This document is important and requires your immediate attention. If you are in doubt as to how to deal with it, you should consult your investment advisor, stockbroker, bank manager, trust company manager, accountant, lawyer or other professional advisor.

This document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made or directed to, nor will deposits of Units be accepted from or on behalf of, Unitholders in any jurisdiction in which the making or acceptance thereof would not be in compliance with the Laws of such jurisdiction. However, the Offeror may, in its sole discretion, take such action as it may deem necessary to extend the Offer to Unitholders in any such jurisdiction.

This Offer has not been approved or disapproved by any securities regulatory authority, nor has any securities regulatory authority passed upon the fairness or merits of this Offer or upon the adequacy of the information contained in this document. Any representation to the contrary is an offence.

December 10, 2012

OFFER TO PURCHASE

all of the issued and outstanding trust units
(together with associated rights issued under any unitholder rights plan)
of

PRIMARIS RETAIL REAL ESTATE INVESTMENT TRUST

by

KS ACQUISITION II LP

at a price of $26.00 in cash for each trust unit

KS Acquisition II LP (the "**Offeror**") hereby offers (the "**Offer**") to purchase, on the terms and subject to the conditions of the Offer, all of the issued and outstanding trust units of Primaris Retail Real Estate Investment Trust ("**Primaris**"), together with the rights (the "**URP Rights**") associated therewith under the unitholder rights plan of Primaris (collectively, the "**Units**") and all Units that may become issued and outstanding after the date of the Offer but before the expiry time of the Offer upon the conversion, exchange or exercise of any (i) convertible debentures of Primaris, (ii) exchangeable units issued by subsidiaries of Primaris, (iii) options, restricted units or instalment units issued under the equity incentive plan of Primaris or (iv) other securities of Primaris, in each case, that are convertible into or exchangeable or exercisable for Units (collectively, the "**Convertible Securities**"), for consideration per Unit of $26.00 in cash.

The Offeror is a limited partnership whose limited partnership interests are owned equally by KS Bidco LP, a wholly-owned subsidiary of KingSett Real Estate Growth LP No. 5 ("**KingSett LP No. 5**") an affiliate of KingSett Capital, and OPB Finance Trust II ("**OPB Trust**"), an associate of Ontario Pension Board.

The Offer is open for acceptance until 5:00 p.m. (Toronto time) on January 17, 2013 (the "Expiry Time"), unless the Offer is extended or withdrawn.

The Units are listed on the Toronto Stock Exchange (the "**TSX**") under the trading symbol "PMZ.UN". **The Offer represents a premium of approximately 13.3% over the volume-weighted average trading price of $22.95 per Unit over the 20 trading days on the TSX up to and including December 4, 2012, the last trading day prior to the Offeror's announcement of its intention to make the Offer. The Offer also represents a premium of approximately 12.8% over the closing price of $23.04 per Unit on the TSX on December 4, 2012.**

The Offer is conditional on, among other things, there having been validly deposited under the Offer and not withdrawn at the Expiry Time such number of Units that constitutes, together with any Units owned directly or indirectly by the Offeror and its affiliates, at least 66⅔% of the Units then outstanding (calculated on a fully-diluted basis). This and the other conditions of the Offer are described in Section 4 of the Offer, "Conditions of the Offer".

A unitholder of Primaris (a "**Unitholder**") who wishes to accept the Offer must (i) properly complete and execute the accompanying Letter of Transmittal (printed on YELLOW paper) or a manually executed facsimile thereof and deposit it, at or prior to the Expiry Time, together with certificate(s) representing its Units and all other required documents, with Canadian Stock Transfer Company Inc. (the "**Depositary**") at its office in Toronto, Ontario, specified in the Letter of Transmittal, in accordance with the instructions in the Letter of Transmittal or (ii) follow the procedure for guaranteed delivery set out in Section 3 of the Offer, "Manner of Acceptance — Procedure for Guaranteed Delivery", using the accompanying Notice of Guaranteed Delivery (printed on BLUE paper), or a manually executed facsimile thereof.

Alternatively, a Unitholder may accept the Offer by following the procedures for book-entry transfer of Units set out in Section 3 of the Offer, "Manner of Acceptance — Acceptance by Book-Entry Transfer".

Unitholders whose Units are registered in the name of an investment advisor, stockbroker, bank, trust company or other nominee should immediately contact that nominee for assistance in order to take the necessary steps to be able to deposit such Units under the Offer.

All payments under the Offer will be made in Canadian dollars. Unitholders will not be required to pay any fee or commission if they accept the Offer by depositing their Units directly with the Depositary or if they make use of the services of a Soliciting Dealer, if any, to accept the Offer.

Questions and requests for assistance may be directed to the Depositary or the information agent for the Offer, CST Phoenix Advisors, whose contact details are provided below and on the back of this document. Additional copies of this document and the Letter of Transmittal and the Notice of Guaranteed Delivery may be obtained without charge on request from the Depositary or the Information Agent and are accessible on the Canadian Securities Administrators' website at www.sedar.com.

No broker, dealer, salesperson or other person has been authorized to give any information or make any representation other than those contained in this document, and, if given or made, such information or representation must not be relied upon as having been authorized by the Offeror, the Information Agent, a Soliciting Dealer or the Depositary.

This document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made or directed to, nor will deposits of Units be accepted from or on behalf of, Unitholders in any jurisdiction in which the making or acceptance thereof would not be in compliance with the Laws of such jurisdiction. However, the Offeror may, in its sole discretion, take such action as it may deem necessary to extend the Offer to Unitholders in any such jurisdiction.

The Dealer Manager for the Offer is:

TD Securities Inc.

66 Wellington Street West
TD Tower, 9th Floor
Toronto, ON M5K 1A2
Telephone: (416) 308-9738

The Depositary for the Offer is:

Canadian Stock Transfer Company Inc.

By Registered Mail, by Hand or by Courier
320 Bay Street, Basement Level (B1), Toronto, ON
M5H 4A6

By Mail
P.O. Box 1036
Adelaide Street Postal Station, Toronto, ON M5C 2K4

North American Toll Free Phone: 1-800-387-0825
E-mail: inquiries@canstockta.com
Facsimile: 1-888-249-6189
Outside North America,
Banks and Brokers Call Collect: 416-682-3860

The Information Agent for the Offer is:

CST Phoenix Advisors

North American Toll Free Phone:

1-866-822-1237

Banks, Brokers and Collect Calls: 201-806-2222
Toll Free Facsimile: 1-888-509-5907
E-mail inquiries@phoenixadvisorscst.com

NOTICE TO UNITHOLDERS IN THE UNITED STATES

The Offer is being made for the securities of a Canadian entity that does not have securities registered under Section 12 of the United States Securities Exchange Act of 1934, as amended (the "**U.S. Exchange Act**"). Accordingly, the Offer is not subject to Section 14(d) of the U.S. Exchange Act, or Regulation 14D promulgated by the U.S. Securities and Exchange Commission (the "**SEC**") thereunder. The Offer is made in the United States with respect to securities of a "foreign private issuer", as such term is defined in Rule 3b-4 under the U.S. Exchange Act, in accordance with Canadian corporate and tender offer rules. Unitholders resident in the United States should be aware that such requirements are different from those of the United States applicable to tender offers under the U.S. Exchange Act and the rules and regulations promulgated thereunder.

Unitholders resident of countries other than Canada, including the United States, should be aware that the disposition of Units by them on the terms described herein may have tax consequences both in their country of residence and in Canada. Such consequences, including the effect of the Offer and the tender of the Units by them, may not be fully described herein and such holders are urged to consult their tax advisors. See Section 15 of the Circular, "Certain Canadian Federal Income Tax Considerations", and Section 16 of the Circular, "Certain United States Federal Income Tax Considerations".

It may be difficult for Unitholders who are resident of countries other than Canada, including the United States, to enforce their rights and any claim they may have under Laws other than Canadian Laws, including, without limitation, United States federal securities Laws, given that the Offeror is formed under the Laws of the Province of Ontario and Primaris is an unincorporated open-ended real estate investment trust governed by the Laws of the Province of Ontario, that the majority of the officers, directors and trustees of the Offeror and Primaris reside in Canada, and that all or a substantial portion of the assets of the Offeror and Primaris and the other above-mentioned persons are located in Canada. Unitholders who are resident of countries other than Canada, including the United States, may not be able to sue the Offeror, Primaris or their respective officers, directors or trustees in a Canadian court for violation of Laws, including United States federal securities Laws. It may be difficult to compel such parties to subject themselves to the jurisdiction of a court outside of Canada, including a court in the United States, or to enforce judgment obtained from a court located outside of Canada, including of a court of the United States.

NOTICE TO HOLDERS OF CONVERTIBLE SECURITIES

The Offer is being made only for Units and is not made for any Convertible Securities. Any holder of Convertible Securities who wishes to accept the Offer must, to the extent permitted by the terms of the applicable Convertible Security and applicable Laws, convert, exchange or exercise such Convertible Securities in order to deposit the resulting Units in accordance with the terms of the Offer. Any such conversion, exchange or exercise must be completed sufficiently in advance of the Expiry Time to ensure that the holder of such Convertible Securities will be in a position to deposit such Units at or prior to the Expiry Time, or in sufficient time to comply with the procedures referred to under Section 3 of the Offer, "Manner of Acceptance — Procedure for Guaranteed Delivery". If any holder of Convertible Securities does not convert its Convertible Securities prior to the Expiry Time, such Convertible Securities will remain outstanding following the Expiry Time in accordance with their terms and conditions, subject to their redemption, acquisition or other treatment, as applicable, by the Offeror or Primaris, as the case may be, in each case in accordance with their terms and as described in Section 14 of the Circular, "Convertible Debentures".

The tax consequences to holders of Convertible Securities of converting, exchanging or exercising their Convertible Securities are not described in either Section 15 of the Circular, "Certain Canadian Federal Income Tax Considerations", or in Section 16 of the Circular, "Certain United States Federal Income Tax Considerations". Holders of Convertible Securities should consult their tax advisors for advice with respect to potential income tax consequences to them in connection with the decision whether to convert, exchange or exercise their Convertible Securities.

CURRENCY

All dollar references in the Offer and Circular are in Canadian dollars, except where otherwise indicated.

FORWARD-LOOKING STATEMENTS

Certain information contained in the accompanying Circular under Section 4, "Purpose of the Offer and Plans for Primaris", Section 7, "Source of Funds", and Section 11, "Acquisition of Units Not Deposited", in addition to certain statements contained elsewhere in this document constitute "forward-looking information" or ("forward-looking statements") within the meaning of applicable securities Laws. All statements other than statements of historical fact or present fact, constitute forward-looking information and typically include words and phrases about the future such as "may", "will", "anticipate", "estimate", "anticipate", "expect", "plan", "intend", "believe", "predict", "goal", "target", "project", "potential", "strategy" and "outlook" or the negative thereof or similar variations. Forward-looking information is necessarily based upon a number of assumptions that, while considered reasonable by the Offeror, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The Offeror cautions the reader that such forward-looking information involves known and unknown risks, uncertainties and other factors, estimates and assumptions that may cause actual results and developments to differ materially from those expressed or implied by such forward-looking information. Some important factors, estimates and assumptions that could cause actual results to differ materially from expectations include, among other things, the ability of the Offeror to acquire a 100% interest in Primaris through the Offer; the satisfaction of all of the conditions to the Offer; general economic conditions, market factors, global financial conditions, competition, changes in government regulation, access to capital, changes in prevailing interest rates and financing risks; Primaris' structure and its tax treatment; the ownership of real property; competition in the real estate sector, including property acquisitions and dispositions; obtaining necessary approvals; and that there are no inaccuracies or material omissions in Primaris' publicly available information, and that Primaris has not disclosed events which may have occurred or which may affect the significance or accuracy of such information. While the Offeror believes that the expectations reflected in the forward-looking statements contained herein, are reasonable, they may prove to be inaccurate. These statements speak only as of the date hereof. These factors are discussed in greater detail in the accompanying Circular.

The Offeror disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by applicable Laws.

INFORMATION CONCERNING PRIMARIS

The information concerning Primaris contained in this document has been taken from and is based solely upon Primaris' public disclosure on file with Canadian securities regulatory authorities. Although neither the Offeror nor any of its affiliates has any knowledge that would indicate that any information or statements contained in this document concerning Primaris taken from, or based upon, such public disclosure contain any untrue statement of a material fact or omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made, neither the Offeror nor any of its affiliates nor any of their respective affiliates, directors or officers has verified, nor do they assume any responsibility for, the accuracy or completeness of such information or statements or for any failure by Primaris to disclose events or facts which may have occurred or which may affect the significance or accuracy of any such information or statements, but which are unknown to the Offeror and its affiliates. Except as otherwise indicated, information concerning Primaris is given based on information in Primaris' public disclosure available as of September 30, 2012. All references to the number of Units outstanding as at September 30, 2012 in this document are references to estimates of such figures based solely on Primaris' public disclosure.

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SUMMARY

The following is a summary only and is qualified in its entirety by the detailed provisions contained elsewhere in the Offer and Circular. Unitholders are urged to read the Offer and Circular in their entirety. Terms defined in the Glossary and not otherwise defined in this Summary have the respective meanings given to them in the Glossary, unless the context otherwise requires.

The Offer

The Offeror hereby offers to purchase, on the terms and subject to the conditions of the Offer, all of the issued and outstanding Units, together with the associated URP Rights, including all Units that may become issued and outstanding after the date of the Offer but before the Expiry Time upon the conversion, exchange or exercise of the Convertible Securities, for a consideration per Unit of $26.00 in cash. See Section 1 of the Offer, "The Offer".

The Offer is being made only for Units and the associated URP Rights and is not made for any Convertible Securities. Any holder of Convertible Securities who wishes to accept the Offer must, to the extent permitted by the terms of the Convertible Security and applicable Laws, convert, exchange or exercise such Convertible Securities in order to deposit the resulting Units in accordance with the terms of the Offer. Any such conversion, exchange or exercise must be completed sufficiently in advance of the Expiry Time to ensure that the holder of such Convertible Securities will be in a position to deposit such Units at or prior to the Expiry Time, or in sufficient time to comply with the procedures referred to under Section 3 of the Offer, "Manner of Acceptance".

The Offer represents a premium of approximately 13.3% over the volume-weighted average trading price of $22.95 per Unit over the 20 trading days on the TSX up to and including December 4, 2012, the last trading day prior to the Offeror's announcement of its intention to make the Offer. The Offer also represents a premium of approximately 12.8% over the closing price of $23.04 per Unit on the TSX on December 4, 2012.

The obligation of the Offeror to take up and pay for Units pursuant to the Offer is subject to certain conditions. See Section 4 of the Offer, "Conditions of the Offer".

Time for Acceptance

The Offer is open for acceptance from the date of the Offer until 5:00 p.m. (Toronto time) on January 17, 2013 unless the Offer is extended or withdrawn by the Offeror. See Section 5 of the Offer, "Extension, Variation or Change in the Offer".

The Offeror

The Offeror is a limited partnership whose limited partnership interests are owned equally by KS Bidco LP, a wholly-owned subsidiary of KingSett LP No. 5, an affiliate of KingSett Capital, and OPB Trust, an associate of OPB. The Offeror was formed under the *Limited Partnerships Act* (Ontario). The Offeror has not carried on any business other than that incidental to making the Offer. The Offeror's registered office is located at Toronto-Dominion Centre, TD Tower, 66 Wellington Street West, P.O. Box 163, Suite 4400, Toronto, Ontario M5K 1H6. The general partner of the Offeror is KS Acquisition II Inc., a corporation incorporated under the CBCA. KS Acquisition II Inc. has not carried on any business to date, other than that incidental to the Offer. A majority of its shares are held by KingSett Capital and the balance are held by OPB Trust.

KingSett LP No. 5 is a limited partnership formed under the Laws of the Province of Manitoba. Its sole general partner, KingSett Real Estate Growth GP No. 5 Inc., is a corporation incorporated under the CBCA. KingSett Real Estate Growth GP No. 5 Inc.'s registered office is located at Toronto-Dominion Centre, TD Tower, 66 Wellington Street West, P.O. Box 163, Suite 4400, Toronto, Ontario M5K 1H6.

KingSett Capital is Canada's leading private equity real estate investment business co-investing with pension fund and high net worth individual clients. KingSett Capital invests through a series of growth funds, mortgage funds and a core investment income fund, each with its own risk/return strategy. KingSett Capital has executed transactions valued at over $12.5 billion in the past 10 years.

OPB Trust is a special purpose trust formed for purposes of the Offer. The sole beneficiary of OPB Trust is OPB Real Estate Investments 2 Limited, a corporation incorporated under the OBCA and a wholly-owned subsidiary of OPB.

OPB is the administrator of the Ontario Public Service Pension Plan and is responsible for providing retirement income to more than 42,711 employees of the government of the Province of Ontario and its agencies, boards and commissions, 35,361 retired employees of the Province of Ontario and their families and 4,391 former employees of the Province of Ontario with entitlements under the Ontario Public Service Pension Plan. OPB's registered office is located at 200 King Street West, Suite 2200, Toronto, Ontario, M5H 3X6. The Ontario Public Service Pension Plan is one of the largest and oldest pension plans in Canada, originating in the 1920s.

Primaris

Primaris is an unincorporated open-ended real estate investment trust created by the Declaration of Trust and is governed by the Laws of the Province of Ontario. The head and registered office of Primaris is located at Suite 900, 1 Adelaide Street East, Toronto, Ontario M5C 2V9.

Primaris specializes in owning and operating Canadian enclosed shopping centres. As at November 30, 2012, Primaris owned 35 income-producing properties comprising approximately 14.7 million square feet and several smaller properties. The properties are located in seven provinces: British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec and New Brunswick.

Reasons to Accept the Offer

Unitholders should consider the following factors in making their decision to accept the Offer:

Significant Premium

The Offer represents a premium of approximately 13.3% over the volume-weighted average trading price of $22.95 per Unit over the 20 trading days on the TSX up to and including December 4, 2012, the last trading day prior to the Offeror's announcement of its intention to make the Offer. The Offer also represents a premium of approximately 12.8% over the closing price of $23.04 per Unit on the TSX on December 4, 2012.

Full Value for Primaris' Property Portfolio

The Offer price of $26.00 per Unit represents a premium valuation that fully reflects the composition of Primaris' property portfolio and provides Unitholders with a premium price at a time of peak valuations in the sector. The Offer price is also above the all-time highest historical trading price of Units on the TSX prior to the Offeror's announcement of its intention to make the Offer.

Certainty of Value and Immediate Liquidity

The Offer provides 100% cash consideration for Units, giving Unitholders certainty of value and immediate liquidity in the face of volatile markets. Additionally, Unitholders avoid the downside risk associated with continued ownership of Units including risks associated with an uncertain economic and interest rate environment.

Fully Financed Cash Offer

The Offeror's obligation to purchase the Units deposited to the Offer is not subject to any financing condition. The Offeror has secured, on a firm, committed basis, all of the financing required to fund the entire consideration payable for the Units and to complete the transaction. See Section 7 of the Circular, "Source of Funds".

High Likelihood of Completion

KingSett Capital and OPB are highly credible parties with proven track records of closing large, complex real estate transactions in Canada. KingSett Capital is Canada's leading private equity real estate investment business and has executed transactions valued at over $12.5 billion in the past 10 years. OPB administers the Ontario Public Service Pension Plan and, with more than $17 billion in assets, it is one of Canada's largest pension plans.

The Offer is supported by an agreement with RioCan to purchase certain Primaris assets following the completion of the Offer for an aggregate purchase price of approximately $1,133 million. RioCan, Canada's largest real estate investment trust with a total capitalization of approximately $13.9 billion as at September 30, 2012, owns and manages Canada's largest portfolio of shopping centres.

The Offer is also supported by a number of leading Canadian institutional real estate investors, through their roles as limited partners of certain KingSett Capital funds. The Offeror and its supporters represent some of Canada's most prominent institutional real estate investors and landlords.

The Offer is subject to a limited number of conditions customary for transactions of this nature.

In light of the foregoing, the Offeror is confident in the successful completion of the Offer in accordance with its terms.

Purpose of the Offer

The purpose of the Offer is to enable the Offeror to acquire all of the Units issued and outstanding at the Expiry Time. If the Offeror takes up and pays for the Units validly deposited under the Offer, the Offeror currently intends, and subject to compliance with all applicable Laws, to acquire all the outstanding Units not deposited under the Offer pursuant to a Compulsory Acquisition or Subsequent Acquisition Transaction. See Section 4 of the Circular, "Purpose of the Offer and Plans for Primaris", and Section 11 of the Circular, "Acquisition of Units Not Deposited".

Conditions of the Offer

Notwithstanding any other provision of the Offer, but subject to applicable Laws, the Offeror will have the right to withdraw the Offer or extend the Offer, and shall not be required to take up and pay for any Unit deposited under the Offer, unless the conditions described in Section 4 of the Offer, "Conditions of the Offer", are satisfied or waived (at the sole discretion of the Offeror) at or prior to the Expiry Time. The Offer is conditional upon, among other things, there having been validly deposited under the Offer and not withdrawn such number of Units that constitutes together with any Units owned directly or indirectly by the Offeror and its affiliates, at least 66⅔% of the outstanding Units (on a fully-diluted basis) at the Expiry Time. See Section 4 of the Offer, "Conditions of the Offer".

Manner of Acceptance

A Unitholder who wishes to accept the Offer must properly complete and execute the accompanying Letter of Transmittal (printed on YELLOW paper) or a manually executed facsimile thereof and deposit it, at or prior to the Expiry Time, together with certificate(s) representing their Units and all other required documents, with the Depositary at its office in Toronto, Ontario specified in the Letter of Transmittal in accordance with the instructions in the Letter of Transmittal. See Section 3 of the Offer, "Manner of Acceptance — Letter of Transmittal".

If a Unitholder wishes to accept the Offer and deposit its Units under the Offer and the certificate(s) representing such Unitholder's Units is (are) not immediately available, or if the certificate(s) and all other required documents cannot be provided to the Depositary at or prior to the Expiry Time, such Units nevertheless may be validly deposited under the Offer in compliance with the procedures for guaranteed delivery using the accompanying Notice of Guaranteed Delivery (printed on BLUE paper), or a manually

executed facsimile thereof, in accordance with the instructions in the Notice of Guaranteed Delivery. See Section 3 of the Offer, "Manner of Acceptance — Procedure for Guaranteed Delivery".

Unitholders may accept the Offer by following the procedures for book-entry transfer established by CDS, provided that a Book-Entry Confirmation through CDSX is received by the Depositary at its office in Toronto, Ontario specified in the Letter of Transmittal at or prior to the Expiry Time. Unitholders accepting the Offer through a book-entry transfer shall be deemed to have completed and submitted a Letter of Transmittal and to be bound by the terms thereof and therefore such instructions shall be considered a valid deposit under and in accordance with the Offer.

Unitholders will not be required to pay any fee or commission if they accept the Offer by depositing their Units directly with the Depositary or if they make use of the services of a Soliciting Dealer, if any, to accept the Offer.

Unitholders whose Units are registered in the name of an investment advisor, stockbroker, bank, trust company or other nominee should immediately contact that nominee for assistance in order to take necessary steps to be able to deposit such Units under the Offer.

Unitholders should contact the Depositary, the Information Agent, a Soliciting Dealer or a broker or dealer for assistance in accepting the Offer and in depositing their Units with the Depositary.

Take-Up and Payment for Deposited Units

If all of the conditions described in Section 4 of the Offer, "Conditions of the Offer", have been satisfied or waived by the Offeror (in its sole discretion) at or prior to the Expiry Time, the Offeror will take up and pay for Units validly deposited under the Offer and not properly withdrawn not later than ten days after the Expiry Time. Any Units taken up will be paid for as soon as possible, and in any event not later than three business days after they are taken up. Any Units deposited under the Offer after the date on which Units are first taken up by the Offeror under the Offer but prior to the Expiry Time will be taken up and paid for not later than ten days after such deposit. See Section 6 of the Offer, "Take-Up of and Payment for Deposited Units".

Withdrawal of Deposited Units

Units deposited under the Offer may be withdrawn by or on behalf of the Depositing Unitholder at any time before the Units have been taken up by the Offeror under the Offer and in the other circumstances described in Section 7 of the Offer, "Withdrawal of Deposited Units". Except as so indicated or as otherwise required by applicable Laws, deposits of Units are irrevocable.

Acquisition of Units Not Deposited

If the Offeror takes up and pays for Units deposited under the Offer, the Offeror's current intention is that it will pursue a Compulsory Acquisition (as defined in Section 11 of the Circular, "Acquisition of Units Not Deposited — Compulsory Acquisition) or a Subsequent Acquisition Transaction (as defined in Section 11 of the Circular, "Acquisition of Units Not Deposited — Subsequent Acquisition Transaction") to enable the acquisition of all Units not deposited under the Offer as more particularly described in Section 11 of the Circular, "Acquisition of Units Not Deposited". In order to effect a Compulsory Acquisition or a Subsequent Acquisition Transaction, the Offeror currently intends to amend the Declaration of Trust as further described herein. The Declaration of Trust permits such amendments (and the Special Resolutions) to be approved in writing by Unitholders holding 66⅔% of the outstanding Units. The execution of the Letter of Transmittal (or, in the case of Units deposited by book-entry transfer, the making of a book-entry transfer) by Unitholders holding 66⅔% or more of the outstanding Units irrevocably approves the Special Resolutions (as defined in Section 11 of the Circular, "Acquisition of Units Not Deposited — Special Resolutions") and irrevocably constitutes, appoints and authorizes the Offeror, each director and officer of the Offeror and any other person designated by the Offeror to pass the Special Resolutions on behalf of the Depositing Unitholders and take such other steps to implement the Special Resolutions. Unitholders, through their respective CDS participants, who utilize CDSX to accept the Offer through a book-entry transfer of their holdings into the Depositary's account with CDS shall be deemed to

have completed and submitted a Letter of Transmittal and to be bound by the terms thereof and therefore such instructions received by the Depositary are considered a valid deposit under and in accordance with the terms of the Offer. **Accordingly, by depositing Units under the Offer, Depositing Unitholders will be, among other things, approving and authorizing the Special Resolutions and such amendments to the Declaration of Trust to enable the acquisition of all of the Units not deposited under the Offer by way of a Compulsory Acquisition or a Subsequent Acquisition Transaction, as applicable, on the same conditions as under the Offer.** There is no assurance that a Compulsory Acquisition or a Subsequent Acquisition Transaction will be completed on the terms described herein or at all, in particular if less than 66⅔% of the outstanding Units (on a fully-diluted basis) are deposited under the Offer. See Section 11 of the Circular, "Acquisition of Units Not Deposited".

Canadian Federal Income Tax Considerations

Generally, a Unitholder who is resident in Canada, who deals at arm's length with and is not affiliated with, Primaris or the Offeror, who holds Units as capital property and who sells Units to the Offeror under the Offer will realize a capital gain (or capital loss) equal to the amount by which the amount received for the Units (which would be the cash received), net of any reasonable costs of disposition, exceeds (or is less than) the aggregate adjusted cost base to the Unitholder of such Units.

Generally, Unitholders who are non-residents of Canada for the purposes of the Tax Act will not be subject to tax in Canada in respect of any capital gain realized on the sale of Units to the Offeror under the Offer, unless those Units constitute "taxable Canadian property" to such Unitholder within the meaning of the Tax Act and that gain is not otherwise exempt from tax under the Tax Act pursuant to an exemption contained in an applicable income tax treaty.

The foregoing is a very brief summary of certain Canadian federal income tax consequences and is qualified in its entirety by Section 15 of the Circular, "Certain Canadian Federal Income Tax Considerations", which provides a summary of the principal Canadian federal income tax considerations generally applicable to Unitholders. Unitholders are urged to consult their own tax advisors to determine the particular tax consequences to them of a sale of Units pursuant to the Offer, a Compulsory Acquisition or a Subsequent Acquisition Transaction. The tax consequences of the Offer to holders of Convertible Securities are not described in the Circular. Holders of Convertible Securities should consult their own tax advisors having regard to their own personal circumstances.

United States Federal Income Tax Considerations

Subject to the rules regarding passive foreign investment companies ("**PFICs**"), Unitholders who are residents or citizens of the United States for U.S. federal income tax purposes, who hold Units as capital assets, and who dispose of Units under the Offer generally should recognize a capital gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the U.S. dollar value of the Canadian dollars received (other than amounts, if any, received by a Dissenting Unitholder that are deemed to be interest for U.S. federal income tax purposes, which will be treated as ordinary income) and the U.S. Unitholder's adjusted tax basis in the Units disposed of under the Offer. In the event that Primaris is a PFIC for U.S. federal income tax purposes, the tax consequences to a U.S. Unitholder participating in the Offer will depend on whether certain elections have been made by the U.S. Unitholder and may differ materially from those described in the previous sentence.

Backup withholding and information reporting may also apply to U.S. Unitholders participating in the Offer.

The foregoing is a very brief summary of certain U.S. federal income tax consequences and is qualified in its entirety by Section 16 of the Circular, "Certain United States Federal Income Tax Considerations", which provides a summary of the principal U.S. federal income tax considerations generally applicable to U.S. Unitholders. Unitholders are urged to consult their own tax advisors to determine the particular tax consequences to them of a sale of Units pursuant to the Offer, a Compulsory Acquisition or a Subsequent Acquisition Transaction. The tax consequences of the Offer to holders of Convertible Securities are not described

in the Circular. Holders of Convertible Securities should consult their own tax advisors having regard to their own personal circumstances.

Depositary and Information Agent

The Offeror has engaged Canadian Stock Transfer Company Inc. to act as the Depositary to receive deposits of certificates representing Units and accompanying Letters of Transmittal deposited under the Offer at its office in Toronto, Ontario specified in the Letter of Transmittal. In addition, Canadian Stock Transfer Company Inc. will receive Notices of Guaranteed Delivery at its office in Toronto, Ontario specified in the Notice of Guaranteed Delivery. Canadian Stock Transfer Company Inc. will also be responsible for giving certain notices, if required, and for making payment for all Units purchased by the Offeror under the Offer. Canadian Stock Transfer Company Inc. will also facilitate book-entry transfers of Units. See Section 3 of the Offer, ''Manner of Acceptance'', and Section 17 of the Circular, ''Depositary and Information Agent''.

The Offeror has also retained CST Phoenix Advisors to act as Information Agent to provide information to Unitholders in connection with the Offer.

CST Phoenix Advisors will receive reasonable and customary compensation from the Offeror for its services in connection with the Offer and will be reimbursed for certain out-of-pocket expenses.

Questions and requests for assistance may be directed to the Depositary for the Offer, Canadian Stock Transfer Company Inc., at 1-800-387-0825 or by e-mail at inquiries@canstockta.com or the Information Agent for the Offer, CST Phoenix Advisors, at 1-866-822-1237 or by email at inquiries@phoenixadvisorscst.com. Full contact details for the Depositary and Information Agent are provided on the last page of this document.

Financial Advisors and Soliciting Dealer Group

The Offeror has retained TD Securities and CIBC World Markets Inc. to act as its Financial Advisors with respect to the Offer. The Offeror has also retained TD Securities to act as dealer manager and to form a Soliciting Dealer Group comprised of members of the Investment Industry Regulatory Organization of Canada and members of the TSX to solicit acceptances of the Offer.

The Offeror has agreed to pay to each Soliciting Dealer a fee customary for such transactions for each Unit deposited and taken up by the Offeror under the Offer (other than Units held and tendered by employees, officers and trustees, or former officers or trustees, of Primaris).

No fee or commission will be payable by any Unitholder who transmits such Unitholder's Units directly to the Depositary or who makes use of the services of a Soliciting Dealer to accept the Offer.

See Section 18 of the Circular, ''Financial Advisors and Soliciting Dealer Group''.

GLOSSARY

This Glossary forms a part of the Offer and Circular. In the Offer and Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery, unless otherwise specified or the subject matter or context is inconsistent therewith, the following terms shall have the meanings set out below, and grammatical variations thereof shall have the corresponding meanings. Unitholders are urged to read the Offer and Circular in their entirety:

"**5.40% Debentures**" means the $75 million aggregate principal amount of 5.40% convertible unsecured subordinated debentures of Primaris issued in June 2011;

"**6.30% Debentures**" means the $86.25 million aggregate principal amount of 6.30% convertible unsecured subordinated debentures of Primaris issued in October 2009;

"**6.75% Debentures**" means the $50 million aggregate principal amount of 6.75% convertible unsecured subordinated debentures of Primaris issued in June 2004;

"**affiliate**" has the meaning given to it in Part XX of the OSA or MI 62-104, as applicable;

"**allowable capital loss**" has the meaning given to it in Section 15 of the Circular, "Certain Canadian Federal Income Tax Considerations — Holders Resident in Canada — Sale of Units Pursuant to the Offer or a Compulsory Acquisition";

"**associate**" has the meaning given to it in Part XX of the OSA or MI 62-104, as applicable;

"**Bid Conduct Agreement**" means the agreement governing the conduct of the Offer entered into among KingSett Capital, KingSett LP No. 5, KS Bidco LP, the Offeror, OPB and OPB Trust dated December 4, 2012;

"**Book-Entry Confirmation**" means confirmation of a book-entry transfer of a Unitholder's Units into the Depositary's account at CDS;

"**business combination**" has the meaning given to it in MI 61-101;

"**business day**" means any day other than a Saturday, a Sunday or a statutory holiday in any province or territory in Canada;

"**Canada-U.S. Tax Treaty**" means the *Convention between Canada and the United States of America with Respect to Taxes on Income and on Capital*, signed September 26, 1980, as amended;

"**Capital Reorganization**" has the meaning given to it in Section 11 of the Circular, "Acquisition of Units Not Deposited — Subsequent Acquisition Transaction";

"**CBCA**" means the *Canada Business Corporations Act*, as amended;

"**CDS**" means CDS Clearing and Depository Services Inc. or its nominee, which at the date hereof is CDS & Co.;

"**CDSX**" means the CDS on-line tendering system pursuant to which book-entry transfers may be effected;

"**Circular**" means the circular accompanying and forming part of the Offer;

"**Code**" has the meaning given to it in Section 16 of the Circular, "Certain United States Federal Income Tax Considerations";

"**Commissioner of Competition**" means the Commissioner of Competition appointed under the Competition Act, and any person delegated to perform the Commissioner of Competition's duties;

"**Competition Act**" means the *Competition Act* (Canada);

"**Competition Act Approval**" means either (a) the Commissioner of Competition shall have issued an advance ruling certificate under section 102 of the Competition Act in respect of the acquisition of Units contemplated by the Offer and the Sale Transactions; or (b)(i) the applicable waiting periods under section 123 of the Competition Act shall have expired or the Commissioner of Competition shall have waived the obligation to submit information under section 114 of the Competition Act, and (ii) the Commissioner of Competition shall have issued a "no action letter" under section 123 of the Competition Act satisfactory to the Offeror, acting

reasonably, confirming that the Commissioner of Competition does not, at that time, intend to make an application for an order under section 92 of the Competition Act challenging the acquisition of Units contemplated by the Offer and any of the Sale Transactions;

"**Compulsory Acquisition**" has the meaning given to it in Section 11 of the Circular, "Acquisition of Units Not Deposited — Compulsory Acquisition";

"**Convertible Securities**" means, collectively, the Primaris Debentures, Exchangeable Units, Options, Restricted Units and any other securities (other than URP Rights) of Primaris or its affiliates, exercisable or exchangeable for or convertible into Units;

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

"**CREIF**" means KingSett Canadian Real Estate Income Fund LP;

"**Debenture Indentures**" means, collectively, the trust indentures and any supplemental trust indentures entered into between CIBC Mellon Trust Company and Primaris providing for the issue of the Primaris Debentures;

"**Declaration of Trust**" means the sixth amended and restated declaration of trust dated March 1, 2012 of Primaris;

"**Depositary**" means Canadian Stock Transfer Company Inc.;

"**Deposited Units**" means Units deposited, sold, assigned and transferred by Depositing Unitholders, including all right, title and interest in and to the Units and the URP Rights;

"**Depositing Unitholders**" means (a) Unitholders (other than non-registered Unitholders whose Units are deposited on their behalf by CDS) depositing their Units to the Offer, and (b) CDS in respect of Units deposited to the Offer by CDS on behalf of non-registered Unitholders;

"**Dissenting Unitholders**" has the meaning given to it in Section 11 of the Circular, "Acquisition of Units Not Deposited — Compulsory Acquisition";

"**Distributions**" has the meaning given to it in Section 9 of the Offer, "Changes in Capitalization; Adjustments; Liens";

"**Effective Time**" has the meaning given to it in Section 3 of the Offer, "Manner of Acceptance — Power of Attorney";

"**Equity Contributions**" has the meaning given to it in Section 7 of the Circular, "Source of Funds";

"**Eligible Institution**" means a Canadian Schedule I chartered bank, or an eligible guarantor institution with membership in an approved Medallion signature guarantee program, including certain trust companies in Canada, a member of the Securities Transfer Agents Medallion Program (STAMP), a member of the Stock Exchanges Medallion Program (SEMP) or a member of the New York Stock Exchange Medallion Signature Program (MSP);

"**Equity Incentive Plan**" means Primaris' Long Term Incentive Plan, as described under "Equity Incentive Plan" in the Notice of Annual and Special Meeting and Management Information Circular of Primaris dated March 30, 2012;

"**Excess Distributions**" has the meaning given to it in Section 9 of the Offer, "Changes in Capitalization; Adjustments; Liens";

"**Exchangeable Units**" means exchangeable units issued by one or more subsidiaries of Primaris and which are exchangeable for Units;

"**Expiry Time**" means 5:00 p.m. (Toronto time) on January 17, 2013, or such later time or times and date or dates as may be fixed by the Offeror from time to time pursuant to Section 5 of the Offer, "Extension, Variation or Change in the Offer";

"**Financial Advisors**" has the meaning given to it in Section 18 of the Circular, "Financial Advisors and Soliciting Dealer Group";

"**fully-diluted basis**" means, with respect to the number of outstanding Units at any time, the number of Units that would be outstanding if all Convertible Securities were converted into, or exchanged or exercised for, Units;

"**Grandfathered Person**" has the meaning given to it in Section 6 of the Circular, "Unitholder Rights Plan — Acquiring Person";

"**Holder**" has the meaning given to it in Section 15 of the Circular, "Certain Canadian Federal Income Tax Considerations";

"**Information Agent**" means CST Phoenix Advisors;

"**insider**" has the meaning given to it in the OSA or MI 62-104, as applicable;

"**Instalment Receipts**" means Units subscribed for by a participant pursuant to the Equity Incentive Plan;

"**IRS**" has the meaning given to it in Section 16 of the Circular, "Certain United States Federal Income Tax Considerations";

"**KingSett Capital**" means KingSett Capital Inc.;

"**KingSett LP No. 4**" means KingSett Real Estate Growth LP No. 4;

"**KingSett LP No. 5**" means KingSett Real Estate Growth LP No. 5;

"**KingSett Units**" has the meaning given to it in Section 8 of the Circular, "Ownership of and Trading in Securities of Primaris";

"**KS-OPB Group**" means: the Offeror, OPB Trust, CREIF and KingSett LP No. 4;

"**KS-OPB Pool Assets**" means the KS-OPB Property Pool, and all of the legal and beneficial interest in and to the KS-OPB Property Pool;

"**KS-OPB Property Pool**" means 29 Primaris properties, and a 50% interest in two properties, to be acquired by the members of the KS-OPB Group pursuant to the Offer and pursuant to the KS-OPB Purchase Agreements;

"**KS-OPB Purchase Agreements**" means the agreements of purchase and sale entered into between the Offeror and certain members of the KS-OPB Group dated December 4, 2012, providing for the sale to and the purchase by such members of the KS-OPB Group of the KS-OPB Pool Assets;

"**KS-OPB Short Term Loans**" has the meaning given to it in Section 7 of the Circular, "Source of Funds";

"**Laws**" means any applicable laws, including international, national, provincial, state, municipal and local laws, treaties, statutes, ordinances, judgments, decrees, injunctions, writs, certificates and orders, notices, by-laws, rules, regulations, ordinances, policies, directives or other requirements of any Regulatory Authority having the force of law and the term "**applicable**" with respect to such Laws and in a context that refers to one or more persons, means such Laws as are applicable to such person or its business, undertaking, property or securities and emanate from a person having jurisdiction over the person or persons or its or their business, undertaking, property or securities;

"**Letter of Transmittal**" means the letter of transmittal in the form accompanying the Offer (printed on YELLOW paper);

"**Limited Partnership Agreement**" means the limited partnership agreement entered into among KS Acquisition II Inc., KS Bidco LP and OPB Trust on December 4, 2012;

"**Loans**" has the meaning given to it in Section 7 of the Circular, "Source of Funds";

"**LP5 Contribution**" has the meaning given to it in Section 7 of the Circular, "Source of Funds";

"**Material Adverse Effect**" means any condition, event, circumstance, change, effect, or state of facts which, when considered either individually or in the aggregate, (i) is, or could reasonably be expected to be, material and adverse to the condition (financial or otherwise), properties, rights, licenses, status for tax purposes, assets, liabilities, obligations (whether absolute, accrued, conditional or otherwise), businesses, operations or results of operations of Primaris, or any of its subsidiaries and material joint ventures, taken in each case as a whole,

(ii) could reasonably be expected to reduce the anticipated economic value to the Offeror of the acquisition of the Units or make it inadvisable for, or impair the ability of, the Offeror to proceed with the Offer and/or with taking up and paying for the Units deposited under the Offer or completing a Compulsory Acquisition or Subsequent Acquisition Transaction or (iii) could, if the Offer or any Compulsory Acquisition or Subsequent Acquisition Transaction were consummated, be material and adverse to the Offeror or any of its affiliates or which could limit, restrict or impose limitations or conditions on the ability of the Offeror or any of its affiliates to own, operate or effect control over Primaris or any material portion of the business, properties or assets of Primaris or its subsidiaries or material joint ventures or would compel the Offeror or any of its affiliates to dispose of or hold separate any material portion of the business, properties or assets of Primaris or its subsidiaries or material joint ventures;

"**MBS Facility**" has the meaning given to it in Section 7 of the Circular, "Source of Funds";

"**MI 61-101**" means Multilateral Instrument 61-101 — *Protection of Minority Security Holders in Special Transactions*, as amended;

"**MI 62-104**" means Multilateral Instrument 62-104 — *Take-Over Bids and Issuer Bids*, as amended;

"**Minimum Tender Condition**" has the meaning given to it in Section 4 of the Offer, "Conditions of the Offer";

"**Named Executive Officer**" has the meaning given to it in Section 12 of the Circular, "Agreements, Commitments or Understandings";

"**Non-Resident Holder**" has the meaning given to it in Section 15 of the Circular, "Certain Canadian Federal Income Tax Considerations — Holders Not Resident in Canada";

"**Notice of Guaranteed Delivery**" means the notice of guaranteed delivery in the form accompanying the Offer (printed on BLUE paper);

"**Notifiable Transaction**" has the meaning given to it in Section 13 of the Circular, "Regulatory Matters — Competition Act";

"**OBCA**" means the *Business Corporations Act* (Ontario), as amended;

"**Offer**" means the offer to purchase Units made hereby to the Unitholders pursuant to the terms and subject to the conditions set out herein;

"**Offer and Circular**" means the Offer and the Circular, including the Summary, the Glossary and all Schedules to the Offer and Circular;

"**Offeror**" means KS Acquisition II LP, a limited partnership formed under the Laws of the Province of Ontario;

"**Offeror's Notice**" has the meaning given to it in Section 11 of the Circular, "Acquisition of Units Not Deposited — Compulsory Acquisition";

"**OPB**" means Ontario Pension Board;

"**OPB Contribution**" has the meaning given to it in Section 7 of the Circular, "Source of Funds";

"**OPB Trust**" means OPB Finance Trust II, a trust established under the Laws of the Province of Ontario;

"**Options**" means an option to purchase Units granted pursuant to the Equity Incentive Plan;

"**OSA**" means the *Securities Act* (Ontario), as amended;

"**OSC Rule 62-504**" means Ontario Securities Commission Rule 62-504 — *Take-Over Bids and Issuer Bids*, as amended;

"**Osler**" means Osler, Hoskin & Harcourt LLP, legal counsel to the Offeror;

"**Permitted Distributions**" means (i) regular monthly distributions to Unitholders made in conformity and consistency in all respects with Primaris' monthly distribution policies in effect as at November 30, 2012, including declaration, record and payment dates for determination of Unitholders entitled to such distributions, made in respect of all months ending prior to the month in which the Take-up Date occurs, but not to exceed

$0.1016 per Unit per month; and (ii) a portion of such regular monthly distribution described as aforesaid *pro rata* in respect of the number of days that have elapsed in the month in which the Take-up Date occurs, but not to exceed $0.1016 per Unit per month;

"**PFIC**" has the meaning given to it in Section 16 of the Circular, "Certain United States Federal Income Tax Considerations — Passive Foreign Investment Companies";

"**Primaris**" means Primaris Retail Real Estate Investment Trust, an unincorporated open-ended real estate investment trust created by the Declaration of Trust and governed by the Laws of the Province of Ontario, and where the context requires, its subsidiaries;

"**Primaris Board**" means the board of trustees of Primaris;

"**Primaris Debentures**" means the 6.75% Debentures, the 6.30% Debentures and the 5.40% Debentures;

"Primaris DRIP" means the distribution reinvestment plan of Primaris;

"**Proposed Amendments**" has the meaning given to it in Section 15 of the Circular, "Certain Canadian Federal Income Tax Considerations";

"**Purchasers**" means: (a) in respect of the RioCan Pool Assets, RioCan; and (b) in respect of the KS-OPB Pool Assets, certain members of the KS-OPB Group;

"**Redemption Price**" has the meaning given to it in Section 6 of the Circular, "Unitholder Rights Plan — Redemption and Waiver";

"**Regulatory Authority**" means: (i) any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government; (ii) any multinational or supranational body or organization, nation, government, state, province, country, territory, municipality, quasi-government, administrative, judicial or regulatory authority, agency, board, body, bureau, commission, instrumentality, court or tribunal or any political subdivision thereof, or any central bank (or similar monetary or regulatory authority) or taxing authority thereof, or any ministry or department or agency of any of the foregoing; and (iii) any self-regulatory organization or stock exchange, including, without limitation, the TSX;

"**Resident Holder**" has the meaning given to it in Section 15 of the Circular, "Certain Canadian Federal Income Tax Considerations — Holders Resident in Canada";

"**Restricted Event**" means, with respect to Primaris and its subsidiaries: (i) any material acquisition of an interest in properties or assets; (ii) any material sale, license, lease, transfer or disposition of an interest in any properties of Primaris or any of its subsidiaries; (iii) any amendment to the Declaration of Trust; (iv) any material use of restricted cash of Primaris other than the uses thereof described in Primaris' publicly filed documents as they exist as at the date hereof; (v) incurring, agreeing to incur, guaranteeing or agreeing to guarantee the payment of any material amount of indebtedness of a third party other than mortgage debt financing and refinancing of properties in the ordinary course of business on commercially reasonable terms; (vi) declaring, paying, authorizing or making any distribution or payment of or on any of its securities, other than Permitted Distributions; (vii) any material change to the capitalization of Primaris or any of its subsidiaries, including any issuance by Primaris or any other person, authorization, adoption or proposal regarding the issuance of, or purchase, or proposal to purchase, any Units (including under any URP Rights), Exchangeable Units, special voting units of Primaris or Convertible Securities; and/or (viii) other than with the Offeror and its affiliates subsequent to the date of the Offer, any take-over bid, issuer bid, merger, amalgamation, plan of arrangement, reorganization, consolidation, business combination, sale of securities, recapitalization, liquidation, dissolution, winding up or similar transaction involving Primaris or any of its subsidiaries or entering into an agreement or calling a special meeting of Unitholders to consider and give effect to any of the foregoing;

"**Restricted Units**" means a right granted under and subject to the Equity Incentive Plan;

"**Revolver**" has the meaning given to it in Section 7 of the Circular, "Source of Funds";

"**Rights Certificates**" means the certificates representing the URP Rights;

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

"**RioCan Pool Assets**" means the RioCan Property Pool, and all of the legal and beneficial interest in and to the RioCan Property Pool;

"**RioCan Property Pool**" means six Primaris properties, and a 50% interest in two Primaris properties, to be acquired by RioCan pursuant to the RioCan Purchase Agreements;

"**RioCan Purchase Agreements**" means the agreements of purchase and sale entered into between the Offeror and RioCan, dated December 4, 2012, providing for the sale to and the purchase by RioCan of the RioCan Pool Assets;

"**RioCan Short Term Loan**" has the meaning given to it in Section 7 of the Circular, "Source of Funds";

"**Sale Transactions**" means: (i) in respect of the RioCan Pool Assets, the sale to and purchase by RioCan of the RioCan Pool Assets in accordance with the terms of the RioCan Purchase Agreements; and (ii) in respect of the KS-OPB Pool Assets, the sale to and purchase by certain members of the KS-OPB Group of the KS-OPB Pool Assets in accordance with the terms of the KS-OPB Purchase Agreements;

"**SEDAR**" means the Canadian Securities Administrators' website at www.sedar.com;

"**Senior Credit Facilities**" has the meaning given to it in Section 7 of the Circular, "Source of Funds";

"**Separation Time**" has the meaning given to it in Section 6 of the Circular, "Unitholder Rights Plan — Separation Time";

"**Soliciting Dealer**" has the meaning given to it in Section 18 of the Circular, "Financial Advisors and Soliciting Dealer Group";

"**Soliciting Dealer Group**" has the meaning given to it in Section 18 of the Circular, "Financial Advisors and Soliciting Dealer Group";

"**Special Resolutions**" has the meaning given to it in Section 11 of the Circular, "Acquisition of Units Not Deposited — Special Resolutions";

"**Special Units**" means the Special Units of Primaris resulting from the Capital Reorganization;

"**Special Voting Units**" means the voting non-participating trust units issued by Primaris;

"**STIP**" means the short term incentive plan adopted by Primaris;

"**Subsequent Acquisition Transaction**" has the meaning given to it in Section 11 of the Circular, "Acquisition of Units Not Deposited — Subsequent Acquisition Transaction";

"**subsidiary**" means, with respect to a person, any body corporate of which more than 50% of the outstanding shares or units ordinarily entitled to elect a majority of the board of directors or trustees thereof (whether or not units or shares of any other class or classes shall or might be entitled to vote upon the happening of any event or contingency) are at the time owned or over which voting control or direction is exercised, directly or indirectly, by such person and shall include any body corporate, partnership, trust, joint venture or other entity over which such person exercises direction or control or which is in a like relation to a subsidiary;

"**Supplementary Information Request**" has the meaning given to it in Section 13 of the Circular, "Regulatory Matters — Competition Act";

"**take-up**", in reference to Units, means to accept such Units for payment by giving written notice of such acceptance to the Depositary and "take-up", "taking up" and "taken up" have corresponding meanings;

"**Take-Up Date**" means, any date on which the Offeror takes up the Units pursuant to the Offer and/or acquires such Units pursuant to a Compulsory Acquisition or Subsequent Acquisition Transaction;

"**tax**" or "**taxes**" means all taxes, however denominated, including any interest, penalties or other additions that may become payable in respect thereof, imposed by any federal, provincial, territorial, state, local or foreign government or any agency or political subdivision of any such government, which taxes shall include, without limiting the generality of the foregoing, all income or profits taxes (including, but not limited to, federal income taxes and provincial income taxes), payroll and employee withholding taxes, unemployment insurance, social

insurance taxes, sales and use taxes, ad valorem taxes, excise taxes, franchise taxes, gross receipts taxes, business license taxes, occupation taxes, real and personal property taxes, stamp taxes, environmental taxes, transfer taxes, capital taxes, workers compensation and other governmental charges, and other obligations of the same or of a similar nature to any of the foregoing, which Primaris or its subsidiaries is required to pay, withhold, remit or collect;

"**taxable capital gain**" has the meaning given to it in Section 15 of the Circular, "Certain Canadian Federal Income Tax Considerations — Holders Resident in Canada — Sale of Units Pursuant to the Offer or a Compulsory Acquisition";

"**Tax Act**" has the meaning given to it in Section 15 of the Circular, "Certain Canadian Federal Income Tax Considerations";

"**TCP**" means taxable Canadian property, as defined in the Tax Act;

"**TD**" means TD Securities Inc. and its affiliates;

"**TD Securities**" means TD Securities Inc.;

"**Term Loans**" has the meaning given to it in Section 7 of the Circular, "Source of Funds";

"**Transfer Agent**" means such company as may from time to time appointed by Primaris to act as registrar and transfer agent of the Units, together with any sub-transfer agent duly appointed by the Transfer Agent;

"**Transfer Notice**" means the notice to be delivered to the Transfer Agent by Primaris pursuant to the provisions of the Declaration of Trust as amended to give effect to the Capital Reorganization;

"**Transfer Time**" means the time the Transfer Notice is delivered to the Transfer Agent;

"**Treasury Regulations**" means Regulations of the United States Department of the Treasury and/or the United States Internal Revenue Service promulgated under or in respect of the Code;

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

"**United States**" means the United States, as defined in Rule 902 of Regulation S under the *United States Securities Act of 1933*, as amended;

"**Unitholder Rights Plan**" means the unitholder rights plan agreement dated March 3, 2005 between CIBC Mellon Trust Company and Primaris, as previously known as Borealis Real Estate Investment Trust, and where the context so requires, any other unitholder rights plan which may be adopted by Primaris after the date hereof;

"**Unitholders**" means, collectively, the holders of Units;

"**Units**" means the issued and outstanding units of Primaris, including units of Primaris issued on the conversion, exchange or exercise of Convertible Securities, and the associated URP Rights, and a "**Unit**" means any one unit of Primaris and the associated URP Right;

"**URP Right**" means a right issued pursuant to a Unitholder Rights Plan.;

"**U.S. Exchange Act**" means the *United States Securities Exchange Act of 1934*, as amended; and

"**U.S. Unitholder**" has the meaning given to it in Section 16 of the Circular, "Certain United States Federal Income Tax Considerations".

THE OFFER

The accompanying Circular, which is incorporated into and forms part of the Offer, contains important information that should be read carefully before making a decision with respect to the Offer. Unless the context otherwise requires, terms used but not defined in the Offer have the respective meanings given to them in the accompanying Glossary, unless the context otherwise requires.

December 10, 2012

TO: THE HOLDERS OF UNITS OF PRIMARIS

1. The Offer

General

The Offeror hereby offers to purchase, on the terms and subject to the conditions of the Offer, all of the issued and outstanding Units, together with the associated URP Rights, including all Units that may become issued and outstanding after the date of the Offer but before the Expiry Time upon the conversion, exchange or exercise of the Convertible Securities, for consideration per Unit of $26.00 in cash.

The Offer is being made only for Units and the associated URP Rights and is not made for any Convertible Securities. Any holder of Convertible Securities who wishes to accept the Offer must, to the extent permitted by the terms of the security and applicable Laws, convert, exchange or exercise such Convertible Securities in order to deposit the resulting Units in accordance with the terms of the Offer. Any such conversion, exchange or exercise must be completed sufficiently in advance of the Expiry Time to ensure that the holder of such Convertible Securities will be in a position to deposit such resulting Units at or prior to the Expiry Time, or in sufficient time to comply with the procedures referred to under Section 3 of the Offer, "Manner of Acceptance".

The Offer represents a premium of approximately 13.3% over the volume-weighted average trading price of $22.95 per Unit over the 20 trading days on the TSX up to and including December 4, 2012, the last trading day prior to the Offeror's announcement of its intention to make the Offer. The Offer also represents a premium of approximately 12.8% over the closing price of $23.04 per Unit on the TSX on December 4, 2012.

The obligation of the Offeror to take up and pay for Units pursuant to the Offer is subject to certain conditions. See Section 4 of the Offer, "Conditions of the Offer".

All amounts payable under the Offer will be paid in Canadian dollars.

Unitholders who have deposited their Units pursuant to the Offer will be deemed to have deposited the URP Rights associated with such Units. No additional payment will be made for the URP Rights and no part of the consideration to be paid by the Offeror for the Units will be allocated to the URP Rights.

Unitholders who do not deposit their Units under the Offer will not be entitled to any right of dissent or appraisal in connection with the Offer. However, Unitholders who do not tender their Units to the Offer may have rights of dissent in the event the Offeror acquires Units by way of a Compulsory Acquisition. See Section 11 of the Circular, "Acquisition of Units Not Deposited — Compulsory Acquisition".

Unitholders should contact the Depositary, the Information Agent, a Soliciting Dealer or a broker or dealer for assistance in accepting the Offer and in depositing Units with the Depositary.

Unitholders will not be required to pay any fee or commission if they accept the Offer by depositing their Units directly with the Depositary or if they make use of the services of a Soliciting Dealer to accept the Offer.

This document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made or directed to, nor will deposits of Units be accepted from or on behalf of, Unitholders in any jurisdiction in which the making or acceptance thereof would not be in compliance with the Laws of such jurisdiction. However, the Offeror may, in its sole discretion, take such action as it may deem necessary to extend the Offer to Unitholders in any such jurisdiction.

Unitholders whose Units are registered in the name of an investment advisor, stockbroker, bank, trust company or other nominee should immediately contact such nominee for assistance in depositing their Units.

2. Time for Acceptance

The Offer is open for acceptance from the date of the Offer until 5:00 p.m. (Toronto time) on January 17, 2013, or such later time or times and date or dates as may be fixed by the Offeror from time to time pursuant to Section 5 of the Offer, "Extension, Variation or Change in the Offer", unless the Offer is withdrawn by the Offeror.

3. Manner of Acceptance

Letter of Transmittal

The Offer may be accepted by delivering to the Depositary at its office in Toronto, Ontario specified in the Letter of Transmittal (printed on YELLOW paper) accompanying the Offer, so as to be received at or prior to the Expiry Time:

(a) the certificate(s) representing the Units in respect of which the Offer is being accepted and Rights Certificates, if applicable (see "**URP Rights**" below);

(b) a Letter of Transmittal in the form accompanying the Offer, or a manually executed facsimile thereof, properly completed and executed in accordance with the instructions set out in the Letter of Transmittal (including signature guarantee if required); and

(c) all other documents required by the terms of the Offer and the Letter of Transmittal.

Unitholders will not be required to pay any fee or commission if they accept the Offer by depositing their Units directly with the Depositary or if they make use of the services of a Soliciting Dealer to accept the Offer.

In certain cases, the signatures on the Letter of Transmittal must be guaranteed by an Eligible Institution. See Section 3 of the Offer, "Manner of Acceptance — Letter of Transmittal Signature Guarantees" below and the instructions set out in the Letter of Transmittal in order to determine if the signatures on your Letter of Transmittal must be guaranteed by an Eligible Institution.

The Offer will be deemed to be accepted only if the Depositary has actually received these documents at its office in Toronto, Ontario specified in the Letter of Transmittal at or prior to the Expiry Time. Alternatively, Units may be deposited under the Offer in compliance with the procedures for guaranteed delivery set out below under the heading Section 3 of the Offer, "Manner of Acceptance — Procedure for Guaranteed Delivery" or in compliance with the procedures for book-entry transfers set out below under the heading Section 3 of the Offer, "Manner of Acceptance — Acceptance by Book-Entry Transfer".

Letter of Transmittal Signature Guarantees

No signature guarantee is required on the Letter of Transmittal if:

(a) the Letter of Transmittal is signed by the registered holder of the Units exactly as the name of the registered holder appears on the Unit certificate deposited therewith, and the cash payable under the Offer is to be delivered directly to such registered holder; or

(b) Units are deposited for the account of an Eligible Institution.

In all other cases, all signatures on the Letter of Transmittal must be guaranteed by an Eligible Institution. If a certificate representing Units is registered in the name of a person other than the signatory of a Letter of Transmittal or if the cash payable is to be delivered to a person other than the registered holder, the certificate must be endorsed or accompanied by an appropriate unit transfer power of attorney, in either case, signed exactly as the name of the registered holder appears on the certificate with the signature on the certificate or power of attorney guaranteed by an Eligible Institution.

Procedure for Guaranteed Delivery

If a Unitholder wishes to deposit Units under the Offer and either (i) the certificate(s) representing the Units is (are) not immediately available or (ii) the certificate(s) and all other required documents cannot be

delivered to the Depositary at or prior to the Expiry Time, those Units may nevertheless be deposited validly under the Offer provided that all of the following conditions are met:

(a) the deposit is made by or through an Eligible Institution;

(b) a Notice of Guaranteed Delivery (printed on BLUE paper) in the form accompanying the Offer, or a manually executed facsimile thereof, properly completed and executed, including the guarantee of delivery by an Eligible Institution in the form set out in the Notice of Guaranteed Delivery, is received by the Depositary at its office in Toronto, Ontario specified in the Notice of Guaranteed Delivery at or prior to the Expiry Time;

(c) the certificate(s) representing all Deposited Units, and if the Separation Time has occurred before the Expiry Time and Rights Certificates have been distributed before the Expiry Time, the Rights Certificate(s) representing all deposited URP Rights, together with a Letter of Transmittal, or a manually executed facsimile thereof, properly completed and executed, with the signatures guaranteed, if required, in accordance with the instructions set out in the Letter of Transmittal, and all other documents required thereby, are received by the Depositary at its office specified in the Letter of Transmittal at or prior to 5 p.m. (Toronto time) on the third trading day on the TSX after the Expiry Time; and

(d) if the Separation Time has occurred before the Expiry Time but Rights Certificates have not been distributed by Primaris before the Expiry Time, the Rights Certificate(s) representing all deposited URP Rights, together with a Letter of Transmittal, or a manually executed facsimile thereof, properly completed and executed, with the signatures guaranteed, if required, in accordance with instructions set out in the Letter of Transmittal and all other documents required thereby, are received by the Depositary at its office specified in the Letter of Transmittal before 5:00 p.m. (Toronto time) on the third trading day on the TSX after Rights Certificates are distributed by Primaris.

The Notice of Guaranteed Delivery must be delivered by hand or courier or transmitted by facsimile or mailed to the Depositary at its office in Toronto, Ontario specified in the Notice of Guaranteed Delivery at or prior to the Expiry Time and must include a guarantee by an Eligible Institution in the form set out in the Notice of Guaranteed Delivery. Delivery of the Notice of Guaranteed Delivery and the Letter of Transmittal and accompanying certificate(s) representing Units and, if applicable, URP Rights and all other required documents to an address or transmission by facsimile to a facsimile number other than those specified in the Notice of Guaranteed Delivery does not constitute delivery for purposes of satisfying a guaranteed delivery.

Acceptance by Book-Entry Transfer

Unitholders may accept the Offer by following the procedures for a book-entry transfer established by CDS, provided that a Book-Entry Confirmation through CDSX is received by the Depositary at its office in Toronto, Ontario specified in the Letter of Transmittal at or prior to the Expiry Time. The Depositary has established an account at CDS for the purpose of the Offer. Any financial institution that is a participant in CDS may cause CDS to make a book-entry transfer of a Unitholder's Units into the Depositary's account in accordance with CDS procedures for such transfer. Delivery of Units to the Depositary by means of a book-entry transfer will constitute a valid deposit of such Units under the Offer.

Unitholders, through their respective CDS participants, who utilize CDSX to accept the Offer through a book-entry transfer of their holdings into the Depositary's account with CDS shall be deemed to have completed and submitted a Letter of Transmittal and to be bound by the terms thereof and therefore such instructions received by the Depositary are considered a valid deposit under and in accordance with the terms of the Offer.

URP Rights

Unless waived by the Offeror, Unitholders are required to deposit one URP Right under each existing Unitholder Rights Plan for each Unit deposited under the Offer in order to effect a valid deposit of such Unit. No additional payment will be made for the URP Rights and no amount of the consideration to be paid by the

Offeror for the Deposited Units will be allocated to the URP Rights. The following procedures must be followed in order to effect the valid deposit of the URP Rights associated with the Deposited Units:

(a) if the Separation Time under the relevant unitholder rights plan(s) of Primaris has not occurred prior to the Expiry Time and Rights Certificates have not been distributed by Primaris, a deposit of Units will also constitute a deposit of the associated URP Rights;

(b) if the Separation Time occurs before the Expiry Time and Rights Certificates have been distributed by Primaris prior to the time Units are deposited under the Offer, Rights Certificates representing URP Rights equal in number to the number of Deposited Units must be delivered with the Letter of Transmittal or, if available, a Book-Entry Confirmation must be received by the Depositary with respect thereto; and

(c) if the Separation Time occurs before the Expiry Time and Rights Certificates have not been distributed by the time Units are deposited under the Offer, or the Rights Certificates have been distributed but not received by the Unitholder making the deposit, the Unitholder may deposit its URP Rights before receiving Rights Certificates by using the guaranteed delivery procedure set out in Section 3 of the Offer, "Manner of Acceptance — Procedure for Guaranteed Delivery".

Note that, in any case, a deposit of Units constitutes an agreement by the Unitholder making the deposit to deliver Rights Certificates representing URP Rights equal in number to the number of Units deposited by the Unitholder, or, if available, a Book-Entry Confirmation must be received by the Depositary with respect thereto, on or before the third trading day on the TSX after the date, if any, that Rights Certificates are distributed. The Offeror reserves the right to require, if the Separation Time occurs before the Expiry Time, that the Depositary receive from the Unitholder making the deposit, prior to taking up the Units deposited by the Unitholder for payment pursuant to the Offer, Rights Certificates (or, if available, a Book-Entry Confirmation) from the Unitholder representing URP Rights equal in number to the Units deposited by the Unitholder.

Participants of CDS should contact CDS, with respect to the deposit of their Units under the Offer. CDS will be issuing instructions to its participants as to the method of depositing such Units under the terms of the Offer. In addition, Units and, if applicable, Rights Certificates, may be deposited under the Offer in compliance with the procedures for guaranteed delivery set out below under the heading "Procedure for Guaranteed Delivery" and Units may be deposited under the Offer in compliance with the procedures for book-entry transfers set out in Section 3 of the Offer, "Manner of Acceptance — Acceptance by Book-Entry Transfer".

Holders of Convertible Securities

The Offer is being made only for Units and is not made for any Convertible Securities. Any holder of Convertible Securities who wishes to accept the Offer must, to the extent permitted by the terms of the applicable Convertible Security and applicable Laws, convert, exchange or exercise such Convertible Securities in order to deposit the resulting Units in accordance with the terms of the Offer. Any such conversion, exchange or exercise must be completed sufficiently in advance of the Expiry Time to ensure that the holder of such Convertible Securities will be in a position to deposit such Units at or prior to the Expiry Time, or in sufficient time to comply with the procedures referred to under Section 3 of the Offer, "Manner of Acceptance — Procedure for Guaranteed Delivery".

General

The Offer will be deemed to be accepted by a Unitholder only if the Depositary has actually received the requisite documents at its office in Toronto, Ontario specified in the Letter of Transmittal at or prior to the Expiry Time. In all cases, payment for Units deposited and taken up by the Offeror will be made only after timely receipt by the Depositary of (i) certificate(s) representing the Units (or, in the case of a book-entry transfer to the Depositary, a Book-Entry Confirmation for the Units, as applicable) and, if applicable, Rights Certificates, (ii) a Letter of Transmittal, or a manually executed facsimile thereof, properly completed and duly executed, covering such Units, with the signature(s) guaranteed, if required, in accordance with the instructions set out in the Letter of Transmittal and (iii) all other required documents.

The method of delivery of certificate(s) representing Units and, if applicable, Rights Certificates (or a Book-Entry Confirmation, as applicable), the Letter of Transmittal, the Notice of Guaranteed Delivery and all other required documents is at the option and risk of the person depositing such documents. The Offeror recommends that such documents be delivered by hand to the Depositary and that a receipt be obtained or, if mailed, that registered mail, with return receipt requested, be used and that proper insurance be obtained. It is suggested that any such mailing be made sufficiently in advance of the Expiry Time to permit delivery to and receipt by the Depositary at or prior to the Expiry Time. Delivery will only be effective upon actual physical receipt by the Depositary.

Investment advisors, stockbrokers, banks, trust companies or other nominees may set deadlines for the deposit of Units that are earlier than those specified above. Unitholders whose Units are registered in the name of an investment advisor, stockbroker, bank, trust company or other nominee should immediately contact such nominee for assistance in depositing their Units if they wish to accept the Offer.

All questions as to the validity, form, eligibility (including, without limitation, timely receipt) and acceptance of any Units deposited under the Offer will be determined by the Offeror in its sole discretion. Depositing Unitholders agree that such determination will be final and binding. The Offeror reserves the absolute right to reject any and all deposits that it determines not to be in proper form or that may be unlawful to accept under the Laws of any jurisdiction. The Offeror reserves the absolute right to waive any defects or irregularities in the deposit of any Units. **There shall be no duty or obligation of the Offeror, the Depositary or any other person to give notice of any defects or irregularities in any deposit and no liability shall be incurred or suffered by any of them for failure to give any such notice. The Offeror's interpretation of the terms and conditions of the Offer, the Circular, the Letter of Transmittal and Notice of Guaranteed Delivery and any other related documents will be final and binding.**

The Offeror reserves the right to permit the Offer to be accepted in a manner other than that set out in this Section 3.

Under no circumstance will interest accrue or any amount be paid by the Offeror or the Depositary by reason of any delay in exchanging any Units or making payments for any Units to any person on account of Units accepted for payment under the Offer.

Power of Attorney

The execution of a Letter of Transmittal irrevocably approves, and irrevocably constitutes, appoints and authorizes the Offeror, and any other persons designated by the Offeror in writing, as the true and lawful agents, attorneys and attorneys-in-fact of the Depositing Unitholders with respect to the Deposited Units, effective from and after 4:00 p.m. (Toronto time) on the Expiry Date, with full power of substitution, in the name of and on behalf of the Depositing Unitholders (such power of attorney being deemed to be an irrevocable power coupled with an interest), to vote, execute and deliver any instruments of proxy, authorizations, requisitions, resolutions (in writing or otherwise and including counterparts thereof), consents or directions, in form and on terms satisfactory to the Offeror approving and in respect of the Special Resolutions. See Section 11 of the Circular, "Acquisition of Units Not Deposited — Special Resolutions". **The power of attorney granted to the Offeror in the Letter of Transmittal to vote, execute and deliver any instruments of proxy, authorizations, requisitions, resolutions, consents or directions in respect of the Special Resolutions will only be used and relied upon if the Offeror intends to proceed with the take up of and payment for Deposited Units.**

In addition, the execution of a Letter of Transmittal (or, in the case of Units deposited by book-entry transfer of Units, by the making of a book-entry transfer) irrevocably constitutes and appoints, effective at and after the time (the "**Effective Time**") that the Offeror takes up the Deposited Units, each director and officer of the Offeror, and any other person designated by the Offeror, as the true and lawful agent, attorney, attorney-in-fact and proxy of the holder of the Deposited Units (which Deposited Units upon being taken up are, together with any Excess Distributions thereon, hereinafter referred to as the "**Purchased Securities**") with respect to such Purchased Securities, with full power of substitution (such powers of attorney, being coupled with an interest, being irrevocable), in the name of and on behalf of such Unitholder:

(a) to register or record the transfer and/or cancellation of such Purchased Securities to the extent consisting of securities on the appropriate securities registers maintained by or on behalf of Primaris;

(b) for so long as any such Purchased Securities are registered or recorded in the name of such Unitholder, to exercise any and all rights of such Unitholder including, without limitation, the right to vote, to execute and deliver (provided the same is not contrary to applicable Laws), as and when requested by the Offeror, any and all instruments of proxy, authorizations or consents in form and on terms satisfactory to the Offeror in respect of any or all Purchased Securities, to revoke any such instruments, authorizations or consents given prior to or after the Effective Time, and to designate in any such instruments, authorizations or consents any person or persons as the proxyholder of such Unitholder in respect of such Purchased Securities for all purposes including, without limitation, in connection with any meeting or meetings (whether annual, special or otherwise, or any adjournments thereof, including, without limitation, any meeting to consider a Subsequent Acquisition Transaction) of holders of relevant securities of Primaris, including without limitation the Special Resolutions;

(c) to execute, endorse and negotiate, for and in the name of and on behalf of such Unitholder, any and all cheques or other instruments representing any Excess Distributions payable to or to the order of, or endorsed in favour of, such Unitholder; and

(d) to exercise any other rights of a Unitholder with respect to such Purchased Securities, all as set out in the Letter of Transmittal.

A Unitholder accepting the Offer under the terms of the Letter of Transmittal (including by book-entry transfer) revokes any and all other authority, whether as agent, attorney-in-fact, attorney, proxy or otherwise, previously conferred or agreed to be conferred by the Unitholder at any time with respect to the Deposited Units or any Excess Distributions. Such depositing Unitholder agrees that no subsequent authority, whether as agent, attorney-in-fact, attorney, proxy or otherwise will be granted with respect to the Deposited Units or any Excess Distributions by or on behalf of the depositing Unitholder unless the Deposited Units are not taken up and paid for under the Offer or are withdrawn in accordance with Section 7 of the Offer, "Withdrawal of Deposited Units".

A Unitholder accepting the Offer under the terms of the Letter of Transmittal (including by book-entry transfer) also agrees not to vote any of the Purchased Securities at any meeting (whether annual, special or otherwise or any adjournments thereof, including, without limitation, any meeting to consider a Subsequent Acquisition Transaction) of holders of relevant securities of Primaris and, except as may otherwise be agreed with the Offeror, not to exercise any of the other rights or privileges attached to the Purchased Securities, and agrees to execute and deliver to the Offeror any and all instruments of proxy, authorizations or consents in respect of all or any of the Purchased Securities, and agrees to designate or appoint in any such instruments of proxy, authorizations or consents, the person or persons specified by the Offeror as the proxy or the proxy nominee or nominees of the holder of the Purchased Securities. Upon such appointment, all prior proxies and other authorizations (including, without limitation, all appointments of any agent, attorney or attorney-in-fact) or consents given by the holder of such Purchased Securities with respect thereto will be revoked and no subsequent proxies or other authorizations or consents may be given by such person with respect thereto.

Further Assurances

A Unitholder accepting the Offer covenants under the terms of the Letter of Transmittal (including by book-entry transfer) to execute, upon request of the Offeror, any additional documents, transfers and other assurances as may be necessary or desirable to complete the sale, assignment and transfer of the Purchased Securities to the Offeror. Each authority therein conferred or agreed to be conferred is, to the extent permitted by applicable Laws, irrevocable and may be exercised during any subsequent legal incapacity of such Unitholder and shall, to the extent permitted by applicable Laws, survive the death or incapacity, bankruptcy or insolvency of the Unitholder and all obligations of the Unitholder therein shall be binding upon the heirs, executors, administrators, attorneys, personal representatives, successors and assigns of such Unitholder.

Formation of Agreement; Unitholder's Representations and Warranties

The acceptance of the Offer pursuant to the procedures set out above constitutes a binding agreement between a depositing Unitholder and the Offeror, effective immediately following the time at which the Offeror takes up the Units deposited by such Unitholder, in accordance with the terms and conditions of the Offer and

the Letter of Transmittal. This agreement includes a representation and warranty by the depositing Unitholder that (i) the person signing the Letter of Transmittal or on whose behalf a book-entry transfer is made has full power and authority to deposit, sell, assign and transfer the Deposited Units and all rights and benefits arising from such Deposited Units including, without limitation, any Excess Distributions, (ii) the person signing the Letter of Transmittal or on whose behalf a book-entry transfer is made owns the Deposited Units and any Excess Distributions deposited under the Offer, (iii) the Deposited Units and Excess Distributions have not been sold, assigned or transferred, nor has any agreement been entered into to sell, assign or transfer any of the Deposited Units or Excess Distributions, to any other person, (iv) the deposit of the Deposited Units and Excess Distributions complies with applicable Laws, and (v) when the Deposited Units and Distributions are taken up and paid for by the Offeror, the Offeror will acquire good title thereto (and to any Excess Distributions), free and clear of all liens, restrictions, charges, encumbrances, claims and rights of others.

4. Conditions of the Offer

Notwithstanding any other provision of the Offer, subject to applicable Laws, and in addition to (and not in limitation of) the Offeror's right to vary or change the Offer at any time prior to the Expiry Time pursuant to Section 5 of the Offer, "Extension, Variation or Change in the Offer", the Offeror will have the right to withdraw the Offer and not take up nor pay for any Units deposited under the Offer, and will have the right to extend the period of time during which the Offer is open for acceptance, unless all of the following conditions are satisfied or waived by the Offeror (in its sole discretion) at or prior to the Expiry Time:

(a) there shall have been validly deposited pursuant to the Offer and not withdrawn at the Expiry Time, such number of Units which, together with any Units owned directly or indirectly by the Offeror and its affiliates, constitutes at least 66⅔% of the outstanding Units (calculated on a fully-diluted basis) (the "**Minimum Tender Condition**");

(b) the Offeror shall have determined, in its reasonable discretion, that (i) neither Primaris nor any of its subsidiaries or associates or other entities in which it has a direct or indirect interest shall have taken or proposed to take any action, or disclosed any previously undisclosed action or intention taken and no other person shall have taken any action, that could reasonably be expected to result in a Material Adverse Effect, and (ii) there shall not exist and shall not have occurred (or, if there does exist or shall have occurred prior to the commencement of the Offer, there shall not have been disclosed, generally or to the Offeror in writing, or the Offeror shall not otherwise have discovered) any facts that could reasonably be expected to constitute or result in a Material Adverse Effect;

(c) the Offeror shall have determined in its reasonable discretion that, on terms satisfactory to the Offeror:

(i) the Primaris Board shall have waived the application of the Unitholder Rights Plan and any other Unitholder Rights Plan or redeemed all outstanding URP Rights which would provide rights to the Unitholders to purchase any securities of Primaris as a result of the Offer, any Compulsory Acquisition or any Subsequent Acquisition Transaction;

(ii) a cease trade order or an injunction shall have been issued that has the effect of prohibiting or preventing the exercise of URP Rights or the issue of Units upon the exercise of the URP Rights in relation to the purchase of Units by the Offeror under the Offer, any Compulsory Acquisition or any Subsequent Acquisition Transaction;

(iii) a court of competent jurisdiction shall have ordered that the URP Rights are illegal or of no force or effect or may not be exercised in relation to the Offer, any Compulsory Acquisition or any Subsequent Acquisition Transaction; or

(iv) the URP Rights and any Unitholder Rights Plan shall otherwise have become or been held unexercisable or unenforceable in relation to the Units with respect to the Offer, any Compulsory Acquisition or any Subsequent Acquisition Transaction;

(d) all government or regulatory consents, authorizations, waivers, permits, reviews, orders, rulings, decisions, approvals or exemptions that are necessary or desirable

(i) to complete the Offer, any Compulsory Acquisition or Subsequent Acquisition Transaction and the Sale Transactions; and

(ii) to prevent or avoid the occurrence of a Material Adverse Effect as a result of the completion of the Offer, a Compulsory Acquisition or Subsequent Acquisition Transaction,

shall have been obtained or concluded on terms and conditions satisfactory to the Offeror, and all regulatory notice and waiting or suspensory periods in respect of the foregoing shall have expired or been terminated;

(e) without limiting the scope of the condition in paragraph (d) above, Competition Act Approval shall have been obtained on terms and conditions satisfactory to the Offeror;

(f) the Offeror shall have determined in its reasonable discretion that (i) no act, action, suit or proceeding shall have been threatened, taken or commenced by or before, and no judgement or order shall have been issued by, any domestic or foreign elected or appointed public official or private person (including, without limitation, any individual, corporation, firm, group or other entity), any governmental agency or Regulatory Authority or administrative agency or commission in Canada, the United States or elsewhere, any domestic or foreign court, tribunal or other Regulatory Authority or any other person in any case, whether or not having the force of Law, and (ii) no Laws shall have been proposed, enacted, promulgated, amended or applied, in either case:

(A) challenging the Offer or the Offeror's ability to maintain the Offer;

(B) that would cease trade, enjoin, prohibit or impose material limitations or conditions on or make materially more costly the making of the Offer, the purchase by or the sale to the Offeror of the Units, the right of the Offeror to own or exercise full rights of ownership over the Units, or the consummation of any Compulsory Acquisition or Subsequent Acquisition Transaction, or which could have any such effect;

(C) which seeks to compel the Offeror or any of its affiliates to dispose of or hold separate any material portion of the business, properties or assets of Primaris or any of its affiliates; or

(D) which may make uncertain the ability of the Offeror or its affiliates to complete the Offer, a Compulsory Acquisition or Subsequent Acquisition Transaction;

(g) there shall not exist any prohibition at Law against the Offeror making the Offer or taking up and paying for Units deposited under the Offer or completing any Compulsory Acquisition or Subsequent Acquisition Transaction;

(h) Primaris shall not have authorized, proposed or announced an intention to effect and shall not have entered into any agreement, arrangement, commitment, proposal, offer or understanding with respect to, and there shall not have occurred, a Restricted Event;

(i) there shall not exist any facts or circumstances, including any term, covenant or condition in any instrument or agreement in respect of Convertible Securities, the Primaris DRIP, the Equity Incentive Plan or any other incentive or similar plan of Primaris, that adversely impacts or could adversely impact the ability of the Offeror to acquire, redeem or defease any Convertible Securities that have not been converted into, exchanged for or otherwise become Units at the Expiry Time or, to complete the Offer, a Compulsory Acquisition or a Subsequent Acquisition Transaction;

(j) the Offeror (directly or indirectly through KingSett LP No. 5, OPB Trust or any of their respective affiliates) shall not have entered into an agreement with Primaris which contemplates the acquisition, directly or indirectly of 100% of the Units, or all or substantially all of the assets of Primaris or any of its subsidiaries, in a single transaction approved by Unitholders;

(k) the Offeror shall have determined that there shall not have occurred, developed or come into effect or existence any event, action, state, condition or financial occurrence of national or international

consequence, or any Law, regulation, action, government regulation, inquiry or other occurrence of any nature whatsoever that adversely affects or involves, or may adversely affect or involve, the financial markets in Canada or in the United States, generally or that has made or may make it inadvisable or impossible for the Offeror to proceed with the transactions contemplated by the Offer or for the Offeror to proceed with taking up and paying for the Units deposited under the Offer; and

(l) there shall not exist any untrue statement of material fact, or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made and at the date it was made (after giving effect to all subsequent filings in relation to all matters covered in earlier filings), in any document filed by or on behalf of Primaris with any securities Regulatory Authority.

The foregoing conditions are for the exclusive benefit of the Offeror and may be asserted by the Offeror regardless of the circumstances giving rise to any such assertion, including, without limitation, any action or inaction by the Offeror. The Offeror in its sole discretion may waive any of the foregoing conditions in whole or in part at any time and from time to time without prejudice to any other rights which the Offeror may have. The failure by the Offeror at any time to exercise any of the foregoing rights will not be deemed to be a waiver of any such right, the waiver of any such right with respect to particular facts and circumstances will not be deemed a waiver with respect to any other facts and each such right shall be deemed to be an ongoing right which may be asserted at any time and from time to time.

Any waiver of a condition or the withdrawal of the Offer will be effective upon written notice or other communication confirmed in writing by the Offeror to that effect to the Depositary at its principal office in Toronto, Ontario. Forthwith after giving any such notice, the Offeror will make a public announcement of such waiver or withdrawal, will cause the Depositary, if required by applicable Laws, as soon as practicable thereafter to communicate such notice to all Unitholders in the manner set out in Section 10 of the Offer, "Notices and Delivery" and will provide a copy of the aforementioned notice to the TSX. If the Offer is withdrawn, the Offeror will not be obligated to take up or pay for any Units deposited under the Offer and the Depositary will promptly return all Deposited Units in accordance with Section 8 of the Offer, "Return of the Deposited Units".

5. Extension, Variation or Change in the Offer

The Offer is open for acceptance from the date of the Offer until, but not after, the Expiry Time, subject to extension or variation in the Offeror's sole discretion, unless the Offer is withdrawn by the Offeror.

Subject to the limitations hereafter described, the Offeror reserves the right, in its sole discretion, at any time and from time to time while the Offer is open for acceptance (or at any other time if permitted by applicable Laws), to extend the Expiry Time or to vary the Offer by giving written notice (or other communication subsequently confirmed in writing, provided that such confirmation is not a condition of the effectiveness of the notice) of such extension or variation to the Depositary at its principal office in Toronto, Ontario, and by causing the Depositary, if required by applicable Laws, as soon as practicable thereafter to communicate such notice in the manner set out in Section 10 of the Offer, "Notices and Delivery", to all registered Unitholders whose Units have not been taken up prior to the extension or variation and to all holders of Convertible Securities. The Offeror shall, as soon as practicable after giving notice of an extension or variation to the Depositary, make a public announcement of the extension or variation to the extent and in the manner required by applicable Laws and provide a copy of the notice thereof to the TSX. Any notice of extension or variation will be deemed to have been given and to be effective on the day on which it is delivered or otherwise communicated in writing to the Depositary at its principal office in Toronto, Ontario.

Where the terms of the Offer are varied, (other than a variation consisting solely of a waiver of one or more conditions of the Offer), the Offer will not expire before 10 days after the notice of such variation has been given to the Unitholders, unless otherwise permitted by applicable Laws and subject to abridgement or elimination of that period pursuant to such orders or other forms of relief as may be granted by Regulatory Authorities.

If, before the Expiry Time or after the Expiry Time but before the expiry of all rights of withdrawal with respect to the Offer, a change occurs in the information contained in the Offer or the Circular, a notice of change, or a notice of variation that would reasonably be expected to affect the decision of a Unitholder to accept or reject the Offer (other than a change that is not within the control of the Offeror or of an affiliate of

the Offeror unless it is a change in a material fact relating to the Units being offered), the Offeror will give written notice of such change to the Depositary at its principal office in Toronto, Ontario, and will cause the Depositary, if required by applicable Laws, as soon as practicable thereafter, to provide notice of such change in the manner set out in Section 10 of the Offer, "Notices and Delivery", to all Unitholders whose Units have not been taken up under the Offer at the date of the occurrence of the change and to all holders of Convertible Securities. As soon as practicable after giving notice of the change in information to the Depositary, the Offeror will make a public announcement of the change in information to the extent and in the manner required by applicable Laws and provide a copy of the notice thereof to the TSX and the applicable securities Regulatory Authorities. Any notice of change in information will be deemed to have been given and to be effective on the day on which it is delivered or otherwise communicated to the Depositary at its principal office in Toronto, Ontario.

Notwithstanding the foregoing, but subject to applicable Laws, the Offer may not be extended by the Offeror if all of the terms and conditions of the Offer have been complied with or waived, unless the Offeror first takes up all Units deposited under the Offer and not withdrawn.

During any extension or in the event of any variation of the Offer or change in information, all Units previously deposited and not taken up or withdrawn will remain subject to the Offer and may be taken up by the Offeror in accordance with the terms hereof, subject to Section 7 of the Offer, "Withdrawal of Deposited Units". An extension of the Expiry Time, a variation of the Offer or a change in information does not, unless otherwise expressly stated, constitute a waiver by the Offeror of its rights under Section 4 of the Offer, "Conditions of the Offer".

If, prior to the Expiry Time, the consideration being offered for the Units under the Offer is increased, the increased consideration will be paid to all depositing Unitholders whose Units are taken up under the Offer, whether or not such Units were taken up before the increase.

6. Take-Up of and Payment for Deposited Units

If all of the conditions described in Section 4 of the Offer, "Conditions of the Offer", have been satisfied or waived by the Offeror (in its sole discretion) at or prior to the Expiry Time, the Offeror will take up and pay for Units validly deposited under the Offer and not properly withdrawn not later than ten days after the Expiry Time. Any Units taken up will be paid for as soon as possible, and in any event not later than three business days after they are taken up. Any Units deposited under the Offer after the date on which Units are first taken up by the Offeror under the Offer but prior to the Expiry Time will be taken up and paid for not later than ten days after such deposit.

The Offeror will be deemed to have taken up and accepted for payment Units validly deposited and not withdrawn under the Offer if, as and when the Offeror gives written notice, or other communication confirmed in writing, to the Depositary at its principal office in Toronto, Ontario to that effect. Subject to applicable Laws, the Offeror expressly reserves the right, in its sole discretion to, on, or after the Expiry Time, withdraw the Offer and not take up or pay for any Units if any condition specified in Section 4 of the Offer, "Conditions of the Offer", is not satisfied or waived, by giving written notice thereof, or other communication confirmed in writing, to the Depositary at its principal office in Toronto, Ontario. The Offeror will not, however, take up and pay for any Units deposited under the Offer unless it simultaneously takes up and pays for all Units then validly deposited under the Offer and not withdrawn.

The Offeror will pay for Units validly deposited under the Offer and not withdrawn by providing the Depositary sufficient funds (by bank transfer or other means satisfactory to the Depositary), for transmittal to depositing Unitholders. Under no circumstances will interest accrue or be paid by the Offeror or the Depositary to persons depositing Units on the purchase price of Units purchased by the Offeror, regardless of any delay in making payments for Units.

The Depositary will act as the agent of persons who have deposited Units in acceptance of the Offer for the purposes of receiving payment from the Offeror and transmitting such payment to such persons, and receipt of payment by the Depositary will be deemed to constitute receipt of payment by persons depositing Units under the Offer.

All payments under the Offer will be made in Canadian dollars.

Settlement with each Unitholder who has deposited (and not withdrawn) Units under the Offer will be made by the Depositary issuing or causing to be issued a cheque (except for payments in excess of $25 million, which will be made by wire transfer, as set out in the Letter of Transmittal) payable in Canadian funds in the amount to which the person depositing Units is entitled. Unless otherwise directed by the Letter of Transmittal the cheque will be issued in the name of the registered holder of the Units so deposited. Unless the person depositing the Units instructs the Depositary to hold the cheque for pick-up by checking the appropriate box in the Letter of Transmittal, the cheque will be forwarded by first class mail to such person at the address specified in the Letter of Transmittal. If no such address is specified, the cheque will be sent to the address of the registered holder as shown on the securities register maintained by or on behalf of Primaris. Cheques mailed in accordance with this paragraph will be deemed to be delivered at the time of mailing. Pursuant to applicable Laws, the Offeror may, in certain circumstances, be required to make withholdings from the amount otherwise payable to a Unitholder.

Unitholders will not be required to pay any fee or commission if they accept the Offer by depositing their Units directly with the Depositary or if they make use of the services of a Soliciting Dealer, if any, to accept the offer.

7. Withdrawal of Deposited Units

Except as otherwise stated in this Section 7 or as otherwise required by applicable Laws, all deposits of Units under the Offer are irrevocable. Unless otherwise required or permitted by applicable Laws, any Units deposited in acceptance of the Offer may be withdrawn by or on behalf of the depositing Unitholder:

(a) at any time before the Units have been taken up by the Offeror under the Offer;

(b) if the Units have not been paid for by the Offeror within three business days after having been taken up; or

(c) at any time before the expiration of 10 days from the date upon which either:

(i) a notice of change relating to a change which has occurred in the information contained in the Offer, or the Circular, a notice of change or a notice of variation, that would reasonably be expected to affect the decision of a Unitholder to accept or reject the Offer (other than a change that is not within the control of the Offeror and its affiliates), in the event that such change occurs before the Expiry Time or after the Expiry Time but before the expiry of all rights of withdrawal in respect of the Offer; or

(ii) a notice of variation concerning a variation in the terms of the Offer (other than a variation consisting solely of an increase in the consideration offered for the Units where the Expiry Time is not extended for more than 10 days, or a variation consisting solely of a waiver of a condition of the Offer),

is mailed, delivered or otherwise properly communicated (subject to abridgement of that period pursuant to such order or orders or other forms of relief as may be granted by applicable courts or Regulatory Authorities) and only if such deposited Units have not been taken up by the Offeror at the date of the notice.

Withdrawals of Units deposited under the Offer must be effected by notice of withdrawal made by or on behalf of the depositing Unitholder and must be actually received by the Depositary at the place of deposit of the applicable Units (or Notice of Guaranteed Delivery in respect thereof) within the time limits indicated above. Notices of withdrawal: (i) must be made by a method that provides the Depositary with a written or printed copy; (ii) must be signed by or on behalf of the person who signed the Letter of Transmittal accompanying (or Notice of Guaranteed Delivery in respect of) the Units which are to be withdrawn; and (iii) must specify such person's name, the number of Units to be withdrawn, the name of the registered holder and the certificate number shown on each certificate representing the Units to be withdrawn. Any signature in a notice of withdrawal must be guaranteed by an Eligible Institution in the same manner as in a Letter of

Transmittal (as described in the instructions set out therein), except in the case of Units deposited for the account of an Eligible Institution.

If Units have been deposited pursuant to the procedures for book-entry transfer, as set out in Section 3 of the Offer, "Manner of Acceptance — Acceptance by Book-Entry Transfer", any notice of withdrawal must specify the name and number of the account at CDS, to be credited with the withdrawn Units and otherwise comply with the procedures of CDS.

A withdrawal of Units deposited under the Offer can only be accomplished in accordance with the foregoing procedures. The withdrawal will take effect only upon actual receipt by the Depositary of the properly completed and executed written notice of withdrawal.

Investment advisors, stockbrokers, banks, trust companies or other nominees may set deadlines for the withdrawal of Units deposited under the Offer that are earlier than those specified above. Unitholders whose Units are registered in the name of an investment advisor, stockbroker, bank, trust company or other nominee should contact such nominee for assistance.

All questions as to the validity (including, without limitation, timely receipt) and form of notices of withdrawal will be determined by the Offeror in its sole discretion and such determination will be final and binding. There is no duty or obligation of the Offeror, the Depositary or any other person to give notice of any defect or irregularity in any notice of withdrawal and no liability shall be incurred or suffered by any of them for failure to give such notice.

If the Offeror extends the period of time during which the Offer is open, is delayed in taking up or paying for Units or is unable to take up or pay for Units for any reason, then, without prejudice to the Offeror's other rights, Units deposited under the Offer may, subject to applicable Laws, be retained by the Depositary on behalf of the Offeror and such Units may not be withdrawn except to the extent that depositing Unitholders are entitled to withdrawal rights as set out in this Section 7 or pursuant to applicable Laws.

Withdrawals cannot be rescinded and any Units withdrawn will be deemed not validly deposited for the purposes of the Offer, but may be re-deposited at any subsequent time prior to the Expiry Time by following any of the procedures described in Section 3 of the Offer, "Manner of Acceptance".

In addition to the foregoing rights of withdrawal, Unitholders in the provinces and territories of Canada are entitled to one or more statutory rights of rescission, price revision or to damages in certain circumstances. See Section 20 of the Circular, "Statutory Rights".

8. Return of Deposited Units

Any Deposited Units that are not taken up and paid for by the Offeror pursuant to the terms and conditions of the Offer for any reason will be returned, at the Offeror's expense, to the depositing Unitholder as soon as practicable after the Expiry Time or withdrawal of the Offer, by either (i) sending certificates representing the Units not purchased by first-class insured mail to the address of the depositing Unitholder specified in the Letter of Transmittal or, if such name or address is not so specified, in such name and to such address as shown on the securities register maintained by or on behalf of Primaris, or (ii) in the case of Units deposited by book-entry transfer of such Units pursuant to the procedures set out in Section 3 of the Offer, "Manner of Acceptance — Acceptance by Book-Entry Transfer", such Units will be credited to the depositing holder's account maintained with CDS.

9. Changes in Capitalization; Adjustments; Liens

If, on or after the date of the Offer, Primaris should divide, combine, reclassify, consolidate, convert or otherwise change any of the Units or its capitalization, issue any Units, or issue, grant or sell any Options or other Convertible Securities, or disclose that it has taken or intends to take any such action, then the Offeror may, in its sole discretion and without prejudice to its rights under Section 4 of the Offer, "Conditions of the Offer", make such adjustments as it considers appropriate to the purchase price and other terms of the Offer (including, without limitation, the type of securities offered to be purchased and the amount payable therefor) to reflect such division, combination, reclassification, consolidation, conversion, issuance, grant, sale or other change. See Section 5 of the Offer, "Extension, Variation or Change in the Offer".

Units acquired under the Offer shall be transferred by the Unitholder and acquired by the Offeror free and clear of all liens, restrictions, charges, encumbrances, claims and equities and together with all rights and benefits arising therefrom.

Unitholders will be entitled to Permitted Distributions up to the Expiry Time, whether or not such Unitholders deposit Units to the Offer prior to the Expiry Time.

If, on or after the date of the Offer, Primaris should declare, set aside or pay any distribution or dividend, or declare, make or pay any other payment on, or declare, allot, reserve or issue any securities, rights or other interests (collectively, "**Distributions**") with respect to any Unit that is not a Permitted Distribution, which is or are payable or distributable to Unitholders on a record date prior to the date of transfer into the name of the Offeror or its nominee or transferee on the securities register maintained by or on behalf of Primaris in respect of Units accepted for purchase under the Offer, then (and without prejudice to its rights under Section 4 of the Offer, "Conditions of the Offer"): (i) in the case of any such cash distributions, dividends or payments that in an aggregate amount do not exceed the purchase price per Unit, the purchase price per Unit payable by the Offeror pursuant to the Offer will be reduced by the amount of any such distribution, dividend or payment; and (ii) in the case of any such cash distributions, dividends or payments that in an aggregate amount exceeds the purchase price per Unit pursuant to the Offer, or in the case of any non-cash distribution, dividend, payment, securities, property, rights, assets or other interests, the whole of any such distribution, dividend, payment, securities, property, rights, assets or other interests (and not simply the portion that exceeds the purchase price per Unit payable by the Offeror under the Offer) (collectively, the "**Excess Distributions**") will be received and held by the depositing Unitholder for the account of the Offeror and will be promptly remitted and transferred by the depositing Unitholder to the Depositary for the account of the Offeror, accompanied by appropriate documentation of transfer. Pending such remittance, the Offeror will be entitled to all rights and privileges as the owner of any such distribution, dividend, payment, securities, property, rights, assets or other interests and may withhold the entire purchase price payable by the Offeror under the Offer or deduct from the consideration payable by the Offeror under the Offer the amount or value thereof, as determined by the Offeror in its sole discretion.

Pursuant to the Declaration of Trust, upon the successful completion of the Offer and any Compulsory Acquisition or Subsequent Acquisition Transaction, the Offeror intends to take such actions as may be required to ensure that the income and/or taxable capital gains of Primaris for its 2012 taxation year and for the period between January 1, 2013 and the Expiry Time will be allocated to Unitholders in proportion to the distributions made to those Unitholders during such taxation year or period, as applicable, which is consistent with the past allocation practice of Primaris. As a result, Unitholders that are, or are deemed to be, resident in Canada for purposes of the Tax Act will be required to include amounts in computing their income as a result of the receipt of such Distributions and Unitholders that are not, or that are deemed not to be, resident in Canada for purposes of the Tax Act will be subject to Canadian withholding taxes in connection with the receipt of such Distributions.

The tax consequences of a declaration or payment of a distribution are not described under Section 15 of the Circular, "Certain Canadian Federal Income Tax Considerations" in or Section 16 of the Circular, "Certain United States Federal Income Tax Considerations". Unitholders should consult their own tax advisors with respect to the tax consequences to the Unitholder of the declaration or payments of any distribution.

10. Notices and Delivery

Without limiting any other lawful means of giving notice, and unless otherwise specified by applicable Laws, any notice to be given by the Offeror or the Depositary under the Offer will be deemed to have been properly given if it is mailed by first class mail, postage prepaid, to the registered Unitholders (and to registered holders of Convertible Securities) at their respective addresses as shown on the register maintained by or on behalf of Primaris in respect of the Units and Convertible Securities and will be deemed to have been received on the first business day following the date of mailing. For this purpose, "business day" means any day other than a Saturday, Sunday or statutory holiday in the jurisdiction to which the notice is mailed. These provisions apply notwithstanding any accidental omission to give notice to any one or more Unitholders or holders of Convertible Securities and notwithstanding any interruption of mail services following mailing. Except as otherwise

permitted by applicable Laws, if mail service is interrupted or delayed following mailing, the Offeror intends to make reasonable efforts to disseminate the notice by other means, such as publication. Except as otherwise required or permitted by applicable Laws, if post offices in Canada or the United States are not open for the deposit of mail, any notice which the Offeror or the Depositary may give or cause to be given to Unitholders or holders of Convertible Securities under the Offer will be deemed to have been properly given and to have been received by Unitholders or holders of Convertible Securities if (i) it is given to the TSX for dissemination through its facilities, (ii) it is published once in the National Edition of The Globe and Mail or The National Post and in La Presse in the Province of Québec, or (iii) it is given to the Canada News Wire Service for dissemination through its facilities.

The Offer and Circular and the accompanying Letter of Transmittal and Notice of Guaranteed Delivery will be mailed to registered Unitholders (and to registered holders of Convertible Securities) by first class mail, postage prepaid, or made in such other manner as is permitted by applicable Laws and the Offeror will use its reasonable efforts to furnish such documents to brokers, investment advisors, banks and similar persons whose names, or the names of whose nominees, appear in the register maintained by or on behalf of Primaris in respect of the Units or, if security position listings are available, who are listed as participants in a clearing agency's security position listing, for subsequent transmittal to the beneficial owners of Units and Convertible Securities where such listings are received.

These securityholder materials are being sent to both registered and non-registered holders of securities. If you are a non-registered holder, and the Offeror or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable regulatory requirements from the intermediary holding such securities on your behalf.

Wherever the Offer calls for documents to be delivered to the Depositary, such documents will not be considered delivered unless and until they have been physically received at the Toronto, Ontario office of the Depositary specified in the Letter of Transmittal.

11. Mail Service Interruption

Notwithstanding the provisions of the Offer, the Circular, the Letter of Transmittal or the Notice of Guaranteed Delivery cheques and any other relevant documents will not be mailed if the Offeror determines that delivery thereof by mail may be delayed. Persons entitled to cheques and/or any other relevant documents which are not mailed for the foregoing reason may take delivery thereof at the office of the Depositary to which the deposited certificate(s) for Units were delivered until such time as the Offeror has determined that delivery by mail will no longer be delayed. The Offeror shall provide notice of any such determination not to mail made under this Section 11 as soon as reasonably practicable after the making of such determination and in accordance with Section 10 of the Offer, "Notices and Delivery". Notwithstanding Section 6 of the Offer, "Take-Up of and Payment for Deposited Units", cheques and/or any other relevant documents not mailed for the foregoing reason will be conclusively deemed to have been delivered on the first day upon which they are available for delivery to the depositing Unitholder at the Toronto, Ontario office of the Depositary.

12. Market Purchases and Sales of Units

As of the date hereof neither the Offeror nor any of its affiliates intends to acquire, or make or enter into any agreement, commitment or understanding to acquire beneficial ownership of any Units other than under the terms of the Offer. However, under Section 2.2(3) of MI 62-104 or Section 2.1 of OSC Rule 62-504, the Offeror or any of its affiliates may purchase Units other than under the terms of the Offer provided:

(a) the aggregate number of Units beneficially acquired does not exceed 5% of the outstanding Units as of the date of the Offer, calculated in accordance with applicable Laws;

(b) the purchases are made in the normal course through the facilities of the TSX;

(c) the Offeror issues and files a news release containing the information required under applicable Laws immediately after the close of business of the TSX on each day on which Units have been purchased; and

(d) the broker involved in such trades provides only customary broker services and receives only customary fees or commissions, and no solicitation is made by the Offeror, the seller or their agents.

Purchases pursuant to section 2.2(3) of MI 62-104 or section 2.1 of OSC Rule 62-504 shall be counted in any determination as to whether the Minimum Tender Condition has been fulfilled.

Although the Offeror has no present intention to sell Units taken up under the Offer, the Offeror reserves the right to make or enter into arrangements, commitments or understandings at or prior to the Expiry Time to sell any of such Units after the Expiry Time, subject to applicable Laws and to compliance with section 2.7(2) of MI 62-104 or section 93.4(2) of the OSA, as applicable.

13. Other Terms of the Offer

(a) The Offer and all contracts resulting from acceptance thereof shall be governed by and construed in accordance with the Laws of the Province of Ontario and the federal Laws of Canada applicable therein. Each party to any agreement resulting from the acceptance of the Offer unconditionally and irrevocably attorns to the exclusive jurisdiction of the courts of the Province of Ontario and all courts competent to hear appeals therefrom.

(b) The Offeror reserves the right to transfer to one or more affiliates of the Offeror, KingSett LP No. 5 or OPB Trust the right to purchase all or any portion of the Units deposited pursuant to the Offer, but any such transfer will not relieve the Offeror of its obligations under the Offer and will in no way prejudice the rights of persons depositing Units to receive payment for Units validly deposited and accepted for payment under the Offer.

(c) In any jurisdiction in which the Offer is required to be made by a licensed broker or dealer, the Offer shall be made on behalf of the Offeror by brokers or dealers licensed under the Laws of such jurisdiction.

(d) No broker, dealer or other person has been authorized to give any information or make any representation on behalf of the Offeror not contained herein or in the accompanying Circular, and, if given or made, such information or representation must not be relied upon as having been authorized. No broker, dealer or other person shall be deemed to be the agent of the Offeror, the Depositary, a Soliciting Dealer or the Information Agent for the purposes of the Offer.

(e) The provisions of the Glossary, the Summary, the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery accompanying the Offer, including the instructions contained therein, as applicable, form part of the terms and conditions of the Offer.

(f) The Offeror, in its sole discretion, shall be entitled to make a final and binding determination of all questions relating to the interpretation of the terms and conditions of the Offer (including, without limitation, the satisfaction of the conditions of the Offer), the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery, the validity of any acceptance of the Offer and the validity of any withdrawals of Units.

(g) The Offer and Circular do not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made or directed to, nor will deposits of Units be accepted from or on behalf of, Unitholders residing in any jurisdiction in which the making or the acceptance of the Offer would not be in compliance with the Laws of such jurisdiction. However, the Offeror may, in the Offeror's sole discretion, take such action as the Offeror may deem necessary to make the Offer in any jurisdiction and extend the Offer to Unitholders in any such jurisdiction.

The Offer and the accompanying Circular together constitute the take-over bid circular required under Canadian securities legislation with respect to the Offer. Unitholders are urged to refer to the accompanying Circular for additional information relating to the Offer.

DATED: December 10, 2012

KS ACQUISITION II INC., in its capacity as the general partner of KS ACQUISITION II LP

By: (Signed) JON E. LOVE

Jon E. Love
President & Chief Executive Officer

THE CIRCULAR

This Circular is furnished in connection with the accompanying Offer dated December 10, 2012 to purchase all of the issued and outstanding Units. The terms and conditions of the Offer, the Letter of Transmittal and the Notice of Guaranteed Delivery are incorporated into and form part of this Circular. Unitholders should refer to the Offer for details of the terms and conditions of the Offer, including details as to payment and withdrawal rights. Unless the context otherwise requires, terms used but not defined in the Circular have the respective meanings given to them in the accompanying Glossary.

Unless otherwise indicated, the information concerning Primaris contained in the Offer and Circular has been taken from or is based solely upon publicly available documents and records on file with Canadian securities authorities and other public sources available at the time of the Offer. Although the Offeror and its affiliates have no knowledge that would indicate that any statements contained herein and taken from or based on such information are untrue or incomplete, neither the Offeror nor any of its affiliates, nor any of their respective affiliates, officers, directors or trustees assumes any responsibility for the accuracy or completeness of such information or for any failure by Primaris to disclose events or facts that may have occurred or that may affect the significance or accuracy of any such information but that are unknown to the Offeror and its affiliates or their respective affiliates. Unless otherwise indicated, information concerning Primaris is given as of September 30, 2012.

1. The Offeror

The Offeror is a limited partnership whose limited partnership interests are owned equally by KS Bidco LP, a wholly-owned subsidiary of KingSett LP No. 5, an affiliate of KingSett Capital, and OPB Trust, an associate of OPB. The Offeror was formed under the *Limited Partnerships Act* (Ontario). The Offeror has not carried on any business other than that incidental to making the Offer. The Offeror's registered office is located at Toronto-Dominion Centre, TD Tower, 66 Wellington Street West, P.O. Box 163, Suite 4400, Toronto, Ontario M5K 1H6. The general partner of the Offeror is KS Acquisition II Inc., a corporation incorporated under the CBCA. KS Acquisition II Inc. has not carried on any business to date other than that incidental to the Offer. A majority of its shares are held by KingSett Capital and the balance are held by OPB Trust.

KingSett LP No. 5 is a limited partnership formed under the Laws of the Province of Manitoba. Its sole general partner, KingSett Real Estate Growth GP No. 5 Inc., is a corporation incorporated under the CBCA. KingSett Real Estate Growth GP No. 5 Inc.'s registered office is located at Toronto-Dominion Centre, TD Tower, 66 Wellington Street West, P.O. Box 163, Suite 4400, Toronto, Ontario M5K 1H6.

KingSett Capital is Canada's leading private equity real estate investment business co-investing with pension fund and high net worth individual clients. KingSett Capital invests through a series of growth funds, mortgage funds and a core investment income fund, each with its own risk/return strategy. KingSett Capital has executed transactions valued at over $12.5 billion in the past 10 years.

OPB Trust is a special purpose trust formed for purposes of the Offer. The sole beneficiary of OPB Trust is OPB Real Estate Investments 2 Limited, a corporation incorporated under the OBCA and a wholly-owned subsidiary of OPB.

OPB is the administrator of the Ontario Public Service Pension Plan and is responsible for providing retirement income to more than 42,711 employees of the government of the Province of Ontario and its agencies, boards and commissions, 35,361 retired employees of the Province of Ontario and their families and 4,391 former employees of the Province of Ontario with entitlements under the Ontario Public Service Pension Plan. OPB's registered office is located at 200 King Street West, Suite 2200, Toronto, Ontario, M5H 3X6. The Ontario Public Service Pension Plan is one of the largest and oldest pension plans in Canada, originating in the 1920s.

2. Primaris

General

Primaris is an unincorporated open-ended real estate investment trust created by the Declaration of Trust, and is governed by the Laws of the Province of Ontario. The head and registered office of Primaris is located at Suite 900, 1 Adelaide Street East, Toronto, Ontario M5C 2V9.

Primaris specializes in owning and operating Canadian enclosed shopping centres. As at November 30, 2012, Primaris owned 35 income-producing properties comprising approximately 14.7 million square feet and several smaller properties. The properties are located in seven provinces: British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec and New Brunswick.

The authorized capital of Primaris consists of an unlimited number of Units. As at September 30, 2012, 92,899,547 Units were issued and outstanding. The Units are listed and posted for trading on the TSX under the symbol "PMZ.UN".

Securities Issued by Primaris

Based on publicly available information, the securities described below have been issued by Primaris and remain outstanding as of the date of the Offer and Circular.

Units

An unlimited number of Units may be created and issued pursuant to the Declaration of Trust. Each Unit represents a Unitholder's proportionate undivided beneficial interest in Primaris. No Unit has any preference or priority over another. No Unitholder has or is deemed to have any right of ownership in any of the assets of Primaris.

Each Unit confers the right to one vote at any meeting of Unitholders and to participate *pro rata* in any distributions by Primaris, whether of net income, net realized capital gains or other amounts and, in the event of termination of Primaris, in the net assets of Primaris remaining after satisfaction of all liabilities. Each Unit is transferable and are of the same class with equal rights and privileges. As at September 30, 2012, 92,899,547 Units were issued and outstanding. The Units are listed and posted for trading on the TSX under the symbol "PMZ.UN".

Special Voting Units

An unlimited number of Special Voting Units may be created and issued pursuant to the Declaration of Trust. Special Voting Units may be issued in series and only in connection with or in relation to the issuance of Exchangeable Units. Each Special Voting Unit confers only the right to a number of votes at any meeting of Unitholders equal to the number of Units into which the Exchangeable Units to which such Special Voting Unit relates are exchangeable, exercisable or convertible. No holder of Special Voting Units has or is deemed to have any right of ownership of any asset of Primaris. As of September 30, 2012, 2,122,261 Special Voting Units were outstanding.

Exchangeable Units

Subsidiaries of Primaris have issued Exchangeable Units. As at September 30, 2012, 2,122,261 Exchangeable Units were outstanding.

6.75% Debentures

Primaris has issued $50,000,000 aggregate principal amount of 6.75% convertible unsecured subordinated debentures pursuant to a trust indenture dated June 28, 2004 between Primaris and CIBC Mellon Trust Company, as trustee. The 6.75% Debentures mature on June 30, 2014 with a 6.75% per annum coupon, payable semi-annually on June 30 and December 31. Each 6.75% Debenture is convertible, at the option of the holder, into Units at a conversion price of $12.25 per Unit, being a conversion ratio of approximately 81.63 Units for each $1,000 principal amount of 6.75% Debentures (subject to adjustment in certain circumstances). The 6.75%

Debentures may be redeemed prior to their maturity date by Primaris at a price equal to the principal amount thereof plus accrued and unpaid interest on not more than 60 days' and not less than 40 days' prior written notice. As at September 30, 2012, $1,923,000 principal amount of 6.75% Debentures were outstanding, which were convertible into an aggregate of 156,980 Units. The 6.75% Debentures are listed and posted for trading on the TSX under the symbol "PMZ.DB".

6.30% Debentures

Primaris has issued $86,250,000 aggregate principal amount of 6.30% convertible unsecured subordinated debentures pursuant to a second supplemental trust indenture dated October 6, 2009 between Primaris and CIBC Mellon Trust Company, as trustee. The 6.30% Debentures mature on September 30, 2015 with a 6.30% per annum coupon, payable semi-annually on March 31 and September 30. Each 6.30% Debenture is convertible, at the option of the holder, into Units at a conversion price of $16.70 per Unit, being a conversion ratio of approximately 59.88 Units for each $1,000 principal amount of 6.30% Debentures (subject to adjustment in certain circumstances). Prior to October 1, 2014, the 6.30% Debentures may be redeemed prior to their maturity date by Primaris at a price equal to the principal amount thereof plus accrued and unpaid interest on not more than 60 days' and not less than 30 days' prior written notice, provided that the volume weighted-average trading price of the Units on the TSX for the 20 consecutive trading days ending five trading days preceding the date on which notice of redemption is given is not less than 125% of the conversion price. On or after October 1, 2014, and prior to their maturity date, the 6.30% Debentures may be redeemed, in whole at any time or in part from time to time, at a price equal to the principal amount thereof plus accrued and unpaid interest on not more than 60 days' and not less than 30 days' prior written notice. As at September 30, 2012, $20,292,000 principal amount of 6.30% Debentures were outstanding, which were convertible into an aggregate of 1,215,090 Units. The 6.30% Debentures are listed and posted for trading on the TSX under the symbol "PMZ.DB.B".

5.40% Debentures

Primaris has issued $75,000,000 aggregate principal amount of 5.40% convertible unsecured subordinated debentures pursuant to a third supplemental trust indenture dated June 13, 2011 between Primaris and CIBC Mellon Trust Company, as trustee. The 5.40% Debentures mature on November 30, 2018 with a 5.40% per annum coupon, payable semi-annually on May 31 and November 30. Each 5.40% Debenture is convertible, at the option of the holder, into Units at a conversion price of $28.84 per Unit, being a conversion ratio of approximately 34.67 Units for each $1,000 principal amount of 5.40% Debentures (subject to adjustment in certain circumstances). The 5.40% Debentures may not be redeemed on or prior to November 30, 2014. Thereafter, but prior to November 30, 2016, the 5.40% Debentures may be redeemed, in whole at any time or in part from time to time, at a price equal to the principal amount thereof plus accrued and unpaid interest on not more than 60 days' and not less than 30 days' prior written notice, provided that the volume weighted-average trading price of the Units on the TSX for the 20 consecutive trading days ending five trading days preceding the date on which notice of redemption is given is not less than 125% of the conversion price. On or after December 1, 2016, and prior to their maturity date, the 5.40% Debentures may be redeemed, in whole at any time or in part from time to time, at a price equal to the principal amount thereof plus accrued and unpaid interest on not more than 60 days' and not less than 30 days' prior written notice. As at September 30, 2012, $75,000,000 principal amount of 5.40% Debentures were outstanding, which were convertible into an aggregate of 2,600,555 Units. The 5.40% Debentures are listed and posted for trading on the TSX under the symbol "PMZ.DB.C".

Equity Incentive Plan

Primaris has an equity incentive plan (the "**Equity Incentive Plan**") in place that was approved at the annual meeting of the Unitholders held on June 18, 2008 and which was reconfirmed by Unitholders at the annual meeting of the Unitholders held on May 17, 2011. As of, September 30, 2012, 1,339,940 Options, 147,030 Restricted Units and no Instalment Receipts were issued and outstanding under the Equity Incentive Plan.

Once vested, Options may be exercised in whole or in part at any time and from time to time during the term of an Option, by the delivery of written notice of exercise by the holder of the Option to Primaris specifying the number of Units to be purchased, and payment in full of the purchase price thereof equal to the exercise price of a particular Option.

Under the terms of the Equity Incentive Plan, Primaris may issue Restricted Units at a value equal to the fair market value of a Unit when the subject award is made. Each Restricted Unit represents the right to receive from Primaris, after fulfillment of any applicable conditions imposed by the Primaris Board, in its discretion, a distribution from Primaris of either one Unit or an amount in cash equal to the fair market value of one Unit on the date of distribution.

Distributions

The Offeror understands, based on its review of publicly available information, that Primaris makes monthly distributions to Unitholders to the extent determined prudent by the Primaris Board and in accordance with the Declaration of Trust. The following chart sets out the distributions declared by Primaris since the date of its initial public offering for the periods indicated:

Distributions Paid	Monthly Distribution per Unit	Annualized Distribution per Unit
August 2003 — July 2004	$0.0854	$1.02
August 2004 — July 2005	$0.0900	$1.08
August 2005 — December 2006	$0.0950	$1.14
January 2007 — December 2007	$0.0983	$1.18
January 2008 — December 2008	$0.1016	$1.22
January 2009 — December 2009	$0.1016	$1.22
January 2010 — December 2010	$0.1016	$1.22
January 2011 — current	$0.1016	$1.22

Price Range and Trading Volume of Units

The Units are traded on the TSX. On December 4, 2012, being the last trading day on the TSX prior to the announcement of the Offeror's intention to make the Offer, the closing price of the Units was $23.04 on the TSX. The following table sets forth, for the periods indicated, the reported high and low daily closing prices and the aggregate volume of trading of the Units on the TSX:

	Trading of Units on the TSX		
	High ($)	Low ($)	Volume (#)
2012			
June	23.95	22.31	3,954,579
July	24.25	23.39	3,768,885
August	24.93	23.50	3,360,548
September	24.69	23.57	3,897,872
October	24.45	23.15	2,139,264
November	23.46	22.44	3,061,898
December (1 to 7)	26.61	22.84	14,267,012

Price Range and Trading Volume of the Primaris Debentures

The Primaris Debentures are traded on the TSX under the trading symbols "PMZ.DB", "PMZ.DB.B", and "PMZ.DB.C". The following tables set forth the market price range and trading volumes of the Primaris Debentures on the TSX for each month of last the 12-month period prior to the date of this Offer.

	Trading of 6.75% Debentures on the TSX		
	High ($)	Low ($)	Volume (#)
2012			
June	191.07	185.87	1,070
July	196.87	193.97	160
August	198.11	192.33	180
September	197.35	197.35	70
October	192.60	189.50	130
November	—	—	—
December (1 to 7)	214.41	214.41	250

	Trading of 6.30% Debentures on the TSX		
	High ($)	Low ($)	Volume (#)
2012			
June	142.85	134.00	23,330
July	144.49	140.15	8,820
August	145.73	140.87	16,890
September	147.85	140.95	5,610
October	145.24	138.70	3,160
November	140.63	135.55	3,240
December (1 to 7)	158.50	138.40	12,890

	Trading of 5.40% Debentures on the TSX		
	High ($)	Low ($)	Volume (#)
2012			
June	104.16	102.00	5,280
July	111.00	103.70	6,850
August	106.00	104.00	11,900
September	106.15	104.25	8,050
October	106.73	104.50	4,800
November	105.75	103.00	7,280
December (1 to 7)	106.39	104.00	143,120

3. Background to the Offer

In the ordinary course of business, KingSett Capital routinely evaluates potential acquisitions of properties and real estate investment opportunities, including individual real estate assets, property portfolios and securities. From time to time, affiliates of KingSett Capital have purchased, held and sold Units for investment purposes. As of the date of this Circular, KingSett LP No. 4 and CREIF, affiliates of KingSett Capital, held 6,880,000 Units, representing approximately 7% of the issued and outstanding Units. For more information relating to the purchase and sale of Units by KingSett Capital and its affiliates, see Section 8 of the Circular, "Ownership of and Trading in Securities of Primaris".

On September 21, 2012, Mr. Jon Love, Managing Partner of KingSett Capital met with Mr. Brian Whibbs, Vice President, Real Estate of OPB, to discuss whether OPB might be interested in partnering with KingSett and exploring a potential transaction involving an acquisition of Primaris.

Following that meeting, after internal discussions at OPB, Mr. Whibbs expressed his interest in a potential transaction with KingSett Capital and between September 2012 and October 2012, KingSett Capital and OPB,

and their financial and legal advisors, conducted certain financial, real estate and legal due diligence of Primaris and its portfolio of assets based on publicly available information. During the months of September and October, representatives of KingSett Capital and OPB continued to discuss a potential acquisition of Primaris as well as potential asset sales to OPB, investment funds managed by KingSett Capital and potential third parties that could be effected following the completion of an acquisition transaction. Following further meetings and discussions, on October 15, 2012, KingSett Capital and OPB entered into a letter of intent pursuant to which KingSett Capital and OPB agreed to work exclusively with one another for the purpose of preparing and eventually making a joint bid to acquire Primaris.

On November 5, 2012, Mr. Love met with Mr. Edward Sonshine, Chief Executive Officer of RioCan, to explore whether RioCan might be interested in acquiring certain properties from the Primaris portfolio of assets in the event of the successful completion of an acquisition of Primaris. After considering KingSett Capital's proposal and following further discussions and negotiations between representatives of KingSett and representatives of RioCan, Mr. Sonshine advised Mr. Love that RioCan would be interested in acquiring certain Primaris assets, subject to the negotiation and entering into of a definitive asset purchase and sale agreement.

During the following weeks, representatives of KingSett Capital, OPB and RioCan negotiated definitive asset purchase and sale agreements for certain properties conditional upon the successful completion of an acquisition of Primaris, and representatives of KingSett Capital and OPB negotiated the terms and conditions of the Bid Conduct Agreement as well as the terms of the Limited Partnership Agreement.

On November 20, 2012, the investment committee of KingSett LP No. 5 met to consider the making of the Offer, the financing arrangements to be entered into in furtherance of the bid, and the asset purchase and sale agreements in respect of certain assets proposed to be sold to RioCan and members of the KS-OPB Group. Following a careful examination of the proposed acquisition strategy and the related risks and benefits, the investment committee approved the proposed transactions in principle, subject to the settlement of definitive transaction agreements and final approval.

On November 29, 2012, the board of directors of OPB met to consider and then approved its investment through OPB Trust in the Offer, the making of the Offer by the Offeror, the financing arrangements to be entered into in furtherance of the bid, and the asset purchase and sale agreements in respect of certain assets proposed to be sold to RioCan and the members of the KS-OPB Group.

On November 30, 2012, the investment committee of KingSett LP No. 5 reconvened to discuss and consider the status of the transactions. Following a thorough review of the proposed transactions, including the strategic merits, the investment committee approved the transactions, subject only to the finalization and entering into of definitive agreements.

Over the course of the weekend and December 3 and December 4, 2012, representatives of KingSett Capital, OPB Trust and RioCan, and their respective legal advisors, negotiated the final terms and conditions of their respective agreements, including the Bid Conduct Agreement and the Limited Partnership Agreement, the RioCan Purchase Agreements and the KS-OPB Purchase Agreements.

The Offeror and its advisors considered whether it would be preferable to first approach the board of trustees of Primaris with a view to negotiating a board supported transaction. Among other things, it considered the size of the financing arrangements, the agreements in respect of the Sale Transactions and the Short Term Loans, the overall complexity of the transactions, certain parties' requirement that they not be delayed or restricted from transacting in the normal course as a result of ongoing non-public negotiations of the proposed transactions, and concerns expressed about the risk of market rumours and speculation. After careful consideration by the Offeror and its legal and financial advisors, and having regard for such matters, it was ultimately decided that it would be preferable in the circumstances to proceed expeditiously and in the manner contemplated by the Offer.

On December 4, 2012, after the close of markets, Mr. Love met with Mr. John Morrison, the President and Chief Executive Officer of Primaris, to advise him that KingSett LP No. 5 and OPB Trust had formed a partnership for the purpose of making a joint offer to acquire Primaris and that a public announcement of their intention to make such an offer would be made the following day prior to the opening of markets. Mr. Love also arranged for a letter to be delivered to the chairman of the board of trustees of Primaris advising of the same.

Prior to the opening of markets on December 5, 2012, a press release was disseminated announcing the intention of the Offeror to make the Offer.

On December 10, 2012, the Offer was formally commenced by publication of an advertisement in the *Globe & Mail* and *La Presse* newspapers and the Offer, the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery were delivered to Primaris and filed with the Canadian securities regulatory authorities on SEDAR.

4. Purpose of the Offer and Plans for Primaris

The purpose of the Offer is to enable the Offeror to acquire all of the Units issued and outstanding at the Expiry Time. The effect of the Offer is to give to all Unitholders the opportunity to receive consideration per Unit of $26.00 in cash.

If the Offeror takes up and pays for Units validly deposited under the Offer, the Offeror's current intention is that it will pursue a Compulsory Acquisition or a Subsequent Acquisition Transaction to enable the Offeror or an affiliate of the Offeror to acquire all Units not deposited under the Offer. In order to effect a Subsequent Acquisition Transaction in respect of Primaris, the Offeror currently intends to amend the Declaration of Trust as discussed below in Section 11 of the Circular, "Acquisition of Units Not Deposited — Special Resolutions". The execution of the Letter of Transmittal (or, in the case of Units deposited by book-entry transfer, the making of a book-entry transfer) irrevocably approves the Special Resolutions and irrevocably constitutes, appoints and authorizes the Offeror, each director and officer of the Offeror and any other person designated by the Offeror to pass the Special Resolutions on behalf of the Depositing Unitholders and take such other steps to implement the Special Resolutions. Accordingly, by depositing Units under the Offer, Depositing Unitholders will be, among other things, approving and authorizing the Special Resolutions and such amendments to the Declaration of Trust to enable the acquisition of all of the Units not deposited under the Offer by way of a Compulsory Acquisition or a Subsequent Acquisition Transaction on the same conditions as under the Offer. There is no assurance that a Compulsory Acquisition or a Subsequent Acquisition Transaction will be completed on the terms described herein or at all, in particular if the Offeror acquires less than 66⅔% of the outstanding Units (on a fully-diluted basis). See Section 11 of the Circular, "Acquisition of Units Not Deposited".

Asset Purchase Agreements

Following the completion of the Offer and any Compulsory Acquisition or Subsequent Acquisition Transaction, the Offeror intends to complete the Sale Transactions with each of the Purchasers, pursuant to the terms and conditions of the RioCan Purchase Agreements and the KS-OPB Purchase Agreements as described below.

RioCan Property Pool

In connection with the Offer, the Offeror and RioCan entered into the RioCan Purchase Agreements, pursuant to which it has agreed, on the terms and subject to the conditions thereof, to acquire the RioCan Pool Assets. The purchase price for the RioCan Pool Assets is approximately $1,133 million and is subject to adjustments that are customary for real estate transactions of this nature. The Offeror understands that RioCan has sufficient resources, including cash on hand and new fully underwritten debt financing commitments from TD for an aggregate amount of approximately $635 million to complete the transactions contemplated by the RioCan Purchase Agreements.

The transfer of the RioCan Pool Assets is subject to the satisfaction of certain conditions set out in the RioCan Purchase Agreements, including that the Offer shall have been successfully completed in accordance with its terms; regulatory approvals including under the Competition Act shall have been obtained; and the Offeror shall have acquired, directly or indirectly, ownership or control of the legal and beneficial title to all of the RioCan Pool Assets.

RioCan has agreed to deal exclusively with the Offeror with respect to the RioCan Pool Assets and any transaction involving Primaris.

The Offer is not conditional on the closing of the purchase and sale of the RioCan Pool Assets. The proceeds from the sale of the RioCan Pool Assets will be used to repay the RioCan Short Term Loan. See Section 7 of the Circular, "Source of Funds".

KS-OPB Property Pool

In connection with the Offer, the Offeror and certain members of the KS-OPB Group have entered into the KS-OPB Purchase Agreements, pursuant to which they have agreed on the terms and subject to the conditions thereof, to acquire the KS-OPB Pool Assets. The purchase price for the KS-OPB Pool Assets is approximately $1,490 million and is subject to adjustments that are customary for real estate transactions of this nature. The Offer is not conditional on the closing of the purchase and sale of the KS-OPB Pool Assets. The proceeds from the sale of the KS-OPB Pool Assets will be used to repay the KS-OPB Short Term Loans. See Section 7 of the Circular, "Source of Funds".

Effects of the Offer

The Offeror intends to cause Primaris to apply to delist the Units from the TSX as soon as practicable after completion of the Offer and any Compulsory Acquisition or Subsequent Acquisition Transaction. In addition, if permitted by applicable Laws, subsequent to the completion of the Offer and any Compulsory Acquisition or Subsequent Acquisition Transaction, the Offeror intends to cause Primaris to cease to be a reporting issuer under the securities Laws of each province of Canada in which it is a reporting issuer.

If the Offer and a Compulsory Acquisition or a Subsequent Acquisition Transaction is successful:

- the Offeror will own all of the equity interests in Primaris and the Offeror will be entitled to all the benefits and risks of loss associated with such ownership;
- current Unitholders will no longer have any interest in Primaris or Primaris' assets, book value or future earnings or growth and the Offeror will hold a 100% interest in such assets, book value, future earnings and growth;
- the Offeror will have the right to elect all members of the Primaris Board;
- subject to any obligations with respect to Primaris' Convertible Securities which remain outstanding, Primaris will no longer be publicly traded and Primaris will no longer file periodic reports (including financial information) with any securities Regulatory Authorities; and
- the Units will no longer trade on the TSX or any other securities exchange. See Section 2 of the Circular, "Primaris — Securities Issued by Primaris — Units".

5. Reasons to Accept the Offer

Unitholders should consider the following factors in making their decision to accept the Offer:

Significant Premium

The Offer represents a premium of approximately 13.3% over the volume-weighted average trading price of $22.95 per Unit over the 20 trading days on the TSX up to and including December 4, 2012, the last trading day prior to the Offeror's announcement of its intention to make the Offer. The Offer also represents a premium of approximately 12.8% over the closing price of $23.04 per Unit on the TSX on December 4, 2012.

Full Value for Primaris' Property Portfolio

The Offer price of $26.00 per Unit represents a premium valuation that fully reflects the composition of Primaris' property portfolio and provides Unitholders with a premium price at a time of peak valuations in the sector. The Offer price is also above the all-time highest historical trading price of Units on the TSX prior to the Offeror's announcement of its intention to make the Offer.

Certainty of Value and Immediate Liquidity

The Offer provides 100% cash consideration for Units, giving Unitholders certainty of value and immediate liquidity in the face of volatile markets. Additionally, Unitholders avoid the downside risk associated with continued ownership of Units including risks associated with an uncertain economic and interest rate environment.

Fully Financed Cash Offer

The Offeror's obligation to purchase the Units deposited to the Offer is not subject to any financing condition. The Offeror has secured, on a firm, committed basis, all of the financing required to fund the entire consideration payable for the Units and to complete the transaction. See Section 7 of the Circular, "Source of Funds".

High Likelihood of Completion

KingSett Capital and OPB are highly credible parties with proven track records of closing large, complex real estate transactions in Canada. KingSett Capital is Canada's leading private equity real estate investment business and has executed transactions valued at over $12.5 billion in the past 10 years. OPB administers the Ontario Public Service Pension Plan and, with more than $17 billion in assets, it is one of Canada's largest pension plans.

The Offer is supported by an agreement with RioCan to purchase certain Primaris assets following the completion of the Offer for an aggregate purchase price of approximately $1,133 million. RioCan, Canada's largest real estate investment trust with a total capitalization of approximately $13.9 billion as at September 30, 2012, owns and manages Canada's largest portfolio of shopping centres.

The Offer is also supported by a number of leading Canadian institutional real estate investors, through their roles as limited partners of certain KingSett Capital funds. The Offeror and its supporters represent some of Canada's most prominent institutional real estate investors and landlords.

The Offer is subject to a limited number of conditions customary for transactions of this nature.

In light of the foregoing, the Offeror is confident in the successful completion of the Offer in accordance with its terms.

6. Unitholder Rights Plan

The following is a summary of the material provisions of Primaris' Unitholder Rights Plan based solely on Primaris' public disclosure and is not meant to be a substitute for information in and is subject to, and qualified in its entirety by, reference to the terms of the Unitholder Rights Plan.

Pursuant to the terms of the Unitholder Rights Plan, Primaris has issued one URP Right for each Unit outstanding as at the date hereof and will issue one URP Right for each Unit issued during the currency of the Unitholder Rights Plan. The Unitholder Rights Plan allows for "Permitted Bids".

Separation Time

The URP Rights are separate and trade separately from the Units after the Separation Time (as defined below). Following the Separation Time, Primaris shall determine whether to issue certificates evidencing the URP Rights or whether the URP Rights will be registered in book entry only form. The "**Separation Time**" is the close of business on the tenth trading day (defined for the purposes of the Unitholders Rights Plan as a day on which the principal Canadian securities exchange on which the Units are listed or admitted to trading is open for the transaction of business) following the earliest of: (i) the date of a public announcement made by Primaris or an Acquiring Person (as defined below) that a person has become an Acquiring Person; (ii) the date of the commencement of, or first public announcement of the intent of any person to commence, a take-over bid (other than a Permitted Bid (as defined below) or a Competing Permitted Bid (as defined below)) by any person (an "**offeror**") for the Units; (iii) two days following the date upon which a Permitted Bid or Competing Permitted Bid ceases to be such; or (iv) such later date as may be determined by the Primaris Board.

If any take-over bid otherwise triggering the Separation Time expires or is cancelled, terminated or otherwise withdrawn prior to the Separation Time, the bid shall be deemed, for the purposes of determining the Separation Time, never to have been made.

Exercise Price of Rights

The initial exercise price established under the Unitholder Rights Plan is $100 per Unit. After the Separation Time and prior to the occurrence of a Flip-In Event (as defined below), each URP Right entitles the registered holder to purchase one Unit at the exercise price of $40 per Unit, subject to certain anti-dilution adjustments and other rights as set out in the Unitholder Rights Plan. The terms of the URP Rights adjust significantly upon the occurrence of a "Flip-In Event", as described below.

Flip-In Event

A "Flip-In Event" is triggered when a person becomes an Acquiring Person. Upon the occurrence of a Flip-In Event, each URP Right (except for URP Rights beneficially owned by the persons specified below) shall thereafter constitute the right to purchase from Primaris upon exercise thereof in accordance with the terms of the Unitholder Rights Plan that number of Units having an aggregate market price on the date of such Flip-In Event equal to twice the exercise price, for an amount in cash equal to the exercise price. By way of example, if at the time of such announcement the exercise price of the URP Rights is $100 and the Units have a market price of $10 per Unit, the holder of each URP Right would be entitled to purchase the number of Units that have in the aggregate a market price of $200 (i.e., 20 Units in this example) for a price of $100, that is, at a 50% discount.

The Unitholder Rights Plan provides that upon the occurrence of any Flip-In Event URP Rights that are beneficially owned by: (i) an Acquiring Person or any affiliate or associate of an Acquiring Person or any person acting jointly or in concert with an Acquiring Person, or any affiliate or associate of an Acquiring Person; or (ii) a transferee, direct or indirect, of URP Rights from any of the persons listed in (i) as part of a plan of arrangement or sale of an Acquiring Person, shall become null and void without any further action and any holder of such URP Rights (including transferees) shall not have any rights whatsoever to exercise such URP Rights under any provision of the Unitholder Rights Plan.

Acquiring Person

An "Acquiring Person" is a person who beneficially owns (as such concept is defined in the Unitholder Rights Plan) 20% or more of the outstanding Units. An Acquiring Person does not, however, include: (i) Primaris or any subsidiary of Primaris; (ii) any person who becomes the beneficial owner of 20% or more of the Units as a result of certain exempt acquisitions; (iii) for a period of 10 days, any person who becomes the beneficial owner of 20% or more of the outstanding Units as a result of such person becoming disqualified from relying on clause (v) of the definition of "Beneficial Owner" (as defined in the Unitholder Rights Plan) solely because such person makes or announces an intention to make a take-over bid alone or jointly or in concert with any other person; (iv) an underwriter or member of a banking or selling group that becomes the beneficial owner of 20% or more of the Units in connection with a distribution of securities; or (v) any person who beneficially owns 20% or more of the Units as at the Record Time (as defined in the Unitholder Rights Plan) (a "**Grandfathered Person**"), provided, however, that this exemption shall not be, and shall cease to be, applicable to a Grandfathered Person in the event that such Grandfathered Person shall, after the Record Time become the beneficial owner of any additional Units that increases its beneficial ownership of Units by more than 1% of the number of Units outstanding as at the Record Time, directly or indirectly, other than pursuant to certain exempt acquisitions described below.

Exempt transactions include: (i) specified acquisitions or redemptions of Units; or (ii) acquisitions pursuant to a Permitted Bid (which may include a Competing Permitted Bid), as described below.

Redemption and Waiver

The Primaris Board may, at any time prior to the occurrence of a Flip-In Event, with the prior approval of the Unitholders, elect to redeem all but not less than all of the URP Rights at a redemption price of $0.00001

per URP Right (the "**Redemption Price**"). In the event that prior to the occurrence of a Flip-In Event a person acquires, pursuant to a Permitted Bid, a Competing Permitted Bid or an exempt acquisition, outstanding Units, then the Primaris Board shall, immediately upon the consummation of such acquisition without further formality be deemed to have elected to redeem the URP Rights at the Redemption Price. If the Primaris Board elects or is deemed to have elected to redeem the URP Rights, the right to exercise the URP Rights will terminate and each URP Right will after redemption be null and void and the only right thereafter of the holders of URP Rights shall be to receive the Redemption Price.

Under the Unitholder Rights Plan, the Primaris Board may, prior to the occurrence of a Flip-In Event, waive application of the Unitholder Rights Plan such Flip-In Event if such Flip-In Event would occur by reason of a take-over bid made by way of a formal take-over bid circular to all holders of Units. Once the Primaris Board has exercised its discretion to waive application of the Unitholder Rights Plan in respect of such Flip-In Event and another take-over bid is made, the Primaris Board shall be deemed to have waived the application of the Unitholder Rights Plan to such other take-over bid provided that such other take-over bid is made by way of a formal takeover bid circular to all holders of Units prior to the expiry of the take-over bid in respect of which the waiver has been granted.

The Primaris Board may also waive the application of the Unitholder Rights Plan upon the occurrence of a Flip-In Event in certain other circumstances, including where the Primaris Board has determined that a person became an Acquiring Person by inadvertence and without any intention to become, or knowledge that it would become, an Acquiring Person and within 14 days after the foregoing determination by the Primaris Board or such earlier or later date as the Primaris Board may determine, such person has reduced its beneficial ownership of Units such that the person is no longer an Acquiring Person.

Permitted Bids

A "Permitted Bid" means a bid which is made by an offeror by means of a take-over bid circular and which also complies with the following additional provisions: (i) the bid is made to all holders of Units, other than the offeror; (ii) the bid contains, and the take-up and payment for securities tendered or deposited thereunder is subject to, irrevocable and unqualified conditions that (a) no Units shall be taken up or paid for pursuant to the bid prior to the close of business on the date which is not less than 60 days following the date of the bid (the "**Take-Up Provision**"), and (b) no Units shall be taken up or paid for pursuant to the bid unless, at the date referred to in (a) above, more than 50% of the Units held by independent unitholders shall have been deposited or tendered pursuant to the bid and not withdrawn; (iii) the bid contains an irrevocable and unqualified provision that, Units may be deposited pursuant to such bid at any time prior to the close of business on the date which is not less than 60 days following the date of the bid and that any Units deposited pursuant to the bid may be withdrawn until taken up and paid for; and (iv) the bid contains an irrevocable and unqualified provision that if, on the date on which Units may be taken up or paid for, more than 50% of the Units held by independent Unitholders shall have been deposited or tendered pursuant to the bid and not withdrawn, the offeror will make a public announcement of that fact and the bid will remain open for deposits and tenders of Units for not less than ten business days from the date of such public announcement.

A "Competing Permitted Bid" means a bid that: (i) is made after a Permitted Bid has been made and prior to the expiry of the Permitted Bid; (ii) satisfies all components of the definition of a Permitted Bid other than the Take-Up Provision; and (iii) contains, and the take-up and payment for securities tendered or deposited is subject to, an irrevocable and unqualified condition that no Units will be taken up or paid for pursuant to the bid prior to the close of business on a date that is no earlier than the later of: (a) 60 days after the date on which the earliest Permitted Bid then in existence was made; and (b) 35 days after the date of the bid constituting the Competing Permitted Bid.

Neither a Permitted Bid nor a Competing Permitted Bid is required to be approved by the Primaris Board and such bids may be made directly to Unitholders. Acquisitions of Units made pursuant to a Permitted Bid or a Competing Permitted Bid do not give rise to a Flip-In Event.

The Offer

The Offer is not a "Permitted Bid" for purposes of the Unitholder Rights Plan. Accordingly, in order for the Offer to proceed, the Unitholder Rights Plan must be terminated, or action must be taken by the Primaris Board or by a securities commission or court of competent jurisdiction to remove the effect of the Unitholder Rights Plan and permit the Offer to proceed. It is a condition of the Offer that the Offeror shall have determined that, on terms satisfactory to the Offeror, in its reasonable discretion: (i) the Primaris Board shall have waived the application of the Unitholder Rights Plan and any other Unitholder Rights Plan subsequently adopted by the Primaris Board which would provide rights to the Unitholders to purchase any securities of Primaris as a result of the Offer, any Compulsory Acquisition or any Subsequent Acquisition Transaction; (ii) a cease trade order shall have been issued by a securities commission having jurisdiction that has the effect of prohibiting or preventing the exercise of URP Rights or the issue of Units upon the exercise of the URP Rights in relation to the purchase of Units by the Offeror under the Offer, any Compulsory Acquisition or any Subsequent Acquisition Transaction; (iii) a court of competent jurisdiction shall have ordered that the URP Rights are illegal or of no force or effect or may not be exercised in relation to the Offer, any Compulsory Acquisition or any Subsequent Acquisition Transaction; or (iv) the URP Rights and any Unitholder Rights Plan shall otherwise have become or been held unexercisable or unenforceable in relation to the Units with respect to the Offer, any Compulsory Acquisition or any Subsequent Acquisition Transaction. See section 4 of the Offer, "Conditions of the Offer".

Primaris asserts that the Unitholder Rights Plan is intended to ensure that the Unitholders and the Primaris Board be given sufficient time to evaluate the bid, negotiate with the initial bidder and encourage competing bids. In the present circumstances, the Offeror believes that, by the Expiry Date, Primaris and its trustees and the Unitholders will have had more than adequate time to fully consider the Offer and any available alternative transactions and, in the case of the Unitholders, to determine whether to deposit their Units under the Offer.

7. Source of Funds

The Offeror's obligation to purchase the Units deposited to the Offer is not subject to any financing condition.

The Offeror estimates that, if it acquires all of the Units (based on the number of Units issued and outstanding on a fully-diluted basis as of September 30, 2012 adjusted for the $115 million public offering of Units completed on November 9, 2012 as disclosed by Primaris), the total amount of cash required for the purchase of the Units and to cover related fees and expenses of the Offeror will be approximately $2,830 million. The Offeror has arranged for the funding of the Offer, and related fees and expenses required in connection with the Offer, out of the proceeds of the following equity and debt financing transactions:

(a) (i) KingSett LP No. 4, OPB Trust and CREIF will advance to the Offeror certain short-term loans (the "**KS-OPB Short Term Loans**"), as described in more detail below, (ii) KingSett LP No. 5 will fund KS Bidco LP, which will in turn fund the Offeror, with an equity contribution (the "**LP No. 5 Contribution**"), and (iii) OPB will fund OPB Trust, which will in turn fund the Offeror, with an equity contribution (the "**OPB Contribution**", and together with the LP5 Contribution, the "**Equity Contributions**"), the aggregate of the foregoing consisting of an amount of approximately $1,364 million;

(b) RioCan will advance to the Offeror approximately $635 million by way of a short-term loan (the "**RioCan Short Term Loan**"); and

(c) KS Bidco LP, OPB Trust, and the Offeror have entered into a commitment letter for credit facilities (the "**Senior Credit Facilities**", and together with the KS-OPB Short Term Loans and the RioCan Short Term Loan, the "**Loans**") to fund, among other things, the balance of the cash consideration to purchase the Units and related fees and expenses in connection with the Offer.

Pursuant to the terms of a binding commitment letter, TD has fully underwritten credit facilities pursuant to which it will make available to the Offeror directly or indirectly the Senior Credit Facilities, consisting of real estate term loans (the "**Term Loans**"). In addition, TD has agreed to make available a real estate revolving credit facility (the "**Revolver**") for general corporate purposes, and a mortgage back-stop facility (the "**MBS Facility**") to refinance, to the extent required, existing mortgages secured against certain of Primaris' properties.

The Term Loans mature on the date that is the fifth anniversary of the date a credit agreement is entered into in respect of the Senior Credit Facilities. The Term Loans are to be used to partially fund cash payable under the Offer.

The Revolver matures on the date that is the fifth anniversary of the date a credit agreement is entered into in respect of the Senior Credit Facilities. The Revolver is not available to fund the payment of consideration under the Offer and is available only for general corporate purposes, including to fund ongoing working capital needs of the Offeror, members of the KS-OPB Group and the KS-OPB Pool Assets.

The Senior Credit Facilities bear interest at floating rates of interest equivalent to market rates for similar businesses.

Advances will be made by TD to KS Bidco LP and OPB Trust (which will loan, directly or indirectly, to the Offeror) at the time of the initial take-up of Units validly deposited under the Offer, in the case of the Term Loans.

The Offeror may repay drawings to be made under the Senior Credit Facilities over time with the proceeds of subsequent capital market issues and/or subsequent longer term debt financing, and/or with freely available cash, although it has no current plans for any such issues or financings. Mandatory repayments of the Term Loans are required in connection with the sale or refinancing of certain properties in the KS-OPB Property Pool. The portion of any net proceeds from such sale or refinancing which must be used to repay the Real Estate Term Loans are determined in accordance with customary thresholds.

Pursuant to the terms of commitment letters, each of KingSett LP 4, OPB Trust and CREIF have agreed to advance the KS-OPB Short Term Loans to the Offeror, the purpose of which is to be used by the Offeror to partially fund the cash payable under the Offer. The KS-OPB Short Term Loans will mature on the earlier of the date on which the KS-OPB Property Pool is acquired by the KS-OPB Group and the first business day which is 30 days after the date upon which 100% of the Units are taken up pursuant to the Offer, any Compulsory Acquisition or any Subsequent Acquisition Transaction, at which point the Offeror has agreed to repay the KS-OPB Short Term Loans in full. Advances will be made by each of KingSett LP No. 4, OPB Trust and CREIF to the Offeror under the KS-OPB Short Term Loans at the time of the initial take-up of Units validly deposited under the Offer. OPB has committed to providing OPB Trust with sufficient funds to fulfill its various obligations with respect to the Equity Contributions and KS-OPB Short Term Loans, and OPB has sufficient cash on hand and liquid securities to fulfill those obligations. KingSett LP No. 5 has committed to providing KS Bidco LP with sufficient funds to fulfill its obligations with respect to the Equity Contributions, and each of CREIF and KingSett LP No. 4 has committed to providing KS Bidco LP with sufficient funds to fulfill its various obligations with respect to the KS-OPB Short Term Loans. Each has sufficient capital commitments from its investors available to fulfill those obligations.

Pursuant to the terms of a commitment letter, RioCan has agreed to advance the RioCan Short Term Loan to the Offeror, the purpose of which is to be used by the Offeror to partially fund the cash payable under the Offer. The RioCan Short Term Loan will mature on the earlier of the date on which the RioCan Property Pool is acquired by RioCan and the first business day which is 30 days after the date upon which 100% of the Units are taken up pursuant to the Offer, any Compulsory Acquisition or any Subsequent Acquisition Transaction, at which point the Offeror has agreed to repay the RioCan Short Term Loan in full. Advances will be made by RioCan to the Offeror under the RioCan Short Term Loan at the time of the initial take-up of Units validly deposited under the Offer. The Offeror understands that RioCan has sufficient resources, including cash on hand and new fully underwritten debt financing commitments from TD for an aggregate amount of approximately $635 million to complete the transactions contemplated by the RioCan Purchase Agreements.

In connection with the Loans, and in addition to the MBS Facility, the Offeror has also arranged for additional mortgage back-stop financing from each of KingSett LP No. 4, RioCan, OPB Trust and CREIF in connection with the properties to be purchased by them, pursuant to the KS-OPB Purchase Agreements and the RioCan Purchase Agreement. These mortgage back-stop facilities, together with the MBS Facility, provide for financing of up to an aggregate amount, which the Offeror believes is sufficient to refinance the entire property portfolio of Primaris following completion of the Offer, if necessary.

The Offeror has, pursuant to the Limited Partnership Agreement, obtained a commitment from KingSett LP No. 5 and OPB to provide the Equity Contributions.

The funding commitments under the Loans are subject either to conditions typical in lending transactions of this kind (in the case of the Senior Credit Facilities), including conditions substantially reflecting the conditions of the Offer, or to conditions that are more limited than is typical (in the case of the KS-OPB Short Term Loans and the RioCan Short Term Loan). The Offeror reasonably believes that the possibility is remote that the conditions to the funding of the Offer that are in addition to the conditions in the Offer will not be satisfied.

The Offeror believes that its financial condition is not material to a decision by a Unitholder whether to deposit Units under the Offer because: (a) cash is the only consideration that will be paid to Unitholders in connection with the Offer; (b) the Offeror is offering to purchase all of the outstanding Units in the Offer; and (c) the Offeror has entered into the Loans and has obtained commitments in respect of the Equity Contributions and, as a result, the Offeror has or will have access to sufficient funds to fund the total amount required to consummate the Offer and a Compulsory Acquisition or any Subsequent Acquisition Transaction including related fees and expenses and any amounts that Primaris might be required to prepay under its existing financing as a result thereof.

8. Ownership of and Trading in Securities of Primaris

KingSett LP No. 4 and CREIF, each an affiliate of KingSett Capital, collectively, beneficially own or exercise control or direction over 6,880,000 Units (the "**KingSett Units**"), representing approximately 7% of the currently outstanding Units.

To the knowledge of the Offeror and its affiliates, other than Anna Kennedy, a senior officer of KingSett Capital who beneficially owns 3,400 Units and other than the KingSett Units, neither the Offeror nor OPB, and their respective affiliates, nor any of their respective directors or officers, beneficially owns, directly or indirectly, or exercises control or direction over any Units, Convertible Securities or any other securities of Primaris.

To the knowledge of the Offeror and its affiliates, other than Jon Love's spouse who beneficially owns 10,000 Units, after reasonable enquiry, no Units, Convertible Securities or other securities of Primaris are beneficially owned, directly or indirectly, nor is control or direction exercised over any such securities, by any (i) associate or affiliate of any insider of the Offeror, (ii) insider of the Offeror (other than their respective directors or officers) or (iii) party acting jointly or in concert with the Offeror, other than the KingSett Units.

Except in the case of KingSett LP No. 4 (as described in the table below), none of the Offeror and any of its affiliates, nor OPB and any of its affiliates or any of their respective directors or officers or, to the knowledge of the Offeror and its affiliates, after reasonable enquiry, none of the other persons referred to in the preceding paragraph, has traded in any securities of Primaris during the six months preceding the date of the Offer:

Transaction Date	Number of Units Purchased	Price Paid per Unit
June 11, 2012	198,050	$22.77
July 11, 2012	62,500	$23.50
July 16, 2012	85,600	$23.50
October 1, 2012	3,108,850	$23.08
October 17, 2012	20,000	$23.55
November 7, 2012	368,300	$23.36
November 27, 2012	70,200	$22.95

9. Commitments to Acquire Securities of Primaris

Other than the Bid Conduct Agreement, none of the Offeror and, to the knowledge of the Offeror, after reasonable enquiry, any of its directors or officers, any associate or affiliate of an insider of the Offeror, any insider of the Offeror (other than its directors or officers) or any person acting jointly or in concert with the Offeror, including OPB, has entered into any agreements, commitments or understandings to acquire any securities of Primaris.

Under the terms of the Bid Conduct Agreement, KingSett Capital, OPB, and the other members of the KS-OPB Group agreed to form the Offeror and to cause the Offeror to undertake the Offer. In addition, under the terms of the Bid Conduct Agreement each of KingSett Capital and OPB agreed to: cause their respective affiliates and associates to make the LP5 Contribution and the OPB Contribution, respectively; cooperate with each other in good faith to make the Offer and any related actions necessary to consummate the Offer; and the manner in which the parties would conduct themselves during the pendency of the Offer.

10. Other Material Facts

None of the Offeror nor any of its affiliates has knowledge of any material fact concerning the securities of Primaris that has not been generally disclosed by Primaris, or any other matter that is not disclosed in the Circular and that has not previously been generally disclosed, and that would reasonably be expected to affect the decision of Unitholders to accept or reject the Offer.

11. Acquisition of Units Not Deposited

If the Offeror takes up and pays for Units deposited under the Offer, the Offeror's current intention is that it will pursue a Compulsory Acquisition or a Subsequent Acquisition Transaction to enable the Offeror or an affiliate of the Offeror to acquire all Units not deposited under the Offer, as more particularly described below. In order to effect a Subsequent Acquisition Transaction in respect of Primaris, the Offeror currently intends to amend the Declaration of Trust as described below under "Special Resolutions". The Declaration of Trust permits amendments (and special resolutions) to be approved in writing by Unitholders holding 66⅔% or more of the outstanding Units. The execution of the Letter of Transmittal (or, in the case of Units deposited by book-entry transfer, the making of a book-entry transfer) irrevocably approves the Special Resolutions and irrevocably constitutes, appoints and authorizes the Offeror and any other person designated by the Offeror to pass the Special Resolutions on behalf of the Depositing Unitholders and take such other steps to implement the Special Resolutions as are described below under "Special Resolutions". **Accordingly, by depositing Units under the Offer, Depositing Unitholders will be, among other things, approving and authorizing the Special Resolutions and such amendments to the Declaration of Trust to enable the Offeror to acquire all of the Units not deposited under the Offer by way of a Subsequent Acquisition Transaction.**

Compulsory Acquisition

The Declaration of Trust currently provides that, on complying with certain requirements provided therein, the Offeror will be entitled to acquire the Units held by persons that do not accept the Offer (the "**Dissenting Unitholders**") if, within 120 days after the date of the Offer, the Offer is accepted by holders of not less than 90% of the Units, other than Units held by or on behalf of the Offeror or any affiliate or associate of the Offeror on the date of the Offer (a "**Compulsory Acquisition**").

To exercise such right, the Offeror must send, within 60 days after the expiry of the Offer, and in any event within 180 days of the date of the Offer, a notice (the "**Offeror's Notice**") to each Dissenting Unitholder stating that: (i) holders of more than 90% of the Units have accepted the Offer; (ii) the Offeror is bound to take up and pay for or has taken up and paid for the Units of the Unitholders that accepted the Offer; (iii) a Dissenting Unitholder is required to elect to transfer its Units to the Offeror on the terms on which the Offeror acquired the Units of the Unitholders that accepted the Offer, or to demand payment of the fair value of the Units by so notifying the Offeror within 20 days after it receives the Offeror Notice; and (iv) a Dissenting Unitholder that does not notify the Offeror of such election and within 20 days after it receives the Offeror's Notice, is deemed to have elected to transfer its Units to the Offeror on the same terms on which the Offeror acquired the Units of the Unitholders who accepted the Offer.

A Dissenting Unitholder to whom an Offeror's Notice is sent must, within 20 days after it receives the Offeror's Notice, send the certificates representing its Units to Primaris. Concurrently with sending the Offeror's Notice, the Offeror is required to send to Primaris a notice of adverse claim disclosing the name and address of the Offeror and the name of each Dissenting Unitholder with respect to each Unit held by a Dissenting Unitholder. Within 20 days of giving the Offeror's Notice, the Offeror must pay or transfer to Primaris the amount of money or consideration that would have been paid to Dissenting Unitholders if they had accepted the

Offer, and Primaris must deposit the cash portion of such consideration in a separate account in a bank or other body corporate whose deposits are insured by the Canadian Deposit Insurance Corporation or guaranteed by the Quebec Deposit Insurance Board.

Within 30 days after the Offeror sends the Offeror's Notice, Primaris must: (i) transfer the Units of the Dissenting Unitholders to the Offeror; (ii) send to each Dissenting Unitholder that has complied with the requirement set out in the preceding paragraph the consideration to which such Dissenting Unitholder is entitled; and (iii) send to each Dissenting Unitholder that has not complied with the requirement set out in the preceding paragraph a notice stating that: (a) its Units have been cancelled; (b) Primaris or some designated person is holding in trust the consideration for such Units; and (c) Primaris will send the consideration for such Units to such Dissenting Unitholder after receiving the certificate(s) representing such Dissenting Unitholder's Units.

The foregoing is a summary only of the right of Compulsory Acquisition which may become available to the Offeror and is qualified in its entirety by the Declaration of Trust. The right of Compulsory Acquisition in the Declaration of Trust is complex and may require strict adherence to notice and timing provisions, failing which such rights may be lost or altered. Unitholders who wish to be better informed about the applicable provisions of the Declaration of Trust should consult their legal advisors.

The Offeror currently intends to amend the provisions of Section 7.26 of the Declaration of Trust to provide that Units held by Dissenting Unitholders will be deemed to have been transferred to the Offeror immediately on the giving of the Offeror's Notice (as opposed to within the 30 day period after the Offeror sends the Offeror's Notice) and that those Dissenting Unitholders will cease to have any rights as Unitholders from and after that time, other than the right to be paid the same consideration that the Offeror would have paid to the Dissenting Unitholders if they had deposited those Units to the Offer. If the Offeror elects to proceed by way of Compulsory Acquisition, it is the current intention of the Offeror to provide the Offeror's Notice immediately following the take-up of and payment for Units deposited under the Offer with the result that the Offeror would acquire 100% of the outstanding Units at that time. See "Special Resolutions" below.

Deposits to the Offer include, among other things, approval of and authorization to proceed with the Compulsory Acquisition and, as a result, if the Minimum Tender Condition is satisfied, the Compulsory Acquisition (as so amended as aforesaid) will have been approved by Depositing Unitholders. See "Special Resolutions" below.

See also Section 15 of the Circular, "Certain Canadian Federal Income Tax Considerations", for a discussion of tax consequences to Unitholders in the event of a Compulsory Acquisition.

Subsequent Acquisition Transaction

If the Compulsory Acquisition described above is not available to the Offeror or the Offeror chooses not to avail itself of such right, the Offeror currently intends to:

(a) amend Section 7.26 of the Declaration of Trust to provide that a Compulsory Acquisition may be effected immediately if the Offeror and its affiliates, after the take-up of and payment for Units deposited under the Offer, hold more than 66⅔% of the outstanding Units (calculated on a fully-diluted basis); and/or

(b) amend the Declaration of Trust to change the rights, privileges, restrictions and conditions attaching to the Units (other than the Units held by the Offeror and its affiliates) and redesignate and reclassify such Units as Special Units such that, at the Transfer Time and immediately following any issuance of Special Units at and after the Transfer Time, each holder of Special Units shall transfer, and shall be deemed to have transferred, to the Offeror all of such holder's right, title and interest in and to its Special Units and the Offeror shall acquire, and shall be deemed to have acquired, from each such holder of Special Units all, but not less than all, of the Special Units held by each such holder and at and after the Transfer Time, each holder of Special Units shall cease to be a holder of such Special Units and shall not be entitled to exercise any of the rights of a holder of Special Units in respect thereof other than the right to receive $26.00 in cash per Special Unit (such amendments to the Declaration of Trust and transfer of Special Units as a result thereof, the "**Capital Reorganization**").

Following the amendments to the Declaration of Trust referred to in (a) or (b) above, as applicable, it is the current intention of the Offeror to avail itself of the Compulsory Acquisition, as amended and described in (a) above, and/or the Capital Reorganization described in (b) above, as the case may be, to acquire the Units not deposited under the Offer (each of the Compulsory Acquisition, as so amended as aforesaid, and the Capital Reorganization, as applicable, is referred to herein as a "**Subsequent Acquisition Transaction**"). If the Offeror elects to proceed with a Subsequent Acquisition Transaction of the kind described in this paragraph, the consideration payable to acquire the remainder of the Units would be the same consideration per Unit payable by the Offeror under the Offer. **Deposits to the Offer include, among other things, approval of and authorization to proceed with a Subsequent Acquisition Transaction and, as a result, if the Minimum Tender Condition is satisfied, the Subsequent Acquisition Transaction will have been approved by Depositing Unitholders.**

Should the Offeror elect not to pursue a Subsequent Acquisition Transaction described in the immediately preceding paragraph, the Offeror may elect to pursue and implement one or more alternative subsequent acquisition transactions, the form of which may vary, depending upon a variety of factors including the number of Units acquired under the Offer. For further detail, see "Other Alternatives" below. The Offeror reserves the right to propose any alternative Subsequent Acquisition Transaction, in its sole discretion, depending upon all of the circumstances at the time such an alternative Subsequent Acquisition Transaction is proposed. In any event, any alternative Subsequent Acquisition Transaction would be effected in accordance with applicable Law.

Depending on the manner and circumstances in which a Subsequent Acquisition Transaction is undertaken, the tax consequences to a Unitholder of a disposition of Units pursuant to a Subsequent Acquisition Transaction could differ from the tax consequences to such Unitholder of a disposition of Units to the Offeror under the Offer. See Section 15 of the Circular, "Certain Canadian Federal Income Tax Considerations" and Section 16 of the Circular, "Certain United States Federal Income Tax Considerations", for a discussion of tax consequences to Unitholders in the event of a Subsequent Acquisition Transaction.

Special Resolutions

Prior to the Offeror taking up any Units, the Offeror currently intends to effect the amendments to Section 7.26 of the Declaration of Trust as described above by resolutions in writing signed by Unitholders holding 66⅔% or more of the outstanding Units rather than seeking Unitholders' approval at a special meeting to be called for that purpose, all in accordance with the Declaration of Trust. The Offeror may use the power of attorney granted to the Offeror in the Letter of Transmittal to pass the resolutions in writing to effect the amendments before the Offeror takes up Units tendered to the Offer. Alternatively, the Offeror may sign the written resolutions to amend Section 7.26 of the Declaration of Trust after taking up the Units tendered to the Offer.

The execution of a Letter of Transmittal (or, in the case of Units deposited by book-entry transfer, the making of a book-entry transfer) irrevocably approves, and irrevocably constitutes, appoints and authorizes, effective from and after 4:00 p.m. (Toronto time) on the Expiry Date, the Offeror, each director and officer of the Offeror and any other person designated by the Offeror, as the true and lawful agent, attorney and attorney-in-fact of the holder of the Units with respect to deposited Units, with full power of substitution (such power of attorney, being coupled with an interest, being irrevocable), in the name of and on behalf of such Unitholder to vote, execute and deliver any and all instruments of proxy, authorizations, requisitions, resolutions (in writing or otherwise and including any counterparts thereof), consents and directions, in form and on terms satisfactory to the Offeror, in respect of, one or more special resolutions of the voting Unitholders under, pursuant to and in accordance with the provisions of the Declaration of Trust:

(a) removing the current trustees and appointing one or more persons designated by the Offeror as trustees;

(b) amending Section 7.26 of the Declaration of Trust to provide that a Subsequent Acquisition Transaction may be effected if the Offeror and its affiliates, after the take-up of and payment for Units deposited under the Offer, hold not less than 66⅔% of the outstanding Units (calculated on a fully-diluted basis, including any Units held by or on behalf of or issuable to the Offeror or any affiliate or associate of the Offeror), provided that notwithstanding that this resolution has been passed by the

Unitholders, the Offeror is authorized without further notice to or approval of the Unitholders not to proceed with the Subsequent Acquisition Transaction if for whatever reason the Offeror determines it appropriate not to so proceed;

(c) amending Section 7.26 of the Declaration of Trust to provide that Units held by Dissenting Unitholders will be deemed to have been transferred to the Offeror immediately on the giving of the Offeror's Notice in respect of a Subsequent Acquisition Transaction and that those Dissenting Unitholders will cease to have any rights as Unitholders from and after that time, other than the right to be paid the same consideration that the Offeror would have paid to the Dissenting Unitholders if the Dissenting Unitholders had deposited those Units to the Offer;

(d) approving any Subsequent Acquisition Transaction that may be undertaken by the Offeror under the Declaration of Trust, as amended in accordance with the foregoing in the manner and at the time or times determined by the Offeror in its discretion, provided that notwithstanding that this resolution has been passed by the Unitholders, the Offeror is authorized without further notice to or approval of the Unitholders not to proceed with the Subsequent Acquisition Transaction if for whatever reason the Offeror determines it appropriate not to so proceed;

(e) without limiting the generality of paragraph (d) above, amending the Declaration of Trust to enable the Offeror, notwithstanding anything to the contrary contained therein, to take such acts as are determined by the Offeror to be necessary or appropriate to give effect to the Capital Reorganization;

(f) amending the Declaration of Trust to permit the Offeror, notwithstanding anything to the contrary contained therein, to vote, execute and deliver any instruments of proxy, authorizations, requisitions, resolutions, consents or directions in respect of the Units taken up under the Offer which are at the time beneficially owned by the Offeror, if determined necessary or appropriate by the Offeror, and authorizing the Offeror to execute any such amendment to the Declaration of Trust in connection therewith;

(g) directing all of the trustees, directors and officers of Primaris, Primaris and its subsidiaries to co-operate in all respects with the Offeror regarding the foregoing including in completing any Compulsory Acquisition or Subsequent Acquisition Transaction undertaken by the Offeror in accordance therewith; and

(h) authorizing any officer or director of the Offeror, and any other persons designated by the Offeror in writing, to execute and deliver all documents and do all acts or things, on behalf of Primaris or otherwise, as may be necessary or desirable to give effect to these special resolutions.

((a) through (h), collectively, the "**Special Resolutions**").

If for any reason the approvals or authorizations provided to the Offeror in the applicable Letter of Transmittal are ineffective, in whole or in part, then in order to effect a Compulsory Acquisition or a Subsequent Acquisition Transaction, the Offeror would expect to seek Unitholder approval of the Special Resolutions at a special meeting of the Unitholders to be called for such purpose or in writing as permitted by the Declaration of Trust and applicable securities Laws.

Additional Information

A Compulsory Acquisition or a Subsequent Acquisition Transaction may constitute a "business combination" within the meaning of MI 61-101 if such Compulsory Acquisition or Subsequent Acquisition Transaction would result in the interest of a Unitholder being terminated without its consent, subject to certain exceptions. The Offeror expects that a Compulsory Acquisition or a Subsequent Acquisition Transaction in respect of Primaris will be a "business combination" under MI 61-101.

MI 61-101 provides that, unless exempted, an issuer proposing to carry out a business combination is required to prepare a formal valuation of the affected securities and provide to the holders of the affected securities such valuation, or a summary thereof. In connection therewith, the Offeror currently intends to rely on available exemptions from the valuation requirements of MI 61-101. An exemption is available under MI 61-101 for certain business combinations completed within 120 days after the expiry of a formal take-over bid

where the consideration under such transaction is at least equal in value to, and is in the same form as, the consideration that the Depositing Unitholders were entitled to receive pursuant to the take-over bid, provided that certain disclosure is given in the take-over bid disclosure documents (and which disclosure has been provided herein). The Offeror currently intends that the consideration offered under any Subsequent Acquisition Transaction proposed by it would be equal in value to, and in the same form as, the consideration per Unit paid to the Unitholders under the Offer and that such Subsequent Acquisition Transaction will be completed no later than 120 days after the Expiry Time and, accordingly, the Offeror expects to rely on these exemptions.

MI 61-101 requires that, in addition to any other required Unitholder approval, in order to complete a business combination, the approval of a majority of the votes cast by "minority" Unitholders must be obtained (unless an exemption is available or discretionary relief is granted by the applicable securities regulatory authorities).

In relation to the Offer and any business combination, the "minority" Unitholders will be, unless an exemption is available or discretionary relief is granted by applicable securities Regulatory Authorities, all Unitholders other than the Offeror, any "interested party" (within the meaning of MI 61-101), certain "related parties" of an "interested party" (in each case within the meaning of MI 61-101) and any "joint actor" (within the meaning of MI 61-101) with any of the foregoing persons. MI 61-101 also provides that the Offeror may treat Units acquired under the Offer as "minority" units and to vote them, or to consider them voted, in favour of such business combination if, among other things, the consideration per security in the business combination is at least equal in value to, and in the same form as, the consideration paid under the Offer. The Offeror currently intends that the consideration offered for Units under a Compulsory Acquisition or a Subsequent Acquisition Transaction in respect of Primaris proposed by it would be equal in value to, and in the same form as, the consideration paid to Unitholders under the Offer and, accordingly, the Offeror intends to cause Units acquired under the Offer to be voted in favour of any such transaction and, where permitted by MI 61-101, to be counted as part of any minority approval required in connection with any such transaction.

The votes attached to the 6,880,000 Units held by KingSett LP No. 4 and CREIF at the commencement of the Offer, as well as any Units that may be acquired by the Offeror in market purchases after the date of the Offer (see Section 12 of the Offer, "Market Purchases and Sales of Units"), if applicable, would be required to be excluded in determining whether minority approval for a Compulsory Acquisition or a Subsequent Acquisition Transaction in respect of Primaris had been obtained for the purposes of MI 61-101.

The Offeror intends to apply for relief from the Ontario Securities Commission and the Autorité des marchés finaciers under MI 61-101 from the requirements, in the event that the Offeror takes up and pays for Units under the Offer, to (a) call a meeting of Unitholders to approve any Compulsory Acquisition or a Subsequent Acquisition Transaction; and (b) send an information circular to Unitholders in connection with such a Compulsory Acquisition or a Subsequent Acquisition Transaction, in each case, provided that minority approval in accordance with MI 61-101 shall have been obtained, albeit not at a meeting of Unitholders.

Other Alternatives

The timing and details of any Compulsory Acquisition or Subsequent Acquisition Transaction involving Primaris, and/or their respective affiliates will necessarily depend on a variety of factors, including the number of Units acquired under the Offer. Although the Offeror currently intends to propose a Compulsory Acquisition or a Subsequent Acquisition Transaction on the same terms as the Offer, it is possible that, as a result of various factors, including the number of Units acquired under the Offer, delays in the Offeror's ability to effect such a transaction and information hereafter obtained by the Offeror, such a transaction may not be so proposed or may be delayed or abandoned. The Offeror expressly reserves the right to propose other means of acquiring, directly or indirectly, including by causing the redemption or exchange of, all of the outstanding Units and all Units issued upon the exercise, exchange or conversion of Convertible Securities in accordance with applicable Laws, including a Subsequent Acquisition Transaction on terms not described in the Circular.

If the Offeror is unable to, or elects not to, effect a Compulsory Acquisition or propose a Subsequent Acquisition Transaction, or proposes a Subsequent Acquisition Transaction but cannot obtain any required approvals promptly, the Offeror will evaluate other available alternatives. Such alternatives could include, to the

extent permitted by applicable Laws, purchasing additional Units in the open market, in privately negotiated transactions, in another take-over bid or exchange offer or otherwise, as applicable, or acquiring the assets of Primaris by way of a reorganization, redemption, asset sale or other transaction between the Offeror and/or one or more of the affiliates of the Offeror. Subject to applicable Laws, any additional purchases of Units could be at a price greater than, equal to or less than the price to be paid for Units under the Offer and could be for cash and/or securities or other consideration. Alternatively, the Offeror may take no action to acquire additional Units or may sell or otherwise dispose of any or all Units acquired under the Offer or otherwise. Such transactions may be effected on terms and at prices then determined by the Offeror, which may vary from the terms and the price paid for Units under the Offer. See Section 12 of the Offer, "Market Purchases and Sales of Units".

12. Agreements, Commitments or Understandings

There are (i) no agreements, commitments or understandings made or proposed to be made between the Offeror and its affiliates, and any of the trustees or officers of Primaris, including for any payment or other benefit proposed to be made or given by way of compensation for loss of office or their remaining in or retiring from office if the Offer is successful, and (ii) other than the Bid Conduct Agreement, no agreements, commitments or understandings between the Offeror and its affiliates, and any securityholder of Primaris with respect to the Offer.

There are no agreements, commitments or understandings between the Offeror and its affiliates, and Primaris, relating to the Offer, and other than the Bid Conduct Agreement, neither the Offeror nor any of its affiliates is aware of any other agreement, commitment or understanding that could affect control of Primaris.

Based solely on Primaris' public disclosure, the Offeror believes that each of John Morrison, Louis Forbes, Patrick Sullivan, Ron Perlmutter and Anne Morash, (each, a "**Named Executive Officer**") is currently party to an employment agreement pursuant to which, each Named Executive Officer is entitled to certain benefits in circumstances where his or her employment is terminated following a change of control of Primaris.

In the case of Mr. Morrison, if his employment is terminated at any time following a change of control of Primaris, Mr. Morrison is entitled to certain termination benefits under the terms of his employment agreements with Primaris which include: (i) earned but unpaid base salary and vacation amounts up to the date of termination, plus an amount equal to three years' base salary; (ii) a pro-rated amount of Mr. Morrison's awards under the STIP for the year in which the termination occurs, plus an amount equal to three years' STIP awards; (iii) all awards issued under the Equity Incentive Plan to Mr. Morrison automatically vest and become immediately exercisable upon the date of termination; and (iv) certain benefits and perquisites (including pension contributions) remain in effect for three years following the date of termination.

In the case of Mr. Forbes, if his employment is terminated at any time following a change of control of Primaris, Mr. Forbes is entitled to certain termination benefits under the terms of his employment agreements with Primaris which include: (i) earned but unpaid base salary and vacation amounts up to the date of termination, plus an amount equal to two times annual base salary; (ii) an amount equal to two years' STIP awards; (iii) all awards issued under the Equity Incentive Plan to Mr. Forbes automatically vest and become immediately exercisable for 30 days following the date of termination; and (iv) an amount equal to two times the annual allowance allotted to Mr. Forbes and pension contributions made on his behalf.

With respect to the other Named Executive Officers, if a change of control of Primaris occurs and their employment is terminated within 24 months of the date on which such Named Executive Officer commenced his or her position with Primaris, such Named Executive Officers are entitled to certain termination benefits under the terms of their employment agreements with Primaris which include: (i) earned but unpaid base salary and vacation amounts up to the date of termination, plus an amount equal to two times annual base salary; (ii) an amount equal to two years' STIP awards; (iii) all awards issued under the Equity Incentive Plan to such Named Executive Officers automatically vest and become immediately exercisable for 30 days following the date of termination; and (iv) an amount equal to two times the annual perquisites allotted to such Named Executive Officers and pension contributions made on their behalf.

13. Regulatory Matters

Except as discussed below, to the knowledge of the Offeror and its affiliates, no authorization, consent or approval of, or filing with, any public body, court or authority is necessary on the part of the Offeror and its affiliates for the consummation of the transactions contemplated by the Offer, except for such authorizations, consents, approvals and filings the failure to obtain or make which would not, individually or in the aggregate, prevent or materially delay consummation of the transactions contemplated by the Offer. In the event that the Offeror becomes aware of other requirements, it will make reasonable commercial efforts to satisfy such requirements at or prior to the Expiry Time, as such time may be extended.

Competition Act

Under the Competition Act, certain transactions that exceed applicable financial thresholds require prior notification (a "**Notifiable Transaction**") to the Commissioner of Competition. If a transaction is a Notifiable Transaction, it may not be completed until the applicable statutory waiting period has expired or been terminated, unless the Commissioner of Competition has either issued an advance ruling certificate or has waived the notification requirement. The statutory waiting period expires 30 days following the day of the filing of information required under section 114 of the Competition Act or, if during that 30-day period the Commissioner of Competition issues a request for additional information ("**Supplementary Information Request**"), 30 days following the day on which the information requested under a Supplementary Information Request has been received by the Commissioner of Competition. Following expiry of the applicable statutory waiting period, the transaction may close unless the Commissioner of Competition has obtained an order to prevent or delay closing or the parties have agreed to delay closing.

Alternatively, or in addition to filing the information required under section 114 of the Competition Act, an advance ruling certificate may be requested. An advance ruling certificate may be issued by the Commissioner of Competition where he is satisfied that he does not have sufficient grounds on which to apply to the Competition Tribunal under the merger provisions of the Competition Act to challenge a proposed transaction. If the Commissioner of Competition issues an advance ruling certificate in respect of a proposed transaction, that transaction is exempt from the pre-merger notification requirement. In addition, if the transaction to which the advance ruling certificate relates is substantially completed within one year after the advance ruling certificate is issued, the Commissioner of Competition cannot seek an order of the Competition Tribunal under the merger provisions of the Competition Act in respect of the transaction solely on the basis of information that is the same or substantially the same as the information on the basis of which the advance ruling certificate was issued. Where an advance ruling certificate is requested but the Commissioner of Competition declines to issue an advance ruling certificate, the Commissioner may instead issue a "no-action" letter indicating that he does not, at that time, intend to initiate proceedings before the Competition Tribunal under the merger provisions of the Competition Act with respect to the proposed transaction, while preserving during the one year period following completion of the proposed transaction his authority to so initiate proceedings should circumstances change. Where a no-action letter is issued in circumstances where the information required under section 114 of the Competition Act has not also been submitted, the Commissioner of Competition will typically waive the obligation to comply with the statutory waiting period in conjunction with issuing the no-action letter.

Where the Commissioner of Competition believes that a "merger", as defined in the Competition Act, is likely to prevent or lessen competition substantially, the Commissioner of Competition may apply to the Competition Tribunal. If the Competition Tribunal finds that the merger is likely to prevent or lessen competition substantially, the Competition Tribunal may issue an order to, among other things, prohibit the merger in whole or in part. The Commissioner of Competition's review may take longer that the applicable statutory waiting period.

The Offer includes a condition that the Competition Act Approval shall have been obtained at or prior to the Expiry Time. See Section 4 of the Offer, "Conditions of the Offer".

Based upon an examination of publicly available information relating to the business of Primaris, the Offeror does not expect the Offer or the Sale Transactions to give rise to significant concerns under the Competition Act. However, the Offeror cannot be assured that Competition Act Approval will be obtained or that a challenge to the completion of the Offer or the Sale Transactions, as applicable, under the Competition

Act will not be made or that, if such a challenge were made, the Offeror would prevail or would not be required to accept certain adverse conditions in order to complete the Offer or the Sale Transactions.

If the Offeror does not receive all regulatory approvals, it may elect not to take up and pay for the Units deposited under the Offer and to terminate the Offer.

14. Convertible Debentures

The Primaris Debentures are currently convertible into Units at any time by the holders thereof. The 6.75% Debentures, the 6.30% Debentures and the 5.40% Debentures are convertible, respectively, at a conversion price of $12.25 per Unit, $16.70 per Unit and $28.84 per Unit, respectively. Holders of Primaris Debentures who wish to accept the Offer must convert their Primaris Debentures into Units in sufficient time in order to deposit the resulting Units in accordance with the Offer prior to the Expiry Time. Holders who convert their Primaris Debentures will receive accrued and unpaid interest from the most recently completed interest payment date to but excluding the date of conversion (less applicable withholding taxes, if any) and the Units issued upon such conversion shall rank only in respect of distributions or dividends declared in favour of Unitholders of record on and after the date of conversion or such later date as is provided in the applicable Debenture Indenture.

Under the terms of the Debenture Indentures, upon the occurrence of a change of control of Primaris, the holders of Primaris Debentures have a right to require Primaris to purchase all of the Primaris Debentures on the date which is not later than 30 days following the date upon which the trustee under the Debenture Indentures delivers a notice to the holders of the Primaris Debentures of such change of control. A "change of control" is defined under the Debenture Indentures to mean the acquisition by any person, or group of persons acting jointly or in concert, of voting control or direction over 66⅔% or more of the aggregate of: (i) the number of outstanding Units; and (ii) the number of Convertible Securities. Accordingly, the successful completion of the Offer by the Offeror would be considered to be a change of control under the terms of the Debenture Indentures. The purchase price to be paid by Primaris for any Primaris Debentures acquired is equal to 101% of the principal amount of the Primaris Debentures plus accrued and unpaid interest up to and including the date the notice referred to above is delivered to the holders of the Primaris Debentures. Primaris may satisfy the purchase for Primaris Debentures in cash or in by the issuance of Units.

Following the take-up of and payment for Units deposited pursuant to the Offer, the Offeror intends to take steps, in accordance with the terms of the Debenture Indentures, such that holders who convert their Primaris Debentures following completion of the Offer will not receive Units and instead will receive cash in the amount such holders would have received if the Primaris Debentures held by them had been converted to Units and deposited under the Offer.

15. Certain Canadian Federal Income Tax Considerations

In the opinion of Osler, Hoskin & Harcourt LLP, counsel to the Offeror, the following summary describes the principal Canadian federal income tax considerations generally applicable to a beneficial owner of Units who sells the Units pursuant to the Offer, a Compulsory Acquisition or a Subsequent Acquisition Transaction, and who, at all relevant times, for purposes of the *Income Tax Act* (Canada) and the *Income Tax Regulations* (collectively, the "**Tax Act**"), (1) deals at arm's length with Primaris and the Offeror; (2) is not affiliated with Primaris or the Offeror; and (3) holds such Units as capital property (a "**Holder**"). Generally, Units will be capital property to a Holder provided the Holder does not hold such Units in the course of carrying on a business or as part of an adventure or concern in the nature of trade. This summary does not address all issues relevant to Holders who acquired their Units on a conversion, exercise, exchange, or otherwise in connection with a Convertible Security. This summary does not address tax consequences of the Offer to holders of Convertible Securities. Such Holders should consult their own tax advisors.

This summary is based on the current provisions of the Tax Act and counsel's understanding of the current administrative policies and assessing practices of the CRA published in writing prior to the date hereof. This summary also takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**") and assumes that all Proposed Amendments will be enacted in the form proposed. However, no assurances can be given that the Proposed Amendments will be enacted as proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policy or assessing practice whether by legislative, administrative or judicial action nor does it take into account tax legislation or considerations of any province, territory or foreign jurisdiction, which may differ from those discussed herein.

This summary is based on the assumption that if the URP Rights are acquired by the Offeror, there is no value to the URP Rights and no amount of consideration to be paid by the Offeror will be allocated to the URP Rights.

This summary assumes that Primaris does and will continue to qualify as a "mutual fund trust" under the Tax Act while the Units remain outstanding. If Primaris does not qualify as a mutual fund trust, the income tax considerations described below would in some respects be materially different.

This summary is of a general nature only and is not, and is not intended to be, legal or tax advice to any particular Unitholder. This summary is not exhaustive of all Canadian federal income tax considerations. Accordingly, Unitholders should consult their own tax advisors having regard to their own particular circumstances.

Holders Resident in Canada

The following portion of this summary is generally applicable to a Holder who, at all relevant times, for purposes of the Tax Act and any applicable income tax convention is, or is deemed to be, resident in Canada (a "**Resident Holder**"). Certain Resident Holders may be entitled to make or may have already made the irrevocable election permitted by subsection 39(4) of the Tax Act, the effect of which may be to deem to be capital property any Units owned by such Resident Holder in the taxation year in which the election is made and in all subsequent taxation years. Resident Holders whose Units might not otherwise be considered to be capital property should consult their own tax advisors concerning this election.

This portion of the summary is not applicable to (i) a Unitholder that is a "specified financial institution", (ii) a Unitholder an interest in which is a "tax shelter investment", (iii) a Unitholder that is, for purposes of certain rules (referred to as the mark-to-market rules) applicable to securities held by financial institutions, a "financial institution", or (iv) a Unitholder that reports its "Canadian tax results" in a currency other than Canadian currency, each as defined in the Tax Act. Such Unitholders should consult their own tax advisors having regard to their own particular circumstances.

Sale of Units Pursuant to the Offer or a Compulsory Acquisition

Generally, a Resident Holder who disposes of Units to the Offeror under the Offer or a Compulsory Acquisition, as described in Section 11 of the Circular, "Acquisition of Units Not Deposited — Compulsory Acquisition", will realize a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base to the Resident Holder of the Units immediately before the disposition.

Generally, a Resident Holder is required to include in computing its income for a taxation year one-half of the amount of any capital gain (a "**taxable capital gain**") realized by it in that year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder is required to deduct one-half of the amount of any capital loss (an "**allowable capital loss**") realized in a taxation year from taxable capital gains realized by the Resident Holder in that year. Allowable capital losses in excess of taxable capital gains for the year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent year against net taxable capital gains realized in such years, to the extent and in the circumstances specified in the Tax Act.

A Resident Holder that is throughout the year a "Canadian-controlled private corporation", as defined in the Tax Act, is liable for tax, a portion of which may be refundable, on investment income, including taxable capital gains.

Where a Resident Holder that is a corporation or trust (other than a mutual fund trust) disposes of a Unit, the Resident Holder's capital loss from the disposition will generally be reduced by the amount of any distributions received by the Resident Holder to the extent such distributions were designated by Primaris as being a dividend in accordance with the Tax Act, except to the extent that a loss on a previous disposition of a Unit by the Resident Holder has been reduced by those distributions. Analogous rules apply where a corporation or trust (other than a mutual fund trust) is a member of a partnership that disposes of Units.

Where a Resident Holder that is not a corporation, trust or partnership disposes of a Unit, the Resident Holder's capital loss from the disposition will generally be reduced by the amount of any distributions received by the Resident Holder to the extent such distributions were designated by Primaris as being a capital dividend in accordance with the Tax Act, except to the extent that a loss on a previous disposition of a Unit by a Resident Holder has been reduced by those distributions.

Disposition of Units Pursuant to a Subsequent Acquisition Transaction

As described in Section 11 of the Circular, "Acquisition of Units Not Deposited — Subsequent Acquisition Transaction" and "Acquisition of Units Not Deposited — Other Alternatives", if the Compulsory Acquisition provisions are not utilized, the Offeror may propose other means of acquiring the remaining issued and outstanding Units including the redemption and/or exchange thereof by way of amendment to the Declaration of Trust. The tax treatment of a Subsequent Acquisition Transaction to a Resident Holder will depend upon the exact manner in which the Subsequent Acquisition Transaction is carried out. If a Subsequent Acquisition Transaction is carried out in the manner described in either paragraph (a) or (b) under the heading "Acquisition of Units Not Deposited — Subsequent Acquisition Transaction", a Resident Holder will realize a capital gain (or capital loss) generally calculated in the same manner and with the tax consequences as described above under "Holders Resident in Canada — Sale of Units Pursuant to the Offer or a Compulsory Acquisition".

If a Subsequent Acquisition Transaction is carried out by way of redemption of Units, then, in general, the Resident Holder will realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition (less the amount of any income or taxable capital gain allocated to the Resident Holder in respect of such redemption as described below) are greater (or less) than the aggregate of the Resident Holder's adjusted cost base of the Units, as the case may be, and any reasonable costs associated with the disposition, with the tax consequences described above under "Holders Resident in Canada — Sale of Units Pursuant to the Offer or a Compulsory Acquisition". As well, the Resident Holder would be required to include in income such portion of Primaris' income for the year in which the redemption takes place as is allocated and paid by Primaris to the Resident Holder in connection with the redemption of Units. For this purpose, the income of Primaris includes such portion of the net taxable capital gains of Primaris as is designated in accordance with the provisions of the Tax Act.

Resident Holders should consult their own tax advisors for advice with respect to the income tax consequences to them of having their Units acquired pursuant to a Subsequent Acquisition Transaction.

Holders Not Resident in Canada

The following portion of this summary is generally applicable to a Holder who, at all relevant times, for purposes of the Tax Act and any applicable income tax convention, is neither resident nor deemed to be resident in Canada, does not use or hold, and is not deemed to use or hold, Units in connection with carrying on a business in Canada (a "**Non-Resident Holder**"). Special rules, which are not discussed in this summary, may apply to certain Unitholders that are insurers carrying on an insurance business in Canada and elsewhere.

Sale of Units Pursuant to the Offer or a Compulsory Acquisition

A Non-Resident Holder who disposes of Units under the Offer or a Compulsory Acquisition will realize a capital gain or a capital loss generally calculated in the manner described above under "Holders Resident in Canada — Sale of Units Pursuant to the Offer or a Compulsory Acquisition". A Non-Resident Holder will not be subject to tax under the Tax Act on any capital gain realized on the disposition of Units pursuant to the Offer or a Compulsory Acquisition unless the Units are "taxable Canadian property" to the Non-Resident Holder for the purposes of the Tax Act that is not "treaty-protected property" of the Non-Resident Holder for the purposes of the Tax Act.

Generally, a Unit will not constitute "taxable Canadian property" to a Non-Resident Holder at the time of disposition provided that (i) Primaris qualifies as a "mutual fund trust" (as defined in the Tax Act) and (ii) the Non-Resident Holder, persons with whom the Non-Resident Holder does not deal at arm's length, or the Non-Resident Holder together with such persons have not owned 25% or more of the units of Primaris at any

particular time during the 60-month period that ends at that time. Notwithstanding the foregoing, in certain circumstances set out in the Tax Act, Units could be deemed to be taxable Canadian property.

Even if the Units are taxable Canadian property to a Non-Resident Holder, a taxable capital gain resulting from the disposition of the Units will not be included in computing the Non-Resident Holder's taxable income earned in Canada for the purposes of the Tax Act if, at the time of the disposition, the Units constitute "treaty-protected property" of the Non-Resident Holder for purposes of the Tax Act. Units will generally be considered "treaty-protected property" of a Non-Resident Holder for purposes of the Tax Act at the time of the disposition if the gain from their disposition would, because of an applicable income tax treaty between Canada and the country in which the Non-Resident Holder is resident for purposes of such treaty, be exempt from tax under the Tax Act.

Non-Resident Holders whose Units are taxable Canadian property should consult their own tax advisors for advice having regard to their particular circumstances, including whether their Units constitute treaty-protected property.

Disposition of Units Pursuant to a Subsequent Acquisition Transaction

As described in Section 11 of the Circular, "Acquisition of Units Not Deposited — Subsequent Acquisition Transaction" and "Acquisition of Units Not Deposited — Other Alternatives", if the compulsory acquisition provisions are not utilized, the Offeror may propose other means of acquiring the remaining issued and outstanding Units, including the redemption and/or exchange thereof by way of amendment to the Declaration of Trust. The tax treatment of a Subsequent Acquisition Transaction to a Non-Resident Holder will depend upon the exact manner in which the Subsequent Acquisition Transaction is carried out and may be substantially the same as, or materially different from, those described above. Non-Resident Holders should consult their own tax advisors regarding the tax effects of a Subsequent Acquisition Transaction.

Depending upon the exact manner in which the Subsequent Acquisition Transaction is carried out, a Non-Resident Holder may realize a capital gain (or a capital loss) on the disposition of Units pursuant to a Subsequent Acquisition Transaction. Capital gains and capital losses realized by a Non-Resident Holder in connection with a Subsequent Acquisition Transaction will be subject to taxation in the manner described above under "Holders Not Resident in Canada — Disposition of Units Pursuant to the Offer or a Compulsory Acquisition".

If the Subsequent Acquisition Transaction is carried out as a redemption of Units, a Non-Resident Holder whose Units are redeemed by Primaris pursuant to such Subsequent Acquisition Transaction will be subject to Canadian withholding tax at the rate of 25%, subject to reduction under the provisions of an applicable income tax treaty, on that portion of Primaris' income (other than taxable capital gains designated by Primaris in respect of the Non-Resident Holder) for the taxation year as is allocated and paid by Primaris to the Non-Resident Holder in connection with the redemption of such Units. See "Canada-U.S. Tax Treaty" below.

In addition, to the extent Primaris designates an amount paid to the Non-Resident Holder in connection with the redemption of the Non-Resident Holder's Units as a taxable capital gain of such Non-Resident Holder, one-half of the lesser of twice the amount so designated in respect of such Non-Resident Holder and such Non-Resident Holder's *pro rata* portion of Primaris' "TCP Gains Balance" (within the meaning of the Tax Act) for the taxation year will be subject to Canadian non-resident withholding tax at 25%, if more than 5% of the amounts so designated by Primaris for the taxation year were designated in respect of Unitholders that are either "non-resident persons" or partnerships which are not "Canadian partnerships" (each as defined in the Tax Act). TCP Gains Balance generally includes all capital gains (less all capital losses) realized by a trust from the disposition of TCP (including Canadian real property), less amounts deemed to be TCP gains distributions in previous taxation years.

A Non-Resident Holder whose Units are redeemed by Primaris will also be subject to Canadian withholding tax at a rate of 15%, subject to reduction under the provisions of an applicable income tax treaty (see "Canada-U.S. Tax Treaty" below), on an amount not otherwise subject to tax that is paid or credited by Primaris to a Non-Resident Holder or a partnership that is not a "Canadian partnership" (as defined in the Tax Act), if the Units held by such Non-Resident Holder or such partnership are listed on a "designated stock

exchange" (which currently includes the TSX) at the time of repurchase. A Non-Resident Holder may be entitled to file a special Canadian tax return to claim a refund of all or a portion of such withholding tax if the Non-Resident Holder has "Canadian property mutual fund losses" for the taxation year in which the Units are redeemed and certain other relevant taxation years.

Non-Resident Holders should consult their own tax advisors for advice with respect to the income tax consequences to them of having their Units acquired pursuant to a Subsequent Acquisition Transaction.

Canada — U.S. Tax Treaty

Pursuant to the Fifth Protocol to the Canada-U.S. Tax Treaty, the Canada-U.S. Tax Treaty was amended to include provisions that may deny the availability of benefits under the Canada-U.S. Tax Treaty to Non-Resident Holders in certain circumstances. In particular, Article IV(7)(b) of the Canada-U.S. Tax Treaty denies the benefits of the Canada-U.S. Tax Treaty with respect to an amount paid to or derived by a person that is considered to be resident in the United States for purposes of the Canada-U.S. Tax Treaty and entitled to benefits thereunder where such an amount is paid or derived from a Canadian resident entity that is treated as fiscally transparent for United States federal income tax purposes but that is not fiscally transparent for Canadian income tax purposes, if that amount would not receive the same United States federal income tax treatment were the Canadian resident entity not treated as fiscally transparent under the Laws of the United States.

As a trust, Primaris is not treated as fiscally transparent for Canadian income tax purposes. If Primaris has made an election to be classified as a partnership for United States federal income tax purposes, it will be treated as fiscally transparent for United States federal income tax purposes. As a result, if Primaris has made such election, Non-Resident Holders receiving distributions from Primaris that are subject to Canadian withholding tax as described above may be denied the benefit of reduced rate under the Canada-U.S. Tax Treaty in respect of those distributions as a result of Article IV(7)(b) of the Canada-U.S. Tax Treaty.

16. Certain United States Federal Income Tax Considerations

U.S. INTERNAL REVENUE SERVICE CIRCULAR 230 NOTICE: UNITHOLDERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF U.S. FEDERAL TAX ISSUES CONTAINED OR REFERRED TO IN THIS CIRCULAR OR IN ANY DOCUMENT REFERRED TO HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY UNITHOLDERS, FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON THEM UNDER THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED; (B) SUCH DISCUSSION IS WRITTEN FOR USE IN CONNECTION WITH THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) UNITHOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

The following is a general discussion of certain material U.S. federal income tax considerations applicable to U.S. Unitholders (as defined below) with respect to the disposition of Units pursuant to the Offer, a Compulsory Acquisition, Subsequent Acquisition Transaction or other transaction described in Section 11 of the Circular, "Acquisition of Units Not Deposited". This summary is based upon the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), existing, proposed and temporary U.S. Treasury Regulations, administrative rulings and practice, judicial decisions, and the Canada-U.S. Tax Treaty, in each case as in effect on the date hereof, all of which are subject to changes (possibly with retroactive effect) which could affect the accuracy of this discussion. No ruling has been requested or will be obtained from the U.S. Internal Revenue Service (the "**IRS**") regarding the tax consequences of the Offer, a Compulsory Acquisition, Subsequent Acquisition Transaction or other transaction described in Section 11 of the Circular, "Acquisition of Units Not Deposited". This summary is not binding on the IRS, and the IRS may take a position that is different from, and contrary to, the positions taken in this summary.

This discussion does not address aspects of U.S. federal taxation other than income taxation, nor does it address all aspects of U.S. federal income taxation that may be applicable to particular Unitholders, in light of their investment circumstances, including but not limited to the following: Unitholders who are dealers or brokers in securities or currencies, insurance companies, tax-exempt organizations, individual retirement

accounts and other tax-deferred accounts, financial institutions, non-U.S. persons, Subchapter S corporations, mutual and common trust funds, regulated investment companies, real estate investment trusts, U.S. expatriates, partnerships, persons that are liable for the alternative minimum tax, persons who own, directly, indirectly or by attribution, 10% or more, by voting power or value, of the outstanding Units, holders that acquired their Units on the conversion or exchange of other stocks or securities, persons whose functional currency is not the U.S. dollar, persons who acquired their Units as compensation for services and persons who hold Units as part of a straddle, hedge, synthetic security or other transaction involving more than one position. This summary is limited to persons who hold their Units as "capital assets" within the meaning of Section 1221 of the Code. The discussion does not address the U.S. federal income tax consequences to beneficial owners of options to purchase Units or beneficial owners of Convertible Securities or any other stock or securities convertible or exchangeable into Units. In addition, it does not address U.S. estate or gift tax, state, local or non-U.S. tax consequences.

If a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) holds Units and participates in the Offer or other transaction described in Section 11 of the Circular, "Acquisition of Units Not Deposited", the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. A partner in a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) holding Units is urged to consult an independent tax advisor with regard to the U.S. federal income tax consequences of participating in the Offer, a Compulsory Acquisition, Subsequent Acquisition Transaction or other transaction described in Section 11 of the Circular, "Acquisition of Units Not Deposited".

This summary assumes that Primaris is characterized as a corporation for U.S. federal income tax purposes, and is not characterized as a controlled foreign corporation for such purposes. If Primaris were not classified as a corporation or was classified as a controlled foreign corporation, the U.S. federal income tax consequences summarized herein could be materially and adversely different.

In addition, this summary assumes that if any URP Rights are acquired by the Offeror, there is no value to those URP Rights, and therefore that no amount of the consideration paid by the Offeror will be allocated to the URP Rights. Accordingly, this summary does not otherwise address the disposition of any URP Rights pursuant to the Offer. US Unitholders are urged to consult their own tax advisers regarding the disposition of any URP Rights.

As used herein, the term "**U.S. Unitholder**" means a beneficial owner of Units that is, for U.S. federal income tax purposes: (i) a citizen or resident of the United States; (ii) a corporation, or other entity taxable as a corporation, created or organized under the Laws of the United States or any political subdivision thereof or therein; (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) a trust if (a) a U.S. court can exercise primary supervision over the trust's administration and one or more U.S. persons are authorized to control all substantial decisions of the trust or (b) the trust has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular U.S. Unitholder. U.S. Unitholders are urged to consult an independent tax advisor for advice regarding the U.S. federal income tax consequences to them of disposing of Units pursuant to the Offer, a Compulsory Acquisition, Subsequent Acquisition Transaction or other transaction described in Section 11 of the Circular, "Acquisition of Units Not Deposited", having regard to their own particular circumstances, and any other consequences to them of such transactions under U.S. federal, state, or local tax Laws and under non-U.S. tax Laws.

Disposition of Units

Disposition of Units for Cash Pursuant to the Offer or a Compulsory Acquisition

Subject to the PFIC rules discussed below, upon a disposition of Units in the Offer or a Compulsory Acquisition, a U.S. Unitholder should generally recognize capital gain or loss for U.S. federal income tax purposes equal to the difference, if any, between (i) the U.S. Unitholder's adjusted tax basis (determined in U.S. dollars) in the Units exchanged for Canadian dollars pursuant to the Offer or Compulsory Acquisition and

(ii) the U.S. dollar value of the Canadian dollars received pursuant to the Offer (which amount will not be reduced by any related Canadian taxes paid by the U.S. Unitholder directly or by withholding, but will exclude amounts, if any, received in a Compulsory Acquisition that may be deemed to be interest for U.S. federal income tax purposes). Any amounts received in a Compulsory Acquisition that may be deemed to be interest for U.S. federal income tax purposes would be treated as ordinary income, and the U.S. dollar value of the Canadian dollar amount of this portion generally should be included in income in accordance with the U.S. Unitholder's method of accounting.

If the U.S. Unitholder's holding period in the Units exceeds one year, the capital gain or loss on the disposition of Units will be long-term capital gain or loss subject to taxation (in the case of non-corporate U.S. Unitholders) at a preferential rate. Deduction of capital losses is subject to certain limitations under the Code. U.S. Unitholders are urged to consult an independent tax advisor regarding the U.S. federal income tax consequences to them of having their Units acquired pursuant to a Compulsory Acquisition.

Foreign Currency Gain or Loss on Receipt of Canadian Dollars and Dispositions of Canadian Dollars

The U.S. dollar value of the Canadian dollars received by a U.S. Unitholder on an exchange of Units pursuant to the Offer or a Compulsory Acquisition will be determined by reference to the spot rate of exchange on the date of the sale. However, if the Units are treated as traded on an "established securities market" and the U.S. Unitholder is either a cash basis taxpayer or an accrual basis taxpayer that has made a special election (which election must be applied consistently from year to year and cannot be changed without the consent of the IRS), the U.S. Unitholder will determine the U.S. dollar value of the amount of the Canadian dollars received based on the spot rate of exchange on the settlement date of the sale pursuant to the Offer or a Compulsory Acquisition. If a U.S. Unitholder is an accrual basis taxpayer and does not make this special election, such holder generally will recognize foreign currency gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the U.S. dollar values of the Canadian dollars received determined by reference to the spot rates of exchange in effect on the date of the sale of Units and on the settlement date of the sale of Units. Any such foreign currency gain or loss generally will be treated as U.S. source ordinary income or loss and will be in addition to the gain or loss, if any, that such U.S. Unitholder recognizes on the sale of Units pursuant to the Offer or a Compulsory Acquisition. Alternative foreign currency gain or loss rules may apply to amounts, if any, received in a Compulsory Acquisition that may be deemed to be interest for U.S. federal income tax purposes.

A U.S. Unitholder will have a tax basis in Canadian dollars received equal to the U.S. dollar value of the Canadian dollars on the date of receipt. If the Canadian dollars received are converted into U.S. dollars on the date of receipt, the U.S. Unitholder generally should not be required to recognize foreign currency gain or loss. Gain or loss, if any, recognized by a U.S. Unitholder on the sale or other disposition of Canadian dollars received on a date subsequent to receipt generally will be U.S. source ordinary income or loss.

Disposition of Units Pursuant to a Subsequent Acquisition Transaction or Other Transaction

The U.S. federal income tax consequences resulting from a Subsequent Acquisition Transaction or other transaction as described in Section 11 of the Circular, "Acquisition of Units Not Deposited" will depend on the manner in which the transaction is carried out and may be substantially the same or materially different than the U.S. federal tax consequences described above for a U.S. Unitholder who disposes of its Units in the Offer or a Compulsory Acquisition. As of the date hereof, the Offeror cannot reasonably determine the exact manner in which a Subsequent Acquisition Transaction or other transaction may be carried out. U.S. Unitholders are urged to consult an independent tax advisor with respect to the U.S. federal income tax consequences to them of having their Units acquired pursuant to a Subsequent Acquisition Transaction or other transaction as described in Section 11 of the Circular, "Acquisition of Units Not Deposited".

Foreign Tax Credits for Canadian Taxes Paid or Withheld

A U.S. Unitholder that pays (directly or through withholding) Canadian income taxes in connection with the Offer or a Compulsory Acquisition may be entitled to claim a credit for U.S. federal income tax purposes, subject to a number of complex rules and limitations. Gain on the disposition of Units by a U.S. Unitholder

generally will be U.S. source gain for foreign tax credit purposes, unless, in the case of a U.S. Unitholder eligible for benefits under the Canada-U.S. Tax Treaty, the gain is subject to tax in Canada and re-sourced as foreign source gain under the provisions of the treaty. Alternatively, a U.S. Unitholder may take a deduction for any such Canadian income taxes if the U.S. Unitholder does not elect to claim a foreign tax credit for any non-U.S. taxes paid during the taxable year. U.S. Unitholders are urged to consult an independent tax advisor regarding the foreign tax credit implications of disposing of Units in the Offer or a Compulsory Acquisition.

Passive Foreign Investment Companies

In general, Primaris would be a passive foreign investment company ("**PFIC**") if, for any taxable year, 75% or more of its gross income constituted "passive income" or 50% or more of its assets produced, or were held for the production of, passive income. "Passive income" generally includes, among other things, dividends, interest, certain royalties, rents, and gains from commodities and securities transactions and from the sale or exchange of property that gives rise to passive income. For purposes of the PFIC income and asset tests described above, if Primaris owns, directly or indirectly, 25% or more of the total value of the outstanding shares of a corporation, Primaris will be treated as if it (a) held a proportionate share of the assets of such corporation and (b) received directly a proportionate share of the income of such corporation.

Neither the Offeror nor the Offeror's counsel has made any determination as to the current or historic PFIC status of Primaris. The determination of PFIC status of a corporation is fundamentally factual in nature, depends on the application of complex U.S. federal income tax rules which are subject to differing interpretations, and generally cannot determined for each taxable year until the close of such year. Consequently, no assurance can be provided that Primaris has not been classified as a PFIC for any previous taxable year during which a U.S. Unitholder has held Units or whether Primaris will be classified as a PFIC for its current taxable year.

If Primaris is or has been a PFIC at any time during a U.S. Unitholder's holding period and the U.S. Unitholder did not timely elect to be taxable currently on his or her pro rata share of Primaris' earnings under the "qualified electing fund" rules or to be taxed on a "mark to market" basis with respect to his or her Units, any gain recognized by the U.S. Unitholder as a result of his or her participation in the Offer will generally be treated as ordinary income and will be subject to special, generally unfavorable tax rules. Under these special tax rules, (i) the amount of any gain recognized in the Offer is allocated ratably over the U.S. Unitholder's holding period for his or her Units, (ii) any such amounts allocated to prior years during which Primaris was treated as a PFIC with respect to such U.S. Unitholder is subject to U.S. federal income tax at the highest statutory rate applicable to the U.S. Unitholder for each such prior year (determined without regard to other income, losses or deductions of the U.S. Unitholder for these years), and (iii) the tax due with respect to the gain allocated to these prior years is subject to an interest charge, computed at the rate applicable to underpayments of tax. Different rules apply if Primaris is or has been a PFIC and the U.S. Unitholder made certain elections with respect to its Units.

The PFIC rules may have a significant adverse effect on the U.S. federal income tax consequences of the Offer to a U.S. Unitholder. Accordingly, U.S. Unitholders are urged to consult an independent tax advisor regarding the possible classification of Primaris as a PFIC, the potential effect of the PFIC rules to such holder, as well as the availability, and effect of any election that may be available under the PFIC rules, in each case, having regard to such holder's particular circumstances.

Information Reporting and Backup Withholding

Payments in respect of Units may be subject to information reporting to the IRS. In addition, a U.S. Unitholder (other than certain exempt holders including, among others, corporations) may be subject to backup withholding on Canadian dollars received in connection with the Offer or a Compulsory Acquisition. Backup withholding will not apply, however, to a U.S. Unitholder who furnishes an accurate taxpayer identification number and otherwise complies with the applicable requirements of the backup withholding rules. Backup withholding is not an additional tax. Any amount withheld under the backup withholding rules will be creditable or refundable against the U.S. Unitholder's U.S. federal income tax liability, provided the required information is furnished to the IRS by filing a tax return. U.S. Unitholders are urged to consult an independent

tax advisor as to their qualification for exemption from backup withholding and the procedure for obtaining such exemption.

If Primaris is a PFIC, a U.S. Unitholder will be required to file IRS Form 8621 for the taxable year in which the U.S. Unitholder recognizes gain from the sale of Units pursuant to the Offer or a Compulsory Acquisition. Failure to do so could result in penalties and in the extension of the statute of limitations on the assessment and collection of U.S. federal income taxes of such U.S. Unitholder for the related tax year until after the date such information is filed.

Certain U.S. persons that own "specified foreign financial assets" with an aggregate value in excess of US$50,000 are generally required to file an information return on IRS Form 8938 with the IRS with respect to such assets. Failure to do so could result in substantial penalties and in the extension of the statute of limitations with respect to such person's U.S. federal income tax returns. "Specified foreign financial assets" include any financial accounts maintained by foreign financial institutions, as well as stocks and securities issued by non-U.S. persons, but only if they are not held in accounts maintained by certain specified financial institutions. U.S. Unitholders are urged to consult an independent tax advisor regarding the application of these rules to their ownership and disposition of Units.

Additional Medicare Tax on Passive Income

For tax years beginning after December 31, 2012, certain individuals, estates and certain trusts whose income exceeds certain thresholds generally will be required to pay a 3.8% Medicare surtax on certain investment income, including, among other things, dividends and net gain from the sale or other taxable disposition of Common Shares, subject to certain limitations and exceptions. U.S. Unitholders are urged to consult an independent tax advisor regarding the effect, if any, of this tax on their ownership and disposition of Units.

17. Depositary and Information Agent

The Offeror has engaged Canadian Stock Transfer Company Inc. as the Depositary and CST Phoenix Advisors as the Information Agent to receive deposits of certificates representing Units and accompanying Letters of Transmittal deposited under the Offer at its office in Toronto, Ontario specified in the Letter of Transmittal. In addition, the Depositary and Information Agent will receive deposits of Notices of Guaranteed Delivery at its office in Toronto, Ontario specified in the Notice of Guaranteed Delivery. The Depositary and Information Agent will also be responsible for giving certain notices, if required by applicable Laws, and for making payment for all Units purchased by the Offeror under the Offer. The Depositary and Information Agent will also facilitate book-entry transfers of Units. The Depositary and Information Agent will receive reasonable and customary compensation from the Offeror for its services in connection with the Offer, will be reimbursed for certain out-of-pocket expenses and will be indemnified against certain liabilities. The Depositary can be contacted within North America at 1-800-387-0825 and outside of North America at 416-682-3860 or by e-mail at inquiries@canstockta.com. The Information Agent can be contacted within North America at 1-866-822-1237 and outside North America at 201-806-2222 or by e-mail at inquiries@phoenixadvisorscst.com.

18. Financial Advisors and Soliciting Dealer Group

The Offeror has engaged TD Securities and CIBC World Markets Inc. as its financial advisors (the "**Financial Advisors**"). The Offeror will reimburse each of the Financial Advisors for its reasonable out-of-pocket expenses, and has also agreed to indemnify each of the Financial Advisors against certain liabilities and expenses in connection with the Offer.

TD Securities will form a soliciting dealer group (the "**Soliciting Dealer Group**") comprised of members of the Investment Industry Regulatory Organization of Canada and members of the TSX to solicit acceptances of the Offer from persons who are resident in Canada. Each member of the Soliciting Dealer Group, including TD Securities and CIBC World Markets Inc. is referred to herein as a "**Soliciting Dealer**".

The Offeror has agreed to pay to each Soliciting Dealer whose name appears in the appropriate space in the Letter of Transmittal accompanying a deposit of Units a fee of $0.14 for each Unit deposited by or on behalf

of a beneficial owner of Units resident in Canada and taken up by the Offeror pursuant to the Offer. The aggregate amount payable to a Soliciting Dealer with respect to any single depositing Unitholder will be not less than $85.00 and not more than $1,500.00, provided that at least 400 Units are deposited per beneficial Unitholder. For greater certainty, no solicitation fee will be paid if the Offer is withdrawn or terminated and no Units are taken up thereunder. The Offeror will not pay any fee with respect to deposits of Units held by any member of the Soliciting Dealer Group for its own account or Units tendered by employees, officers, directors, trustees, and former officers, directors and trustees of Primaris and its subsidiaries or persons related to or controlled by such persons. Where Units deposited and registered in a single name are beneficially owned by more than one person, the foregoing minimum and maximum amounts will be applied separately in respect of each such beneficial owner. The Offeror may require the Soliciting Dealers to furnish evidence of beneficial ownership satisfactory to the Offeror at the time of deposit. If no Soliciting Dealer is specified in a Letter of Transmittal, no fee will be paid to a Soliciting Dealer in respect of the applicable Units. Claims for solicitation fees shall be made no later than 30 days following the expiry of the Offer.

Unitholders will not be required to pay any fee or commission if they accept the Offer by depositing their Units directly with the Depositary and Information Agent or if they make use of the services of a Soliciting Dealer to accept the Offer. Unitholders should contact TD Securities, the Depositary and Information Agent or a broker or dealer for assistance in accepting the Offer and depositing their Units with the Depositary and Information Agent.

Except as set out herein, the Offeror has not agreed to pay any fees or commissions to any stockbroker, dealer or other person for soliciting tenders of Units under the Offer; provided that the Offeror may make other arrangements with additional soliciting dealers, dealer managers or information agents, either within or outside Canada, for customary compensation during the Offer period if it considers it appropriate to do so.

19. Legal Matters

The Offeror and its affiliates are being advised in respect of certain matters concerning the Offer by, and the opinions contained under "Certain Canadian Federal Income Tax Considerations" and "Certain United States Federal Income Tax Considerations" have been provided by Osler, counsel to the Offeror and its affiliates.

20. Statutory Rights

Securities legislation in the provinces and territories of Canada provides Unitholders with, in addition to any other rights they may have at law, one or more rights of rescission or price revision or to damages, if there is a misrepresentation in a circular or notice that is required to be delivered to the Unitholders. However, such rights must be exercised within prescribed time limits. Unitholders should refer to the applicable provisions of the securities legislation of their province or territory for particulars of those rights or consult a lawyer.

21. Approval

The contents of the Offer and the Circular have been approved, and the sending of the Offer and the Circular to the Unitholders and holders of Convertible Securities has been authorized, by the board of directors of KS Acquisition II Inc., in its capacity as the general partner of the Offeror, the board of directors of KingSett Real Estate Growth GP No. 5 Inc., in its capacity as the general partner of KingSett LP No. 5 and OPB Financial Trustee Limited, in its capacity as the trustee of OPB Trust.

CERTIFICATE OF KINGSETT CAPITAL INC.

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

DATED: December 10, 2012

KINGSETT CAPITAL INC.

(Signed) JOSEPH R. MAZZOCCO
Joseph R. Mazzocco
Vice President, Investments

(Signed) ROBBIE M. KUMER
Robbie M. Kumer
Vice President, Investments

ON BEHALF OF THE BOARD OF DIRECTORS

(Signed) JON. E. LOVE
Jon. E. Love
Director

(Signed) ANNA M. KENNEDY
Anna M. Kennedy
Director

CERTIFICATE OF KS ACQUISITION II LP

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

DATED: December 10, 2012

KS ACQUISITION II INC., AS THE GENERAL PARTNER OF KS ACQUISITION II LP

(Signed) Jon. E. Love	(Signed) Joseph R. Mazzocco
President and Chief Executive Officer	Vice President

ON BEHALF OF THE BOARD OF DIRECTORS OF KS ACQUISITION II INC.,
AS THE GENERAL PARTNER OF KS ACQUISITION II LP

(Signed) Jon. E. Love	(Signed) Brian Whibbs
Director	Director

CERTIFICATE OF KINGSETT REAL ESTATE GROWTH L.P. NO. 5

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

DATED: December 10, 2012

KINGSETT REAL ESTATE GROWTH GP NO. 5 INC., AS THE GENERAL PARTNER OF KINGSETT REAL ESTATE GROWTH L.P. NO. 5

(Signed) Joseph R. Mazzocco	(Signed) Robbie M. Kumer
Vice President	Vice President

ON BEHALF OF THE BOARD OF DIRECTORS OF KINGSETT REAL ESTATE GROWTH GP NO. 5 INC., AS THE GENERAL PARTNER OF KINGSETT REAL ESTATE GROWTH L.P. NO. 5

(Signed) Jon E. Love	(Signed) Anna M. Kennedy
Director	Director

CERTIFICATE OF OPB FINANCE TRUST II

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

DATED: December 10, 2012

OPB FINANCE TRUSTEE LIMITED, IN ITS CAPACITY AS
TRUSTEE OF OPB FINANCE TRUST II

(Signed) Mark J. Fuller	(Signed) R. Paul Edwards
President and Chief Executive Officer	Senior Vice President, Corporate Affairs, General Counsel and Security

ON BEHALF OF THE BOARD OF DIRECTORS OF OPB FINANCE TRUSTEE LIMITED,
IN ITS CAPACITY AS TRUSTEE OF OPB FINANCE TRUST II

(Signed) Jill Pepall	(Signed) Duncan D. Webb
Director	Director

CONSENT OF LEGAL ADVISOR

TO: The Directors of KS Acquisition II Inc., as the general partner of KS Acquisition II LP

We hereby consent to the reference to our name and opinion contained under "Certain Canadian Federal Income Tax Considerations" in the Circular accompanying the Offer dated December 10, 2012 made by KS Acquisition II LP to the holders of trust units of Primaris.

Toronto, Canada
December 10, 2012

(Signed) Osler, Hoskin & Harcourt LLP

OSLER HOSKIN & HARCOURT LLP

The Dealer Manager for the Offer is:

TD Securities Inc.

66 Wellington Street West
TD Tower, 9th Floor
Toronto, ON M5K 1A2
Telephone: (416) 308-9738

The Depositary for the Offer is:

By Mail

P.O. Box 1036
Adelaide Street Postal Station,
Toronto, Ontario M5C 2K4

By Registered Mail, by Hand or by Courier

320 Bay Street, Basement Level (B1),
Toronto, Ontario M5H 4A6

North America Toll Free Phone: 1-800-387-0825
E-mail: inquiries@canstockta.com
Facsimile: 1-888-249-6189
Outside North America, Bankers and Brokers Call Collect: 416-682-3860

The Information Agent for the Offer is:

North American Toll Free Phone:

1-866-822-1237

Banks, Brokers and Collect Calls: 201-806-2222
Toll Free Facsimile: 1-888-509-5907
E-mail: inquiries@phoenixadvisorscst.com

Any questions or requests for assistance or additional copies of this document and the Letter of Transmittal may be directed to the Depositary or the Information Agent. Unitholders may also contact their brokers, dealers, commercial banks, trust companies or other nominees for assistance concerning the Offer.