

**CONSOLIDATED AMENDED AND RESTATED UNITHOLDER RIGHTS PLAN
AGREEMENT**

Between

**Partners Real Estate Investment Trust
(The “Trust”)**

- and -

**Computershare Trust Company of Canada
(the “Rights Agent”)**

Dated as of June 12, 2014

(Consolidating and amending and restating the Unitholder Rights Plan Agreement dated November 19, 2013 and amended on December 18, 2013, February 25, 2014, May 6, 2014 and June 12, 2014)

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CONSOLIDATED AMENDED AND RESTATED UNITHOLDER RIGHTS PLAN AGREEMENT

CONSOLIDATED AMENDED AND RESTATED UNITHOLDER RIGHTS PLAN AGREEMENT, dated as of the 12th day of June, 2014, between Partners Real Estate Investment Trust, a trust governed by the laws of Ontario (the “**Trust**”) and Computershare Trust Company of Canada, a trust company incorporated under the laws of Canada (the “**Rights Agent**”, which term will include any successor Rights Agent hereunder) consolidating and amending and restating the Unitholder Rights Plan Agreement dated November 19, 2013 as amended December 18, 2013, February 25, 2014, May 6, 2014 and June 12, 2014;

WHEREAS the Trust and the Rights Agent entered into a unitholder rights plan agreement dated November 19, 2013, as amended on December 18, 2013, February 25, 2014, May 6, 2014 and June 12, 2014 (the “**Original Rights Plan**”).

AND WHEREAS the board of trustees of the trust (the “**Board of Trustees**”) has determined that it is in the best interests of the Trust to consolidate, amend and restate the Original Right Plan and accordingly has adopted this this consolidated amended and restated unitholder rights plan agreement (the “**Rights Plan**”) to ensure, to the extent possible, that all unitholders of the Trust are treated fairly in connection with any take-over bid of the Trust;

AND WHEREAS in order to continue the Rights Plan as consolidated, amended and restated herein, the Board of Trustees have:

- (a) confirmed the issuance of one Right (as hereinafter defined) in respect of each Unit (as hereinafter defined) outstanding at the Record Time (as hereinafter defined), and
- (b) confirmed and authorized the issuance of one Right in respect of each Unit (as hereinafter defined) issued after the Record Time and prior to the earlier of the Separation Time (as hereinafter defined) and the Expiration Time (as hereinafter defined);

AND WHEREAS each Right entitles the holder thereof, after the Separation Time, to purchase securities of the Trust pursuant to the terms and subject to the conditions set forth herein;

AND WHEREAS the Trust desires to appoint the Rights Agent to act on behalf of the Trust and the holders of Rights, and the Rights Agent is willing to so act, in connection with the issuance, transfer, exchange and replacement of Rights Certificates (as hereinafter defined), the exercise of Rights and other matters referred to herein;

NOW THEREFORE, in consideration of the premises and the respective covenants and agreements set forth herein, the parties hereby agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Certain Definitions

For purposes of this Agreement, the following terms have the meanings indicated:

- (a) “**Acquiring Person**” means any Person who is the Beneficial Owner of 20% or more of the outstanding Voting Units (for purposes of this definition, Beneficial Ownership of instalment receipts representing Voting Units, if any, will be deemed to be Beneficial Ownership of the Voting Units represented by such instalment receipts); provided, however, that the term “**Acquiring Person**” will not include:
- (i) the Trust or any Subsidiary of the Trust;
 - (ii) any Person who becomes the Beneficial Owner of 20% or more of the outstanding Voting Units as a result of one or any combination of:
 - (A) a Voting Unit Reduction,
 - (B) a Permitted Bid Acquisition,
 - (C) an Exempt Acquisition, or
 - (D) a Permissible Acquisition;

provided however, that if a Person becomes the Beneficial Owner of 20% or more of the Voting Units then outstanding by reason of one or any combination of a Voting Unit Reduction, a Permitted Bid Acquisition, an Exempt Acquisition or a Permissible Acquisition and such Person’s Beneficial Ownership of Voting Units thereafter increases by more than 1% of the number of Voting Units then outstanding (other than pursuant to one or any combination of a Voting Unit Reduction, a Permitted Bid Acquisition, an Exempt Acquisition or a Permissible Acquisition), then as of the date such Person becomes the Beneficial Owner of such additional Voting Units, such Person will become an Acquiring Person;

- (iii) for a period of 10 days after the Disqualification Date, 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 1.1(e)(v) of the definition of Beneficial Owner solely because such Person makes or announces a current intention to make a Take-over Bid, either alone or by acting jointly or in concert with any other Person. For the purposes of this definition, “**Disqualification Date**” means the first date of public announcement that any Person is making or has announced an intention to make a Take-over Bid;
- (iv) an underwriter or member of a banking or selling group that becomes the

Beneficial Owner of 20% or more of the Voting Units in connection with a distribution of securities; or

- (v) a Person (a “**Grandfathered Person**”) who is a Beneficial Owner of more than 20% of the outstanding Voting Units determined as of the Record Time; provided, however, that this exemption will not be, and will cease to be, applicable to a Grandfathered Person in the event that such Grandfathered Person will, after the Record Time, become the Beneficial Owner of additional Voting Units that increases its Beneficial Ownership of Voting Units by more than 1% of the number of Voting Units outstanding (other than through one or any combination of a Voting Unit Reduction, a Permitted Bid Acquisition, an Exempt Acquisition or a Permissible Acquisition);
- (b) “**Affiliate**” when used to indicate a relationship with a Person, means a Person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, such Person;
- (c) “**Agreement**” means this consolidated amended and restated unitholder rights plan agreement dated as of June 12, 2014 between the Trust and the Rights Agent, as amended or supplemented from time to time; “hereof”, “herein”, “hereto” and similar expressions mean and refer to this Agreement as a whole and not to any particular part of this Agreement;
- (d) “**Associate**” when used to indicate a relationship with a specified Person, means any relative of such specified Person who has the same home as such specified Person, or any person to whom such specified Person is married, or any person with whom such specified Person is living in a conjugal relationship outside marriage, or any relative of such spouse or other person who has the same home as such specified Person;
- (e) A Person will be deemed the “**Beneficial Owner**” of, and to have “**Beneficial Ownership**” of, and to “**Beneficially Own**”;
 - (i) any securities of which such Person or any of such Person’s Affiliates or Associates is the owner at law or in equity;
 - (ii) any securities which such Person or any of such Person’s Affiliates or Associates has the right to acquire (where such right is exercisable within a period of 60 days, whether or not on condition or the happening of any contingency or the making of any payment) upon the exercise, conversion or exchange of any Convertible Securities or pursuant to any agreement, arrangement, pledge or understanding whether or not in writing (other than (x) the customary agreements with and between underwriters and banking or selling group members with respect to a distribution of securities and (y) pledges of securities in the ordinary course of the pledgee’s business); or
 - (iii) any securities which are Beneficially Owned within the meaning of Clauses 1.1(e)(i) and (ii) by any other Person with whom such Person is

acting jointly or in concert;

provided, however, that a Person will not be deemed the “Beneficial Owner” or to have “Beneficial Ownership” of, or to “Beneficially Own”, any security:

- (iv) because (1) the holder of such security has agreed to deposit or tender such security to a Take-over Bid made by such Person or any of such Person’s Affiliates or Associates or any other Person referred to in Clause (iii) of this definition pursuant to a Permitted Lock-up Agreement; or (2) such security has been deposited or tendered pursuant to a Take-over Bid made by such Person or any of such Person’s Affiliates or Associates or any other person acting jointly or in concert with such Person until such deposited or tendered security being taken up or paid for, whichever occurs first;
- (v) if (1) the ordinary business of such Person (the “**Investment Manager**”) includes the management of mutual funds or investment funds for others and the Investment Manager holds such security in the ordinary course of managing such funds for the account of any other Person, including non-discretionary accounts held on behalf of a client by a broker or dealer registered under applicable law, or (2) such Person (the “**Investment Trust**”) is licensed to carry on the business of a trust under applicable laws and, as such, acts as trustee or administrator or in a similar capacity in relation to the estates of deceased or incompetent Persons or in relation to other accounts and is acting in the ordinary course of such duties for the estate of such deceased or incompetent Person or for such other accounts or (3) such Person (the “**Plan Trustee**”) is the administrator or trustee of one or more pension funds or plans (each, a “**Plan**”) registered under applicable laws or is a Plan and holds such security for the purposes of its activity as such, or (4) such Person is established by statute for purposes that include, and the ordinary business or activity of such Person (the “**Statutory Body**”) includes, the management of investment funds for employee benefit plans, pension plans, insurance plans (other than plans administered by insurance companies) or various public bodies or (5) such Person is a Crown agent or agency; provided, in any of the above cases, that the Investment Manager, the Investment Trust, the Plan Trustee, the Plan, the Statutory Body or the Crown agent or agency, as the case may be, is not making and has not announced a current intention to make a Take-over Bid, other than an Offer to Acquire Voting Units or other securities pursuant to a distribution by the Trust or by means of ordinary market transactions (including prearranged trades entered into in the ordinary course of business of such Person) executed through the facilities of a stock exchange or organized over-the-counter market, alone or acting jointly or in concert with any other Person;
- (vi) because such Person is a client of the same Investment Manager as another Person on whose account the Investment Manager holds such security or where such Person is an account of the same Investment Trust as another Person on whose account the Investment Trust holds such security, or

because such Person is a pension fund or plan and has a Plan Trustee who is also a Plan Trustee for another pension fund or plan on whose account the Plan Trustee holds such security;

- (vii) because such Person is (1) a client of an Investment Manager and such security is owned at law or in equity by the Investment Manager, or (2) an account of an Investment Trust and such security is owned at law or in equity by the Investment Trust, or (3) a pension fund or plan and such security is owned at law or in equity by the Plan Trustee; or
- (viii) because such Person is the registered holder of securities as a result of carrying on the business of or acting as a nominee of a securities depository agency.
- (f) “**Business Day**” means any day other than a Saturday, Sunday or a day on which banking institutions in Toronto, Ontario are authorized or obligated by law to close or a day that is treated as a holiday in Toronto, Ontario;
- (g) “**close of business**” on any given date means the time on such date (or, if such date is not a Business Day, the time on the next succeeding Business Day) at which the office of the transfer agent for the Voting Units in the City of Toronto, Ontario, after the Separation Time, the office in Toronto, Ontario of the Rights Agent) is closed to the public;
- (h) “**Competing Permitted Bid**” means a Take-over 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 requirements set out in the Clause (ii) of that definition; and
 - (iii) contains an irrevocable and unqualified provision that no Voting Units will be taken up or paid for pursuant to the Take-over Bid prior to the close of business on a date that is no earlier than the later of (1) the date on which Voting Units may be taken up under the earliest Permitted Bid that preceded the Competing Permitted Bid (determined at the date of making the Take-over Bid and assuming no amendment or variation to the terms and satisfaction of all conditions to the completion of the Permitted Bid) and (2) 35 days following the date of the Takeover Bid;
- (i) “**controlled**”: a Person is “**controlled**” by another Person or two or more Persons acting jointly or in concert if:
 - (i) securities entitled to vote in the election of directors, trustees or others occupying a corresponding office carrying more than 50% of the votes for the election of directors, trustees or others occupying a corresponding office are held, directly or indirectly, by or for the benefit of the other Person or

Persons; and

- (ii) the votes carried by such securities are entitled, if exercised, to elect a majority of the board of directors, trustees or others occupying a corresponding office of such Person;

and “controls”, “controlling” and “under common control with” will be interpreted accordingly;

- (j) **“Convertible Securities”** means at any time any right to acquire Voting Units or any securities from time to time (other than the Rights) carrying any exercise, conversion or exchange right pursuant to which the holder thereof may acquire Voting Units or other securities carrying any exercise, conversion or exchange right pursuant to which the holder thereof may ultimately acquire Voting Units (in each case, provided such right is then exercisable or exercisable within a period of 60 days from that time and whether or not on condition or the happening of any contingency) including, at the relevant time of determination, any outstanding options for the purchase of Voting Units issued under the Trust’s Voting Unit option programs which are then exercisable or exercisable within a period of 60 days from that time.
- (k) **“Co-Rights Agents”** has the meaning ascribed thereto in Section 4.1(a) hereof;
- (l) **“Distribution Reinvestment Plan”** means the Trust’s Distribution Reinvestment and Optional Unit Purchase Plan dated January 11, 2008, as amended on February 9, 2009 and as further amended effective February 15, 2012, or other plan of the Trust made available by the Trust to holders of its securities where such plan permits the holder to direct that some or all of:
 - (i) distributions paid in respect of any Voting Units of the Trust;
 - (ii) proceeds of redemption of Voting Units of the Trust;
 - (iii) interest paid on evidences of indebtedness of the Trust; or
 - (iv) optional cash payments;be applied to the purchase from the Trust of Voting Units;
- (m) **“Effective Date”** means November 19, 2013;
- (n) **“Effective Time”** means 5:00 p.m. on the Effective Date;
- (o) **“Election to Exercise”** has the meaning ascribed thereto in Section 2.2(f) hereof;
- (p) **“Exempt Acquisitions”** means Voting Unit acquisitions in respect of which the Board of Trustees has waived the application of Section 3.1 hereof pursuant to the provisions of Sections 5.1(b), 5.1(c) or 5.1(d) or which were made on or prior to the Effective Date;

- (q) “**Exercise Price**” means, as of any date, the price at which a holder may purchase the securities issuable upon exercise of one whole Right which, subject to adjustment thereof in accordance with the terms hereof, will be \$100;
- (r) “**Expansion Factor**” has the meaning ascribed thereto in Section 2.3(b) hereof;
- (s) “**Expiration Time**” means the close of business on that date which is the earlier of the date of termination of this Agreement pursuant to Section 5.19(a) or, if this Agreement is confirmed pursuant to Section 5.19(a), the date of termination of this Agreement pursuant to Section 5.19(b) or, if this Agreement is reconfirmed pursuant to Section 5.19(b), the close of business on the ninth anniversary following the Effective Date;
- (t) “**Flip-In Event**” means a transaction in or pursuant to which any Person becomes an Acquiring Person;
- (u) “**holder**” has the meaning ascribed thereto in Section 2.8 hereof;
- (v) “**Independent Unitholders**” means holders of outstanding Voting Units, other than Voting Units Beneficially Owned by (i) any Acquiring Person; (ii) any Offeror other than a Person who at the relevant time is deemed not to Beneficially Own such Voting Units by reason of Clause 1.1(e)(v) hereof; (iii) any Person acting jointly or in concert with such Acquiring Person or Offeror referred to in (ii); (iv) any Associate or Affiliate of such Acquiring Person or Offeror referred to in (ii); and (v) any employee benefit plan, deferred profit sharing plan and any similar plan or trust for the benefit of employees of the Trust unless the beneficiaries of the plan or trust direct the manner in which the Voting Units are to be voted or withheld from voting or direct whether the Voting Units are to be tendered to a Take-over Bid;
- (w) “**Market Price**” of any securities on any date of determination means the average daily closing prices per security of such securities (determined as described below) on each of the 20 consecutive Trading Days through and including the Trading Day immediately preceding such date; provided, however, that if an event of a type analogous to any of the events described in Section 2.3 hereof will have caused the closing prices used to determine the Market Price on any Trading Days not to be fully comparable with the closing price on such date of determination or, if the date of determination is not a Trading Day, on the immediately preceding Trading Day, each such closing price so used will be appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 hereof in order to make it fully comparable with the closing price on such date of determination or, if the date of determination is not a Trading Day, on the immediately preceding Trading Day. The closing price of any securities on any date will be:
 - (i) the closing board lot sale price or, if such price is not available, the average of the closing bid and asked prices, for such security as reported by the principal Canadian stock exchange on which such securities are listed or admitted to trading; or

- (ii) if for any reason none of such prices is available on such day or the securities are not listed or admitted to trading on a Canadian stock exchange, the last sale price or, if such price is not available, the average of the closing bid and asked prices, for such security as reported by such other securities exchange on which such securities are listed or admitted to trading, or
- (iii) if for any reason none of such prices is available on such day or the securities are not listed or admitted to trading on a Canadian stock exchange or other securities exchange, the last sale price, or if no sale takes place on such day, the average of the high bid and low asked prices for each such security in the over-the-counter market, as quoted by any reporting system then in use, or
- (iv) if on any such date none of such prices is available or the securities are not listed or admitted to trading on a Canadian stock exchange or any other securities exchange or not quoted by any such reporting system, the average of the closing bid and asked prices as furnished by a professional market maker making a market in the securities;

provided, however, that if on any such date none of such prices is available, the closing price of such securities on such date means the fair value per security of such securities on such date as determined in good faith by a nationally or internationally recognized investment dealer or investment banker with respect to the fair value of such securities. The Market Price will be expressed in Canadian dollars;

- (x) “**Nominee**” has the meaning ascribed thereto in Section 2.2(c) hereof;
- (y) “**Offer to Acquire**” will include:
 - (i) an offer to purchase, or a solicitation of an offer to sell, Voting Units or Convertible Securities, and
 - (ii) an acceptance of an offer to sell Voting Units or Convertible Securities, whether or not such offer to sell has been solicited,or any combination thereof, and the Person accepting an offer to sell will be deemed to be making an Offer to Acquire to the Person that made the offer to sell;
- (z) “**Offeror**” means a Person who has announced a current intention to make or who is making a Take-over Bid, other than a person who has completed a Permitted Bid, a Competing Permitted Bid or an Exempt Acquisition;
- (aa) “**Offeror’s Securities**” means Voting Units Beneficially Owned by an Offeror on the date of the Offer to Acquire;
- (bb) “**Original Rights Plan**” has the meaning ascribed thereto in the recitals hereto;

- (cc) **“Permissible Acquisition”** means an acquisition by a Person of Voting Units and/or Convertible Securities pursuant to:
- (i) a Distribution Reinvestment Plan;
 - (ii) a Unit distribution, Unit split or other event in respect of securities of the Trust of one or more particular class, classes or series pursuant to which such Person becomes the Beneficial Owner of Voting Units on the same pro rata basis as all other holders of securities of the particular class, classes or series;
 - (iii) the acquisition or the exercise by the Person of only those rights to purchase Voting Units or Convertible Securities issued by the Trust to all or substantially all the holders of Voting Units pursuant to (A) a rights offering or pursuant to a prospectus provided that such rights are acquired directly from the Trust, provided such Person does not thereby acquire a greater percentage of Voting Units or Convertible Securities so offered than the Person’s percentage of Voting Units Beneficially Owned immediately prior to such acquisition, or (B) a distribution by the Trust of Voting Units or Convertible Securities made pursuant to a prospectus or by way of a private placement provided such Person does not thereby acquire a greater percentage of Voting Units or Convertible Securities so offered than the Person’s percentage of Voting Units Beneficially Owned immediately prior to such acquisition; or
 - (iv) the exercise of any Convertible Securities which were acquired pursuant to any of Clauses (i) through (iii) above.
- (dd) **“Permitted Bid”** means a Take-over Bid made by way of a take-over bid circular which also complies with the following additional provisions:
- (i) the Take-over Bid is made to all holders of Voting Units other than the Offeror;
 - (ii) the Take-over Bid contains, and the take up and payment for securities tendered or deposited is subject to, an irrevocable and unqualified provision (the **“Take-Up Provision”**) that no Voting Units will be taken up or paid for pursuant to the Takeover Bid prior to the close of business on a date which is not less than 60 days following the date of the Take-over Bid;
 - (iii) the Take-over Bid contains an irrevocable and unqualified provision that all Voting Units may be deposited pursuant to the Take-over Bid at any time prior to the close of business on the date referred to in Clause (ii) hereof and that all Voting Units deposited pursuant to the Take-over Bid may be withdrawn at any time prior to the close of business on such date;
 - (iv) unless the Take-over Bid is withdrawn, the Take-over Bid contains an irrevocable and unqualified condition that no Voting Units will be taken up or paid for pursuant to the Take-over Bid unless not less than 50% of the then

outstanding Voting Units held by Independent Unitholders have been deposited or tendered to the Take-over Bid and not withdrawn at the close of business on the date referred to in Clause (iii) hereof; and

- (v) the Take-over Bid contains an irrevocable and unqualified provision that, should the condition referred to in Clause (iv) hereof be met, the Offeror will make a public announcement of such fact and the Take-over Bid will remain open for a period of not less than 10 Business Days from the date of such public announcement;
- (ee) **“Permitted Bid Acquisition”** means an acquisition of Voting Units made pursuant to a Permitted Bid or a Competing Permitted Bid;
- (ff) **“Permitted Lock-up Agreement”** means an agreement between a Person and one or more holders of Voting Units and/or Convertible Securities (each a **“Locked-up Person”**) (the terms of which are publicly disclosed and a copy of which is made available to the public (including the Trust) not later than the date the Lock-up Bid (as defined below) is publicly announced or, if the Lock-up Bid has been made prior to the date on which such agreement is entered into, forthwith and not later than the date following the date of such agreement), pursuant to which each such Locked-up Person agrees to deposit or tender Voting Units and/or Convertible Securities to a Take-over Bid (the **“Lock-up Bid”**) made or to be made by the Person or any of such Person’s Affiliates or Associates or any other Person referred to in Clause (iii) of the definition of Beneficial Owner, *provided, however*, that:
 - (i) the agreement permits any Locked-up Person to terminate its obligation to deposit or tender to or not to withdraw Voting Units and/or Convertible Securities from the Lock-up Bid in order to tender or deposit such securities to another Take-over Bid or support another transaction:
 - (A) where the price or value per Voting Unit or Convertible Security offered under such other Take-over Bid or transaction is higher than the price or value per Voting Unit or Convertible Security offered under the Lock-up Bid; or
 - (B) if:
 - (a) the price or value per Voting Unit or Convertible Security offered under the other Take-over Bid or transaction exceeds by as much as or more than a specified amount (the **“Specified Amount”**) the price or value per Voting Unit or Convertible Security offered under the Lock-up Bid, provided that such Specified Amount is not greater than 7% of the price or value per Voting Unit or Convertible Security offered under the Lock-up Bid; or
 - (b) the number of Voting Units and/or Convertible Securities to be purchased under the other Take-over Bid or transaction

exceeds by as much as or more than a specified number (the “**Specified Number**”) the number of Voting Units and/or Convertible Securities that the Offeror has offered to purchase under the Lock-up Bid at a price or value per Voting Unit or Convertible Security that is not less than the price or value per Voting Unit or Convertible Security offered under the Lock-up Bid, provided that the Specified Number is not greater than 7% of the number of Voting Units and/or Convertible Securities offered under the Lock-up Bid;

and for greater clarity, the agreement may contain a right of first refusal or require a period of delay to give such Person an opportunity to match a higher price or value in another Take-over Bid or transaction or other similar limitation on a Locked-up Person’s right to withdraw Voting Units and/or Convertible Securities from the agreement, so long as the limitation does not preclude the exercise by the Locked-up Person of the right to withdraw Voting Units and/or Convertible Securities during the period of the other Take-over Bid or transaction; and

- (ii) no “break-up” fees, “top-up” fees, penalties, expenses or other amounts that exceed in the aggregate the greater of:
 - (A) the cash equivalent of 2.4% of the price or value payable under the Lockup Bid to a Locked-up Person; and
 - (B) 50% of the amount by which the price or value payable under another Take-over Bid or transaction to a Locked-up Person exceeds the price or value of the consideration that such Locked-up Person would have received under the Lock-up Bid,

will be payable by a Locked-up Person pursuant to the agreement in the event a Locked-up Person fails to deposit or tender Voting Units and/or Convertible Securities to the Lock-up Bid or withdraws Voting Units and/or Convertible Securities previously tendered thereto in order to tender another Take-over Bid or support another transaction.

- (gg) “**Person**” means an individual, body corporate, trust, partnership, limited liability company, unlimited liability company, syndicate or other form of unincorporated association, trust, government and its agencies or instrumentalities, entity or group whether or not having legal personality and any of the foregoing acting in any derivative, representative or fiduciary capacity;
- (hh) “**Record Date**” means the Effective Date;
- (ii) “**Record Time**” means the Effective Time;
- (jj) “**Redemption Price**” has the meaning ascribed thereto in Section 5.1(a)hereof;
- (kk) “**Right**” means a right to purchase one Unit, subject to adjustment as herein set

forth, upon the terms and subject to the conditions set forth in this Agreement;

- (ll) “**Rights Certificate**” has the meaning ascribed thereto and be substantially in the form provided in Section 2.3(g) hereof;
- (mm) “**Rights Register**” has the meaning ascribed thereto in Section 2.6(a) hereof;
- (nn) “**Rights Registrar**” has the meaning ascribed thereto in Clause 2.6(a) hereof;
- (oo) “**Securities Act**” means the Securities Act (Ontario), as amended, and the rules and regulations thereunder as now in effect and as same may from time to time be amended, re-enacted or replaced;
- (pp) “**Separation Time**” means the close of business on the tenth Trading Day after the earliest of:
 - (i) the Voting Unit Acquisition Date;
 - (ii) the date of the commencement of, or first public announcement of the intent of any Person (other than the Trust or any Subsidiary of the Trust) to commence, a Take-over Bid (other than a Permitted Bid or a Competing Permitted Bid), provided that, if any Take-over Bid referred to in this Clause (ii) of this definition expires, is cancelled, terminated or otherwise withdrawn prior to the Separation Time, such Take-over Bid shall be deemed, for the purposes of this definition, never to have been made; and
 - (iii) two days following the date upon which a Permitted Bid or Competing Permitted Bid ceases to be a Permitted Bid;or such later Business Day as may be determined at any time or from time to time by the Board of Trustees;
- (qq) “**Subsidiary**” means a Person which in relation to another Person:
 - (i) is controlled by (A) that other, or (B) that other and one or more Persons, each of which is controlled by that other, or (C) two or more Persons, each of which is controlled by that other, or
 - (ii) is a Subsidiary of a Person that is that other's Subsidiary.
- (rr) “**Take-over Bid**” means an Offer to Acquire Voting Units or Convertible Securities, where the Voting Units subject to the Offer to Acquire, together with the Units underlying the Convertible Securities subject to the Offer to Acquire, together with the Offeror's Securities, constitute in the aggregate 20% or more of the outstanding Voting Units at the date of the Offer to Acquire;
- (ss) “**Trading Day**”, when used with respect to any securities, means a day on which the principal Canadian securities exchange on which such securities are listed or

admitted to trading is open for the transaction of business or, if the securities are not listed or admitted to trading on any Canadian securities exchange, a Business Day;

- (tt) “**Units**” means the Units in the capital of the Trust;
- (uu) “**Voting Unit Acquisition Date**” means the date of a public announcement (which, for purposes of this definition, will include, without limitation, the filing of a report pursuant to the Securities Act or any other applicable securities laws) by the Trust or an Acquiring Person of facts indicating that a Person has become an Acquiring Person;
- (vv) “**Voting Unit Acquisition Time**” means the close of business on the Voting Unit Acquisition Date;
- (ww) “**Voting Unit Reduction**” means an acquisition or redemption by the Trust of Voting Units which, by reducing the number of Voting Units outstanding, increases the proportionate number of Voting Units Beneficially Owned by any person to 20% or more of the Voting Units then outstanding; and
- (xx) “**Voting Units**” means the Units of the Trust and any other securities in the capital of the Trust entitled to vote generally in the election of trustees (including, without limitation, instalment receipts representing such securities).

1.2 Currency

All sums of money which are referred to in this Agreement are expressed in lawful money of Canada, unless otherwise specified.

1.3 Headings

The division of this Agreement into articles, sections, clauses and subclauses and the insertion of headings, subheadings and a table of contents are for convenience of reference only and will not affect the construction or interpretation of this Agreement.

1.4 Calculation of Number and Percentage of Beneficial Ownership of Outstanding Voting Units

For purposes of this Agreement, the percentage of Voting Units Beneficially Owned by any Person, will be and be deemed to be the product (expressed as a percentage) determined by the formula:

$$100 \times A/B$$

where:

A = the number of votes for the election of all trustees generally attaching to the Voting Units Beneficially Owned by such Person;
and

B = the number of votes for the election of all trustees generally attaching to all outstanding Voting Units.

Where any Person is deemed to Beneficially Own unissued Voting Units, such Voting Units will be deemed to be outstanding for the purpose of calculating the percentage of Voting Units Beneficially Owned by such Person.

1.5 Acting Jointly and in Concert

For the purposes of this Agreement, a Person is acting jointly or in concert with every Person who is a party to an agreement, commitment or understanding, whether formal or informal, with the first Person to acquire or offer to acquire Voting Units or Convertible Securities (other than customary agreements with and between underwriters and banking group or selling group members with respect to a distribution of securities or pursuant to a pledge of securities in the ordinary course of the pledgee's business).

1.6 Convertible Securities

For purposes of this Agreement, each Voting Unit that is issued in conjunction with a Convertible Security that is intended to be economically equivalent to a Unit and that is not transferable except in conjunction with a Convertible Security will be treated as a single Unit with such Convertible Security and only one Right will be issued in respect thereof and such Voting Unit and Convertible Security will only be counted once in any determination involving a number of Units.

ARTICLE 2 THE RIGHTS

2.1 Issuance and Evidence of Rights

- (a) One Right in respect of each Unit outstanding at the Record Time and each Voting Unit which may be issued after the Record Time and prior to the earlier of the Separation Time and the Expiration Time will be issued in accordance with the terms hereof. Notwithstanding the foregoing, one Right in respect of each Voting Unit issued after the Record Time upon the exercise of rights pursuant to Convertible Securities outstanding at the Voting Unit Acquisition Date may be issued after the Separation Time but prior to the Expiration Time.
- (b) Certificates representing Voting Units issued after the Record Time but prior to the earlier of the Separation Time and the Expiration Time will evidence one Right for each Voting Unit represented thereby and will have impressed on, printed on, written on or otherwise affixed to them the following legend:

Until the Separation Time (defined in the Consolidated Amended and Restated Unitholder Rights Agreement referred to below), this certificate also evidences rights of the holder described in a Consolidated Amended and Restated Unitholder Rights Plan Agreement dated as of June 12, 2014 (the "**Rights Agreement**"), as

same may be amended or modified, between Partners Real Estate Investment Trust (the “**Trust**”) and Computershare Trust Company of Canada, the terms of which are hereby incorporated herein by reference and a copy of which is on file at the principal executive offices of the Trust. In certain circumstances set out in the Rights Agreement, the rights may be redeemed, may expire, may become void or may become exercisable and will thereafter be evidenced by separate certificates and no longer evidenced by this certificate. The Trust will mail or arrange for the mailing of a copy of the Rights Agreement to the holder of this certificate without charge as soon as practicable after the receipt of a written request therefor.

- (c) Certificates representing Voting Units that are issued and outstanding at the Record Time will evidence one Right for each Voting Unit evidenced thereby, notwithstanding the absence of the foregoing legend until the earlier of the Separation Time and Expiration Time.

2.2 Initial Exercise Price; Exercise of Rights; Detachment of Rights

- (a) Subject to adjustment as herein set forth, each Right will entitle the holder thereof, after the Separation Time and prior to the Expiration Time, to purchase one Unit for the Exercise Price.
- (b) Until the Separation Time,
 - (i) the Rights will not be exercisable and no Right may be exercised; and
 - (ii) each Right will be evidenced by the certificate for the associated Voting Unit registered in the name of the holder thereof and will be transferable only together with, and will be transferred by a transfer of, such associated Voting Unit.
- (c) After the Separation Time and prior to the Expiration Time,
 - (i) the Rights will be exercisable, and
 - (ii) the registration and transfer of the Rights will be separate from and independent of Voting Units.
- (d) Promptly following the Separation Time, the Trust will prepare and the Rights Agent will mail to each holder of record of Voting Units as of the Separation Time or who subsequently becomes a holder of record of Voting Units upon the exercise of rights attaching to Convertible Securities outstanding at the Voting Unit Acquisition Date (other than an Acquiring Person and any holder of record of Rights which are Beneficially Owned by such Acquiring Person (a “**Nominee**”)), at such holder’s address as shown by the records of the Trust (the Trust hereby agreeing to furnish copies of such records to the Rights Agent for this purpose),

- (i) a Rights Certificate in substantially the form of Exhibit A hereto appropriately completed, representing the number of Rights held by such holder at the Separation Time and having such marks of identification or designation and such legends, summaries or endorsements printed thereon as the Trust may deem appropriate and as are not inconsistent with the provisions of this Agreement, or as may be required to comply with any law, rule, regulation or judicial or administrative order or with any rule or regulation made pursuant thereto or with any rule or regulation of any self-regulatory organization, stock exchange or quotation system on which the Rights may from time to time be listed or traded, or to conform to usage; and
- (ii) a statement describing the Rights.

For greater certainty, a Nominee will be sent the materials provided for in (i) and (ii) in respect of all Voting Units held of record by it which are not Beneficially Owned by an Acquiring Person.

- (e) In order for the Trust to determine whether any Person is holding Voting Units which are Beneficially Owned by another Person, the Trust may require such first mentioned Person to furnish such information and documentation as the Trust deems necessary.
- (f) Rights may be exercised in whole or in part on any Business Day after the Separation Time and prior to the Expiration Time by submitting to the Rights Agent:
 - (i) the Rights Certificate evidencing such Rights;
 - (ii) an election to exercise such Rights (an “**Election to Exercise**”) substantially in the form attached to the Rights Certificate duly completed and executed by the holder or his executors or administrators or other personal representatives or his or their legal attorney duly appointed by an instrument in writing in form and executed in a manner satisfactory to the Rights Agent; and
 - (iii) payment by certified cheque, banker’s draft or money order payable to the order of the Rights Agent, of a sum equal to the Exercise Price multiplied by the number of Rights being exercised and a sum sufficient to cover any transfer tax or charge which may be payable in respect of any transfer or delivery of Rights Certificates or the issuance or delivery of certificates for Units in a name other than that of the holder of the Rights being exercised.
- (g) Upon receipt of a Rights Certificate, which is accompanied by (1) a completed Election to Exercise executed in accordance with Clause 2.2(f)(ii) that does not indicate that such Right is null and void as provided by Section 3.1(b) and (2) payment as set forth in Clause 2.2(f)(iii), the Rights Agent (unless otherwise instructed by the Trust in the event that the Trust is of the opinion that the Rights cannot be exercised in accordance with this Agreement) will thereupon promptly:
 - (i) requisition from the transfer agent for the Unit certificates representing the number of Units to be purchased (the Trust hereby irrevocably authorizing its

- transfer agent to comply with all such requisitions);
- (ii) when appropriate, requisition from the Trust the amount of cash to be paid in lieu of issuing fractional Units;
 - (iii) after receipt of such Unit certificates, deliver the same to or upon the order of the registered holder of such Rights Certificate, registered in such name or names as may be designated by such holder;
 - (iv) when appropriate, after receipt, deliver such payment referred to in Clause 2.2(g)(ii) to or to the order of the registered holder of such Rights Certificate; and
 - (v) tender to the Trust all payments received on exercise of the Rights.
- (h) In case the holder of any Rights exercises less than all the Rights evidenced by such holder's Rights Certificate, a new Rights Certificate evidencing the Rights remaining unexercised (subject to the provisions of Section 5.5(a)) will be issued by the Rights Agent to such holder or to such holder's duly authorized assigns.
- (i) The Trust covenants and agrees that it will:
- (i) take all such action as may be necessary and within its power to ensure that all securities delivered upon the exercise of Rights will, at the time of delivery of the certificates for such securities (subject to payment of the Exercise Price), be duly and validly authorized and issued as fully paid and non-assessable,
 - (ii) take all such action as may be necessary and within its power to ensure compliance with the provisions of Section 3.1 including, without limitation, all such action necessary to comply with the requirements of the Securities Act and any other applicable law, rule or regulation, applicable to the issuance and delivery of the Rights Certificates and the issuance of any securities upon exercise of Rights,
 - (iii) use reasonable efforts to cause all securities issued upon the exercise of Rights to be listed upon issuance on the stock exchanges on which the Voting Units were traded immediately prior to the Voting Unit Acquisition Date,
 - (iv) pay when due and payable, if applicable, any and all Canadian and, if applicable, United States, federal, provincial, municipal and state transfer taxes and charges (not including any income or capital taxes of the holder or exercising holder or any liability of the Trust to withhold tax) which may be payable in respect of the original issuance or delivery of the Rights Certificates or certificates for Units to be issued upon exercise of any Rights, provided that the Trust will not be required to pay any transfer tax or charge which may be payable in respect of any transfer involved in the transfer or delivery of Rights Certificates or the issuance or delivery of certificates for

securities in a name other than that of the holder of the Rights being transferred or exercised,

- (v) cause to be reserved and kept available out of its authorized Units the number of Units that, as provided in this Agreement, will from time to time be sufficient to permit the exercise in full of all outstanding Rights, and
- (vi) after the Separation Time, except as permitted by Section 5.1, not take (or permit any Subsidiary to take) any action if at the time such action is taken it is reasonably foreseeable that such action will diminish substantially or otherwise eliminate the benefits intended to be afforded by the Rights.

2.3 Adjustments to Exercise Price; Number of Rights

- (a) The Exercise Price, the number and kind of securities subject to purchase upon exercise of each Right and the number of Rights outstanding are subject to adjustment from time to time as provided in this Section 2.3.
- (b) In the event the Trust will at any time after the date of this Agreement and prior to the Expiration Time,
 - (i) make or declare a distribution on its Units payable in Units (or other securities exchangeable for or convertible into or giving a right to acquire Units or other securities of the Trust) other than pursuant to any Distribution Reinvestment Plan;
 - (ii) subdivide or change the outstanding Units into a greater number of Units;
 - (iii) combine or change the outstanding Units into a smaller number of Units; or
 - (iv) issue any Units (or other securities exchangeable for or convertible into or giving a right to acquire Units or other securities of the Trust) in respect of, in lieu of or in exchange for existing Units except as otherwise provided in this Section 2.3,

the Exercise Price and the number of Rights outstanding, or, if the payment or effective date therefor will occur after the Separation Time, the securities purchasable upon exercise of Rights will be adjusted as of the payment or effective date in respect of such event in the manner set forth below, provided, however, that there will be no adjustment made in the case of additional Units issued in lieu of cash distributions pursuant to section 5.6 of the Trust's Amended and Restated Declaration of Trust dated March 27, 2006, as amended and restated with effect as of June 4, 2010 and as further amended and restated with effect as of November 3, 2010, December 15, 2011, March 29, 2012, May 11, 2012, April 8, 2013 and May 28, 2014.

- (c) If the Exercise Price and number of Rights outstanding are to be adjusted:

- (i) the Exercise Price in effect after such adjustment will be equal to the Exercise Price in effect immediately prior to such adjustment divided by the number of Units (the “**Expansion Factor**”) that a holder of one Unit immediately prior to such distribution, subdivision, change, combination or issuance would hold thereafter as a result thereof; and
- (ii) each Right held prior to such adjustment will become that number of Rights equal to the Expansion Factor, and the adjusted number of Rights will be deemed to be distributed among the Units with respect to which the original Rights were associated (if they remain outstanding) and the Units issued in respect of such distribution, subdivision, change, combination or issuance, so that each such Unit will have exactly one Right associated with it in effect following the payment or effective date of the event referred to in Clause 2.3(b)(i), (ii), (iii) or (iv), as the case may be.

If the securities purchasable upon exercise of Rights are to be adjusted, the securities purchasable upon exercise of each Right after such adjustment will be the securities that a holder of the securities purchasable upon exercise of one Right immediately prior to such distribution, subdivision, change, combination or issuance would hold thereafter as a result thereof. If after the Record Time and prior to the Expiration Time, the Trust will issue any securities of the Trust other than Units in a transaction of a type described in Clauses 2.3(b)(i) or (iv), such securities will be treated herein as nearly equivalent to Units as may be practicable and appropriate under the circumstances and the Trust and the Rights Agent agree to amend this Agreement in order to give effect thereto.

- (d) In the event the Trust at any time after the Record Time and prior to the Separation Time fixes a record date for the issuance of rights, options or warrants to all or substantially all holders of Units entitling them (for a period expiring within 45 calendar days after such record date) to subscribe for or purchase Units (or securities convertible into or exchangeable for or carrying a right to purchase Units) at a price per Unit (or, if a security convertible into or exchangeable for or carrying a right to purchase or subscribe for Units having a conversion, exchange or exercise price, including the price required to be paid to purchase such convertible or exchangeable security or right per Unit) less than the Market Price per Unit on such record date, the Exercise Price to be in effect after such record date will be determined by multiplying the Exercise Price in effect immediately prior to such record date by a fraction, the numerator of which will be the number of Units outstanding on such record date, plus the number of Units that the aggregate offering price of the total number of Units so to be offered (and/or the aggregate initial conversion, exchange or exercise price of the convertible or exchangeable securities or rights so to be offered, including the price required to be paid to purchase such convertible or exchangeable securities or rights) would purchase at such Market Price per Unit, and the denominator of which will be the number of Units outstanding on such record date, plus the number of additional Units to be offered for subscription or purchase (or into which the convertible or exchangeable securities or

rights so to be offered are initially convertible, exchangeable or exercisable).

- (e) In case such subscription price may be paid by delivery of consideration, part or all of which may be in a form other than cash, the value of such consideration will be as determined in good faith by the Board of Trustees, whose determination will be described in a statement filed with the Rights Agent and will be binding on the Rights Agent and the holders of the Rights. Such adjustment will be made successively whenever such a record date is fixed, and in the event that such rights or warrants are not so issued or if issued, are not exercised prior to the expiration thereof, the Exercise Price will be readjusted to be the Exercise Price which would then be in effect if such record date had not been fixed, or to the Exercise Price which would be in effect based on the number of Units (or securities convertible into or exchangeable or exercisable for Units) actually issued upon the exercise of such rights, options or warrants, as the case may be.
- (f) For purposes of this Agreement, the granting of the right to purchase Units (whether from treasury or otherwise) pursuant to any Distribution Reinvestment Plan (so long as such right to purchase is in no case evidenced by the delivery of rights or warrants) will be deemed not to constitute an issue of rights, options or warrants by the Trust; provided, however, that, in all such cases, the right to purchase Units is at a price per Unit of not less than 95% of the current Market Price per Unit (determined as provided in such plans) of the Units.
- (g) In the event the Trust will at any time after the Record Time and prior to the Separation Time fix a record date for a distribution to all holders of Units of evidences of indebtedness, assets (other than cash and other than a regular periodic cash distribution or a distribution paid in Units on the liquidation of the Trust), rights, options or warrants (excluding those referred to in Section 2.3(d) hereof), the Exercise Price to be in effect after such record date will be determined by multiplying the Exercise Price in effect immediately prior to such record date by a fraction, the numerator of which will be the Market Price per Unit on such record date, less the fair market value (as determined in good faith by the Board of Trustees, whose determination will be described in a statement filed with the Rights Agent and will be binding on the Rights Agent and the holders of Rights), on a per Unit basis, of the portion of the assets or evidences of indebtedness so to be distributed and the denominator of which will be such Market Price per Unit. Such adjustments will be made successively whenever such a record date is fixed, and in the event that such distribution is not so made, the Exercise Price will be adjusted to be the Exercise Price which would have been in effect if such record date had not been fixed.
- (h) Notwithstanding anything herein to the contrary, no adjustment in the Exercise Price will be required unless such adjustment would require an increase or decrease of at least one percent in the Exercise Price; provided, however, that any adjustments which by reason of this Section 2.3(h) are not required to be made will be carried forward and taken into account in any subsequent adjustment. All calculations under this Section 2.3 will be made to the nearest cent or to the nearest ten-thousandth of a

Unit. Notwithstanding the first sentence of this Section 2.3(h)), any adjustment required by this Section 2.3 will be made no later than the earlier of (i) three years from the date of the transaction which mandates such adjustment or (ii) the Expiration Date.

- (i) In the event the Trust at any time after the Record Time and prior to the Separation Time issues any securities of the Trust (other than the Units), or rights, options or warrants to subscribe for or purchase any such securities of the Trust, or securities convertible into or exchangeable for any such securities of the Trust, in a transaction referred to in Clause 2.3(b)(i) or (iv) above, if the Board of Trustees acting in good faith determines that the adjustments contemplated by Sections 2.3(b), (d) and (g) above in connection with such transaction will not appropriately protect the interests of the holders of Rights, the Board of Trustees may determine what other adjustments to the Exercise Price, number of Rights and/or securities purchasable upon exercise of Rights would be appropriate and, notwithstanding Sections 2.3(b), (d) and (g) above, such adjustment, rather than the adjustments contemplated by Sections 2.3(b), (d) and (g) above, will be made. Subject to Sections 5.4(c) and (d) and subject to the approval of each stock exchange on which the Units are listed for trading at the relevant time, the Trust will amend this Agreement as appropriate to provide for such adjustments.
- (j) Each Right originally issued by the Trust subsequent to any adjustment made to the Exercise Price hereunder will evidence the right to purchase, at the adjusted Exercise Price, the number of Units purchasable from time to time hereunder upon exercise of a Right immediately prior to such issue, all subject to further adjustment as provided herein.
- (k) Irrespective of any adjustment or change in the Exercise Price or the number of Units issuable upon the exercise of the Rights, the Rights Certificates theretofore and thereafter issued may continue to express the Exercise Price per Unit and the number of Units which were expressed in the initial Rights Certificates issued hereunder.
- (l) In any case in which this Section 2.3 requires that any adjustment in the Exercise Price be made effective as of a record date for a specified event, the Trust may elect to defer until the occurrence of such event the issuance to the holder of any Right exercised after such record date the number of Units and other securities of the Trust, if any, issuable upon such exercise over and above the number of Units and other securities of the Trust, if any, issuable upon such exercise on the basis of the Exercise Price in effect prior to such adjustment; provided, however, that the Trust will deliver to such holder an appropriate instrument evidencing such holder's right to receive such additional Units (fractional or otherwise) or securities upon the occurrence of the event requiring such adjustment.
- (m) Notwithstanding anything in this Section 2.3 to the contrary, the Trust will be entitled to make such reductions in the Exercise Price, in addition to those adjustments expressly required by this Section 2.3, as and to the extent that in its good faith judgment the Board of Trustees will determine to be advisable in order

that any

- (i) consolidation or subdivision of the Units,
- (ii) issuance (wholly or in part for cash) of Units or securities that by their terms are convertible into or exchangeable for Units,
- (iii) Unit distributions, or
- (iv) issuance of rights, options or warrants referred to in this Section 2.3,

hereafter made by the Trust to holders of its Units, will not be taxable to such unitholders.

2.4 Date on Which Exercise is Effective

Each Person in whose name any certificate for Units or other securities, if applicable, is issued upon the exercise of Rights will for all purposes be deemed to have become the holder of record of the Units or other securities, if applicable, represented thereby on, and such certificate will be dated, the date upon which the Rights Certificate evidencing such Rights was duly surrendered in accordance with Section 2.2(f) (together with a duly completed Election to Exercise) and payment of the Exercise Price for such Rights (and any applicable transfer taxes and other governmental charges payable by the exercising holder hereunder) was made; provided, however, that if the date of such surrender and payment is a date upon which the Unit transfer books of the Trust are closed, such Person will be deemed to have become the holder of record of such Units on, and such certificate will be dated, the next succeeding Business Day on which the Unit transfer books of the Trust are open.

2.5 Execution, Authentication, Delivery and Dating of Rights Certificates

- (a) The Rights Certificates will be executed on behalf of the Trust by any one of its Chief Executive Officer, Chief Financial Officer or Secretary. The signature of any of these officers on the Rights Certificates may be manual or facsimile. Rights Certificates bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Trust will bind the Trust, notwithstanding that such individuals or any of them have ceased to be officers of the Trust either before or after the countersignature and delivery of such Rights Certificates.
- (b) Promptly after the Trust learns of the Separation Time, the Trust will notify the Rights Agent of such Separation Time and will deliver Rights Certificates executed on behalf of the Trust to the Rights Agent for countersignature, and the Rights Agent will countersign (manually or by facsimile signature in a manner satisfactory to the Trust) and send such Rights Certificates to the holders of the Rights pursuant to Section 2.2(c). No Rights Certificate will be valid for any purpose until countersigned by the Rights Agent as aforesaid.
- (c) Each Rights Certificate will be dated the date of countersignature thereof.

2.6 Registration, Transfer and Exchange

- (a) After the Separation Time and prior to the Expiration Time, the Trust will cause to be kept a register (the “**Rights Register**”) in which, subject to such reasonable regulations as it may prescribe, the Trust will provide for the registration and transfer of Rights. The Rights Agent is hereby appointed registrar for the Rights (the “**Rights Registrar**”) for the purpose of maintaining the Rights Register for the Trust and registering Rights and transfers of Rights as herein provided and the Rights Agent hereby accepts such appointment. In the event that the Rights Agent ceases to be the Rights Registrar, the Rights Agent will have the right to examine the Rights Register at all reasonable times.
- (b) After the Separation Time and prior to the Expiration Time, upon surrender for registration of transfer or exchange of any Rights Certificate, and subject to the provisions of Section 2.6(d), the Trust will execute, and the Rights Agent will countersign, register and deliver, in the name of the holder or the designated transferee or transferees, as required pursuant to the holder’s instructions, one or more new Rights Certificates evidencing the same aggregate number of Rights as did the Rights Certificates so surrendered.
- (c) All Rights issued upon any registration of transfer or exchange of Rights Certificates will be the valid obligations of the Trust, and such Rights will be entitled to the same benefits under this Agreement as the Rights surrendered upon such registration of transfer or exchange.
- (d) Every Rights Certificate surrendered for registration of transfer or exchange will be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Trust or the Rights Agent, as the case may be, duly executed by the holder thereof or such holder’s attorney duly authorized in writing. As a condition to the issuance of any new Rights Certificate under this Section 2.6, the Trust may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the reasonable fees and expenses of the Rights Agent) connected therewith.

2.7 Mutilated, Destroyed, Lost and Stolen Rights Certificates

- (a) If any mutilated Rights Certificate is surrendered to the Rights Agent prior to the Expiration Time, the Trust will execute and the Rights Agent will countersign and deliver in exchange therefor a new Rights Certificate evidencing the same number of Rights as did the Rights Certificate so surrendered.
- (b) If there is delivered to the Trust and the Rights Agent prior to the Expiration Time,
 - (i) evidence to their reasonable satisfaction of the destruction, loss or theft of any Rights Certificate; and
 - (ii) such surety bond as may be reasonably required by them to save each of them

and any of their agents harmless, then, in the absence of notice to the Trust or the Rights Agent that such Rights Certificate has been acquired by a bona fide purchaser, the Trust will execute and, upon the Trust's request, the Rights Agent will countersign and deliver, in lieu of any such destroyed, lost or stolen Rights Certificate, a new Rights Certificate evidencing the same number of Rights as did the Rights Certificate so destroyed, lost or stolen.

- (c) As a condition to the issuance of any new Rights Certificate under this Section 2.7, the Trust may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the reasonable fees and expenses of the Rights Agent) connected therewith.
- (d) Every new Rights Certificate issued pursuant to this Section 2.7 in lieu of any destroyed, lost or stolen Rights Certificate will evidence the contractual obligation of the Trust, whether or not the destroyed, lost or stolen Rights Certificate will be at any time enforceable by anyone, and will be entitled to all the benefits of this Agreement equally and proportionately with any and all other Rights duly issued hereunder.

2.8 Persons Deemed Owners

Prior to due presentation of a Rights Certificate (or, prior to the Separation Time, the associated Voting Unit certificate) for registration of transfer, the Trust, the Rights Agent and any agent of the Trust or the Rights Agent may deem and treat the Person in whose name a Rights Certificate (or, prior to the Separation Time, the associated Voting Unit certificate) is registered as the absolute owner thereof and of the Rights evidenced thereby for all purposes whatsoever. As used in this Agreement, unless the context otherwise requires, the term "holder" of any Rights means the registered holder of such Rights (or, prior to the Separation Time, the associated Voting Unit).

2.9 Delivery and Cancellation of Certificates

All Rights Certificates surrendered upon exercise or for redemption, registration of transfer or exchange will, if surrendered to any Person other than the Rights Agent, be delivered to the Rights Agent and, in any case, will be promptly cancelled by the Rights Agent. The Trust may at any time deliver to the Rights Agent for cancellation any Rights Certificates previously countersigned and delivered hereunder which the Trust may have acquired in any manner whatsoever, and all Rights Certificates so delivered will be promptly cancelled by the Rights Agent. No Rights Certificate will be countersigned in lieu of or in exchange for any Rights Certificates cancelled as provided in this Section 2.9, except as expressly permitted by this Agreement. The Rights Agent will, subject to applicable laws, destroy all cancelled Rights Certificates and deliver a certificate of destruction to the Trust.

2.10 Agreement of Rights Holders

Every holder of Rights, by accepting the same, consents and agrees with the Trust and the Rights Agent and with every other holder of Rights:

- (a) to be bound by and subject to the provisions of this Agreement, as amended from

time to time in accordance with the terms hereof, in respect of all Rights held;

- (b) that prior to the Separation Time, each Right will be transferable only together with, and will be transferred by a transfer of, the associated Voting Unit certificate representing such Right;
- (c) that after the Separation Time, the Rights Certificates will be transferable only on the Rights Register as provided herein;
- (d) that prior to due presentment of a Rights Certificate (or, prior to the Separation Time, the associated Voting Unit certificate) for registration of transfer, the Trust, the Rights Agent and any agent of the Trust or the Rights Agent may deem and treat the Person in whose name the Rights Certificate (or, prior to the Separation Time, the associated Voting Unit certificate) is registered as the absolute owner thereof and of the Rights evidenced thereby (notwithstanding any notations of ownership or writing on such Rights Certificate or the associated Voting Unit certificate made by anyone other than the Trust or the Rights Agent) for all purposes whatsoever, and neither the Trust nor the Rights Agent will be affected by any notice, to the contrary;
- (e) that such holder of Rights has waived his right to receive any fractional Voting Units or other securities upon exercise of a Right (except as provided herein and as may be permitted by the constating documents of the Trust);
- (f) that, subject to the provisions of Section 5.4, without the approval of any holder of Rights or Voting Units and upon the sole authority of the Board of Trustees, acting in good faith, this Agreement may be supplemented or amended from time to time as provided herein; and
- (g) that notwithstanding anything in this Agreement to the contrary, neither the Trust nor the Rights Agent will have any liability to any holder of a Right or any other Person as a result of its inability to perform any of its obligations under this Agreement by reason of any preliminary or permanent injunction or other order, decree or ruling issued by a court of competent jurisdiction or by a governmental, regulatory or administrative agency or commission, or any statute, rule, regulation or executive order promulgated or enacted by any governmental authority, prohibiting or otherwise restraining performance of such obligation.

2.11 Rights Certificate Holder not Deemed a Unitholder

No holder, as such, of any Rights or Rights Certificate will be entitled to vote, receive distributions or be deemed for any purpose whatsoever the holder of any Unit or any other security of the Trust which may at any time be issuable on the exercise of the Rights represented thereby, nor will anything contained herein or in any Rights Certificate be construed or deemed or confer upon the holder of any Rights or Rights Certificate, as such, any of the rights, titles, benefits or privileges of a holder of Units or any other securities of the Trust or any right to vote at any meeting of unitholders of the Trust whether for the election of trustees or otherwise or upon any matter submitted to holders of Voting Units of the Trust at any meeting thereof, or to give or withhold consent to any action of the Trust, or to receive notice of any meeting or other action affecting any

holder of Voting Units or any other securities of the Trust except as expressly provided herein, or to receive distributions, distribution or subscription rights, or otherwise, until the Right or Rights evidenced by Rights Certificates will have been duly exercised in accordance with the terms and provisions hereof.

ARTICLE 3 ADJUSTMENTS TO THE RIGHTS

3.1 Flip-In Event

- (a) Subject to Section 3.1(b) and Section 5.1, in the event that prior to the Expiration Time a Flip-In Event will occur, each Right will constitute, effective on the close of business on the tenth Trading Day after the Voting Unit Acquisition Date (or such longer period as may be required to satisfy the requirements of the Securities Act and any comparable legislation of any other applicable jurisdiction), the right to purchase from the Trust, upon payment of the Exercise Price and otherwise exercising such Right in accordance with the terms hereof, that number of Units having an aggregate Market Price on the date of such Flip-In Event equal to twice the relevant Exercise Price for an amount in cash equal to the relevant Exercise Price (such Right to be appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 in the event that after the occurrence of such Flip-In Event, an event of a type analogous to any of the events described in Section 2.3 will have occurred).
- (b) Notwithstanding the foregoing or any other provisions of this Agreement, upon the occurrence of any Flip-In Event, any Rights that are Beneficially Owned on or after the earlier of the Separation Time and the Voting Unit Acquisition Date 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 of Rights, directly or indirectly, from an Acquiring Person (or of any Affiliate or Associate of an Acquiring Person or of any Person acting jointly or in concert with an Acquiring Person or any Associate or Affiliate of an Acquiring Person) in a transfer made after the date hereof, whether or not for consideration, that the Board of Trustees acting in good faith has determined is part of a plan, arrangement or scheme of an Acquiring Person (or an Affiliate or Associate of an Acquiring Person or of any Person acting jointly or in concert with an Acquiring Person or an Associate or Affiliate of an Acquiring Person) that has the purpose or effect of avoiding Clause (i) of this Section 3.1(b),

will become void, and any holder of such Rights (including transferees) will thereafter have no right to exercise such Rights under any provision of this Agreement and further will thereafter not have any other rights whatsoever with respect to such Rights, whether under any provision of this Agreement or otherwise.

- (c) Any Rights Certificate that represents Rights Beneficially Owned by a Person described in Section 3.1(b)(i) or (ii) or transferred to any nominee of any such Person, and any Rights Certificate issued upon transfer, exchange, replacement or adjustment of any other Rights Certificate referred to in this sentence, will contain the following legend:

The Rights represented by this Rights Certificate were Beneficially Owned by a Person who was an Acquiring Person or an Affiliate or an Associate of an Acquiring Person (as such terms are defined in the Unitholder Rights Plan Agreement) or who was acting jointly or in concert with an Acquiring Person or an Affiliate or Associate of an Acquiring Person. This Rights Certificate and the Rights represented hereby are void or will become void in the circumstances specified in Section 3.1(b) of the Unitholder Rights Plan Agreement.

provided that the Rights Agent will not be under any responsibility to ascertain the existence of facts that would require the imposition of such legend but will impose such legend only if instructed to do so by the Trust in writing or if a holder fails to certify upon transfer or exchange in the space provided on the Rights Certificate that such holder is not a Person described in such legend.

ARTICLE 4 THE RIGHTS AGENT

4.1 General

- (a) The Trust hereby appoints the Rights Agent to act as agent for the Trust in accordance with the terms and conditions hereof, and the Rights Agent hereby accepts such appointment. The Trust may from time to time appoint such co-Rights Agents (“**Co-Rights Agents**”) as it may deem necessary or desirable, subject to the approval of the Rights Agent. In the event the Trust appoints one or more Co-Rights Agents, the respective duties of the Rights Agent and Co-Rights Agents will be as the Trust may determine with the approval of the Rights Agent and the Co-Rights Agent. The Trust agrees to pay to the Rights Agent reasonable compensation for all services rendered by it hereunder and, from time to time, on demand of the Rights Agent, its reasonable expenses and counsel fees and other disbursements incurred in the administration and execution of this Agreement and the exercise and performance of its duties hereunder (including the fees and disbursements of any expert or advisor retained by the Rights Agent with the approval of the Trust). The Trust also agrees to indemnify the Rights Agent and its officers, employees and directors for and to hold them harmless against any loss, liability or expense incurred without negligence, bad faith or wilful misconduct on the part of the Rights Agent for anything done or omitted by the Rights Agent in connection with the acceptance and administration of this Agreement including the costs and expenses of defending against any claim of liability, which right to indemnification will survive the termination of this Agreement or the resignation or removal of the Rights Agent.

- (b) The Rights Agent will be protected and will incur no liability for or in respect of any action taken, suffered or omitted by it in connection with its administration of this Agreement in reliance upon any certificate for Voting Units or any Rights Certificate or certificate for other securities of the Trust, instrument of assignment or transfer, power of attorney, endorsement, affidavit, letter, notice, direction, consent, certificate, statement, or other paper or document believed by it to be genuine and to be signed, executed and, where necessary, verified or acknowledged, by the proper Person or Persons.
- (c) The Trust will inform the Rights Agent in a reasonably timely manner of events which may materially affect the administration of this Agreement or the Rights Agent and will, upon written request of the Rights Agent, provide the Rights Agent with an incumbency certificate with respect to the then current officers of the Trust.

4.2 Merger or Amalgamation or Change of Name of Rights Agent

- (a) Any corporation into which the Rights Agent or any successor Rights Agent may be merged or amalgamated or with which it may be consolidated, or any corporation resulting from any merger, amalgamation, statutory arrangement or consolidation to which the Rights Agent or any successor Rights Agent is a party, or any corporation succeeding to the unitholder or stockholder services business of the Rights Agent or any successor Rights Agent, will be the successor to the Rights Agent under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto, provided that such corporation would be eligible for appointment as a successor Rights Agent under the provisions of Section 4.4 hereof. In case at the time such successor Rights Agent succeeds to the agency created by this Agreement any of the Rights Certificates have been countersigned but not delivered, any such successor Rights Agent may adopt the countersignature of the predecessor Rights Agent and deliver such Rights Certificates so countersigned; and in case at that time any of the Rights Certificates have not been countersigned, any successor Rights Agent may countersign such Rights Certificates either in the name of the predecessor Rights Agent or in the name of the successor Rights Agent; and in all such cases such Rights Certificates will have the full force provided in the Rights Certificates and in this Agreement.
- (b) In case at any time the name of the Rights Agent is changed and at such time any of the Rights Certificates will have been countersigned but not delivered, the Rights Agent may adopt the countersignature under its prior name and deliver Rights Certificates so countersigned; and in case at that time any of the Right Certificates will not have been countersigned, the Rights Agent may countersign such Rights Certificates either in its prior name or in its changed name and in all such cases such Right Certificates will have the full force provided in the Rights Certificates and in this Agreement.

4.3 Duties of Rights Agent

The Rights Agent undertakes the duties and obligations imposed by this Agreement upon the

following terms and conditions, all of which the Trust and the holders of certificates for Voting Units and holders of Rights Certificates, by their acceptance thereof, will be bound:

- (a) the Rights Agent may retain and consult with legal counsel (who may be legal counsel for the Trust) and the opinion of such counsel will be full and complete authorization and protection to the Rights Agent as to any action taken or omitted by it in good faith and in accordance with such opinion and the Rights Agent may also consult with such other experts as the Rights Agent will consider necessary or appropriate to properly carry out the duties and obligations imposed under this Agreement and the Rights Agent will be entitled to act and rely in good faith on the advice of any such expert;
- (b) whenever in the performance of its duties under this Agreement the Rights Agent deems it necessary or desirable that any fact or matter be proved or established by the Trust prior to taking or suffering any action hereunder, such fact or matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by a Person believed by the Rights Agent to be the Chief Executive Officer, Chief Financial Officer or Secretary of the Trust and delivered to the Rights Agent; and such certificate will be full authorization to the Rights Agent for any action taken or suffered in good faith by it under the provisions of this Agreement in reliance upon such certificate;
- (c) the Rights Agent will be liable hereunder only for its own negligence, bad faith or wilful misconduct;
- (d) the Rights Agent will not be liable for or by reason of any of the statements of fact or recitals contained in this Agreement or in the certificates for Voting Units or the Rights Certificates (except its countersignature thereof) or be required to verify the same, but all such statements and recitals are and will be deemed to have been made by the Trust only;
- (e) the Rights Agent will not be under any responsibility in respect of the validity of this Agreement or the execution and delivery hereof (except the due authorization, execution and delivery hereof by the Rights Agent) or in respect of the validity or execution of any Voting Unit certificate or Rights Certificate (except its countersignature thereof); nor will it be responsible for any breach by the Trust of any covenant or condition contained in this Agreement or in any Rights Certificate; nor will it be responsible for any change in the exercisability of the Rights (including the Rights becoming void pursuant to Section 3.1(b)) or any adjustment required under the provisions of Section 2.3 or responsible for the manner, method or amount of any such adjustment or the ascertaining of the existence of facts that would require any such adjustment (except with respect to the exercise of Rights after receipt of the certificate contemplated by Section 2.3 describing any such adjustment); nor will it by any act hereunder be deemed to make any representation or warranty as to the authorization of any Units to be issued pursuant to this Agreement or any Rights or as to whether any Units will, when issued, be duly and validly authorized and issued

as fully paid and non-assessable;

- (f) the Trust agrees that it will perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged and delivered all such further and other acts, instruments and assurances as may reasonably be required by the Rights Agent for the carrying out or performing by the Rights Agent of the provisions of this Agreement;
- (g) the Rights Agent is hereby authorized and directed to accept instructions in writing with respect to the performance of its duties hereunder from any Person believed by the Rights Agent to be the Chief Executive Officer, Chief Financial Officer or Secretary of the Trust and to apply to such Persons for advice or instructions in connection with its duties, and it will not be liable for any action taken, omitted or suffered by it in good faith in accordance with instructions of any such Person;
- (h) the Rights Agent and any shareholder, director, officer or employee of the Rights Agent may buy, sell or deal in Units, Rights or other securities of the Trust or become pecuniarily interested in any transaction in which the Trust may be interested, or contract with or lend money to the Trust or otherwise act as fully and freely as though it were not Rights Agent under this Agreement. Nothing herein will preclude the Rights Agent from acting in any other capacity for the Trust or for any other legal entity; and
- (i) the Rights Agent may execute and exercise any of the rights or powers hereby vested in it or perform any duty hereunder either itself or by or through its attorneys or agents, and the Rights Agent will not be answerable or accountable for any act, default, neglect or misconduct of any such attorneys or agents or for any loss to the Trust resulting from any such act, default, neglect or misconduct, provided reasonable care was exercised in the selection and continued employment thereof.

4.4 Change of Rights Agent

The Rights Agent may resign and be discharged from its duties under this Agreement upon 60 days' notice (or such lesser notice as is acceptable to the Trust) in writing mailed to the Trust and to each transfer agent of Voting Units by registered or certified mail, and to the holders of the Rights in accordance with Section 5.11, all of which will be at the Trust's expense. The Trust may remove the Rights Agent upon 60 days' notice in writing, mailed to the Rights Agent and to each transfer agent of the Units by registered or certified mail, and to the holders of the Rights in accordance with Section 5.11, all of which will be at the Trust's expense. If the Rights Agent should resign or be removed or otherwise become incapable of acting, the Trust will appoint a successor to the Rights Agent. If the Trust fails to make such appointment within a period of 60 days after such removal or after it has been notified in writing of such resignation or incapacity by the resigning or incapacitated Rights Agent or by the holder of any Rights (which holder will, with such notice, submit such holder's Rights Certificate for inspection by the Trust), the holder or the resigning Rights Agent may apply to any court of competent jurisdiction for the appointment of a new Rights Agent at the Trust's expense. Any successor Rights Agent, whether appointed by the Trust or by such a court, will be a corporation incorporated under the laws of Canada or a province thereof authorized to carry on the

business of a trust company. After appointment, the successor Rights Agent will be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Rights Agent without further act or deed; but the predecessor Rights Agent will, upon payment in full of any outstanding amounts owing by the Trust to the Rights Agent under this Agreement, deliver and transfer to the successor Rights Agent any property at the time held by it hereunder, and execute and deliver any further assurance, conveyance, act or deed necessary for the purpose. Not later than the effective date of any such appointment, the Trust will file notice thereof in writing with the predecessor Rights Agent and each transfer agent of the Units, and mail a notice thereof in writing to the holders of the Rights. Failure to give any notice provided for in this Section 4.4, however, or any defect therein, will not affect the legality or validity of the resignation or removal of the Rights Agent or the appointment of the successor Rights Agent, as the case may be.

4.5 Compliance with Anti-Money Laundering Legislation

The Rights Agent will retain the right not to act and will not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Rights Agent reasonably determines that such an act might cause it to be in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline. Further, should the Rights Agent reasonably determine at any time that its acting under this Agreement has resulted in it being in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline, then it will have the right to resign on 10 days' prior written notice to the Trust, provided: (i) that the Rights Agent's written notice will describe the circumstances of such non-compliance; and (ii) that if such circumstances are rectified to the Rights Agent's satisfaction within such 10 day period, then such resignation will not be effective.

ARTICLE 5 MISCELLANEOUS

5.1 Redemption and Waiver

- (a) The Board of Trustees, acting in good faith, may at any time prior to the occurrence of a Flip-In Event, with prior unitholder approval given in the manner contemplated by Section 5.4(c), elect to redeem all but not less than all of the then outstanding Rights at a redemption price of \$0.00001 per Right (appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 in the event that an event of the type analogous to any of the events described in Section 2.3 hereof has occurred (such redemption price being herein referred to as the "**Redemption Price**").
- (b) The Board of Trustees, acting in good faith, may determine, at any time prior to the occurrence of a Flip-In Event, with prior unitholder approval given in the manner contemplated by Section 5.4(c), to waive the application of Section 3.1 to such Flip-In Event if such Flip-In Event would occur by reason of an acquisition of Voting Units otherwise than pursuant to a Take-over Bid made by means of a take-over bid circular to all holders of record of Voting Units.
- (c) The Board of Trustees, acting in good faith, may determine, at any time prior to the

occurrence of a Flip-In Event, upon prior written notice to the Rights Agent, to waive the application of Section 3.1 to such Flip-In Event if such Flip-In Event would occur by reason of a Take-over Bid made by means of a take-over bid circular sent to all holders of record of Voting Units; provided that if the Board of Trustees waives the application of Section 3.1 to such a Flip-In Event, it will be deemed to have waived the application of Section 3.1 to any other Flip-In Event occurring by reason of any Take-over Bid made by means of a take-over bid circular to all holders of record of Voting Units which is made prior to the expiry of any Take-over Bid in respect of which the application of Section 3.1 is, or is deemed to have been, waived under this Section 5.1(c).

- (d) The Board of Trustees may, prior to the close of business on the tenth day following the Voting Unit Acquisition Time, waive the application of Section 3.1 to any particular Flip-In Event, provided that the Board of Trustees has determined that the Acquiring Person became an Acquiring Person by inadvertence and without any intent or knowledge that he would become an Acquiring Person, provided that in the event of such waiver for the purposes of this Agreement, such particular Flip-In Event will be deemed never to have occurred and the Separation Time will be deemed not to have occurred as a result of such Person having inadvertently become an Acquiring Person. Any such waiver pursuant to this Section 5.1(d) must be on the condition that such Person, within 14 days after the foregoing determination by the Board of Trustees or such earlier or later date as the Board of Trustees may determine (the “**Disposition Date**”), will reduce its Beneficial Ownership of Voting Units such that the Person is no longer an Acquiring Person. If the Person remains an Acquiring Person at the close of business on the Disposition Date the Disposition Date will be deemed to be the date of occurrence of a further Voting Unit Acquisition Date and Section 3.1 will apply thereto.
- (e) The Trust will give prompt written notice to the Rights Agent of any waiver of the application of Section 3.1 made by the Board of Trustees under this Section 5.1.
- (f) The Board of Trustees will, without further formality, be deemed to have elected to redeem the Rights at the Redemption Price on the date that a Person who has made a Permitted Bid, a Competing Permitted Bid or a Take-over Bid in respect of which the Board of Trustees has waived or is deemed to have waived, pursuant to Section 5.1(b) or 5.1(c), the application of Section 3.1, takes up and pays for Voting Units under the Permitted Bid, Competing Permitted Bid or the Take-over Bid, as the case may be.
- (g) Where a Take-over Bid that is not a Permitted Bid is withdrawn or otherwise terminated after the Separation Time has occurred and prior to the occurrence of a Flip-In Event, the Board of Trustees may elect to redeem all the outstanding Rights at the Redemption Price. In such event, all the provisions of this Agreement will continue to apply as if the Separation Time had not occurred and as if Rights Certificates representing the number of Rights held by each holder of record of Voting Units as of the Separation Time had not been mailed to each such holder and for all purposes of this Agreement the Separation Time will be deemed not to

have occurred.

- (h) If the Board of Trustees elects or is deemed to have elected to redeem the Rights, the right to exercise the Rights will thereupon, without further action and without notice, terminate and the only right thereafter of the holders of Rights will be to receive the Redemption Price.
- (i) Within 10 days after the Board of Trustees elects or is deemed to elect to redeem the Rights in accordance with the terms hereof, the Trust will give notice of redemption to the holders of the then outstanding Rights by mailing such notice to all such holders at their last address as they appear upon the registry books of the Rights Agent or, prior to the Separation Time, on the registry books of the transfer agent for the Voting Units. Any notice which is mailed in the manner herein provided will be deemed given, whether or not the holder receives the notice. Each such notice of redemption will state the method by which the payment of the Redemption Price will be made. The Trust may not redeem, acquire or purchase for value any Rights at any time in any manner other than that specifically set forth in this Section 5.1, or other than in connection with the purchase of Voting Units prior to the Separation Time. If the Redemption Price payable to any holder of Rights includes a fraction of a cent, such Redemption Price will be rounded to the nearest cent.

5.2 Expiration

No Person will have any rights whatsoever pursuant to this Agreement or in respect of any Right after the Expiration Time, except the Rights Agent as specified in Sections 4.1(a) and 4.1(b).

5.3 Issuance of New Rights Certificates

Notwithstanding any of the provisions of this Agreement or of the Rights to the contrary, the Trust may, at its option, issue new Rights Certificates evidencing Rights in such form as may be approved by the Board of Trustees to reflect any adjustment or change in the number or kind or class of securities purchasable upon exercise of Rights made in accordance with the provisions of this Agreement.

5.4 Supplements and Amendments

- (a) The Trust may make, without the approval of the holders of Rights or Voting Units, any amendments to this Agreement (i) to correct any clerical or typographical error or (ii) which are required to maintain the validity and effectiveness of the Agreement as a result of any change in applicable laws, rules or regulatory requirements. Except as provided in Section 5.4(b), notwithstanding anything in this Section 5.4 to the contrary, no amendment will be made to the provisions of Article 4 except with the written concurrence of the Rights Agent to such supplement or amendment.
- (b) The Trust may, prior to the date of the unitholders' meeting referred to in Section 5.19(a), without the approval of holders of Voting Units or Rights amend, supplement or restate this Agreement, in order to make any changes which the

Board of Trustees acting in good faith may deem necessary or desirable.

- (c) Subject to Section 5.4(a), the Trust may, with the prior consent of the holders of Voting Units obtained as set forth below, at any time before the Separation Time, amend, vary or rescind any of the provisions of this Agreement and the Rights (whether or not such action would materially adversely affect the interests of the holders of Rights generally). Such consent will be deemed to have been given if provided by the holders of Voting Units at a special meeting called and held in compliance with applicable laws, rules and regulatory requirements and the requirements in the constating documents of the Trust. Subject to compliance with any requirements imposed by the foregoing, consent will be given if the proposed amendment, variation or rescission is approved by the affirmative vote of a majority of the votes cast by Independent Unitholders represented in person or by proxy at the special meeting.
- (d) The Trust may, with the prior consent of the holders of Rights obtained as set forth below, at any time after the Separation Time and before the Expiration Time, amend, vary or rescind any of the provisions of this Agreement and the Rights (whether or not such action would materially adversely affect the interests of the holders of Rights generally). Such consent will be deemed to have been given if provided by the holders of Rights at a special meeting of holders of Rights called and held in compliance with applicable laws and regulatory requirements and, to the extent possible, with the requirements in the constating documents of the Trust applicable to meetings of holders of Voting Units, applied mutatis mutandis. Subject to compliance with any requirements imposed by the foregoing, consent will be given if the proposed amendment, variation or rescission is approved by the affirmative vote of a majority of the votes cast by holders of Rights (other than holders of Rights whose Rights have become null and void pursuant to Section 3.1(b)), represented in person or by proxy at the special meeting.
- (e) Any amendments made by the Trust to this Agreement pursuant to Section 5.4(a) which are required to maintain the validity and effectiveness of this Agreement as a result of any change in any applicable laws, rules or regulatory requirements will:
 - (i) if made before the Separation Time, be submitted to the holders of Units of the Trust at the next meeting of unitholders and the unitholders may, by the majority referred to in Section 5.4(c), confirm or reject such amendment; and
 - (ii) if made after the Separation Time, be submitted to the holders of Rights at a meeting to be called for on a date not later than immediately following the next meeting of unitholders of the Trust and the holders of Rights may, by resolution passed by the majority referred to in Section 5.4(d), confirm or reject such amendment.

Any such amendment will, unless the Board of Trustees otherwise stipulates, be effective from the date of the resolution of the Board of Trustees adopting such

amendment, until it is confirmed or rejected or until it ceases to be effective (as described in the next sentence) and, where such amendment is confirmed, it continues in effect in the form so confirmed. If such amendment is rejected by the unitholders of the Trust or the holders of Rights, as required, then such amendment will cease to be effective from and after the termination of the meeting at which it was rejected or to which it should have been but was not submitted or from and after the date of the meeting of holders of Rights that should have been but was not held, and no subsequent resolution of the Board of Trustees to amend this Agreement to substantially the same effect will be effective until confirmed by the unitholders of the Trust or holders of Rights as the case may be.

5.5 Fractional Rights and Fractional Units

- (a) The Trust will not be required to issue fractions of Rights or to distribute Rights Certificates which evidence fractional Rights and no amount will be paid to the registered holders of the Rights Certificates with regard to which such fractional Rights would otherwise be issuable.
- (b) The Trust will not be required to issue fractions of Units or other securities upon exercise of the Rights or to distribute certificates which evidence fractional Units or other securities. In lieu of issuing fractional Units or other securities, the Trust will, subject to the provisions of the constating documents of the Trust, pay to the registered holders of Rights Certificates, at the time such Rights are exercised as herein provided, an amount in cash equal to the fraction of the Market Price of one Unit or other security that the fraction of a Unit or other security that would otherwise be issuable upon the exercise of such Right is of one whole Unit or other security at the date of such exercise.

5.6 Rights of Action

Subject to the terms of this Agreement, all rights of action in respect of this Agreement, other than rights of action vested solely in the Rights Agent, are vested in the respective registered holders of the Rights. Any registered holder of any Rights, without the consent of the Rights Agent or of the registered holder of any other Rights, may, on such holder's own behalf and for such holder's own benefit and the benefit of other holders of Rights, enforce, and may institute and maintain any suit, action or proceeding against the Trust to enforce such holder's right to exercise such holder's Rights or Rights to which such holder is entitled, in the manner provided in such holder's Rights and in this Agreement. Without limiting the foregoing or any remedies available to the holders of Rights, it is specifically acknowledged that the holders of Rights would not have an adequate remedy at law for any breach of this Agreement and will be entitled to specific performance of the obligations under, and injunctive relief against actual or threatened violations of the obligations of any Person subject to, this Agreement.

5.7 Fiduciary Duties of the Trustees

Nothing contained herein shall be construed to suggest or imply that the Board of Trustees will not be entitled to recommend that holders of the Voting Units and/or Convertible Securities

reject or accept any Take-over Bid or take any other action including the commencement, prosecution, defence or settlement of any litigation and the solicitation of additional or alternative Take-over Bids or other proposals to unitholders that the Board of Trustees believes is necessary or appropriate in the exercise of its fiduciary duties.

5.8 Regulatory Approvals

Any obligation of the Trust or action or event contemplated by this Agreement will be subject to the receipt of any requisite approval or consent from any governmental or regulatory authority having jurisdiction over the Trust, including without limitation any requisite approval of stock exchanges on which the Voting Units are listed for trading.

5.9 Privacy Legislation

The parties acknowledge that federal and/or provincial legislation that addresses the protection of individual's personal information (collectively, "**Privacy Laws**") applies to obligations and activities under this Agreement. Despite any other provision of this Agreement, neither party will take or direct any action that would contravene, or cause the other to contravene, applicable Privacy Laws. The Trust will, prior to transferring or causing to be transferred personal information to the Rights Agent, obtain and retain required consents of the relevant individuals to the collection, use and disclosure of their personal information, or will have determined that such consents either have previously been given upon which the parties can rely or are not required under the Privacy Laws. The Rights Agent will use commercially reasonable efforts to ensure that its services hereunder comply with Privacy Laws.

5.10 Notice of Proposed Actions

In case the Trust proposes after the Separation Time and prior to the Expiration Time:

- (a) to waive the application of Section 3.1 to a particular Flip-In Event; or
- (b) to effect the liquidation, dissolution or winding up of the Trust or the sale of all or substantially all of the Trust's assets,

then, in each such case, the Trust will give to each holder of a Right, in accordance with Section 5.11, a notice of such proposed action, which will specify the date on which such Flip-In Event, liquidation, dissolution, or winding up is to take place, and such notice will be so given at least 10 Business Days prior to the date of taking of such proposed action by the Trust.

5.11 Notices

Notices or demands authorized or required by this Agreement to be given or made by the Rights Agent or by the holder of any Rights to or on the Trust will be sufficiently given or made if delivered or sent by first class mail or by courier, postage prepaid, or sent by facsimile or by other similar means of recorded electronic communication, charges prepaid and confirmed in writing, addressed (until another address is filed in writing with the Rights Agent) as follows:

Partners Real Estate Investment Trust

158 Dunlop Street East, Unit 101
Barrie, Ontario
L4M 1B1

Facsimile: 705-737-0484

Attention: Chief Executive Officer

Any notices or demands authorized or required by this Agreement to be given or made by the Trust or by the holder of any Rights to or on the Rights Agent will be sufficiently given or made if delivered or sent by registered or certified mail, postage prepaid, or sent by facsimile or by other similar means of recorded electronic communication, charges prepaid and confirmed in writing, addressed (until another address is filed in writing with the Trust) as follows:

Computershare Trust Company of Canada
100 University Avenue

8th Floor
Toronto, Ontario
M5J 2Y1

Facsimile: 416-981-9800

Attention: Manager, Client Services

Notices or demands authorized or required by this Agreement to be given or made by the Trust or the Rights Agent to or on the holder of any Rights will be sufficiently given or made if delivered or sent by first-class mail, postage prepaid, addressed to such holder at the address of such holder as it appears upon the registry books of the Rights Agent or, prior to the Separation Time, on the registry books of the Trust for its Voting Units. Any notice which is mailed or sent in the manner herein provided will be deemed given, whether or not the holder receives the notice.

Any notice given or made in accordance with this Section 5.11 will be deemed to have been given and to have been received on the day of delivery, if so delivered, on the third Business Day (excluding each day during which there exists any general interruption of postal service due to strike, lockout or other cause) following the mailing thereof, if so mailed, and on the day of telegraphing, telecopying or sending of the same by other means of recorded electronic communication (provided such sending is during the normal business hours of the addressee on a Business Day and if not, on the first Business Day thereafter). Each of the Trust and the Rights Agent may from time to time change its address for notice to the other given in the manner aforesaid.

5.12 Declaration as to Non-Canadian Holders

If, in the opinion of the Board of Trustees (who may rely upon the advice of counsel) any action or event contemplated by this Agreement would require compliance by the Trust with the securities laws or comparable legislation of a jurisdiction outside of Canada or the United States, the Board of Trustees, acting in good faith, will take such actions as it may deem appropriate to ensure that such compliance is not required, including, without limitation, establishing procedures for the

issuance to an appropriate Canadian resident acting as a resident agent (a “**Resident Agent**”) of Rights or securities issuable on exercise of Rights, the holding thereof in trust for the Person entitled thereto (but reserving such rights unto the Resident Agent or to the Resident Agent and the Trust, as the Trust may determine in its absolute discretion with respect thereto) and the sale thereof and remittance of the proceeds of such sale, if any, to the Persons entitled thereto. In no event will the Trust or the Rights Agent be required to issue or deliver Rights or securities issuable on exercise of Rights to Persons who are citizens, residents or nationals of any jurisdiction other than Canada or the United States, in which such issue or delivery would be unlawful without registration of the relevant Persons or securities for such purposes.

5.13 Costs of Enforcement

The Trust agrees that if the Trust fails to fulfil any of its obligations pursuant to this Agreement, then the Trust will reimburse the holder of any Rights for the costs and expenses (including legal fees) incurred by such holder to enforce his rights pursuant thereto in any action, suit or proceeding in which a court of competent jurisdiction in a final non-appealable judgment has rendered judgment in favour of the holder.

5.14 Successors

All the covenants and provisions of this Agreement by or for the benefit of the Trust or the Rights Agent will bind and enure to the benefit of their respective successors and assigns hereunder.

5.15 Benefits of this Agreement

Nothing in this Agreement will be construed to give to any Person other than the Trust, the Rights Agent and the holders of the Rights any legal or equitable right, remedy or claim under this Agreement; but this Agreement will be for the sole and exclusive benefit of the Trust, the Rights Agent and the holders of the Rights.

5.16 Governing Law

This Agreement and each Right issued hereunder will be deemed to be a contract made under the laws of the Province of Ontario and for all purposes will be governed by and construed in accordance with the laws of such province applicable to contracts to be made and performed entirely within such Province.

5.17 Language

Les parties aux présentes ont exigé que la présente convention ainsi que tous les documents et avis qui s’y rattachent et/ou qui en découleront soient rédigés en langue anglaise. The parties hereto have required that this Agreement and all documents and notices related thereto and/ or resulting therefrom be drawn up in the English language.

5.18 Severability

If any section, clause, term or provision hereof or the application thereof to any circumstance or any right hereunder will, in any jurisdiction and to any extent, be invalid or unenforceable such

section, clause, term or provision or such right will be ineffective only as to such jurisdiction and to the extent of such invalidity or unenforceability in such jurisdiction without invalidating or rendering unenforceable or ineffective the remaining sections, clauses, terms and provisions hereof or rights hereunder in such jurisdiction or the application of such section, clause, term or provision or rights hereunder in any other jurisdiction or to circumstances other than those as to which it is specifically held invalid or unenforceable.

5.19 Coming Into Effect; Reconfirmation

- (a) Notwithstanding its consolidation, amendment and restatement as of the date hereof, this Agreement is effective and in full force and effect in accordance with its terms from and after the Effective Date and replaces and supersedes the Original Rights Plan. If this Agreement is not confirmed by resolution passed by a majority of the votes cast by holders of Voting Units of the Trust who vote in respect of confirmation of this Agreement at a meeting of the Trust's unitholders to be held in 2014, then this Agreement and all outstanding Rights will terminate and be void and of no further force and effect on and from that date of termination of such annual meeting called to consider the confirmation of this Agreement under this Section 5.19(a).
- (b) This Agreement must be reconfirmed by a resolution passed by a majority of greater than 50 percent of the votes cast by all holders of Voting Units who vote in respect of such reconfirmation at the annual meeting of the Trust to be held in 2017 and at every third annual meeting of the Trust thereafter. If the Agreement is not so reconfirmed or is not presented for reconfirmation at each such annual meeting, the Agreement and all outstanding Rights will terminate and be void and of no further force and effect on and from the date of termination of such annual meeting; provided that termination will not occur if a Flip-in Event has occurred (other than a Flip-in Event which has been waived pursuant to Section 5.1 hereof), prior to the date upon which this Agreement would otherwise terminate pursuant to this Section 5.19(b).

5.20 Determination and Actions by the Board of Trustees

All actions, calculations, interpretations and determinations (including all omissions with respect to the foregoing) which are done or made by the Board of Trustees, acting in good faith for the purposes hereof, (a) may be relied on by the Rights Agent, and (b) will not subject the Board of Trustees to any liability to the holders of the Rights or to any other parties.

5.21 Time of the Essence

Time is of the essence in this Agreement.

5.22 Acknowledgement

Each of the parties hereto acknowledges that the trustees of the Trust are entering into this Agreement solely in their capacity as trustees of the Trust, and that the obligations or liabilities (including those arising hereunder or arising in connection herewith or from the matters to which this

Agreement relates, if any, including without limitation, claims based on negligence or otherwise tortious behaviour) of the trustees, managers, officers, consultants, agents or employees of the Trust hereunder will not be binding upon, nor will resort be had to the property of, any of the holders of units of the Trust or any annuitant under a plan of which a holder of Units is a trustee or carrier (an “**annuitant**”). The obligations or liabilities, if any, of the trustees, managers, officers or employees of the Trust hereunder shall be satisfied only out of the property of the Trust. The provisions of this paragraph shall enure to the benefit of the heirs, successors, assigns and personal representatives of the trustees, managers, officers or employees of the Trust and of the holders of Units and annuitants and, to the extent necessary to provide effective enforcement of such provisions, the trustees of the Trust are hereby acknowledged to be acting, and shall be entitled to act as, trustees for the holders of Units and annuitants.

5.23 Execution In Counterparts

This Agreement may be executed in any number of counterparts and each of such counterparts will for all purposes be deemed to be an original, and all such counterparts will together constitute one and the same instrument.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

**PARTNERS REAL ESTATE
INVESTMENT TRUST**

By: (signed) Marc Charlebois
Name: Marc Charlebois
Title: Trustee

By: (signed) Joseph Feldman
Name: Joseph Feldman
Title: Trustee

**COMPUTERSHARE TRUST COMPANY
OF CANADA**

By: (signed) Eric Caramancion
Name: Eric Caramancion
Title: Professional, Client Services

By: (signed) Josette Koffyberg
Name: Josette Koffyberg
Title: Professional, Client Services

Exhibit A

PARTNERS REAL ESTATE INVESTMENT TRUST

**CONSOLIDATED AMENDED AND RESTATED UNITHOLDER RIGHTS PLAN
AGREEMENT**

Certificate No. _____

_____ Rights

THE RIGHTS ARE SUBJECT TO TERMINATION ON THE TERMS SET FORTH IN THE CONSOLIDATED AMENDED AND RESTATED UNITHOLDER RIGHTS PLAN AGREEMENT UNDER CERTAIN CIRCUMSTANCES (SPECIFIED IN SECTION 3.1(b) OF THE CONSOLIDATED AMENDED AND RESTATED UNITHOLDER RIGHTS PLAN AGREEMENT), RIGHTS BENEFICIALLY OWNED BY AN ACQUIRING PERSON OR CERTAIN RELATED PARTIES OR TRANSFEREES OF AN ACQUIRING PERSON OR CERTAIN RELATED PARTIES MAY BECOME VOID.

Rights Certificate

This certifies that _____ or registered assigns, is the registered holder of the number of Rights set forth above, each of which entitles the registered holder thereof, subject to the terms, provisions and conditions of the Consolidated Amended and Restated Unitholder Rights Plan Agreement dated as of the 12th day of June, 2013, consolidating, amending and restating the Unitholder Rights Plan Agreement dated November 19, 2013 as amended on December 18, 2013, February 25, 2014, May 6, 2014 and June 12, 2014, as the same may be amended or supplemented from time to time (the “**Rights Agreement**”) between Partners Real Estate Investment Trust (the “**Trust**”), a trust governed by the laws of Ontario and Computershare Trust Company of Canada, a trust company incorporated under the laws of Canada (the “**Rights Agent**”) (which term will include any successor Rights Agent under the Rights Agreement), to purchase from the Trust at any time after the Separation Time (as such term is defined in the Rights Agreement) and prior to the Expiration Time (as such term is defined in the Rights Agreement), one fully paid Unit of the Trust (a “**Unit**”) at the Exercise Price referred to below, upon presentation and surrender of this Rights Certificate with the Form of Election to Exercise (in the form provided hereinafter) duly executed and submitted to the Rights Agent at its principal office in the City of Toronto. The Exercise Price will be \$100 per Right and will be subject to adjustment in certain events as provided in the Rights Agreement.

This Rights Certificate is subject to all of the terms, provisions and conditions of the Rights Agreement which terms, provisions and conditions are hereby incorporated herein by reference and made a part hereof and to which Rights Agreement reference is hereby made for a full description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Rights Agent, the Trust and the holders of the Rights Certificates. Copies of the Rights Agreement are on file at the registered office of the Trust.

This Rights Certificate, with or without other Rights Certificates, upon surrender at any of the offices of the Rights Agent designated for such purpose, may be exchanged for another Rights Certificate or

Rights Certificates of like tenor and date evidencing an aggregate number of Rights equal to the aggregate number of Rights evidenced by the Rights Certificate or Rights Certificates surrendered. If this Rights Certificate will be exercised in part, the registered holder will be entitled to receive, upon surrender hereof, another Rights Certificate or Rights Certificates for the number of whole Rights not exercised.

Subject to the provisions of the Rights Agreement, the Rights evidenced by this Rights Certificate may be redeemed by the Trust at a redemption price of \$0.00001 per Right, subject to adjustment in certain events, under certain circumstances at its option.

No fractional Unit will be issued upon the exercise of any Rights evidenced hereby but in lieu thereof a cash payment may be made, as provided in the Rights Agreement.

No holder of this Rights Certificate, as such, will be entitled to vote or receive distributions or be deemed for any purpose the holder of Units or of any other securities which may at any time be issuable upon the exercise hereof, nor will anything contained in the Rights Agreement or herein be construed to confer upon the holder hereof, as such, any of the Rights of a unitholder of the Trust or any right to vote for the election of trustees or upon any matter submitted to unitholders at any meeting thereof, or to give or withhold consent to any action, or to receive notice of meetings or other actions affecting unitholders (except as provided in the Rights Agreement) or to receive distributions or subscription rights, or otherwise, until the Rights evidenced by this Rights Certificate will have been exercised as provided in the Rights Agreement.

This Rights Certificate will not be valid or obligatory for any purpose until it will have been countersigned by the Rights Agent.

WITNESS the facsimile signature of an officer of Partners Real Estate Investment Trust.

Date:

**PARTNERS REAL ESTATE
INVESTMENT TRUST**

By: _____

Name: Joseph Feldman

Title: Trustee

Countersigned:

**COMPUTERSHARE TRUST COMPANY
OF CANADA**

By: _____

Authorized Signature

FORM OF ASSIGNMENT

(To be executed by the registered holder if such holder desires to transfer the Rights Certificates.)

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

_____ (Please print name and address of transferee)

this Rights Certificate, together with all right, title and interest therein.

Dated: _____

Signature Guaranteed:

Signature

(Signature must correspond to name as written upon the face of this Rights Certificate in every particular, without alteration or enlargement or any change whatsoever.)

Signature must be guaranteed by a Canadian Schedule I chartered bank, a major trust company in Canada, a commercial bank or trust company in the United States or a member of the Securities Transfer Agents Medallion Program (STAMP).

(To be completed if true)

The undersigned hereby represents, for the benefit of all holders of Rights and Units, that the Rights evidenced by this Rights Certificate are not, and, to the knowledge of the undersigned, have never been, Beneficially Owned by an Acquiring Person or an Affiliate or Associate thereof or by any Person acting jointly or in concert with any of the foregoing (as defined in the Rights Agreement).

Dated: _____

Signature _____

[To be attached to each Rights Certificate]

FORM OF ELECTION TO EXERCISE

TO: PARTNERS REAL ESTATE INVESTMENT TRUST

AND TO: COMPUTERSHARE TRUST COMPANY OF CANADA

The undersigned hereby irrevocably elects to exercise _____ whole Rights represented by the attached Rights Certificate to purchase the Units or other securities, if applicable, issuable upon the exercise of such Rights and requests that certificates for such securities be issued in the name of:

(Name)

(Address)

(Social Insurance, Social Security or Other Taxpayer Identification Number)

If such number of Rights are not all the Rights evidenced by this Rights Certificate, a new Rights Certificate for the balance of such Rights will be registered in the name of and delivered to:

(Name)

(Address)

(Social Insurance, Social Security or Other Taxpayer Identification Number)

Dated: _____

Signature Guaranteed:

Signature

(Signature must correspond to name as written upon the face of this Rights Certificate in every particular, without alteration or enlargement or any change whatsoever.)

Signature must be guaranteed by a Canadian Schedule I chartered bank, a major trust company in Canada, a commercial bank or trust company in the United States or a member of the Securities Transfer Agents Medallion Program (STAMP)

(To be completed if true)

The undersigned hereby represents, for the benefit of all holders of Rights and Units, that the Rights evidenced by this Rights Certificate are not, and, to the knowledge of the undersigned, have never been, Beneficially Owned by an Acquiring Person or an Affiliate or Associate thereof or by any Person acting jointly or in concert with any of the foregoing (as defined in the Rights Agreement).

Dated: _____
Signature _____

NOTICE

In the event the certification set forth above in the Forms of Assignment and Election to Exercise is not completed, the Trust may deem the Beneficial Owner of the Rights evidenced by this Rights Certificate to be an Acquiring Person or an Affiliate or Associate thereof or a Person acting jointly or in concert with any of the foregoing (as defined in the Rights Agreement). No Rights Certificates will be issued in exchange for a Rights Certificate owned or deemed to have been owned by an Acquiring Person or an Affiliate or Associate thereof.