the Trustees or the Unitholders or any of them for any purpose be, or be deemed to be treated in any way whatsoever to be, liable or responsible hereunder as partners or joint venturers. The Trustees shall not be, or be deemed to be, agents of the Unitholders. The relationship of the Unitholders to the Trustees, to the Trust and to the property of the Trust shall be solely that of beneficiaries in accordance with this Declaration of Trust.

Section 2.7 Rights of Unitholders

The rights of each Unitholder to call for a distribution or division of assets, monies, funds, income and capital gains held, received or realized by the Trustees are limited to those contained herein and, except as provided herein, no Unitholder shall be entitled to call for any partition or division of the Trust's property or for a distribution of any particular asset forming part of the Trust's property or of any particular monies or funds received by the Trustees. The legal ownership of the property of the Trust and the right to conduct the

activities of the Trust are vested exclusively in the Trustees, and no Unitholder has or is deemed to have any right of ownership in any of the property of the Trust, except as specifically provided herein. Except as specifically provided herein, no Unitholder shall be entitled to interfere with or give any direction to the Trustees with respect to the affairs of the Trust or in connection with the exercise of any powers or authorities conferred upon the Trustees under this Declaration of Trust. The Units shall be personal property and shall confer upon the holders thereof only the interest and rights specifically set forth in this Declaration of Trust.

ARTICLE 3
TRUSTEES AND OFFICERS

Section 3.1 Number

There shall be a minimum of three (3) and a maximum of nine (9) Trustees. The number of Trustees within such minimum and maximum numbers may be changed by Unitholders or by the Trustees, provided that the Trustees may not, between meetings of Unitholders, appoint an additional Trustee if, after such appointment, the total number of Trustees would be greater than one and one-third times the number of Trustees in office immediately following the last annual meeting of Unitholders.

Section 3.2 Trustees Appointed by the Trust Asset Manager

From the date of Closing until the date of termination of the Trust Asset Management Agreement, the Trust Asset Manager, for so long as Firm Capital Realty Advisors Inc. is the Trust Asset Manager, shall be entitled to nominate three Trustees in the event that the board of Trustees comprises nine Trustees, and two Trustees in the event that the board of Trustees comprises fewer than nine Trustees, by written instrument delivered to the Trust.

Section 3.3 Term of Office

Trustees elected at an annual meeting will be elected for a term expiring at the next annual meeting of Unitholders and will be eligible for re-election.

Section 3.4 Qualifications of Trustees

A Trustee shall be an individual at least 18 years of age, who is not of unsound mind and has not been found to be of unsound mind by a court in Canada or elsewhere, and who does not have the status of bankrupt. Trustees are not required to hold Units. A majority of the Trustees must be resident Canadians. From and after Closing, a majority of the Trustees or of any committee of the Trustees must be Independent Trustees provided, however, that if at any time a majority of Trustees are not Independent Trustees because of the death, resignation, bankruptcy, adjudicated incompetence, removal or change in circumstances of any Trustee who was an Independent Trustee, this requirement shall not be applicable for a period of 60 days thereafter, during which time the remaining Trustees shall appoint a sufficient number of Independent Trustees to comply with this requirement.

Section 3.5 Election of Trustees

Subject to Section 3.2, Section 3.4 and Section 3.12, the election of the Trustees shall be by the vote of Unitholders. The appointment or election of any Trustee (other than an individual who is serving as a Trustee immediately prior to such appointment or election) shall not become effective unless and until such person shall have in writing accepted his appointment or election and agreed to be bound by the terms of this Declaration of Trust.

Section 3.6 Independent Trustees

On Closing, a majority of the Trustees must be Independent Trustees provided, however, that if at any time a majority of the Trustees are not Independent Trustees because of the death, resignation, bankruptcy, adjudicated incompetence, removal or change in circumstance of any Trustee who was an Independent Trustee, this requirement shall not be applicable for a period of 60 days thereafter, during which time, the remaining Trustees shall appoint a sufficient number of Independent Trustees to comply with the requirement.

Section 3.7 Resignation, Removal and Death of Trustees

A Trustee may resign at any time by an instrument in writing signed by him and delivered or mailed to the President or, if there is no President, the Chairman. Such resignation shall take effect on the date such notice is given or at any later time specified in the notice. An Independent Trustee may be removed at any time with or without cause by two-thirds of the votes cast at a meeting of Unitholders called for that purpose or by the written consent of Unitholders holding in the aggregate not less than two-thirds of the outstanding Units entitled to vote thereon or with cause by the resolution passed by an affirmative vote of not less than two-thirds of the remaining Independent Trustees. Any removal of an Independent Trustee shall take effect immediately following the aforesaid vote or resolution and any Independent Trustee so removed shall be so notified by the President or another officer of the Trust forthwith following such removal. Upon the resignation or removal of any Trustee, or his otherwise ceasing to be a Trustee, he shall (i) cease to have the rights, privileges and powers of a Trustee hereunder, (ii) execute and deliver such documents as the remaining Trustees shall reasonably require for the conveyance of any Trust property held in his name, (iii) account to the remaining Trustees as they may require for all property which he holds as Trustee, and (iv) resign from all representative or other positions held by him on behalf of the Trust, including without limitation, as a director or officer of any corporation in which the Trust owns any securities (directly or indirectly), upon which he shall be discharged from his obligations as Trustee. Upon the incapacity or death of any Trustee, his legal representative shall execute and deliver on his behalf such documents as the remaining Trustees may require as provided in this section.

Section 3.8 Appointment of Trustees

(a) The undersigned Trustees have been duly elected by the Initial Unitholder as Trustees of the Trust and their term of office shall expire at the close of the first annual meeting of Unitholders. Except as otherwise' provided herein, Trustees shall be elected (including the re-election of incumbent Trustees), at each annual meeting of Unitholders, and may be elected at a special meeting of Unitholders. Any such election shall be made either by a resolution

approved by a majority of the votes cast at a meeting of Unitholders or shall be made by resolution in writing. Notwithstanding the foregoing:

(i) if no Trustees are elected at the annual meeting of Unitholders held immediately before the term of office of the then existing Trustees expires, such existing Trustees shall continue to hold the office of Trustees under this Declaration of Trust until successors have been appointed or they cease to hold office; and

(ii) the Trustees may, between annual meetings of the Unitholders, appoint one or more additional Trustees to serve until the next annual meeting of Unitholders; provided that the number of additional Trustees so appointed will not at any time exceed one-third of the number of Trustees who held such office at the conclusion of the immediately preceding annual meeting of Unitholders (rounding to the nearest whole number).

Section 3.9 Consent to Act

(a) A person who is appointed a Trustee hereunder shall not become a Trustee until the person has, either before or after such appointment, executed and delivered to the Trust a consent, substantially in the form as follows:

"To: Firm Capital Property Trust (the "Trust") And to: The Trustees thereof

The undersigned hereby certifies that he or she or it is/is not a resident of Canada within the meaning of the *Income Tax Act* (Canada) and consents to act as a Trustee of the Trust and hereby agrees, upon the later of the date of this consent and the date of the undersigned's appointment as a Trustee of the Trust, to thereby become a party, as a Trustee, to the Declaration of Trust dated the 30th day of August, 2012, as amended, supplemented or amended and restated from time to time, constituting the Trust.

Dated:

[Signature]

[Print Name]

(b) Upon the later of a person being appointed a Trustee hereunder and executing and delivering to the Trust a form of consent substantially as set forth in Section 3.9(a), such person shall become a Trustee hereunder and shall be deemed to be a party (as a Trustee) to this Declaration of Trust, as amended, supplemented or amended and restated from time to time.

Section 3.10 Failure to Elect Minimum Number of Trustees

If a meeting of Unitholders fails to elect the minimum number of Trustees required by this Declaration of Trust by reason of the disqualification or death of any nominee, the

Trustees elected at the meeting may exercise all of the powers of the Trustees if the number of Trustees so elected constitutes a quorum.

Section 3.11 Ceasing to Hold Office

(a) A Trustee ceases to hold office when:

(i) the Trustee ceases to be duly qualified to act as a Trustee as provided under Section 3.4;

(ii) the Trustee ceases to be a Trustee in accordance with Section 3.3;

(iii) the Trustee dies or resigns; or

(iv) the Trustee is removed in accordance with Section 3.7.

(b) Upon a Trustee ceasing to hold office as such hereunder, such Trustee shall cease to be a party (as a Trustee) to this Declaration of Trust; provided, however, that such Trustee shall continue to be entitled to be paid any amounts owing by the Trust to the Trustee and to the benefits of the indemnity provided herein. Such Trustee shall execute and deliver such documents as the remaining Trustees shall reasonably require for the conveyance of any Trust property held in that Trustee's name, shall account to the remaining Trustees as they may reasonably require for all property which that Trustee holds as Trustee, shall resign from all directorship or similar positions held by such Trustee in any entity in which the Trust has an interest and shall thereupon be discharged as Trustee. Upon the incapacity or death of any Trustee, his legal representative shall execute and deliver on his behalf such documents as the remaining Trustees may reasonably require as provided in this Section 3.11(b). In the event that a Trustee or his legal representatives, as applicable, are unable or unwilling to execute and deliver such required documents, each of the remaining Trustees is hereby appointed as the attorney of such Trustee for the purposes of executing and delivering such required documents. This power of attorney granted to each of the remaining Trustees is not intended to be a continuing power of attorney within the meaning of the *Substitute Decisions Act*, *1992* (Ontario), exercisable during a Trustee's incapacity to manage property, or any similar power of attorney under equivalent legislation in any of the provinces or territories of Canada (a "**CPOA**"). The execution of this power of attorney will not terminate any CPOA granted by the Trustee previously and will not be terminated by the execution by the Trustee in the future of a CPOA, and the Trustee hereby agrees not to take any action in future which results in the termination of this power of attorney.

Section 3.12 Vacancies

The term of office of a Trustee shall terminate and a vacancy shall occur in the event of the death, resignation, bankruptcy, adjudicated incompetence or other incapacity to exercise the duties of the office or upon the removal of such Trustee. No such vacancy shall

operate to annul this Declaration of Trust or affect the continuity of the Trust. Until vacancies are filled, the remaining Trustee or Trustees (even if less than a quorum) may exercise the powers of the Trustees hereunder. In the case of a vacancy occurring among the Independent Trustees, the Unitholders or a majority of the Independent Trustees continuing in office may fill such vacancy. In the case of a vacancy occurring among the Trustees appointed by the Trust Asset Manager, the Trust Asset Manager shall appoint a successor Trustee to replace such Trustee in accordance with Section 3.2. Any Trustee so elected by the Unitholders or appointed by the Trustees or the Trust Asset Manager, as the case may be, shall hold office for the remaining term of the Trustee he is succeeding.

Section 3.13 Successor and Additional Trustees

The right, title and interest of the Trustees in and to the property of the Trust shall vest automatically in all persons who may hereafter become Trustees upon their due election or appointment and qualification without any further act and they shall thereupon have all the rights, privileges, powers, obligations and immunities of Trustees hereunder. Such right, title and interest shall vest in the Trustees whether or not conveyancing documents have been executed and delivered pursuant to Section 3.7 or otherwise.

Section 3.14 Compensation and Other Remuneration

Trustees who are not employees of and who do not receive salary from the Trust shall be entitled to receive for their services as Trustees such reasonable compensation as the Trustees may determine from time to time, as well as reimbursement of their out-of-pocket expenses incurred in acting as a Trustee. Trustees, either directly or indirectly, shall be entitled to receive remuneration for services rendered to the Trust in any other capacity. Such services may include, without limitation, services as an officer of the Trust, legal, accounting or other professional services or services as a broker or underwriter, whether performed by a Trustee or any person affiliated with a Trustee. Non-Independent Trustees who are employees of and who receive a salary from the Trust, the Trust Asset Manager or the Trust Property Manager or their respective affiliates and Trustees nominated pursuant to Section 3.2 shall not be entitled to receive any remuneration for their services as Trustees but shall be entitled to reimbursement from the Trust of their out-of¬pocket expenses incurred in acting as a Trustee.

Section 3.15 Officers of the Trust

The Trust may have a Chairman, a Chief Executive Officer, a Chief Financial Officer, a Chief Operating Officer, a President, one or more Vice-Presidents and a Secretary and such other officers as the Trustees may appoint from time to time. One person may hold two or more offices. Any officer of the Trust may, but need not, be a Trustee or a person who is an associate, director, officer or employee of the Trust Asset Manager or the Trust Property Manager or any affiliate thereof. Officers of the Trust shall be appointed and discharged and their remuneration determined by the Trustees. Officers of the Trust, in their capacities as such, shall not perform any duties performed by any property manager or asset manager.

ARTICLE 4
TRUSTEES' POWERS AND DUTIES

Section 4.1 General Powers

The Trustees, subject only to the specific limitations contained in this Declaration of Trust, including without limitation Section 5.1 and Section 5.2, shall have, without further or other authorization and free from any control or direction on the part of the Unitholders, full, absolute and exclusive power, control and authority over the assets of the Trust and over the affairs of the Trust to the same extent as if the Trustees were the sole owners of such assets in their own right, to do all such acts and things as in their sole judgment and discretion are necessary or incidental to, or desirable for, the carrying out of any of the purposes of the Trust or the conducting of the affairs of the Trust. In construing the provisions of this Declaration of Trust, there shall be a presumption in favour of the power and authority having been granted to the Trustees. The enumeration of any specific power or authority herein shall not be construed as limiting the general powers or authority or any other specified power or authority conferred herein on the Trustees. Except as specifically required by such laws, the Trustees shall in carrying out investment activities not be in any way restricted by the provisions of the laws of any jurisdiction limiting or purporting to limit investments which may be made by trustees.

Section 4.2 Specific Powers and Authorities

(1) Subject only to the express limitations contained in this Declaration of Trust including, without limitation Section 5.1 and Section 5.2, and in addition to any powers and authorities conferred by this Declaration of Trust or which the Trustees may have by virtue of any present or future statute or rule of law, the Trustees without any action or consent by the Unitholders shall have and may exercise at any time and from time to time the following powers and authorities which may or may not be exercised by them in their sole judgment and discretion and in such manner and upon such terms and conditions as they may from time to time deem proper:

(a) to retain, invest and re-invest the capital or other funds of the Trust in real or personal property of any kind, all without regard to whether any such assets are authorized by law for the investment of trust funds, and to possess and exercise all the rights, powers and privileges appertaining to the ownership of the property of the Trust and to increase the capital of the Trust at any time by the issuance of additional Units for such consideration as they deem appropriate;

(b) for such consideration as they deem proper, to invest in, purchase or otherwise acquire for cash or other property or through the issuance of Units or through the issuance of notes, debentures, bonds or other obligations or securities of the Trust and hold for investment the entire or any participating interest in any Mortgages. In connection with any such investment, purchase or acquisition, the Trustees shall have the power to acquire a share of rents, lease payments or other gross income from or a share of the profits from or a share in the equity or ownership of real property;

(c) to sell, rent, lease, hire, exchange, release, partition, assign, mortgage, pledge, hypothecate, grant security interests in, encumber, negotiate, convey, transfer or otherwise dispose of any or all of the property of the Trust by deeds, trust deeds, assignments, bills of sale, transfers, leases, Mortgages, financing statements, security agreements and other instruments for any of such purposes executed and delivered for and on behalf of the Trust by one or more of the Trustees or by a duly authorized officer, employee, agent or any nominee of the Trust;

(d) to enter into leases, contracts, obligations and other agreements for a term extending beyond the term of office of the Trustees and beyond the possible termination of the Trust or for a lesser term;

(e) to borrow money from or incur indebtedness to any person; to guarantee, indemnify or act as surety with respect to payment or performance of obligations of third parties; to enter into other obligations on behalf of the Trust; and to assign, convey, transfer, mortgage, subordinate, pledge, grant security interests in, encumber or hypothecate the property of the Trust to secure any of the foregoing;

(f) to lend money or other property of the Trust, whether secured or unsecured;

(g) to incur and pay out of the property of the Trust any charges or expenses and disburse any funds of the Trust, which charges, expenses or disbursements are, in the opinion of the Trustees, necessary or incidental to or desirable for the carrying out of any of the purposes of the Trust or conducting the affairs of the Trust including, without limitation, taxes or other governmental levies, charges and assessments of whatever kind or nature, imposed upon or against the Trustees in connection with the Trust or the property of the Trust or upon or against the property of the Trust or any part thereof and for any of the purposes herein;

(h) to deposit funds of the Trust in banks, trust companies and other depositories, whether or not such deposits will earn interest, the same to be subject to withdrawal on such terms and in such manner and by such person or persons (including any one or more Trustees, officers, agents or representatives) as the Trustees may determine;

(i) to possess and exercise all the rights, powers and privileges appertaining to the ownership of all or any mortgages or securities, issued or created by, or interest in, any person, forming part of the assets of the Trust, to the same extent that an individual might and, without limiting the generality of the foregoing, to vote or give any consent, request or notice, or waive any notice, either in person or by proxy or power of attorney, with or without power of substitution, to one or more persons, which proxies and powers of attorney may be for meetings or action generally or for any particular meeting or action and may include the exercise of discretionary power;

(j) to elect, appoint, engage or employ officers for the Trust (including a Chairman, a Chief Executive Officer, a Chief Financial Officer, a Chief Operating Officer, a President, one or more Vice-Presidents and a Secretary and other officers as the Trustees may determine), who may be removed or discharged at the discretion of the Trustees, such officers to have such powers and duties, and to serve such terms as may be prescribed by the Trustees or by the Trustees' Regulations; to engage or employ any persons as agents, representatives, employees or independent contractors (including, without limitation, real estate advisors, investment advisors, underwriters, accountants, lawyers, real estate agents, property managers, appraisers, brokers, architects, engineers, construction managers, general contractors or otherwise) in one or more capacities, and to pay compensation from the Trust for services in as many capacities as such persons may be so engaged or employed; and to delegate any of the powers and duties of the Trustees to any one or more Trustees, agents, representatives, officers, employees, independent contractors or other persons;

(k) to collect, sue for and receive sums of money coming due to the Trust, and to engage in, intervene in, prosecute, join, defend, compromise, abandon or adjust, by arbitration or otherwise, any actions, suits, proceedings, disputes, claims, demands or other litigation relating to the Trust, the assets of the Trust or the Trust's affairs, to enter into agreements therefor whether or not any suit is commenced or claim accrued or asserted and, in advance of any controversy, to enter into agreements regarding the arbitration, adjudication or settlement thereof;

(l) to renew, modify, release, compromise, extend, consolidate or cancel, in whole or in part, any obligation to or of the Trust;

(m) to purchase and pay for, out of the assets of the Trust, insurance contracts and policies insuring the assets of the Trust against any and all risks and insuring the Trust and/or any or all of the Trustees, the Unitholders or officers of the Trust against any and all claims and liabilities of any nature asserted by any person arising by reason of any action alleged to have been taken or omitted by the Trust or by the Trustees, the Unitholders or the officers of the Trust;

(n) to cause legal title to any of the assets of the Trust to be held by and/or in the name of the Trustees, or by and/or in the name of the Trust or one or more of the Trustees or any other person, on such terms, in such manner with such powers in such person as the Trustees may determine and with or without disclosure that the Trust or Trustees are interested therein provided, however, that should legal title to any of the assets of the Trust be held by and/or in the name of any person or persons other than the Trust, the Trustees shall require such person or persons to execute a declaration of trust acknowledging that legal title to such assets is held in trust for the benefit of the Trust;

(o) to determine conclusively the allocation to capital, income or other appropriate accounts for all receipts, expenses, disbursements and property of the Trust;

(p) to prepare, sign and file or cause to be prepared, signed and filed any prospectus, offering memorandum or similar document, and any amendment thereto, relating to or resulting from any offering of the Trust Units or other securities issued or held by the Trust and to pay the cost thereof and related thereto out of the property of the Trust;

(q) to make or cause to be made application for the listing on any stock exchange of any Trust Units or other securities of the Trust, and to do all things which in the opinion of the Trustees may be necessary or desirable to effect or maintain such listing or listings;

(r) to determine conclusively the value of any or all of the property of the Trust from time to time and, in determining such value, to consider such information and advice as the Trustees, in their sole judgment, may deem material and reliable;

(s) prepare, execute and file the Trust's income tax returns, make all designations, elections, determinations, allocations and applications under the Tax Act as the Trustees consider to be reasonable in the circumstances and satisfy, perform and discharge all obligations and responsibilities of the Trustees under the Tax Act (including any obligations of the Trust under Part XIII of the Tax Act);

(t) to do all such acts and things as are necessary or desirable to dispose of the Ingersoll Property;

(u) to do all such acts and things and to exercise such powers as may be delegated to the Trustees by any person who co-owns mortgages with the Trust; and

(v) to do all such other acts and things as are incidental to the foregoing, and to exercise all powers that are necessary or useful to promote any of the purposes for which the Trust is formed and to carry out the provisions of this Declaration of Trust.

Section 4.3 Further Powers of the Trustees

The Trustees shall have the power to prescribe any form provided for or contemplated by this Declaration of Trust. The Trustees may make, adopt, amend, or repeal regulations containing provisions relating to the Trust, the conduct of its affairs, the rights or powers of the Trustees and the rights or powers of the Unitholders or officers, provided that such regulations shall not be inconsistent with law or with this Declaration of Trust. The Trustees shall also be entitled to make any reasonable decisions, designations or determinations not inconsistent with law or with this Declaration of Trust which they may determine are necessary or desirable in interpreting, applying or administering this

Declaration of Trust or in administering, managing or operating the Trust. To the extent of any inconsistency between this Declaration of Trust and any regulation, decision, designation or determination made by the Trustees, this Declaration of Trust shall prevail and such regulation, decision, designation or determination shall be deemed to be modified to eliminate such inconsistency. Any regulations, decisions, designations or determinations made in accordance with this section shall be conclusive and binding upon all persons affected thereby.

Section 4.4 Banking

The banking activities of the Trust, or any part thereof, including, but without restricting the generality of the foregoing, the operation of the Trust's accounts; the making, signing, drawing, accepting, endorsing, negotiation, lodging, depositing or transferring of any cheques, promissory notes, drafts, acceptances, bills of exchange and orders for the payment of money; the giving of receipts for orders relating to any property of the Trust; the execution of any agreement relating to any property of the Trust; the execution of any agreement relating to any such banking activities and defining the rights and powers of the parties thereto; and the authorizing of any officer of such bank to do any act or thing on the Trust's behalf to facilitate such banking activities, shall be transacted with such bank, trust company, or other firm or corporation carrying on a banking business as the Trustees may designate, appoint or authorize from time to time and shall be transacted on the Trust's behalf by one or more officers of the Trust as the Trustees may designate, appoint or authorize from time to time.

Section 4.5 Standard of Care

(1) The exclusive standard of care required of the Trustees in exercising their powers and carrying out their functions hereunder shall be that they exercise their powers and discharge their duties hereunder as Trustees honestly, in good faith and with a view to the best interests of the Trust and the Unitholders and that in connection therewith they exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Unless otherwise required by law, no Trustee shall be required to give bond, surety or security in any jurisdiction for the performance of any duties or obligations hereunder. The Trustees in their capacity as Trustees shall not be required to devote their entire time to the affairs of the Trust.

(2) For greater certainty, to the extent that the Trustees contract or delegate the performance of all or a portion of their activities to the Trust Asset Manager, Trust Property Manager or any other advisor, they shall be deemed to have satisfied the aforesaid standard of care. For greater certainty, the entering into of the Trust Management Agreement is and shall be deemed to be in the best interests of the Trust and the Unitholders.

Section 4.6 Reliance Upon Trustees

Any person dealing with the Trust in respect of any matters pertaining to the assets of the Trust and any right, title or interest therein or to the Trust or to securities of the Trust shall be entitled to rely on a certificate or statutory declaration (including, without limiting the foregoing, a certificate or statutory declaration as to the passing of a resolution of the

Trustees) executed by any single Trustee or, without limiting the foregoing, such other person as may be authorized by the Trustees as to the capacity, power and authority of the Trustees or any such other person to act for and on behalf and in the name of the Trust. No person dealing with the Trustees shall be bound to see to the application of any funds or property passing into the hands or control of the Trustees. The receipt by or on behalf of the Trustees for monies or other consideration shall be binding upon the Trust.

Section 4.7 Determinations of Trustees Binding

All determinations of the Trustees which are made in good faith with respect to any matters relating to the Trust, including, without limiting the generality of the foregoing, whether any particular investment or disposition meets the requirements of this Declaration of Trust, shall be final and conclusive and shall be binding upon the Trust and all Unitholders (and, where the Unitholder is a registered retirement savings plan, registered retirement income fund, deferred profit sharing plan or registered pension fund or plan as defined in the Tax Act, or other similar fund or plan registered under the Tax Act, upon plan beneficiaries and plan holders past, present and future) and Units of the Trust shall be issued and sold on the condition and understanding that any and all such determinations shall be binding as aforesaid.

Section 4.8 Limitations on Liability of Trustees

(1) Subject to the standard of care set forth in Section 4.5, none of the Trustees nor any officers, employees or agents of the Trust shall be liable to any Unitholder or any other person in tort, contract or otherwise for any action taken or not taken in good faith in reliance on any documents that are, prima facie, properly executed; for any depreciation of, or loss to, the Trust incurred by reason of the sale of any security; for the loss or disposition of monies or securities; for any action or failure to act by any person to whom the Trustees are permitted to delegate and have delegated any of their duties hereunder; or for any other action or failure to act including, without limitation, the failure to compel in any way any former Trustee to redress any breach of trust or any failure by any person to perform obligations or pay monies owed to the Trust, unless such liabilities arise out of a breach of the standard of care, diligence and skill as set out in Section 4.5. If the Trustees have retained an appropriate expert, advisor or legal counsel with respect to any matter connected with their duties under this Declaration of Trust, the Trustees may act or refuse to act based on the advice of such expert, advisor or legal counsel and, notwithstanding any provision of this Declaration of Trust, including, without limitation, the standard of care, diligence and skill set out in Section 4.5 hereof, the Trustees shall not be liable for and shall be fully protected from any action or refusal to act based on the advice of any such expert, advisor or legal counsel which it is reasonable to conclude is within the expertise of such expert, advisor or counsel to give.

(2) The Trustees shall not be subject to any personal liability for any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to the Trust arising out of anything done or permitted or omitted to be done in respect of the execution of the duties of the office of Trustees for or in respect to the affairs of the Trust unless such Trustee shall have failed to meet the standard of care set out in Section 4.5. No property or assets of the Trustees, owned in their

personal capacity or otherwise, will be subject to any levy, execution or other enforcement procedure with regard to any obligations under this Declaration of Trust or under any other related agreements unless such Trustee shall have failed to meet the standard of care set out in Section 4.5. No recourse may be had or taken, directly or indirectly, against the Trustees in their personal capacity or against any incorporator, shareholder, director, officer, employee or agent of the Trustees or any successor of the Trustees unless such Trustee shall have failed to meet the standard of care set out in Section 4.5. The Trust shall be solely liable therefor and resort shall be had solely to the Trust's property for payment or performance thereof unless such Trustee shall have failed to meet the standard of care set out in Section 4.5.

In the exercise of the powers, authorities or discretion conferred upon the Trustees under this Declaration of Trust, the Trustees are and shall be conclusively deemed to be acting as trustees of the Trust's property.

Section 4.9 Conflict of Interest

(1) Subject to Section 15.16, if a Trustee or an officer of the Trust:

(a) is a party to a material contract or transaction or proposed material contract or transaction with the Trust (including, without limitation, a contract or transaction involving the making or disposition of any investment in mortgages or real property or a joint venture agreement); or

(b) is a trustee, director or an officer of, or otherwise has a material interest in, any person who is a party to a material contract or transaction or proposed material contract or transaction with the Trust,

the Trustee or the officer of the Trust, as the case may be, shall disclose in writing to the Trustees or request to have entered into the minutes of meetings of the Trustees or the Investment Committee, as the case may be, the nature and extent of such interest as follows:

(c) The disclosure required in the case of a Trustee shall be made:

(i) at the meeting of Trustees or the Investment Committee, as the case may be, at which a proposed contract or transaction is first considered;

(ii) if the Trustee was not then interested in a proposed contract or transaction, at the first such meeting after he becomes so interested;

(iii) if the Trustee becomes interested after a contract is made or a transaction is entered into, at the first meeting after he becomes so interested; or

(iv) if a person who is interested in a contract or transaction later becomes a Trustee, at the first such meeting after he becomes a Trustee.

(d) The disclosure required in the case of an officer of the Trust who is not a Trustee shall be made:

(i) forthwith after such person becomes aware that the contract or transaction or proposed contract or transaction is to be considered or has been considered at a meeting of the Trustees or the Investment Committee;

(ii) if such person becomes interested after a contract is made or transaction is entered into, forthwith after such person becomes aware that he has become so interested; or

(iii) if a person who is interested in a contract or a transaction later becomes an officer of the Trust, forthwith after he becomes an officer of the Trust.

(e) Notwithstanding subsection (c) and (d), where this section applies to any person in respect of a material contract or transaction or proposed material contract or transaction that, in the ordinary course of the affairs of the Trust, would not require approval by the Trustees or the Unitholders, such person shall disclose in writing to the Trustees or request to have entered into the minutes of meetings of the Trustees the nature and extent of such person's interest forthwith after such person becomes aware of the contract or transaction or proposed contract or transaction.

(f) A Trustee referred to in this section shall not vote on any resolution to approve the said contract or transaction unless the contract or transaction is:

(i) one relating primarily to his remuneration as a Trustee; or

(ii) one for indemnity under Section 14.1 hereof or the purchase of liability insurance.

(g) For the purposes hereof, a general notice to the Trustees by a Trustee or an officer of the Trust disclosing that he is a director or officer of or has a material interest in a person, and is to be regarded as interested in any contract made or any transaction entered into with that person, is a sufficient disclosure of interest in relation to any contract so made or transaction so entered into. In the event that a meeting of Unitholders is called to confirm or approve a contract or transaction which is the subject of a general notice to the Trustees, the notice and extent of the interest in the contract or transaction of the person giving such general notice shall be disclosed in reasonable detail in the notice calling the said meeting of Unitholders or in any information circular to be provided by this Declaration of Trust or by law.

(h) Where a material contract is made or a material transaction is entered into between the Trust and a Trustee or an officer of the Trust, or between the

Trust and another person of which a Trustee or an officer of the Trust is a director or officer or in which he has a material interest:

(i) such person is not accountable to the Trust or to the Unitholders for any profit or gain realized from the contract or transaction; and

(ii) the contract or transaction is neither void nor voidable,

by reason only of that relationship or by reason only that such person is present at or is counted to determine the presence of a quorum at the meeting of the Trustees or Investment Committee that authorized the contract or transaction, if such person disclosed his interest in accordance with this Section 3.8, and the contract or transaction was reasonable and fair to the Trust at the time it was so approved.

(i) Notwithstanding anything in this section, but without limiting the effect of subsection (h) hereof, a Trustee or an officer of the Trust, acting honestly and in good faith, is not accountable to the Trust or to the Unitholders for any profit or gain realized from any such contract or transaction by reason only of his holding such office or position, and the contract or transaction, if it was reasonable and fair to the Trust at the time it was approved, is not by reason only of such person's interest therein void or voidable, where:

(i) the contract or transaction is confirmed or approved by Special Resolution at a meeting of Unitholders duly called for that purpose; and

(ii) the nature and extent of such person's interest in the contract or transaction are disclosed in reasonable detail in the notice calling the meeting or in any information circular to be provided by this Declaration of Trust or by law.

(j) Subject to subsections (h) and (i), where a Trustee or an officer of the Trust fails to disclose his interest in a material contract or transaction in accordance with this Declaration of Trust or otherwise fails to comply with this section, the Trustees or any Unitholder, in addition to exercising any other rights or remedies in connection with such failure exercisable at law or in equity, may apply to a court for an order setting aside the contract or transaction and directing that such person account to the Trust for any profit or gain realized.

ARTICLE 5
INVESTMENT GUIDELINES AND OPERATING POLICIES

Section 5.1 Investment Guidelines

The assets of the Trust may only be invested, and the Trust shall not permit the assets of any subsidiary of the Trust to be invested otherwise than, with the approval of the Trustees and only in accordance with the following guidelines:

(a) notwithstanding anything in Section 5.1(b) to Section 5.1(i) hereof, and in Section 5.2 hereof, the Trust shall not make any investment, take any action or omit to take any action:

(i) that would result in Units not being units of a "mutual fund trust" within the meaning of the Tax Act (or otherwise disqualify the Trust as a "mutual fund trust" within the meaning of the Tax Act); or

(ii) that would result in Units not being a "qualified investment", for investment by Plans (other than registered education savings plan) or other persons subject to tax under Part XI of the Tax Act or that would result in Units being foreign property for the purpose of the Tax Act for any Plans;

(b) Notwithstanding any other provisions of this Declaration of Trust, the Trust shall not make any investment or take any action or omit to take any action which would cause the Trust to be a "SIFT Trust" within the meaning of the Tax Act (or proposed amendments thereto) at any time during a taxation year, or which would cause the Trust to be unable to maintain its status as a "real estate investment trust" within the meaning of the Tax Act (or proposed amendments thereto);

(c) except as otherwise prohibited in this Declaration of Trust, the Trust may only invest, directly or indirectly, in:

(i) interests (including ownership and leasehold interests) in income-producing real property that is capital property of the Trust;

(ii) corporations, trusts, partnerships or other persons which are real estate investment trusts for the purposes of the Tax Act (or proposed amendments thereto) or that meet the conditions set out in Section 5.1(g) below; and

(iii) such other activities as are consistent with the other investment guidelines of the Trust;

(d) the Trust may, with the prior approval of the Trustees, directly or indirectly, invest in a joint venture arrangement for the purposes of owning interests or investments otherwise permitted to be held by the Trust; provided that such joint venture arrangement contains terms and conditions which, in the opinion of the Manager, are commercially reasonable, including without limitation such terms and conditions relating to restrictions on transfer and the acquisition and sale of the Trust's and any joint venturer's interest in the joint venture arrangement, provisions to provide liquidity to the Trust, provisions to limit the liability of the Trust and its Unitholders to third parties, and provisions to provide for the participation of the Trust in the management of the joint venture arrangement. For purposes of this provision, a joint venture arrangement is an arrangement between the Trust

and one or more other persons ("**joint venturers**") pursuant to which the Trust, directly or indirectly, conducts an undertaking for one or more of the purposes set out above and in respect of winch the Trust may hold its interest jointly or in common or in another manner with others (subject to Section 5.1(a) and Section 5.1(b)) either directly or through the ownership of securities of a corporation or other entity (a "**joint venture entity**"), including without limitation a limited partnership or limited liability company;

(e) except for temporary investments held in cash, deposits with a Canadian chartered bank or trust company registered under the laws of a province of Canada, short-term government debt securities and except as otherwise permitted pursuant to the investment guidelines and operating policies of the Trust, the Trust may not hold securities other than to the extent such securities would constitute an investment in real property (as determined by the Trustees);

(f) the Trust shall not invest in rights to or interests in mineral or other natural resources, including oil or gas, except as ancillary to an investment in real property;

(g) the Trust will not invest, directly or indirectly in other trust, partnership, corporation or other entity unless:

(i) the entity would, if it were a trust, satisfy the conditions set out in paragraphs (a) to (d) of the definition of "real estate investment trust" under the Tax Act;

(ii) the person derives all or substantially all of its revenues from maintaining, improving, leasing or managing real property that is capital properties of the Trust or of an entity of which the Trust holds a share or an interest, including real property that the Trust, or an entity of which the Trust holds a share or an interest, holds together with one or more other persons;

(iii) if the entity holds no property other than legal title to real property of the Trust (including real property that the Trust holds together with one or more other persons), and property ancillary to the earning by the Trust of rents or gains from the sale of real property that is capital property;

(h) except where any such investment would cause the Trust not to qualify as a real estate investment trust for the purposes of the Tax Act:

(i) the Trust may invest in immovable hypothecs, mortgages, hypothecary bonds or mortgage bonds (including a participating or convertible immovable hypothec or mortgage) and similar instruments where the hypothec, mortgage, hypothecary bond or mortgage bond is issued by a subsidiary;

(ii) the Trust may invest in immovable hypothecs, mortgages, hypothecary bonds or mortgage bonds (including a participating or convertible immovable hypothec or mortgage) and similar instruments where:

(A) the real property, which is security therefor, is income-producing real property which otherwise complies with the other investment guidelines of the Trust adopted from time to time in accordance with the Declaration of Trust and the guidelines set out herein;

(B) the immovable hypothec or mortgage is an immovable hypothec or mortgage registered on title to the real property which is security therefor; and

(C) the aggregate value of the investments of the Trust in these instruments, after giving effect to the proposed investment, will not exceed 20% of the Adjusted Unitholders' Equity (calculated in accordance with the Declaration of Trust);

(i) notwithstanding any of the provisions hereof (except Section 5.1(a) and Section 5.1(b)), the Trust may invest in any immovable hypothecs or mortgages which are not first ranking for purposes of providing, directly or indirectly, financing in connection with a transaction in which the Trust is the vendor or with the intention of using such mortgage as part of a method for subsequently acquiring an interest in or control of a property or a portfolio of properties.

For the purpose of the foregoing guidelines, the assets, liabilities and transactions of a corporation, trust or other entity wholly or partially owned by the Trust will be deemed to be those of the Trust on a proportionate consolidation basis. In addition, any references in the foregoing to investment in real property will be deemed to include an investment in a joint venture arrangement or a limited partnership, the whole subject to Section 5.1(a). Except as specifically set forth in this Declaration of Trust to the contrary, all of the foregoing prohibitions, limitations or requirements for investment shall be determined as at the date of investment by the Trust, but always subject to Section 5.1(a).

Section 5.2 Operating Policies

(1) The operations and affairs of the Trust shall be conducted in accordance with the following policies, the whole subject to Section 5.1Section 5.1(a):

(a) the Trust shall not purchase, sell, market or trade in currency or interest rate futures contracts otherwise than for hedging purposes where, for the purposes hereof, the term "hedging" shall have the meaning ascribed thereto by National Instrument 81-102 adopted by the Canadian Securities Administrators, as amended from time to time;

(b) any written instrument creating an obligation which is or includes the granting by the Trust of a mortgage, and to the extent management of the Trust determines to be practicable, any written instrument which is, in the judgment of management of the Trust, a material obligation, shall contain a provision or be subject to an acknowledgement to the effect that the obligation being created is not personally binding upon, and that resort shall not be had to, nor shall recourse or satisfaction be sought from, the private property of any of the Trustees, Unitholders, annuitants under a plan of which a Unitholder acts as a trustee or carrier, or officers, employees or agents of the Trust, but that only property of the Trust or a specific portion thereof shall be bound; the Trust, however, is not required, but shall use all reasonable efforts, to comply with this requirement in respect of obligations assumed by the Trust upon the acquisition of real property;

(c) the Trust may engage in construction or development of real property in order to maintain its real properties in good repair or to enhance the income-producing potential of properties that are capital property of the Trust;

(d) title to each real property shall be held by and registered in the name of the Trustees or, to the extent permitted by applicable law in the name of the Trust or in the name of a corporation or other entity owned, directly or indirectly, by the Trust or jointly-owned, directly or indirectly, by the Trust, with joint venturers or a corporation which is a nominee of the Trust which holds as its only property registered title to such real property pursuant to a nominee agreement with the Trust;

(e) the Trust will not incur or assume any Indebtedness if, after giving effect to the incurring of the indebtedness, the total Indebtedness of the Trust would be more than 75% of the Gross Book Value;

(f) the Trust will monitor its tax status as a "mutual fund trust" and a "real estate investment trust";

(g) the Trust will not directly or indirectly guarantee any Indebtedness or liabilities of any kind of any person, except Indebtedness or liabilities assumed or incurred by a person in which the Trust holds an interest, directly or indirectly, or by an entity jointly-owned by the Trust with joint venturers and operated solely for the purpose of holding a particular property or properties where such Indebtedness, if granted by the Trust directly, would not cause the Trust to otherwise contravene the guidelines set out under Section 5.1. The Trust is not required but shall use its reasonable best efforts to comply with this requirement:

(i) in respect of obligations assumed by the Trust pursuant to the acquisition of real property; or

(ii) if doing so is necessary or desirable in order to further the initiatives of the Trust permitted under this Declaration of Trust;

(h) the Trust will obtain or have received an independent appraisal of each property or an independent valuation of a portfolio of properties that it intends to acquire, other than in respect of the Ingersoll Property;

(i) the Trust shall obtain and maintain at all times insurance coverage in respect of potential liabilities of the Trust and the accidental loss of value of trust property of the Trust from risks, in amounts, with such insurers, and on such terms as the Trustees consider appropriate, taking into account all relevant factors including the practices of owners of comparable properties; and

(j) the Trust shall obtain or review a Phase I environmental audit (or reliance letter from an environmental consultant in respect of a Phase 1 environmental audit) of each real property to be acquired by it, dated within eighteen months of the date of acquisition, and, if the Phase I environmental audit report recommends or recommended a Phase II environmental audit be obtained, the Trust shall obtain or review a Phase II environmental audit, in each case by an independent and experienced environmental consultant; as a condition to any acquisition, such audit must be satisfactory to the Trustees.

(2) For the purpose of Section 5.1 and Section 5.2, the assets, liabilities and transactions of a corporation or other entity wholly or partially owned by the Trust will be deemed to be those of the Trust on a proportionate consolidated basis. In addition, any references in the foregoing investment restrictions and operating policies to investment in real property will be deemed to include an investment in a joint venture. Except as specifically set forth to the contrary herein, all of the foregoing prohibitions, limitations or requirements pursuant to the foregoing policies shall be determined as at the date of investment or other action by the Trust, but always subject to Section 5.1(a) and thus be constantly monitored for the purposes of the latter provisions.

Section 5.3 Amendments to Investment Guidelines and Operating Policies

The investment guidelines set out under Section 5.1 and the operating policies contained in, Section 5.2(1)(a), Section 5.2(1)(e), Section 5.2(1)(f), Section 5.2(1)(h), Section 5.2(1)(i), Section 5.2(1)(j) may be amended only by Special Resolution. The remaining operating policies may be amended with the approval of a majority of the votes cast by Unitholders at a meeting called for such purpose.

Section 5.4 Application of Investment Guidelines and Operating Policies

With respect to the investment guidelines and operating policies contained in Section 5.1 and Section 5.2, where any maximum or minimum percentage limitation is specified in any of the guidelines and policies therein contained, such guidelines and policies shall be applied on the basis of the relevant amounts calculated immediately after the making of such investment or the taking of such action. Any subsequent change relative to any percentage limitation which results from a subsequent change in the Gross Book Value or Adjusted Unitholders' Equity will not require divestiture of any investment.

Section 5.5 Regulatory Matters

If at any time a government or regulatory authority having jurisdiction over the Trust or any property of the Trust shall enact any law, regulation or requirement which is in conflict with any investment policy of the Trust then in force, such restriction in conflict shall, if the Trustees on the advice of legal counsel to the Trust so resolve, be deemed to have been amended to the extent necessary to resolve any such conflict and, notwithstanding anything to the contrary herein contained, any such resolution of the Trustees shall not require the prior approval of Unitholders.

ARTICLE 6
TRUST UNITS

Section 6.1 Units

(1) The beneficial interests in the Trust shall be divided into interests of two classes, described and designated as "Trust Units" and "Special Voting Units", respectively, which shall be entitled to the rights and subject to the limitations, restrictions and conditions set out herein. Each Unit and Special Voting Unit shall vest indefeasibly in the holder thereof and the interest of each Unitholder shall be determined by the number of Trust Units and Special Voting Units registered in the name of the Unitholder.

(2) The number of Trust Units and Special Voting Units that the Trust may issue shall be unlimited.

(3) The issued and outstanding Trust Units and Special Voting Units may be subdivided or consolidated from time to time by the Trustees without notice to or approval of the holders of Trust Units or holders of Special Voting Units.

(4) Each Trust Unit shall represent a proportionate, undivided beneficial ownership interest in the Trust and shall confer the right to one vote at any meeting of Unitholders and to participate pro rata in any distributions by the Trust, whether of net income or other amounts, and, in the event of termination or winding-up of the Trust, in the net assets of the Trust remaining after satisfaction of all liabilities. No Trust Unit shall have any preference or priority over any other. Trust Units shall rank among themselves equally and rateably without discrimination, preference or priority.

Section 6.2 Special Voting Units

(1) Each Special Voting Unit shall have no economic entitlement in the Trust or in the distributions or assets of the Trust, but shall entitle the holder of record thereof to a number of votes at any meeting of the Unitholders equal to the number of Trust Units that may be obtained upon the exchange of the exchangeable security to which such Special Voting Unit is attached. Special Voting Units may only be issued in connection with or in relation to securities exchangeable into Trust Units for the purpose of providing voting rights with respect to the Trust to the holders of such securities.

(2) Special Voting Units shall not be transferable separately from the exchangeable securities to which they are attached and will automatically be transferred upon the transfer of any such exchangeable securities.

(3) Upon the exchange or surrender of an exchangeable security for a Trust Unit, the Special Voting Unit attached to such exchangeable security will automatically be redeemed and cancelled for no consideration without any further action of the Trustees, and the former holder of such Special Voting Unit will cease to have any rights with respect thereto.

(4) Concurrently with the issuance of Special Voting Units attached to exchangeable securities issued from time to time, the Trust shall enter into such agreements (including the Limited Partnership Agreements) as may be necessary or desirable to properly provide for the terms of the exchangeable securities, including to provide for the voting of such Special Voting Units.

Section 6.3 Consideration for Trust Units

No Trust Units shall be issued other than as fully paid and non-assessable and a Trust Unit shall not be fully paid until the consideration therefor has been received in full by or on behalf of the Trust, provided that Trust Units may be issued and sold on an instalment basis, in which event beneficial ownership of such Trust Units may be represented by instalment receipts, but shall otherwise be non-assessable. The consideration for any Trust Unit shall be paid in money or in property or in past services that are not less in value than the fair equivalent of the money that the Trust would have received if the Trust Unit had been issued for money. In determining whether property or past services are the fair equivalent of consideration paid in money, the Trustees may take into account reasonable charges and expenses of organization and reorganization and payments for property and past services reasonably expected to benefit the Trust.

Section 6.4 Pre-Emptive Rights

Subject to any binding agreement entered into by the Trust, no person shall be entitled, as a matter of right, to subscribe for or purchase any Units of the Trust, whether by pre-emptive right or otherwise.

Section 6.5 Fractional Units

If as a result of any act of the Trustees hereunder any person becomes entitled to a fraction of a Unit, such fractional Unit will not be issued but rather rounded down to the nearest whole Unit.

Section 6.6 Allotment and Issue

The Trustees may allot and issue Trust Units at such time or times and in such manner (including, without limitation, as consideration for the acquisition of new properties or assets, pursuant to any incentive or option plan established by the Trust from time to time or any plan from time to time in effect relating to reinvestment by Unitholders of distributions of the Trust in Units or pursuant to a unitholder rights plan of the Trust) and for such consideration and to such person, persons or class of persons as the Trustees in their sole discretion shall determine. Special Voting Units may only be issued in connection

with or in relation to exchangeable securities for the purpose of providing voting rights to the holders of such securities with respect to the Trust. In the event that Trust Units are issued in whole or in part for consideration other than money, the resolution of the Trustees allotting and issuing such Trust Units shall express the fair equivalent in money of the other consideration received. The price or value of the consideration for which Trust Units may be issued will be determined by the Trustees in their sole discretion, generally in consultation with investment dealers or brokers who may act as underwriters in connection with offerings of Trust Units.

Section 6.7 Rights, Warrants and Options

The Trust may create and issue rights, warrants or options or other instruments or securities to subscribe for fully paid Trust Units which rights, warrants, options, instruments or securities may be exercisable at such subscription price or prices and at such time or times as the Trustees may determine. The rights, warrants, options, instruments or securities so created may be issued for such consideration or for no consideration, all as the Trustees may determine. A right, warrant, option, instrument or security shall not be a Trust Unit and a holder thereof shall not be a Unitholder. Upon the approval by the Independent Trustees of any unit option plan for the Trustees, officers and/or employees of the Trust or any subsidiary of the Trust and/or their personal holding companies or family trusts and/or persons who provide services to the Trust, the Governance, Compensation and Nominating Committee may recommend to the Trustees the granting of options upon the terms and subject to the conditions set forth in such plan.

Subject to the provisions of Article 5 hereof, the Trustees may create and issue Indebtedness of the Trust in respect of which interest, premium or principal payable thereon may be paid, at the option of the Trust or the holder, in fully paid Trust Units, or which Indebtedness, by its terms, may be convertible into Trust Units at such time and for such prices as the Trustees may determine. Any Indebtedness so created shall not be a Trust Unit and a holder thereof shall not be a Unitholder unless and until fully paid Trust Units are issued in accordance with the terms of such Indebtedness.

Section 6.8 Commissions and Discounts

The Trustees may provide for the payment of commissions or may allow discounts to persons in consideration of their subscribing or agreeing to subscribe, whether absolutely or conditionally, for Trust Units or other securities issued by the Trust or of their agreeing to procure subscriptions therefor, whether absolute or conditional.

Section 6.9 Transferability

The Trust Units are freely transferable and, except as stipulated in Section 6.10, the Trustees shall not impose any restriction on the transfer of Trust Units by any Unitholder except with the consent of such Unitholder. Special Voting Units will not be transferable separately from the exchangeable securities to which they are attached and will be automatically transferred upon the transfer of such exchangeable securities.

Section 6.10 Transfer of Units

(1) Subject to the provisions of this Article 6, the Trust Units shall be for all purposes of the Trust and this Declaration of Trust, personal and moveable property, and the Trust Units shall be fully transferable without charge as between persons, but no transfer of Trust Units shall be effective as against the Trustees or shall be in any way binding upon the Trustees until the transfer has been recorded on the Register maintained by the Trustees, the Trust or the Transfer Agent or in the case of the Initial Unit, the transfer has been approved by the Trustees. No transfer of a Trust Unit shall be recognized unless such transfer is of a whole Unit.

(2) Subject to the provisions of this Article 6, Units shall be transferable on the Register only by the holders of record thereof or their executors, administrators or other legal representatives or by their agents or attorneys duly authorized in writing, and only upon delivery to the Trust or to the Transfer Agent of the certificate therefor, properly endorsed or accompanied by a duly executed instrument of transfer or power of attorney and accompanied by all necessary transfer or other taxes imposed by law, together with such evidence of the genuineness of such endorsement, execution and authorization and other matters that may reasonably be required by the Trustees or the Transfer Agent. Upon such delivery the transfer shall be recorded on the Register or branch transfer registers and a new Unit certificate for the Units shall be issued to the transferee and a new Unit certificate for the balance of Units not transferred shall be issued to the transferor.

Unit certificates representing any number of Units may be exchanged without charge for Unit certificates representing an equivalent number of Units in the aggregate. Any exchange of Unit certificates may be made at the offices of the Trust or the Transfer Agent where registers are maintained for Unit certificates pursuant to the provisions of this Article 6. Any Unit certificates tendered for exchange shall be surrendered to the Trustees or appropriate Transfer Agent and then shall be cancelled.

Section 6.11 Non-Resident Ownership Constraint

At no time may Non-Residents be the beneficial owners of more than 49% of the Units then outstanding and the Trustees will inform the Transfer Agent of this restriction. The Trustees may require a registered holder of Units to provide the Trustees with a declaration as to the jurisdictions in which beneficial owners of Units are resident and as to whether such beneficial owners are Non-Residents. If the Trustees become aware, as a result of acquiring such declarations as to beneficial ownership or as a result of any other investigations, that the beneficial owners of 49% of the Units then outstanding are, or may be, Non-Residents or that such a situation is imminent, the Trustees may make a public announcement thereof and the Transfer Agent shall not accept a subscription for Units from or issue or register a transfer of Units to a person unless the person provides a declaration in form and content satisfactory to the Trustees that the person is not a Non-Resident and does not hold such Units for the benefit of Non-Residents.

If, notwithstanding the foregoing, the Trustees determine that more than 49% of the Units then outstanding are held by Non-Residents, the Trustees may send a notice to such Non-Resident holders of Units chosen in inverse order to the order of acquisition or

registration or in such other manner as the Trustees may consider equitable and practicable, requiring them to sell their Units or a portion thereof within a specified period of not more than 30 days. If the securityholders receiving such notice have not sold the specified number of Units or provided the Trustees with satisfactory evidence that they are not Non-Residents within such period, the Trustees may, on behalf of such securityholders sell such Units without further notice and, in the interim, shall suspend the voting and distribution rights attached to such Units (other than the right to receive the net proceeds from the sale). Upon such sale or conversion, the affected holders shall cease to be holders of the relevant Units and their rights shall be limited to receiving the net proceeds of sale, upon surrender of the certificates, if any, representing such Units. The Trustees shall have no liability for the amount received provided that they act in good faith. The Trust may direct its Transfer Agent to do any of the foregoing.

Special Voting Units (together with the exchangeable securities to which they are attached) may not be transferred to Non-Residents if such exchangeable securities are issued by a Partnership.

For greater certainty, the Trust may sell Units in accordance with the terms hereof despite the fact that the Trust does not possess the Unit certificate or Unit certificates, if any, representing the Units at the time of the sale. Where, in accordance with this Section 6.11, Units are sold by the Trust without possession of the Unit certificate or Unit certificates, if any, representing the same and, after the sale, a person establishes that it is a bona fide purchaser without notice of the Units from the Unitholder, then, subject to applicable law:

(a) the Trust shall be entitled to treat the Units so purchased by the bona fide purchaser as validly issued and outstanding Units in addition to the Units sold by the Trust; and

(b) notwithstanding any other provisions of this Declaration of Trust, the Trust is entitled to the deposit made with respect to such sale and shall add the amount of the deposit to the capital account maintained by the Trust in respect of outstanding Units.

The Trustees shall have the sole right and authority to make any determination required or contemplated under this Section 6.11. The Trustees shall make all determinations necessary for the administration of the provisions of this Section 6.11 and, without limiting the generality of the foregoing, if the Trustees consider that there are reasonable grounds for believing that a contravention of the non-resident ownership restriction has occurred or will occur, the Trustees shall make a determination with respect to the matter. Any such determination shall be conclusive, final and binding except to the extent modified by any subsequent determination by the Trustees. Notwithstanding the foregoing, the Trustees may delegate, in whole or in part, their power to make a determination to any officer of the Trust.

Notwithstanding the foregoing, the Trustees may determine not to take any of the actions described above if the Trustees have been advised by legal counsel that the failure to take any of such actions would not adversely impact the status of the Trust as a "mutual fund trust" for purposes of the Tax Act or, alternatively, may take such other action or

actions as may be necessary to maintain the status of the Trust as a "mutual fund trust" for purposes of the Tax Act.

Section 6.12 Book Based System

The provisions of this Section 6.12 shall not in any way alter the nature of Units or the relationships of a Unitholder to the Trustees and of one Unitholder to another but are intended only to facilitate the issuance of certificates evidencing the ownership of Units, if desirable to issue them to Unitholders, and the recording of all transactions in respect of Units and Unit certificates for Units whether by the Trust, securities dealers, stock exchanges, transfer agents, registrars or other persons.

Except as otherwise provided below, the Units will be represented in the form of one or more fully registered global unit certificates (each a "**Global Unit certificate**") held by, or on behalf of, CDS, as depositary of the Global Unit certificates for the participants of CDS, registered in the name of CDS or its nominee, and registration of ownership and transfers of the Units will be effected only through the book-based system administered by CDS. On Closing, CDS will credit interests in the Global Unit certificates representing the Units to the accounts of its participants as directed by the underwriters under the Offering.

Except as described below, no purchaser of a Unit will be entitled to a certificate or other instrument from the Trust evidencing that purchaser's ownership thereof, and no holder of a beneficial interest in a Unit (a "**Beneficial Owner**") will be shown on the records maintained by CDS except through book-entry accounts of a participant of CDS acting on behalf of the Beneficial Owners. CDS will be responsible for establishing and maintaining book-entry accounts for its participants having interests in the Global Unit certificates. Sales of interests in the Global Unit certificates can only be completed through participants in the depositary services of CDS.

Units will be issued in fully registered form to holders or their nominees, if any, who purchase the Units pursuant to the private placement of Units made in reliance upon Rule 144A adopted under the United States Securities Act of 1933, and to transferees thereof in the United States who purchase such Units in reliance upon such Rule. Likewise, any Units transferred to a transferee within the United States or outside the United States to a "U.S. Person" (within the meaning of Regulation S) will be evidenced in definitive certificates representing any such Units unless the Trust otherwise agrees that such Units need not be evidenced in definitive securities. If any such Units represented by definitive certificates are subsequently traded into Canada, or otherwise outside the United States in compliance with Regulation S, the Transfer Agent will deliver a certificate registered in the name of CDS or its nominee representing such Units and, thereafter, registration of ownership and transfers of such Units will be made through the book-based system administered by CDS.

Except as noted in the foregoing paragraph, Units will be issued in fully registered form to holders or their nominees, other than CDS or its nominee, only if: (i) the Trust is required to do so by applicable law; (ii) the depositary system of CDS ceases to exist; (iii) the Trust determines that CDS is no longer willing or able or qualified to discharge properly its responsibility as depositary and the Trust is unable to locate a qualified successor; (iv) the Trust at its option elects to prepare and deliver definitive certificates representing the Units;

or (v) the Trust at its option elects to terminate the Book-Entry System in respect of the Units through CDS.

All references herein to actions by, notices given or payments made to Unitholders shall, where such Units are held through CDS, refer to actions taken by, or notices given or payments made to, CDS upon instruction from the CDS Participants in accordance with CDS's rules and procedures. For the purposes of any provision hereof requiring or permitting actions with the consent of or at the direction of Unitholders evidencing a specified percentage of the aggregate Units outstanding, such direction or consent may be given by Unitholders acting through CDS and the CDS Participants owning Units evidencing the requisite percentage of the Units, subject to the voting rights of holders of Special Voting Units. The rights of a Unitholder whose Units are held through CDS shall be exercised only through CDS and the CDS Participants and shall be limited to those established by law and agreements between such Unitholders and CDS and/or the CDS Participants or upon instruction from the CDS Participants. Each of the Transfer Agent and the Trustees may deal with CDS for all purposes (including the making of payments) as the authorized representative of the respective Unitholders and such dealing with CDS shall constitute satisfaction or performance, as applicable, towards their respective obligations hereunder.

For so long as Units are held through CDS, if any notice or other communication is required to be given to Unitholders, the Trustees and the Transfer Agent will give all such notices and communications to CDS.

If CDS resigns or is removed from its responsibilities as depositary and the Trustees are unable or do not wish to locate a qualified successor, CDS shall surrender the Global Unit certificate to the Transfer Agent with instructions from CDS for registration of Units in the name and in the amounts specified by CDS and the Trust shall issue and the Trustee and Transfer Agent shall execute and deliver the aggregate number of Units then outstanding in the form of definitive Unit certificates representing such Units.

Section 6.13 Redemption of Units

(1) Each Unitholder shall be entitled to demand, at any time, the Trust to redeem from time to time all or any part of the Units registered in the name of the Unitholder at the prices determined and payable in accordance with the conditions hereinafter provided.

(2) To exercise a Unitholder's right to require redemption under this Section 6.13, a duly completed and properly executed notice requiring the Trust to redeem Units, in a form approved by the Trustees, together with written instructions as to the number of Units to be redeemed, shall be sent to the Trust at the head office of the Trust. No form or manner of completion or execution shall be sufficient unless the same is in all respects satisfactory to the Trustees and is accompanied by any further evidence that the Trustees may reasonably require with respect to the identity, capacity or authority of the person giving such notice.

(3) Upon receipt by the Trust of the notice to redeem Units, the Unitholder shall thereafter cease to have any rights with respect to the Units tendered for redemption (other than to receive the redemption payment therefor) including the right to receive any distributions thereon which are declared payable to the Unitholders of record on a date which is subsequent to the day of receipt by the Trust of such notice. Units shall be considered to be tendered for redemption on the date that the Trust has, to the satisfaction of the Trustees, received the notice and other required documents or evidence as aforesaid.

(4) Upon receipt by the Trust of the notice to redeem Units, and other required documentation, if any, in accordance with this Section 6.13, the holder of the Units tendered for redemption shall be entitled to receive a price per Unit (the "**Redemption Price**") equal to the lesser of:

(a) 90% of the "market price" of the Units calculated as of the date (the "**Redemption Date**") on which the Units were surrendered for redemption; and

(b) 100% of the "closing market price" on the Redemption Date;

For the purposes of this calculation, "market price" of a Unit as at a specified date will be:

(x) an amount equal to the weighted average trading price of a Unit on the principal exchange or market on which the Units are listed or quoted for trading during the period of ten consecutive trading days ending on such date;

(y) an amount equal to the weighted average of the closing market prices of a Unit on the principal exchange or market on which the Units are listed or quoted for trading during the period of ten consecutive trading days ending on such date, if the applicable exchange or market does not provide information necessary to compute a weighted average trading price; or

(z) if there was trading on the applicable exchange or market for fewer than five of the ten trading days, an amount equal to the simple average of the following prices established for each of the ten consecutive trading days ending on such date: the simple average of the last bid and last asking price of the Units for each day on which there was no trading; the closing price of the Units for each day that there was trading if the exchange or market provides a closing price; and the simple average of the highest and lowest prices of the Units for each day that there was trading, if the market provides only the highest and lowest prices of Units traded on a particular day.

The "closing market price" of a Unit for the purpose of the foregoing calculations, as at any date will be:

(w) an amount equal to the weighted average trading price of a Unit on the principal exchange or market on which the Units are listed or quoted for trading on the specified date if the principal exchange or market provides information necessary to compute a weighted average trading price of the Units on the specified date;

(x) an amount equal to the closing price of a Unit on the principal market or exchange if there was a trade on the specified date and the principal exchange or market provides only a closing price of the Units on the specified date;

(y) an amount equal to the simple average of the highest and lowest prices of the Units on the principal market or exchange, if there was trading on the specified date and the principal exchange or market provides only the highest and lowest trading prices of the Units on the specified date; or

(z) the simple average of the last bid and last asking prices of the Units on the principal market or exchange, if there was no trading on the specified date.

If Units are not listed or quoted for trading in a public market, the Redemption Price will be the fair market value of the Units, which will be determined by the Trustees in their sole discretion.

(5) Subject to Section 6.13(6) and Section 6.13(7), the Redemption Price payable in respect of the Units tendered for redemption during any calendar month shall be paid by cheque, drawn on a Canadian chartered bank or a trust company in lawful money of Canada, payable at par to, or to the order of, the Unitholder who exercised the right of redemption on or before the last day of the calendar month immediately following the month in which the Units were tendered for redemption. Payments made by the Trust of the Redemption Price are conclusively deemed to have been made upon the mailing of a cheque in a postage prepaid envelope addressed to the former Unitholder unless such cheque is dishonoured upon presentment. Upon such payment, the Trust shall be discharged from all liability to the former Unitholder in respect of the Units so redeemed.

(6) Paragraph Section 6.13(5) shall not be applicable to Units tendered for redemption by a Unitholder, if:

(a) the total amount payable by the Trust pursuant to Section 6.13(4) in respect of such Units and all other Units tendered for redemption in the same calendar month exceeds $50,000 (the "**Monthly Limit**"); provided that the Trustees may, in their sole discretion, waive such limitation in respect of all Units

tendered for redemption in any calendar month and, in the absence of such a waiver, Units tendered for redemption in any calendar month in which the total amount payable by the Trust pursuant to Section 6.13(4) exceeds the Monthly Limit will be redeemed for cash pursuant to Section 6.13(4) and, subject to any applicable regulatory approvals, by a distribution in specie of assets held by the Trust on a pro rata basis;

(b) at the time the Units are tendered for redemption, the outstanding Units are not listed for trading on the TSX-V or traded or quoted on any stock exchange or market which the Trustees consider, in their sole discretion, provides representative fair market value prices for the Units; or

(c) the normal trading of the outstanding Units is suspended or halted on any stock exchange on which the Units are listed for trading or, if not so listed, on any market on which the Units are quoted for trading, on the Redemption Date for such Units or for more than five trading days during the 10 trading day period commencing immediately after the Redemption Date for such Units.

(7) If Section 6.13(5) is not applicable to Units tendered for redemption by a Unitholder pursuant to Section 6.13(6)(a), the Redemption Price per Unit specified in Section 6.13(4) shall be paid and satisfied as follows: (A) a portion of the Redemption Price per Unit equal to the Monthly Limit divided by the number of Units tendered for redemption in the month shall be paid and satisfied in accordance with Section 6.13(5) applied *mutatis mutandis* and (B) subject to receipt of all necessary regulatory approvals (which the Trust shall use reasonable commercial efforts to obtain forthwith), the remainder of the Redemption Price per Unit shall be paid and satisfied by way of a distribution *in specie* to such Unitholder of Subsidiary Notes having a fair market value determined by the Trustees equal to the product of (y) the remainder of the Redemption Price per Unit of the Units tendered for redemption and (z) the number of Units tendered by such Unitholder for redemption.

(8) If Section 6.13(5) is not applicable to all of the Units tendered for redemption by a Unitholder pursuant to Section 6.13(6)(b) above and Section 6.13(6)(c) above, the Redemption Price per Unit specified in Section 6.13(4) above shall, subject to receipt of all necessary regulatory approvals (which the Trust shall use reasonable commercial efforts to obtain forthwith), be paid and satisfied by way of a distribution in specie to such Unitholder of Subsidiary Notes having a fair market value equal to the product of (A) the Redemption Price per Unit of the Units tendered for redemption and (B) the number of Units tendered by such Unitholder for redemption.

(9) For purposes of Section 6.13(7) above, no Subsidiary Notes in integral multiples of less than $100 will be distributed and, where Subsidiary Notes to be received by a Unitholder includes a multiple less than that number, the number of Subsidiary Notes shall be rounded to the next lowest integral multiple of $100 and the balance shall be paid in cash.

(10) The Redemption Price payable pursuant to Section 6.13(7) above in respect of Units tendered for redemption during any month shall, subject to receipt of all necessary regulatory approvals, be paid by the transfer to or to the order of the Unitholder who exercised the right of redemption, of the Subsidiary Notes, if any, and the cash payment, if any, determined in accordance with the provisions of this Section 6.13(7) above, on or before the last day of the calendar month immediately following the month in which the Units were tendered for redemption.

(11) Payments by the Trust pursuant to Section 6.13(7) above are conclusively deemed to have been made upon the mailing of certificates representing the Subsidiary Notes, if any, and a cheque, if any, by registered mail in a postage prepaid envelope addressed to the former Unitholder and/or any party having a security interest and, upon such payment, the Trust shall be discharged from all liability to such former Unitholder and any party having a security interest in respect of the Units so redeemed.

(12) The Trust shall be entitled to all accrued interest, paid or unpaid, on the Subsidiary Notes, if any, on or before the date of distribution in specie pursuant to Section 6.13(7).

(13) Where the Trust makes a distribution in specie on a redemption of Units pursuant to Section 6.13(7), the Trustees may, in their sole discretion, designate and treat as having been paid to the redeeming Unitholders any amount of the capital gains or income realized by the Trust on or in connection with the distribution of such securities to the Unitholder.

(14) All Units which are redeemed under this Section 6.13 shall be cancelled and such Units shall no longer be outstanding and shall not be reissued.

Section 6.14 Certificate Fee

The Trustees may establish a reasonable fee to be charged for every Unit certificate issued.

Section 6.15 Form of Unit certificate

(1) The form of certificate representing Units and the instrument of transfer, if any, on the reverse side thereof shall, subject to the provisions hereof, be in such form as is from time to time authorized by the Trustees.

(2) The form of certificate representing Special Voting Units and the instrument of transfer, if any, on the reverse side thereof shall, subject to the provisions hereof, be in such form as is from time to time authorized by the Trustees.

Section 6.16 Unit certificates

(1) If issued, Unit certificates are issuable only in fully registered form.

(2) The definitive form of the Unit certificates shall:

(a) be in the English language or in the English language and the French language;

(b) be dated as of the date of issue thereof; and

(c) contain such distinguishing letters and numbers as the Trustees shall prescribe.

(3) In the event that the Unit certificate is translated into the French language and any provision of the Unit certificate in the French language shall be susceptible of an interpretation different from the equivalent provision in the English language, the interpretation of such provision in the English language shall be determinative.

(4) Each Unit certificate shall be signed on behalf of the Trustees and if so decided by the Trustees, signed or certified by the Transfer Agent of the Units. The signature of the Trustees required to appear on such certificate may be printed, lithographed or otherwise mechanically reproduced thereon and, in such event, certificates so signed are as valid as if they had been signed manually. If a Unit certificate contains the printed or mechanically reproduced signature of a person, then the Trust may issue the Unit certificate even though such person has ceased to be a Trustee or an authorized representative thereof and such Unit certificate is as valid as if such person continued to be a Trustee or an authorized representative thereof at the date of its issue.

Section 6.17 Contents of Unit certificates

(1) Until otherwise determined by the Trustees, each Unit certificate shall legibly set forth on the face thereof, inter alia, the following:

(a) the name of the Trust and the words "A trust governed under the laws of the Province of Ontario governed by a Declaration of Trust made the 30th day of August, 2012, as amended from time to time" or words of like effect;

(b) the name of the person to whom the Unit certificate is issued as Unitholder;

(c) the number of Units represented thereby and whether or not the Units represented thereby are fully paid;

(d) that the Units represented thereby are transferable;

(e) "The Units represented by this certificate are issued upon the terms and subject to the conditions of the Declaration of Trust, which Declaration of Trust is binding upon all holders of Units and, by acceptance of this certificate, the holder assents to the terms and conditions of the Declaration of Trust. A copy of the Declaration of Trust, pursuant to which this certificate and the Units represented thereby are issued, may be obtained by a Unitholder on demand and without fee from the head office of the Trust" or words of like effect; and

(f) "For information as to personal liability of a Unitholder, see the reverse side of this certificate" or words of like effect.

(2) Until otherwise determined by the Trustees, each such certificate shall legibly set forth on the reverse side thereof, inter alia, the following:

(a) "The Declaration of Trust provides that no Unitholder shall be subject to any personal liability whatsoever, in tort, contract or otherwise, to any person in connection with the assets of the Trust or the obligations or the affairs of the Trust and all such persons shall look solely to the assets of the Trust for satisfaction of claims of any nature arising out of or in connection therewith and the assets of the Trust only shall be subject to levy or execution", or words of like effect; and

(b) appropriate forms of notice of exercise of the right of redemption, if applicable, and of powers of attorney for transferring Units.

The Unit certificates may be engraved, printed or lithographed, or partly in one form and partly in another, as the Trustees may determine.

Section 6.18 Register of Unitholders

A register shall be kept at the principal office in Toronto, Ontario of the Transfer Agent, which Register shall contain the names and addresses of the Unitholders, the respective numbers of Units held by them, the certificate numbers of certificates representing such Units and a record of all transfers and redemptions thereof and a register shall be kept at the principal office in Toronto, Ontario of the Trust, which Register shall contain the names and addresses of the holders of Special Voting Units, the respective numbers of Special Voting Units held by them, the certificate numbers of certificates representing such Special Voting Units and a record of all transfers and redemptions thereof (collectively, the "**Register**"). Only Unitholders whose certificates are so recorded shall be entitled to receive distributions or to exercise or enjoy the rights of Unitholders hereunder. The Trustees shall have the right to treat the person registered as a Unitholder on the Register as the owner of such Units for all purposes, including, without limitation, payment of any distribution, giving notice to Unitholders and determining the right to attend and vote at meetings of Unitholders.

Section 6.19 Successors in Interest to Unitholders

Any person purporting to become entitled to any Units as a consequence of the death, bankruptcy or incompetence of any Unitholder or otherwise by operation of law, shall be recorded in the Register as the holder of such Units, but until such record is made, the Unitholder of record shall continue to be and shall be deemed to be the holder of such Units for all purposes whether or not the Trust, the Trustees or the Transfer Agent or registrar of the Trust shall have actual or other notice of such death, bankruptcy, incompetence or other event and any person becoming entitled to such Units shall be bound by every notice or other document in respect of the Units which shall have been duly given to the person from whom such person derives title to such Units. Once such record is made, the Trustees shall deal with the new holder of such units as Unitholder from thereon and

shall have no liability to any other person purporting to have been entitled to the Units prior to the making of such record.

Section 6.20 Units Held Jointly or in Fiduciary Capacity

The Trust may treat two or more persons holding any Unit as joint tenants of the entire interest therein unless the ownership is expressly otherwise recorded in the Register, but no entry shall be made in the Register that any person is in any other manner entitled to any future, limited or contingent interest in any Unit; provided, however, that any person recorded in the Register as a Unitholder may, subject to the provisions herein contained, be described in the Register as a fiduciary of any kind and any customary words may be added to the description of the holder to identify the nature of such fiduciary relationship.

Section 6.21 Performance of Trusts

None of the Trustees of the Trust, the officers of the Trust, the Unitholders or the Transfer Agent or other agent of the Trust or the Trustees shall have a duty to inquire into any claim that a transfer of a Unit or other security of the Trust was or would be wrongful or that a particular adverse person is the owner of or has an interest in the Unit or other security or any other adverse claim, or be bound to see to the performance of any trust, express, implied or constructive, or of any charge, pledge or equity to which any of the Units or other securities or any interest therein are or may be subject, or to ascertain or inquire whether any sale or transfer of any such Units or other securities or interest therein by any such Unitholder or holder of such security or his personal representatives is authorized by such trust, charge, pledge or equity, or to recognize any person as having any interest therein, except for the person recorded as Unitholder.

Section 6.22 Lost Unit certificates

In the event that any Unit certificate is lost, stolen, destroyed or mutilated, the Trustees may authorize the issuance of a new Unit certificate for the same number of Units or Special Voting Units, as the case may be, in lieu thereof. The Trustees may in their discretion, before the issuance of such new Unit certificate, require the owner of the lost, stolen, destroyed or mutilated Unit certificate, or the legal representative of the owner, to make such affidavit or statutory declaration, setting forth such facts as to the loss, theft, destruction or mutilation as the Trustees or any officers of the Trust deem necessary and may require the applicant to surrender any mutilated Unit certificate and to require the applicant to supply to the Trust a "lost certificate bond" or similar bond in such reasonable amount as the Trustees or Transfer Agent may direct indemnifying the Trustees or any officers of the Trust and the Transfer Agent for so doing. The Trustees or any officers of the Trust shall have the power to acquire from an insurer or insurers a blanket lost security bond or bonds in respect of the replacement of lost, stolen, destroyed or mutilated Unit certificates. The Trust shall pay all premiums and other sums of money payable for such purpose out of the property of the Trust with such contribution, if any, by those insured as may be determined by the Trustees or any officers of the Trust. If such blanket lost security bond is acquired, the Trustees or any officers of the Trust may authorize and direct (upon such terms and conditions as they from time to time impose) any registrar, transfer agent, trustee or others to whom the indemnity of such bond extends to take such action to replace

such lost, stolen, destroyed or mutilated Unit certificates without further action or approval by the Trustees or any officers of the Trust.

Section 6.23 Death of Unitholders

The death of a Unitholder during the continuance of the Trust shall not terminate the Trust or give the personal representatives or the heirs of the estate of the deceased Unitholder a right to an accounting or to take any action in the courts or otherwise against other Unitholders or the Trustees, officers of the Trust or the property of the Trust, but shall only entitle the personal representatives or the heirs of the estate of the deceased Unitholder to succeed to all rights of the deceased Unitholder under this Declaration of Trust.

Section 6.24 Unclaimed Payments

In the event that the Trustees hold any amounts to be paid to Unitholders because such amounts are unclaimed or cannot be paid for any reason, neither the Trustees nor any distribution disbursing agent shall be under any obligation to invest or reinvest the same and shall only be obligated to hold the same in a current or other non-interest bearing account with a chartered bank or trust company, pending payment to the person or persons entitled thereto. The Trustees shall, as and when required by law, and may at any time prior to such required time, pay all or part of such amounts so held to a court in the province where the Trust has its principal office or to the Public Guardian and Trustee (or other similar government official or agency) in the province where the Trust has its principal office whose receipt shall be a good and sufficient discharge of the obligations of the Trustees.

Section 6.25 Repurchase of Units

The Trust shall be entitled to purchase for cancellation at any time the whole or from time to time any part of the outstanding Units, at a price per Unit and on a basis determined by the Trustees in compliance with all applicable Securities Laws or the rules or policies of any applicable stock exchange.

Section 6.26 Take-Over Bids

(1) If within 120 days after the date of a Take-over Bid the bid is accepted by the holders of not less than 90% of the Units, other than Units held at the date of the Take-over Bid by or on behalf of the Offeror or an Affiliate or Associate of the Offeror, the Offeror is entitled, on complying with this Section 6.26, to acquire the Units held by the Dissenting Offerees.

(2) An Offeror may acquire Units held by a Dissenting Offeree by sending by registered mail within 60 days after the date of termination of the Take-over Bid and in any event within 180 days after the date of the Take-over Bid, an Offeror's notice to each Dissenting Offeree stating that:

(a) the Offerees holding more than 90% of the Units to which the bid relates accepted the Take-over Bid;

(b) the Offeror is bound to take up and pay for or has taken up and paid for the Units of the Offerees who accepted the Take-over Bid;

(c) a Dissenting Offeree is required to elect:

(i) to transfer her Units to the Offeror on the terms on which the Offeror acquired the Units of the Offerees who accepted the Take-over Bid, or

(ii) to demand payment of the fair value of her Units in accordance with Section 6.26(10) to Section 6.26(19) by notifying the Offeror within 20 days after she receives the Offeror's notice;

(3) a Dissenting Offeree who does not notify the Offeror in accordance with Section 6.26(2)(c)(ii) is deemed to have elected to transfer her Units to the Offeror on the same terms that the Offeror acquired the Units from the Offerees who accepted the Take-over Bid; and

(4) a Dissenting Offeree must send her Unit certificates representing the Units to which the Take-over Bid relates to the Trust within 20 days after she receives the Offeror's notice.

(5) Concurrently with sending the Offeror's notice under Section 6.26(2), the Offeror shall send to the Trust a notice of adverse claim disclosing the name and address of the Offeror and the name of the Dissenting Offeree with respect to each Unit held by a Dissenting Offeree.

(6) A Dissenting Offeree to whom an Offeror's notice is sent under Section 6.26(2) shall, within 20 days after she receives that notice, send her Unit certificates to the Trust.

(7) Within 20 days after the Offeror sends an Offeror's notice under Section 6.26(2), the Offeror shall pay or transfer to the Trust the amount of money or other consideration that the Offeror would have had to pay or transfer to a Dissenting Offeree if the Dissenting Offeree had elected to accept the Take-over Bid under Section 6.26(2)(c)(i).

(8) The Trust is deemed to hold in trust for the Dissenting Offeree the money or other consideration it receives under Section 6.26(7), and the Trust shall deposit the money in a separate account in a bank or other body corporate any deposits of which are insured by the Canada Deposit Insurance Corporation or guaranteed by the Québec Deposit Insurance Board, and shall place the other consideration in the custody of a bank or such other body corporate.

(9) Within 30 days after the Offeror sends an Offeror's notice under Section 6.26(2), the Trust shall:

(a) issue to the Offeror a Unit certificate in respect of the Units that were held by Dissenting Offerees;

(b) give to each Dissenting Offeree elects to accept the Take-over Bid terms under Section 6.26(2)(c)(i) and who sends her Unit certificates as required under Section 6.26(6), the money or other consideration to which she is

entitled, disregarding fractional Units, if any, which may be paid for in money; and

(c) send to each Dissenting Offeree who has not sent her Unit certificates as required under Section 6.26(6) a notice stating that:

(i) his Units have been cancelled,

(ii) the Trust or some designated person holds in trust for her the money or other consideration to which she is entitled as payment for or in exchange for her Units, and

(iii) the Trust will, subject to Section 6.26(10) to Section 6.26(19), send that money or other consideration to her forthwith after receiving her Units.

(10) If a Dissenting Offeree has elected to demand payment of the fair value of her Units under Section 6.26(2)(c)(ii), the Offeror may, within 20 days after it has paid the money or transferred the other consideration, under Section 6.26(7), apply to a court to fix the fair value of the Units of that Dissenting Offeree.

(11) If an Offeror fails to apply to a court under Section 6.26(10), a Dissenting Offeree may apply to a court for the same purpose within a further period of 20 days.

(12) Where no application is made to a court under Section 6.26(11) within the period set out in that subsection, a Dissenting Offeree is deemed to have elected to transfer her Units to the Offeror on the same terms that the Offeror acquired the Units from the Offerees who accepted the Take-over Bid.

(13) An application under Section 6.26(10) or Section 6.26(11) shall be made to a court having jurisdiction in the place where the Trust has its registered office.

(14) A Dissenting Offeree is not required to give security for costs in an application made under Section 6.26(10) or Section 6.26(11).

(15) On an application under Section 6.26(10) or Section 6.26(11):

(a) all Dissenting Offerees referred to in Section 6.26(2)(c)(ii) whose Units have not been acquired by the Offeror shall be joined as parties and shall be bound by the decision of the court; and

(b) the Offeror shall notify each affected Dissenting Offeree of the date, place and consequences of the application and of her right to appear and be heard in person or by counsel.

(16) On an application to a court under Section 6.26(10) or Section 6.26(11) the court may determine whether any other person is a Dissenting Offeree who should be joined as

a party, and the court shall then fix a fair value for the Units of all Dissenting Offerees.

(17) A court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the Units of a Dissenting Offeree.

(18) The final order of the court shall be made against the Offeror in favour of each Dissenting Offeree and for the amount for her Units as fixed by the court.

(19) In connection with proceedings under this Section 6.26, a court may make any order it thinks fit and, without limiting the generality of the foregoing, it may:

(a) fix the amount of money or other consideration that is required to be held in trust under Section 6.26(8);

(b) order that money or other consideration be held in trust by a person other than the Trust; and

(c) allow a reasonable rate of interest on the amount payable to each Dissenting Offeree from the date she sends or delivers her Unit certificates under Section 6.26(6) until the date of payment.

ARTICLE 7
MEETINGS OF UNITHOLDERS

Section 7.1 Annual Meeting

There shall be an annual meeting of the Unitholders at such time and place as the Trustees shall prescribe for the purpose of electing Trustees, other than those appointed by the Trust Asset Manager pursuant to Section 3.2, appointing or removing the auditors of the Trust and transacting such other business as the Trustees may determine or as may properly be brought before the meeting. The annual meeting of Unitholders shall be held after delivery to the Unitholders of the annual report referred to in Section 15.6 and, in any event, within 180 days after the end of each fiscal year of the Trust, or such later date (not to exceed 15 months from the date of the most recently held annual meeting) as the Trustees may determine is in the best interests of Unitholders, subject to the receipt of all applicable regulatory approvals.

Section 7.2 Other Meetings

(1) The Trustees shall have power at any time to call special meetings of the Unitholders at such time and place as the Trustees may determine. Unitholders holding in the aggregate not less than 10% of the outstanding Units of the Trust may requisition the Trustees in writing to call a special meeting of the Unitholders for the purposes stated in the requisition. The requisition shall state in reasonable detail the business proposed to be transacted at the meeting and shall be sent to each of the Trustees at the principal office of the Trust. Upon receiving the requisition, the Trustees shall

call a meeting of Unitholders to transact the business referred to in the requisition, unless:

(a) a record date for a meeting of the Unitholders has been fixed and notice thereof has been given to each stock exchange in Canada on which the Units are listed for trading;

(b) the Trustees have called a meeting of the Unitholders and have given notice thereof pursuant to Section 7.3; or

(c) in connection with the business as stated in the requisition:

(i) it clearly appears that the matter covered by the requisition is submitted by the Unitholder primarily for the purpose of enforcing a personal claim or redressing a personal grievance against the Trust, the Trustees, the officers of the Trust or its security holders, or primarily for the purpose of promoting general economic, political, racial, religious, social or similar causes;

(ii) the Trust, at the Unitholder's request, included a matter covered by a requisition in an information circular relating to a meeting of Unitholders held within two years preceding the receipt of such request, and the Unitholder failed to present the matter, in person or by proxy, at the meeting;

(iii) substantially the same matter covered by the requisition was submitted to Unitholders in an information circular (including a dissident's information circular) relating to a meeting of Unitholders held within two years preceding the receipt of the Unitholder's request and the matter covered by the requisition was defeated; or

(iv) the rights conferred by this Section 7.2 are being abused to secure publicity.

(2) If the Trustees do not within 21 days after receiving the requisition call a meeting, any Unitholder who signed the requisition may call the meeting in accordance with the provisions of Section 7.3 and Section 7.7 and the Trustees' Regulations, *mutatis mutandis*. If there shall be no Trustees, the officers of the Trust shall promptly call a special meeting of the Unitholders for the election of successor Trustees. The phrase "meeting of the Unitholders" wherever it appears in this Declaration of Trust shall mean and include both an annual meeting and any other meeting of Unitholders.

Section 7.3 Notice of Meeting of Unitholders

Notice of all meetings of the Unitholders shall be mailed or delivered by the Trustees to each Unitholder at his address appearing in the Register, to each Trustee and to the auditors of the Trust not less than 21 nor more than 50 days before the meeting. Notice of any meeting of the Unitholders shall state the purposes of the meeting.

Section 7.4 Quorum

A quorum for any meeting of Unitholders shall be individuals present not being less than two in number and being Unitholders or representing by proxy Unitholders who hold in the aggregate not less than 5% of the total number of outstanding Units provided that if the Trust has only one Unitholder the Unitholder present in person or by proxy constitutes a meeting and a quorum for such meeting. The Chairman, or any Trustee determined by the Trustees, shall be the chairman of any meeting of the Unitholders.

Section 7.5 Voting

Holders of Units may attend and vote at all meetings of the Unitholders either in person or by proxy. Each Trust Unit shall entitle the holder of record thereof to one vote at all meetings of the Unitholders. Each Special Voting Unit will entitle the holder of record thereof to a number of votes at all meeting of the Unitholders equal to the number of Trust Units that may be obtained upon the exchange of the exchangeable security, including an Exchangeable Unit, to which such Special Voting Unit is attached. Any action to be taken by the Unitholders shall, except as otherwise required by this Declaration of Trust or by law, be authorized when approved by a majority of the votes cast at a meeting of the Unitholders. The Chairman of any such meeting shall not have second or casting vote.

Section 7.6 Matters on which Unitholders Shall Vote

(1) None of the following shall occur unless the same has been duly approved by the Unitholders at a meeting duly called and held:

(a) except as provided in Section 3.2, Section 3.4, Section 3.7 or Section 3.12, the appointment, election or removal of Trustees;

(b) except as provided in Section 15.4, the appointment or removal of auditors of the Trust;

(c) any amendment to the Declaration of Trust (except as provided in Section 5.3, Section 12.1 or Section 12.4);

(d) the sale of the assets of the Trust as an entirety or substantially as an entirety (other than as a part of an internal reorganization of the assets of the Trust as approved by the Trustees); or

(e) the termination of the Trust or this Declaration of Trust.

(2) Nothing in this section, however, shall prevent the Trustees from submitting to a vote of Unitholders any matter which they deem appropriate. Except with respect to the matters specified in this section, Section 12.2, **Error! Reference source not found.**, Section 12.4, and Section 13.2 or matters submitted to a vote of the Unitholders by the Trustees, no vote of the Unitholders shall in any way bind the Trustees.

Section 7.7 Record Dates

For the purpose of determining the Unitholders who are entitled to receive notice of and vote at any meeting or any adjournment thereof or for the purpose of any other action,

the Trustees may from time to time, without notice to the Unitholders, close the transfer books for such period, not exceeding 30 days, as the Trustees may determine; or without closing the transfer books the Trustees may fix a date not more than 60 days prior to the date of any meeting of the Unitholders or other action as a record date for the determination of Unitholders entitled to receive notice of and to vote at such meeting or any adjournment thereof or to be treated as Unitholders of record for purposes of such other action, and any Unitholder who was a Unitholder at the time so fixed shall be entitled to receive notice of and vote at such meeting or any adjournment thereof, even though he has since that date disposed of his Units, and no Unitholder becoming such after that date shall be entitled to receive notice of and vote at such meeting or any adjournment thereof or to be treated as a Unitholder of record for purposes of such other action.

Section 7.8 Proxies

(1) Whenever the vote or consent of Unitholders is required or permitted under this Declaration of Trust, such vote or consent may be given either directly by the Unitholder or by a proxy in such form as the Trustees may prescribe from time to time or, in the case of a Unitholder who is a body corporate or association, by an individual authorized by the board of directors or governing body of the body corporate or association to represent it at a meeting of the Unitholders. A proxy need not be a Unitholder. The Trustees may solicit such proxies from the Unitholders or any of them in any matter requiring or permitting the Unitholders' vote, approval or consent.

(2) The Trustees may adopt, amend or repeal such rules relating to the appointment of proxyholders and the solicitation, execution, validity, revocation and deposit of proxies, as they in their discretion from time to time determine.

Section 7.9 Resolution in Lieu of Meeting

Subject to Section 3.7, a resolution signed in writing by all of the Unitholders entitled to vote on that resolution at a meeting of Unitholders is as valid as if it had been passed at a meeting of Unitholders.

Section 7.10 Actions by Unitholders

Any action, change, approval, decision or determination required or permitted to be taken or made by the Unitholders hereunder shall be effected by a resolution passed by the Unitholders at a duly constituted meeting (or a Special Resolution in lieu thereof) in accordance with this Article 7.

ARTICLE 8
MEETINGS OF THE TRUSTEES

Section 8.1 Trustees May Act Without Meeting

The Trustees may act with or without a meeting. Any action of the Trustees may be taken at a meeting by vote or without a meeting by written consent signed by all of the Trustees.

Section 8.2 Notice of Meeting

Meetings of the Trustees may be held from time to time upon the giving of notice by any Trustee. Regular meetings of the Trustees may be held without call or notice at a time and place fixed in accordance with the Trustees' Regulations. Notice of the time and place of any other meetings shall be mailed or otherwise given not less than 48 hours before the meeting but may be waived in writing by any Trustee either before or after such meeting. The attendance of a Trustee at a meeting shall constitute a waiver of notice of such meeting except where a Trustee attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened. Each committee of Trustees appointed by the Trustees may adopt its own rules or procedures for the calling, conduct, adjournment and regulation of the meetings of such committees as it sees fit and may amend or repeal such rules or procedures from time to time; provided, however, that the Trustees' Regulations and any such rules or procedures shall not be inconsistent with this Declaration of Trust.

Section 8.3 Quorum

A quorum for all meetings of the Trustees or any committee thereof shall be at least two-fifths of the Trustees or of the Trustees on such committee, as the case may be, present in person, at least one of whom shall, and, one of whom shall not, be an Independent Trustee provided that if there is no quorum, the meeting may be adjourned to a business day on notice to all of the Trustees or members of such committee, as the case may be, and, at the reconvened meeting, the presence of two-fifths of the Trustees or members of such committee, as the case may be, is required in order to constitute a quorum.

Section 8.4 Voting at Meetings

(1) Questions arising at any meeting of the Trustees shall be decided by a majority of the votes cast, provided however that:

(a) the approval required with respect to any Independent Trustee Matter shall be only that of a majority of the Independent Trustees; and

(b) at least two-thirds of the Trustees voting on an investment in or acquisition of, a mortgage, must have had at least ten years of substantial experience in the mortgage or real estate industries.

(2) In the case of an equality of votes at any meeting of Trustees, the chairman of the meeting shall not have a second or casting vote in addition to his original vote, if any.

Section 8.5 Meeting by Telephone

Any Trustee may participate in a meeting of the Trustees or any committee thereof by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other and a Trustee so participating shall be considered for the purposes of this Declaration of Trust to be present in person at that meeting.

ARTICLE 9
DELEGATION OF POWERS

Section 9.1 General

The Trustees may appoint from among their number a committee or committees of Trustees and may delegate to such committee or committees any of the powers of the Trustees. The Trustees shall have the power to appoint, employ or contract with any person for any matter relating to the Trust or its assets or affairs. For greater certainty, the Trustees may delegate to any person (including, without limitation any one or more officers of the Trust) the power to execute any document or enter into any agreement on behalf of the Trust or exercise any discretion or make any amendment in relation thereto. The Trustees may grant or delegate such authority to an advisor (including the Trust Asset Manager and the Trust Property Manager) as the Trustees may in their sole discretion deem necessary or desirable without regard to whether such authority is normally granted or delegated by trustees. The Trustees shall have the power to determine the term and compensation of an advisor or any other person whom they may employ or with whom they may contract. The Trustees shall have the power to grant powers of attorney as required in connection with any financing or security relating thereto.

Section 9.2 Investment Committee

(1) The Trustees shall appoint an investment committee (the "**Investment Committee**") to consist of all of the Trustees. The duties of the Investment Committee will be to:

(a) review all investments of the Trust on at least an annual basis;

(b) adjudicate and advise on transactions involving potential conflicts of interest or any other transactions which may be detrimental to the interests of the Unitholders; and

(c) deal with such other matters as may be referred to the Investment Committee by the Trustees.

(2) Questions arising at any meeting of the Investment Committee shall be decided by a majority of the votes cast. Decisions may be taken by written consent signed by all of the members of the Investment Committee. Any member of the Investment Committee may call a meeting of the Investment Committee upon not less than 48 hours' notice. Notwithstanding the appointment of the Investment Committee, the Trustees may consider and approve any matter which the Investment Committee has the authority to consider or approve.

Section 9.3 Audit Committee

The Trustees shall appoint an audit committee (the "Audit Committee") to consist of not less than three Trustees, a majority of whom shall be Independent Trustees. The Audit Committee shall review the financial statements of the Trust and payments to the Trust Asset Manager and the Trust Property Manager pursuant to the Trust Asset Management Agreement and the Trust Property Management Agreement, respectively, and report thereon to the Trustees. The auditors of the Trust are entitled to receive notice of every

meeting of the Audit Committee and, at the expense of the Trust, to attend and be heard thereat and, if so requested by a member of the Audit Committee, shall attend any meeting of the Audit Committee held during the term of office of the auditors. Questions arising at any meeting of the Audit Committee shall be decided by a majority of the votes cast. Decisions may be taken by written consent signed by all of the members of the Audit Committee. The auditors of the Trust or a member of the Audit Committee may call a meeting of the Audit Committee on not less than 48 hours' notice.

ARTICLE 10
DISTRIBUTIONS

Section 10.1 Distributions

The Trust may distribute to Trust Unitholders on each Distribution Date, such amounts for the calendar month immediately preceding the month in which the Distribution Date falls, as the Trustees determine in their sole discretion. Special Voting Units have no economic entitlement in the Trust and have no entitlement to any distributions from the Trust.

On the last day of each Taxation Year, an amount equal to the net income of the Trust for such Taxation Year, determined in accordance with the provisions of the Tax Act other than Paragraph 82(1)(b) and Subsection 104(6) thereof, including Net Realized Capital Gains of the Trust (other than capital gains the tax on which may be recoverable by the Trust) shall, without any further action of the Trustees, be payable to Trust Unitholders of record at the close of business on such day (whether or not such day is a Business Day), subject to any adjustments the Trustees consider reasonable, at their sole discretion.

The Trustees may designate and make payable any income or capital gains realized by the Trust as a result of the redemption of Units pursuant to Section 6.13 to the redeeming Unitholders in accordance with Section 6.13(7).

Distributions payable to Trust Unitholders pursuant to this Article 10 shall be deemed to be distributions of income of the Trust (including dividends), net realized taxable capital gains of the Trust, Trust capital or other items in such amounts as the Trustees, in their absolute discretion determine and shall be allocated to the Trust Unitholder in the same proportions as distributions received by the Trust Unitholder, subject to the discretion of the Trustees to adopt an allocation method which the Trustees consider to be more reasonable in the circumstances. For greater certainty it is hereby declared that any distribution of Net Realized Capital Gains of the Trust shall include the non-taxable portion of the capital gains of the Trust which are included in such distribution.

Any distribution shall be made on a Distribution Date proportionately to persons who are Trust Unitholders as of the close of business on the record date for such distribution which shall be the last Business Day of the calendar month immediately preceding the month in which the Distribution Date falls or such other date, if any, as is fixed by the Trustees in accordance with Section 7.7. Each year the Trust intends to deduct such amounts as are paid or payable to Trust Unitholders for the year as is necessary to ensure that the

Trust is not liable for non-refundable income tax under Part I of the Tax Act in the related Taxation Year.

Distributions may be adjusted for amounts paid in prior periods if the actual distribution for the prior periods is greater than or less than the estimates for the prior periods.

For greater certainty, it is hereby expressly declared that a Trust Unitholder shall have the legal right to enforce payment of any amount which is stated to be payable to a Trust Unitholder hereunder at the time such amount is made payable.

Section 10.2 Allocation

Unless the Trustees otherwise determine, the (i) net income of the Trust for a Taxation Year, determined in accordance with the provisions of the Tax Act other than Paragraph 82(1)(b) and Subsection 104(6); and (ii) Net Realized Capital Gains of the Trust payable to Trust Unitholders shall be allocated to the Trust Unitholders for the purposes of the Tax Act in the same proportion as the total distributions made to Trust Unitholders in the Taxation Year under Section 10.1. The Trustees shall in each year make such other designations for tax purposes in respect of distributions that the Trustees consider to be reasonable in all of the circumstances.

Section 10.3 Payment of Distributions

Subject to this paragraph, distributions shall be made by cheque payable to or to the order of the Trust Unitholder or by electronic funds transfer or by such other manner of payment approved by the Trustees from time to time. The payment, if made by cheque, shall be conclusively deemed to have been made upon hand-delivery of a cheque to the Trust Unitholder or to her agent duly authorized in writing or upon the mailing of a cheque by prepaid first-class mail addressed to the Trust Unitholder at her address as it appears in the Register unless the cheque is not paid on presentation. The Trustees may issue a replacement cheque if they are satisfied that the original cheque has not been received or has been lost or destroyed upon being furnished with such evidence of loss, indemnity or other document in connection therewith that they may in their discretion consider necessary.

The Trustees shall deduct or withhold from distributions payable to any Trust Unitholder all amounts required by law to be withheld from such distribution and the Trust shall remit such taxes to the appropriate governmental authority within the times prescribed by law. Trust Unitholders who are Non-Residents will be required to pay all withholding taxes payable in respect of any distributions of income by the Trust, whether such distributions are in the form of cash or additional Units, and the Trust may dispose of any Units or other property that is otherwise to be so distributed to such Trust Unitholders in order to pay such withholding taxes and to pay all the Trust's reasonable expenses with regard thereto and the Trust shall have the power of attorney of such Trust Unitholders to do so.

If the Trustees determine that the Trust does not have cash in an amount sufficient to make payment of the full amount of any distribution, the payment may include the issuance

of additional Trust Units having a value equal to the difference between the amount of such distribution and the amount of cash which has been determined by the Trustees to be available for the payment of such distribution. Immediately after a pro rata distribution of such Trust Units to all Trust Unitholders in satisfaction of any non-cash distribution, the number of outstanding Trust Units will be consolidated so that each Trust Unitholder will hold after the consolidation the same number of Trust Units as the Trust Unitholder held before the non-cash distribution. Each Trust Unit certificate representing a number of Trust Units prior to the non-cash distribution is deemed to represent the same number of Trust Units after the non-cash distribution and the consolidation.

Notwithstanding the foregoing, where tax is required to be withheld from a Trust Unitholder's share of the distribution and such amount is not paid by the Trust Unitholder to the Trust, the consolidation will result in such Trust Unitholder holding that number of Units equal to (i) the number of Trust Units held by such Trust Unitholder prior to the distribution plus the number of Trust Units received by such Trust Unitholder in connection with the distribution (net of the number of whole and part Units withheld on account of withholding taxes) multiplied by; (ii) the fraction obtained by dividing the aggregate number of Units outstanding prior to the distribution by the aggregate number of Trust Units that would be outstanding following the distribution and before the consolidation if no withholding were required in respect of any part of the distribution payable to any Trust Unitholder. Such Trust Unitholder will be required to surrender the Trust Unit certificates, if any, representing such Trust Unitholder's original Trust Units, in exchange for a Trust Unit certificate representing such Trust Unitholders' post-consolidation Trust Units.

Section 10.4 Income Tax Matters

In computing the net income of the Trust for income tax purposes for any year, the Trust shall claim the maximum amount available to it as deductions under the relevant law, including but not limited to maximum capital cost allowance, unless the Trustees determine otherwise.

Section 10.5 Designations

The Trustees shall make such designations for income tax purposes in respect of amounts paid or payable to Trust Unitholders as distributions or redemption proceeds for such amounts that the Trustees consider to be reasonable, including, without limitation, designations relating to taxable dividends received by the Trust in the year on shares of taxable Canadian corporations, net taxable capital gains of the Trust in the year and foreign source income of the Trust for the year.

Section 10.6 Definitions

Unless otherwise specified or the context otherwise requires, any term in this Article 10 which is defined in the Tax Act shall have for the purposes of this Article 10 the meaning that it has in the Tax Act.

ARTICLE 11
FEES AND EXPENSES

Section 11.1 Expenses

(1) The Trust shall pay all expenses incurred in connection with the administration and management of the Trust and its investments, including without limitation:

(a) interest and other costs of borrowed money of the Trust;

(b) fees and expenses of lawyers, accountants, auditors, appraisers and other agents or consultants employed by or on behalf of the Trust;

(c) fees and expenses of the Trustees;

(d) fees and expenses connected with the acquisition, disposition and ownership of real property interests or other property;

(e) insurance as considered necessary by the Trustees;

(f) expenses in connection with payments of distributions of Units;

(g) expenses in connection with communications to Unitholders and the other bookkeeping and clerical work necessary in maintaining relations with Unitholders;

(h) expenses of amending the Declaration of Trust or terminating the Trust;

(i) fees and charges of transfer agents, registrars, indenture trustees and other trustees and custodians of the Trust;

(j) all fees, expenses, taxes and other costs incurred in connection with the issuance, distribution, transfer and qualification for distribution to the public of Units and other required governmental filings; and

(k) all costs and expenses in connection with the incorporation, organization and maintenance of corporations formed to hold investments or other assets of the Trust.

Section 11.2 Payment of Real Property and Brokerage Commissions

The Trust may pay real property and brokerage commissions at commercial rates in respect of the acquisition and disposition of any investment acquired or disposed of by it. Such commissions may be paid to an advisor (including the Trust Asset Manager) or to others.

Section 11.3 Administrative and Management Fees

The Trust may pay asset management fees, administrative fees and financing fees in respect of such advisory, administrative and management services as are rendered to the

Trust. Such fees may be paid to an advisor (including the Trust Asset Manager and the Trust Property Manager) or to others.

ARTICLE 12
AMENDMENTS TO THE DECLARATION OF TRUST

Section 12.1 Amendments by the Trustees

(1) The Trustees may make the following amendments to this Declaration of Trust in their sole discretion and without the approval of Unitholders:

(a) amendments for the purpose of ensuring continuing compliance with applicable laws, regulations, requirements or policies of any governmental authority having jurisdiction over the Trustees or over the Trust, its status as a "mutual fund trust" and a "registered investment" under the Tax Act or the distribution of Units;

(b) amendments which, in the opinion of the Trustees, provide additional protection for Unitholders;

(c) amendments to remove any conflicts or inconsistencies in this Declaration of Trust or to make minor corrections which are, in the opinion of the Trustees, necessary or desirable and not prejudicial to the Unitholders;

(d) amendments which, in the opinion of the Trustees, are necessary or desirable to remove conflicts or inconsistencies between the disclosure in the Prospectus and this Declaration of Trust;

(e) amendments of a minor or clerical nature or to correct typographical mistakes, ambiguities or manifest omissions or errors which amendments in the opinion of the Trustees are necessary or desirable and not prejudicial to the Unitholders;

(f) amendments which, in the opinion of the Trustees, are necessary or desirable as a result of changes in taxation laws;

(g) amendments for any purpose which, in the opinion of the Trustees, are not prejudicial to Unitholders and are necessary or desirable (which, for greater certainty, exclude amendments in respect of which a Unitholder vote is specifically otherwise required);

(h) (i) to create and issue one or more new classes of Preferred Units (each of which may be comprised of unlimited series) that rank in priority to the Trust Units and Special Voting Units (in payment of distributions and in connection with any termination or winding-up of the Trust) and/or (ii) to remove the redemption right attaching to the Units and convert the Trust into a closed-end limited purpose trust;

(i) amendments which, in the opinion of the Trustees, are necessary or desirable to enable the Trust to issue Units for which the purchase price is payable on an instalment basis, as permitted pursuant to Section 5.4 hereof; and

(j) as otherwise deemed by the Trustees in good faith to be necessary or desirable.

Section 12.2 Amendments by Unitholders

Subject to **Error! Reference source not found.** and Section 12.4 this Declaration of Trust may be amended by the vote of a majority of the votes cast at a meeting of Unitholders called for that purpose.

Section 12.3 Approval by Special Resolution

(1) None of the following shall occur unless the same has been duly approved by Special Resolution:

(a) any amendment to this **Error! Reference source not found.**;

(b) any amendment to change a right with respect to any outstanding Units of the Trust to reduce the amount payable thereon upon termination of the Trust or to diminish or eliminate any voting rights pertaining thereto;

(c) any amendment to the duration or termination provisions of the Trust;

(d) any amendment relating to the powers, duties, obligations, liabilities or indemnification of the Trustees;

(e) any sale or transfer of the assets of the Trust (other than a sale or other disposition of the Ingersoll Property) as an entirety or substantially as an entirety (other than as part of an internal reorganization of the assets of the Trust as approved by the Trustees); or

(f) any amendment to Section 5.1 or Section 5.2, except for any amendment contemplated by Section 12.1(1)(g),

but notwithstanding the foregoing and subject to Section 12.1, any amendment that directly or indirectly adds, removes or changes any of the rights, privileges, restrictions or conditions in respect of the Special Voting Units shall not occur without the approval of holders of a majority of the Special Voting Units represented at any such meeting and voted on a poll upon such resolution (or by written resolution in lieu thereof).

Section 12.4 Sale of Ingersoll Property

The Trust shall be permitted to sell or otherwise dispose of the Ingersoll Property without the approval of the Unitholders.

Section 12.5 Amendment of Section 3.2

Section 3.2 may not be amended without the approval of the Trust Asset Manager.

Section 12.6 No Termination

No amendment to or amendment and restatement of this Declaration of Trust, whether pursuant to this Article 12 or otherwise, shall be construed as a termination of the Trust and the settlement or establishment of a new trust.

ARTICLE 13
TERMINATION OF TRUST

Section 13.1 Duration of the Trust

Unless the Trust is sooner terminated as otherwise provided herein, the Trust shall continue in full force and effect so long as any property of the Trust is held by the Trustees, and the Trustees shall have all the powers and discretions, expressed and implied, conferred upon them by law or by this Declaration of Trust.

Section 13.2 Termination by Unitholders

(1) The Trust may be terminated only by Extraordinary Resolution (as defined below). Notwithstanding Section 12.3(1)(c), this Section 13.2 shall not be amended unless the amendment has been duly approved by Extraordinary Resolution.

(a) For the purposes of this Section 13.2:

(i) "**Extraordinary Resolution**" means a resolution approved by at least 90% of the votes cast by the Minority Unitholders (as hereinafter defined) present in person or by proxy at a duly constituted meeting of Unitholders which has been called for that purpose; and

(ii) "**Minority Unitholders**" means all Unitholders except any person (the "Major Unitholder") who or which is the beneficial owner of more than 30% of the Units. The term "beneficial owner" includes persons directly or indirectly owning or having the right to dispose of or vote the Units. A Major Unitholder would include persons or entities who are affiliates or associates of a Major Unitholder and persons or entities with agreements or understandings with such Major Unitholder with respect to the Units or the acquiring, holding or disposing of property of the Trust. A group of Unitholders, each of whom is not a Major Unitholder, will be considered a Major Unitholder if such group is the beneficial owner of more than 30% of the Units and has agreements or understandings with respect to the Units or the acquiring, holding or disposing of property of the Trust.

Section 13.3 Effect of Termination

Upon the termination of the Trust, the liabilities of the Trust shall be discharged with due speed and the net assets of the Trust shall be liquidated and the proceeds distributed

proportionately to the Unitholders. Such distribution may be made in cash or in kind or partly in each, all as the Trustees in their sole discretion may determine.

ARTICLE 14
LIABILITIES OF THE TRUSTEES AND OTHERS

Section 14.1 Liability and Indemnification of the Trustees

(1) The Trustees shall at all times be indemnified and saved harmless out of the property of the Trust from and against all liabilities, damages, losses, debts and claims whatsoever, including costs, charges and expenses in connection therewith, sustained, incurred, brought, commenced or prosecuted against them for or in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of their duties as Trustees and also from and against all other liabilities, damages, losses, debts, claims, costs, charges, and expenses which they sustain or incur in or about or in relation to the affairs of the Trust. Further, the Trustees shall not be liable to the Trust or to any Unitholder or annuitant for any loss or damages relating to any matter regarding the Trust, including any loss or diminution in the value of the Trust or its assets. The foregoing provisions of this Section 14.1 in favour of any Trustee do not apply unless:

(a) the Trustee acted honestly and in good faith with a view to the best interests of the Trust and the Unitholders; and

(b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the Trustee had reasonable grounds for believing his conduct was lawful.

Section 14.2 Liability of the Trustees

The Trustees shall not be liable to the Trust or to any Unitholder, annuitant or any other person for the acts, omissions, receipts, neglects or defaults of any person, firm or corporation employed or engaged by it as permitted hereunder, or for joining in any receipt or act of conformity or for any loss, damage or expense caused to the Trust through the insufficiency or deficiency of any security in or upon which any of the monies of or belonging to the Trust shall be paid out or invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, firm or corporation with whom or which any monies, securities or property of the Trust shall be lodged or deposited, or for any loss occasioned by error in judgment or oversight on the part of the Trustees, or for any other loss, damage or misfortune which may happen in the execution by the Trustees of their duties hereunder, except to the extent the Trustees have not acted in accordance with Section 14.1(1)(a) and Section 14.1(1)(b).

Section 14.3 Reliance Upon Advice

The Trustees may rely and act upon any statement, report or opinion prepared by or any advice received from the auditors, lawyers or other professional advisors of the Trust and shall not be responsible or held liable for any loss or damage resulting from so relying or acting.

Section 14.4 Liability of Unitholders and Others

(1) Notwithstanding any other provision of this Declaration of Trust, no Unitholder or annuitant under a plan of which a Unitholder acts as trustee or carrier shall be held to have any personal liability as such, and no resort shall be had to, nor shall recourse or satisfaction be sought from, the private property of any Unitholder or annuitant for any liability whatsoever, in tort, contract or otherwise, to any person in connection with the Trust property or the affairs of the Trust, including, without limitation, for satisfaction of any obligation or claim arising out of or in connection with any contract or obligation of the Trust or of the Trustees or any obligation which a Unitholder or annuitant would otherwise have to indemnify a Trustee for any personal liability incurred by the Trustee as such, but rather the assets of the Trust only are intended to be liable and subject to levy or execution for satisfaction of such liability. Each Unitholder and annuitant under a plan of which a Unitholder acts as trustee or carrier shall be entitled to be reimbursed out of the assets of the Trust in respect of any payment of a Trust obligation made by such Unitholder or annuitant.

(2) In addition to the policies set out in Section 5.2(1)(a), the Trustees shall cause the operations of the Trust to be conducted, with the advice of counsel, in such a way and in such jurisdictions as to avoid, to the extent which they determine to be practicable and consistent with their fiduciary duty to act in the best interests of the Unitholders, any material risk of liability on the Unitholders for claims against the Trust, and shall, to the extent available on terms which they determine to be practicable, including in the cost of premiums, cause the insurance carried by the Trust, to the extent applicable, to cover the Unitholders and annuitants as additional insureds. Any potential liability of the Trustees with respect to their foregoing obligations or their failure to perform the same shall be governed by the provisions of Section 14.1, Section 14.2 and Section 14.3.

ARTICLE 15
GENERAL

Section 15.1 Execution of Instruments

The Trustees shall have power from time to time to appoint any Trustee or Trustees or any person or persons on behalf of the Trust either to sign instruments in writing generally or to sign specific instruments in writing. Provisions respecting the foregoing may be contained in the Trustees' Regulations.

Section 15.2 Manner of Giving Notice

Any notice required or permitted by the provisions of this Declaration of Trust to be given to a Unitholder, a Trustee or the auditors of the Trust shall be deemed conclusively to have been given if given either by delivery or by prepaid first-class mail addressed to the Unitholder at his address shown on the Register, to the Trustee at the last address provided by such Trustee to the Chairman of the Trust, or to the auditors of the Trust at the last address provided by such auditors to the Chairman of the Trust, as the case may be.

Section 15.3 Failure to Give Notice

The failure by the Trustees, by accident or omission or otherwise unintentionally, to give any Unitholder, any Trustee or the auditors of the Trust any notice provided for herein shall not affect the validity, effect, taking effect or time of taking effect of any action referred to in such notice, and the Trustees shall not be liable to any Unitholder for any such failure.

Section 15.4 Trust Auditors

The auditors of the Trust shall be appointed at each annual meeting. If at any time a vacancy occurs in the position of auditors of the Trust, the Trustees may appoint a firm of chartered accountants qualified to practice in all provinces of Canada to act as the auditors of the Trust until the next annual meeting of Unitholders. The auditors of the Trust shall report to the Trustees and the Unitholders on the annual financial statements of the Trust and shall fulfil such other responsibilities as they may properly be called upon by the Trustees to assume. The auditors shall have access to all records relating to the affairs of the Trust.

Section 15.5 Fiscal Year

The fiscal year of the Trust shall end on December 31 in each year.

Section 15.6 Reports to Unitholders

Prior to each annual or special meeting of Unitholders, the Trustees will provide the Unitholders (along with notice of such meeting) information similar to that required to be provided to shareholders of a public corporation governed by the *Canada Business Corporations Act*. Furthermore, the Trust will furnish to Unitholders such financial statements (including quarterly and annual financial statements) and other reports as are from time to time required by applicable law, including prescribed forms needed for the completion of Unitholders' tax returns under the Tax Act and equivalent provincial legislation.

Section 15.7 Trust Property to be Kept Separate

The Trustees shall maintain the property of the Trust separate from all other property in their possession.

Section 15.8 Trustees May Hold Units

Any Trustee or associate of a Trustee may be a Unitholder or may be an annuitant.

Section 15.9 Trust Records

The Trust shall prepare and maintain, at its principal office or at any other place in Canada designated by the Trustees, records containing (i) the Declaration of Trust; (ii) minutes of meetings and resolutions of Unitholders; (iii) the Trustees' Regulations (if any); and (iv) the Register. The Trust shall also prepare and maintain adequate accounting records and records containing minutes of meetings and resolutions of the Trustees and any committee thereof. Such records shall be kept at the principal office of the Trust or at such other place as the Trustees think fit and shall at all reasonable times be open to inspection by the Trustees.

Section 15.10 Right to Inspect Documents

A Unitholder and any agent, consultant or creditor of the Trust shall have the right to examine the Declaration of Trust, the Trustees' Regulations, the minutes of meetings and resolutions of Unitholders, the Register and any other documents or records which the Trustees determine should be available for inspection by such persons, during normal business hours at the principal office of the Trust. Unitholders and creditors of the Trust shall have the right to obtain or make or cause to be made a list of all or any of the registered holders of Units, to the same extent and upon the same conditions as those which apply to shareholders and creditors of a corporation governed by the Canada Business Corporations Act, as amended from time to time.

Section 15.11 Consolidations

Any one or more Trustees may prepare consolidated copies of the Declaration of Trust as it may from time to time be amended or amended and restated and may certify the same to be a true consolidated copy of the Declaration of Trust, as amended or amended and restated.

Section 15.12 Counterparts

This Declaration of Trust may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument, which shall be sufficiently evidenced by any such original counterpart.

Section 15.13 Severability

The provisions of this Declaration of Trust are severable and if any provisions are in conflict with any applicable law, the conflicting provisions shall be deemed never to have constituted a part of the Declaration of Trust and shall not affect or impair any of the remaining provisions thereof.

Section 15.14 Headings for Reference Only

The headings preceding the articles and sections hereof have been inserted for convenience and reference only and shall not be construed to affect the meaning, construction or effect of this Declaration of Trust.

Section 15.15 Governing Law

This Declaration of Trust shall be interpreted and governed by and take effect exclusively in accordance with the laws of the Province of Ontario. Any and all disputes arising under this Declaration of Trust, whether as to interpretation, performance or otherwise, shall be subject to the exclusive jurisdiction of the courts of the Province of Ontario and each of the Trustees hereby irrevocably attorns, and each Unitholder shall be deemed to hereby irrevocably attorn, to the exclusive jurisdiction of the courts of such province.

Section 15.16 Transition

Notwithstanding any other provision hereof (a) neither the approval of the Investment Committee nor the approval of the Independent Trustees, and the provisions of

Section 3.8, Section 7.4 and Section 8.2 shall not be operative or effective with respect to the entering into, any material contract or transaction or proposed material contract or transaction disclosed in the offer and take-over bid circular in connection with the ISG Take-Over Bid, including, without limitation, the Trust Asset Management Agreement and the Trust Property Management Agreement; and (b) the provisions of this Declaration of Trust relating to the Trust Asset Manager and the Trust Property Manager shall not be operative or effective at such time as Firm Capital Realty Advisors Inc. and Firm Capital Properties Inc. do not serve as the Trust Asset Manager and the Trust Property Manager, respectively.

IN WITNESS WHEREOF the Trustees have caused these presents to be signed and sealed as of the date first above written.

ON BEHALF OF THE TRUSTEES OF FIRM CAPITAL PROPERTY TRUST

By: *{Signed}*

Name: Eli Dadouch

Title: Trustee

By: *{Signed}*

Name: Robert McKee

Title: Trustee

APPENDIX J
FORM OF OPTION PLAN RESOLUTION

BE IT RESOLVED THAT:

1. The 10% rolling unit option plan of ISG Capital Corporation (the "**Company**"), as previously approved by shareholders of the Company, along with the reservation for issuance of that number of shares that is equal to 10% of the issued and outstanding shares at any time when combined with all other security-based compensation arrangements be and is hereby ratified and confirmed.

2. Any officer or director of the Company is hereby authorized and directed for and on behalf of the Company to execute or cause to be executed and to deliver or cause to be delivered all such other documents and instruments and to perform or cause to be performed all such other acts and things as such person determines may be necessary or desirable to give full effect to the foregoing resolution and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or instrument or the doing of any such act or thing.

APPENDIX K
SECTION 190 OF THE CANADA BUSINESS CORPORATIONS ACT

Right to dissent

190. (1) Subject to sections 191 and 241, a holder of shares of any class of a corporation may dissent if the corporation is subject to an order under paragraph 192(4)(d) that affects the holder or if the corporation resolves to

(a) amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue, transfer or ownership of shares of that class;

(b) amend its articles under section 173 to add, change or remove any restriction on the business or businesses that the corporation may carry on;

(c) amalgamate otherwise than under section 184;

(d) be continued under section 188;

(e) sell, lease or exchange all or substantially all its property under subsection 189(3); or

(f) carry out a going-private transaction or a squeeze-out transaction.

Further right

(2) A holder of shares of any class or series of shares entitled to vote under section 176 may dissent if the corporation resolves to amend its articles in a manner described in that section.

If one class of shares

(2.1) The right to dissent described in subsection (2) applies even if there is only one class of shares.

Payment for shares

(3) In addition to any other right the shareholder may have, but subject to subsection (26), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents or an order made under subsection 192(4) becomes effective, to be paid by the corporation the fair value of the shares in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted or the order was made.

No partial dissent

(4) A dissenting shareholder may only claim under this section with respect to all the shares of a class held on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

Objection

(5) A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting and of their right to dissent.

Notice of resolution

(6) The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (5) notice that the resolution has been adopted, but

such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn their objection.

Demand for payment

(7) A dissenting shareholder shall, within twenty days after receiving a notice under subsection (6) or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing

(a) the shareholder's name and address;

(b) the number and class of shares in respect of which the shareholder dissents; and

(c) a demand for payment of the fair value of such shares.

Share certificate

(8) A dissenting shareholder shall, within thirty days after sending a notice under subsection (7), send the certificates representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent.

Forfeiture

(9) A dissenting shareholder who fails to comply with subsection (8) has no right to make a claim under this section.

Endorsing certificate

(10) A corporation or its transfer agent shall endorse on any share certificate received under subsection (8) a notice that the holder is a dissenting shareholder under this section and shall forthwith return the share certificates to the dissenting shareholder.

Suspension of rights

(11) On sending a notice under subsection (7), a dissenting shareholder ceases to have any rights as a shareholder other than to be paid the fair value of their shares as determined under this section except where

(a) the shareholder withdraws that notice before the corporation makes an offer under subsection (12),

(b) the corporation fails to make an offer in accordance with subsection (12) and the shareholder withdraws the notice, or

(c) the directors revoke a resolution to amend the articles under subsection 173(2) or 174(5), terminate an amalgamation agreement under subsection 183(6) or an application for continuance under subsection 188(6), or abandon a sale, lease or exchange under subsection 189(9),

in which case the shareholder's rights are reinstated as of the date the notice was sent.

Offer to pay

(12) A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (7), send to each dissenting shareholder who has sent such notice

(a) (a) a written offer to pay for their shares in an amount considered by the directors of the corporation to be the fair value, accompanied by a statement showing how the fair value was determined; or

(b) (b) if subsection (26) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares.

Same terms

(13) Every offer made under subsection (12) for shares of the same class or series shall be on the same terms.

Payment

(14) Subject to subsection (26), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (12) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made.

Corporation may apply to court

(15) Where a corporation fails to make an offer under subsection (12), or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as a court may allow, apply to a court to fix a fair value for the shares of any dissenting shareholder.

Shareholder application to court

(16) If a corporation fails to apply to a court under subsection (15), a dissenting shareholder may apply to a court for the same purpose within a further period of twenty days or within such further period as a court may allow.

Venue

(17) An application under subsection (15) or (16) shall be made to a court having jurisdiction in the place where the corporation has its registered office or in the province where the dissenting shareholder resides if the corporation carries on business in that province.

No security for costs

(18) A dissenting shareholder is not required to give security for costs in an application made under subsection (15) or (16).

Parties

(19) On an application to a court under subsection (15) or (16),

(a) (a) all dissenting shareholders whose shares have not been purchased by the corporation shall be joined as parties and are bound by the decision of the court; and

(b) (b) the corporation shall notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to appear and be heard in person or by counsel.

Powers of court

(20) On an application to a court under subsection (15) or (16), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall then fix a fair value for the shares of all dissenting shareholders.

Appraisers

(21) A court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders.

Final order

(22) The final order of a court shall be rendered against the corporation in favour of each dissenting shareholder and for the amount of the shares as fixed by the court.

Interest

(23) A court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment.

Notice that subsection (26) applies

(24) If subsection (26) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (22), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

Effect where subsection (26) applies

(25) If subsection (26) applies, a dissenting shareholder, by written notice delivered to the corporation within thirty days after receiving a notice under subsection (24), may

(a) withdraw their notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to their full rights as a shareholder; or

(b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

Limitation

(26) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that

(a) the corporation is or would after the payment be unable to pay its liabilities as they become due; or

(b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.

APPENDIX L
AUDIT COMMITTEE CHARTER

1. Purpose

The Audit Committee (the "**Committee**") is appointed by the board of directors (the "**Board**") of ISG Capital Corporation (the "**Corporation**") to assist in the oversight and evaluation of:

- the quality and integrity of the financial statements of the Corporation;
- the internal control and financial reporting systems of the Corporation;
- the compliance by the Corporation with legal and regulatory requirements in respect of financial disclosure;
- the qualification, independence and performance of the Corporation's independent auditors;
- the performance of the Corporation's Chief Financial Officer; and
- any additional duties set out in this charter or otherwise delegated to the Committee by the Board.

In addition, the Committee provides an avenue for communication between the independent auditor, financial management, other employees and the Board concerning accounting and auditing matters.

The Committee is directly responsible for the appointment, compensation, retention (and termination) and oversight of the work of the independent auditor (including oversight of the resolution of any disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing audit reports or performing other audit, review or attest services for the Corporation.

The Committee is not responsible for:

- planning or conducting audits,
- certifying or determining the completeness or accuracy of the Corporation's financial statements or that those financial statements are in accordance with generally accepted accounting principles, or
- guaranteeing the report of the Corporation's independent auditor.

The fundamental responsibility for the Corporation's financial statements and disclosure rests with management. It is not the duty of the Committee to conduct investigations, to itself resolve disagreements (if any) between management and the independent auditor or to ensure compliance with applicable legal and regulatory requirements.

2. Reports

The Committee shall report to the Board on a regular basis and, in any event, before the public disclosure by the Corporation of its quarterly and annual financial results. The reports of the Committee shall include any issues of which the Committee is aware with respect to:

- the quality or integrity of the Corporation's financial statements;
- compliance by the Corporation with legal or regulatory requirements in respect of financial matters and disclosure;

- the performance and independence of the Corporation's independent auditor;

- the effectiveness of systems of control (including risk management) established by management to safeguard the assets (real and intangible) of the Corporation; and

- the proper maintenance of accounting and other records.

The Committee shall also prepare, as required by applicable law, any audit committee report required for inclusion in the Corporation's publicly filed documents.

3. Composition

The members of the Committee shall be three or more individuals who are appointed by the Board (and may be replaced) by the Board. Each of the members of the Committee shall meet the standards for independence required by applicable regulatory, stock exchange and securities law requirements and, without limitation, shall be financially literate (or acquire that familiarity within a reasonable period after appointment). This shall, at a minimum, include the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity that can reasonably be expected to be raised by the Corporation's financial statements. No member of the Committee shall accept (directly or indirectly) any consulting, advisory or other compensatory fee from the Corporation (other than remuneration for acting in his or her capacity as a director) or be an "affiliated person" of the Corporation. (For this purpose, an "affiliate" of a person is a person that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with the first person.) Without the approval of the board, no member of the Committee shall concurrently serve on the audit committee of more than two other public companies or on the audit committee of a competitor or client.

4. Responsibilities

4.1 Independent Auditors

The Committee shall:

- Recommend to the Board the independent auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attestation services for the Corporation.

- Establish the compensation of the independent auditor.

- Obtain confirmation from the independent auditor that it ultimately is accountable, and will report directly, to the Committee and the Board.

- Oversee the independent auditor and, in the context thereof, require the independent auditor to report to the Committee (among other things) any disagreement between management and the independent auditor regarding financial reporting and the resolution of each such disagreement.

- Adopt policies and procedures for the pre-approval of the retention of the Corporation's independent auditor for all audit and permitted non-audit services (subject to any restrictions on such services imposed by applicable legislation), including procedures for the delegation of authority to provide such approval to one or more members of the Committee.

- At least annually, review the qualifications, performance and independence of the independent auditor. In doing so, the Committee should, among other things, undertake the measures set forth in Appendix "A" to this Charter.

4.2 The Audit Process, Financial Statements and Related Disclosure

The Committee shall, as it determines to be appropriate:

- Review with management and the independent auditor:

  - the planning and staffing of the audit by the independent auditor;

  - before public disclosure, the Corporation's annual audited financial statements and quarterly unaudited financial statements, the Corporation's accompanying disclosure of Management's Discussion and Analysis ("**MD&A**") and earnings press releases and make recommendations to the Board as to the approval and dissemination of those statements and disclosure;

  - the adequacy of the procedures for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure referred to in the immediately preceding paragraph;

  - financial information and any earnings guidance provided to analysts and rating agencies, recognizing that this review and discussion may be done generally (consisting of a discussion of the types of information to be disclosed and the types of presentations to be made) and need not take place in advance of the disclosure of each release or provision of guidance;

  - any significant financial reporting issues and judgments made in connection with the preparation of the Corporation's financial statements, including any significant changes in the selection or application of accounting principles, any major issues regarding auditing principles and practices, and the adequacy of internal controls that could significantly affect the Corporation's financial statements;

  - all critical accounting policies and practices used;

  - all alternative treatments of financial information within GAAP that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor;

  - the use of "pro forma" or "adjusted" non-GAAP information;

  - the effect of regulatory and accounting initiatives, as well as any off-balance sheet structures, transactions, arrangements and obligations (contingent or otherwise), on the Corporation's financial statements;

  - any disclosures concerning any weaknesses or any deficiencies in the design or operation of internal controls or disclosure controls made to the Committee by the Chief Executive Officer and the Chief Financial Officer during their certification process in documents filed with applicable securities regulators;

  - the adequacy of the Corporation's internal accounting controls and management information systems and its financial, auditing and accounting organizations and personnel and any special steps adopted in light of any material control deficiencies; and

  - the establishment, and periodic review, of procedures for the review of financial information extracted or derived from the Corporation's consolidated financial statements.

- Review with management the Corporation's guidelines and policies with respect to risk assessment and the Corporation's major financial risk exposures and the steps management has taken to monitor and control such exposures.

- Review with the independent auditor:

  - the quality as well as the acceptability of the accounting principles that have been applied;

  - any problems or difficulties the independent auditor may have encountered during the provision of its audit-related services, including any restrictions on the scope of activities or access to requested information and any significant disagreements with management, any management letter provided by the independent auditor or other material communication (including any schedules of unadjusted differences) to management and the Corporation's response to that letter or communication; and

  - any changes to the Corporation's significant auditing and accounting principles and practices suggested by the independent auditor and members of management.

- Review with management all related party transactions and the development of policies and procedures related to those transactions.

- Oversee appropriate disclosure of the Committee's charter, and other information required to be disclosed by applicable legislation in the Corporation's public disclosure documents, including any management information circular distributed in connection with the solicitation of proxies from the Corporation's security holders.

4.3 Compliance

The Committee shall, as it determines appropriate:

- Review with the Corporation's Chief Financial Officer, other members of management and the independent auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports, which raise material issues regarding the Corporation's financial statements or accounting policies.

- Review with the Corporation's Chief Financial Officer legal matters that may have a material impact on the financial statements or accounting policies.

- Establish procedures for:

  - the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters; and

  - the confidential, anonymous submission by employees of the Corporation with concerns regarding any accounting or auditing matters.

- Periodically review with management the need for an internal audit function.

4.4 Delegation

To avoid any confusion, the Committee responsibilities identified above are the sole responsibility of the Committee and may not be delegated to a different committee.

5. Meetings

The Committee shall meet at least quarterly and more frequently as circumstances require. All members of the Committee should strive to be at all meetings. The Committee shall meet separately, periodically, with management and the independent auditors and may request any officer or employee of the Corporation or the Corporation's outside counsel or independent auditor to attend meetings of the Committee or with any members of, or advisors to, the Committee. The Committee also may meet with the investment bankers, financial analysts and rating agencies that provide services to, or follow, the Corporation. The Committee may form and delegate authority to individual members and subcommittees where the Committee determines it is appropriate to do so.

6. Independent Advice

In discharging its mandate, the Committee shall have the authority to retain, at the expense of the Corporation, special advisors as the Committee determines to be necessary to permit it to carry out its duties.

7. Annual Evaluation

At least annually, the Committee shall, in a manner it determines to be appropriate:

- Perform a review and evaluation of the performance of the Committee and its members, including the compliance of the Committee with this charter.

- Review and assess the adequacy of its charter (including with respect to the procedures regarding the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements) and recommend to the Board any improvements to this charter that the Committee determines to be appropriate.