

HUNTINGDON CAPITAL CORP.

and

FAM REAL ESTATE INVESTMENT TRUST

AMENDED AND RESTATED

MANAGEMENT AGREEMENT

August 12, 2014

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AMENDED AND RESTATED MANAGEMENT AGREEMENT

THIS AMENDED AND RESTATED MANAGEMENT AGREEMENT is made as of August 12, 2014

BETWEEN:

HUNTINGDON CAPITAL CORP.

(the “**Manager**”)

and

FAM REAL ESTATE INVESTMENT TRUST

(the “**REIT**”).

RECITALS:

- A. Since its initial public offering, the REIT has been engaged in the business of, acquiring, holding, developing, maintaining, improving, leasing, managing or otherwise dealing with industrial, office and retail properties in Canada and the United States (“**Initial Business**”);
- B. Pursuant to a management agreement dated as of December 28, 2012 (the “**Original Agreement**”), the REIT retained the Manager to provide the Services and any Additional Services (each as defined herein) and the Manager agreed to provide such Services and any Additional Services; and
- C. The parties to the Original Agreement wish to amend and restate the Original Agreement in order to make certain amendments thereto on the terms herein set forth, including to reflect that as of the Effective Date (as defined herein), the business of the REIT and the focus of the Manager will transition from the Initial Business to acquiring, holding, developing, maintaining, improving, leasing, managing or otherwise dealing with office properties in Canada (“**Office Property Business**”).
- D. The parties to the ROFO Agreement (as defined herein) wish to amend certain terms of the ROFO Agreement that correspond to the amendments made to the Original Agreement set out herein.

NOW THEREFORE in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Manager and the REIT, the Manager and the REIT hereby agree as follows:

ARTICLE 1 INTERPRETATION

Section 1.1 Definitions

Where used in this Agreement, unless the context expressly or by necessary implication otherwise requires, the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:

“Acquisition and Disposition Services” has the meaning set out in Section 3.3(b);

“Acquisition and Disposition Strategy” has the meaning set out in Section 3.5(1)(c);

“Acquisition Fee” has the meaning set out in Section 4.1;

“Additional Services” has the meaning set out in Section 3.4;

“Affiliate” of a Person means any Person that would be deemed to be an affiliated entity of such Person within the meaning of National Instrument 45-106 – Prospectus and Registration Exemptions, as replaced or amended from time to time (including any successor rule or policy thereto), if the term “person” therein was as defined in this Agreement;

“Agreement”, **“this Agreement”**, **“the Agreement”** and similar expressions refer to this Amended and Restated Management Agreement and all schedules attached to this Agreement, as the same may be amended, supplemented or amended and restated from time to time;

“Applicable Law” means, with respect to any Person, property, transaction, event or other matter, any foreign or domestic constitution, treaty, law, statute, regulation, code, ordinance, principle of common law or equity, rule, municipal by-law, order or other requirement having the force of law (collectively, the **“Law”**) relating or applicable to such Person, property, transaction, event or other matter and also includes, where appropriate, any interpretation of the Law (or any part thereof) by any Person having jurisdiction over it;

“Approval” has the meaning set out in Section 12.2;

“Approved” has the meaning set out in Section 12.2;

“Associate” when used to indicate a relationship with a Person has the meaning ascribed thereto in the *Securities Act* (Ontario);

“Arrangement” means the plan of arrangement contemplated by the Arrangement Agreement pursuant to which SCC will acquire all of the outstanding common shares of Huntingdon Capital Corp;

“Arrangement Agreement” means the arrangement agreement entered into on the date hereof between Huntingdon Capital Corp. and SCC relating to the Arrangement, as it may be amended or restated from time to time in accordance with the terms therein;

“Base Management Fee” has the meaning set out in Section 4.1;

“Base Rent” means: (i) in respect of each net Lease, the aggregate amount of base rent payable under the Lease; and (ii) in respect of each gross or semi-gross Lease, the aggregate amount of gross rent payable under the Lease, less all Operating Expenditures and the aggregate amount of any free rent under the Lease;

“Budget” has the meaning set out in Section 4.4(1);

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

“Class B LP Units” means the Class B LP units of the Partnership;

“Closing” means the closing of the Offering and the acquisition, directly or indirectly, by the REIT or its Affiliates of certain initial properties and other related transactions, all of which are described in the Prospectus;

“Construction Activity” has the meaning set out in Section 4.1;

“Construction Management Fee” has the meaning set out in Section 4.1;

“Control” means as follows: a Person (first person) is considered to Control another Person (second person) if (i) the first person beneficially owns, or controls or directs, directly or indirectly, securities of the second person carrying votes which, if exercised, would entitle the first person to elect a majority of the directors (or trustees) of the second person, unless that first person holds the voting securities only to secure an obligation; (ii) the second person is a partnership, other than a limited partnership, and the first person holds more than 50% of the interests of the partnership; or (iii) the second person is a limited partnership and the general partner (or if there is more than one general partner, the managing general partner) of the limited partnership is the first person (or the person who Controls such general partner pursuant to clause (iv) of this definition is the first person); **“Controls”**, **“Controlling”** and **“Controlled”** have corresponding meanings;

“Damages” means any loss, cost, liability, claim, interest, fine, penalty, assessment, damages available at law or in equity, expense (including actual, reasonable costs, fees and expenses of legal counsel on a full indemnity basis, without reduction for tariff rates or similar reductions and reasonable costs, fees and expenses of investigation) or diminution in value;

“Declaration of Trust” means the declaration of trust of the REIT made as of August 27, 2012 and amended and restated as of Closing, as it may be further amended, supplemented or amended and restated from time to time;

“Effective Date” means the date on which the Arrangement is completed;

“ETA” means the *Excise Tax Act* (Canada);

“Event of Default by the Manager” means:

- (i) the occurrence of an Event of Insolvency in respect of the Manager;
- (ii) a material breach by the Manager of the terms of this Agreement if such material breach is not cured within thirty (30) days of receipt by the Manager of written notice of such material breach from the REIT; or
- (iii) fraudulent misconduct of, or the misappropriation of funds by, the Manager;

“Event of Default by the REIT” means:

- (i) the occurrence of an Event of Insolvency in respect of the REIT; or
- (ii) a material breach by the REIT of the terms of this Agreement if such material breach is not cured within thirty (30) days of receipt by the REIT of written notice of such material breach from the Manager;

“Event of Insolvency” means any one or more of the following events in respect of the Manager or the REIT, respectively:

- (i) if the Party is:
 - (A) wound up, dissolved or liquidated, or becomes subject to the provisions of the *Winding-Up and Restructuring Act* (Canada) or any successor legislation thereto or has its existence terminated or has any resolution passed therefor;
 - (B) makes a general assignment for the benefit of its creditors or a proposal (including the filing of a notice of intention to make a proposal) under the *Bankruptcy and Insolvency Act* (Canada) or any successor legislation thereto; or
 - (C) proposes a compromise or arrangement under the *Companies' Creditors Arrangement Act* (Canada) or any successor legislation thereto or files any petition or answer seeking a stay of proceedings or any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for itself under any present or future law relative to bankruptcy, insolvency or other relief for debtors or for the benefit of creditors;
- (ii) if a court of competent jurisdiction enters an order, judgment or decree approving a petition or application filed against the Party seeking a stay of proceedings or any reorganization, arrangement, composition, readjustment, liquidation, dissolution, winding up, termination of existence, declaration of bankruptcy or insolvency or similar relief under any present or future law relating to bankruptcy, insolvency or other relief for or against debtors and such Party acquiesces in the entry of such order, judgment or decree and such order, judgment or decree remains un-vacated or un-stayed for an aggregate of thirty (30) days (whether or not consecutive) from the day of entry thereof; or if any trustee in bankruptcy, receiver, receiver and manager, liquidator or any other officer

with similar powers shall be appointed for the such Party or of all or any substantial part of its property with the consent or acquiescence of such Party or such appointment remains un-vacated or un-stayed for an aggregate of thirty (30) days (whether or not consecutive);

- (iii) the Party becomes insolvent or admits its inability to pay its debts generally as they become due; or
- (iv) an encumbrancer takes possession of all or substantially all of a Party's assets and such possession remains for a period of fifteen (15) days (whether or not consecutive);

"Expenses" has the meaning set out in Section 4.3;

"FAM GP" means FAM GPCo Inc., a company incorporated under the laws of Ontario;

"Fees" means, collectively, the Base Management Fee, the Property Management Fee, the Acquisition Fee, the Financing Fee, the Leasing Fee, the Construction Management Fee, and any other fees mutually agreed by the Parties in respect of the Services or any Additional Services from time to time, and **"Fee"** means any one of them;

"Financing Fee" has the meaning set out in Section 4.1;

"Financing Services" has the meaning set out in Section 3.3(a);

"Fiscal Year" is the period of 12 months ending on the last day of December in each year or such other financial period designated from time to time by the REIT;

"Governmental Authority" means any national, federal, state, provincial, county, municipal, district or local government or government body, or any public, administrative or regulatory agency, political subdivision, commission, court, arbitral body, board or representative of any of the foregoing, foreign or domestic, of, or established by, any such government or government body which has authority in respect of a particular matter or any quasi-governmental body having the right to exercise any regulatory authority thereunder;

"Gross Book Value" means, at any time, the book value of the assets of the REIT and its consolidated subsidiaries, as shown on its then most recent consolidated statement of financial position, plus accumulated depreciation and amortization in respect of the REIT's properties (and related intangible assets) shown thereon or in the notes thereto, less (i) the amount of any restricted cash; and (ii) the amount of future income tax liability arising out of the fair value adjustment in respect of the indirect acquisition of certain properties; provided, however, if approved by a majority of the REIT Trustees, the appraised value of the assets of the REIT and its consolidated subsidiaries may be used instead of book value;

"Gross Revenue" means all revenues received by and/or on behalf of the REIT from the leasing and/or licensing of the Properties (but not proceeds received in connection with the sale and/or mortgaging of the Properties) including, without limitation, parking revenues and all amounts of minimum, percentage and additional rent and all other rent payments (including lease cancellation, surrender and termination fees, repayments of

tenant allowances and any accelerated rent received) made by or on behalf of all Tenants or other occupants of the Properties (including any payments made by or on behalf of the Tenants on account of realty taxes common area maintenance, utilities, insurance, HVAC or any other type of payment made by a Tenant which is intended as a reimbursement to the REIT for occupancy costs or expenses borne by the REIT) but excluding and there shall be deducted therefrom to the extent they are included: (i) all GST and/or HST payable in regard to the foregoing from time to time; (ii) deposits (except to the extent that such deposits are actually applied as a rent payment) and advance rent payments (other than the first month's rent) until the reporting period in which such payments are to be applied as rent payments or until such advance payments are forfeited, whichever comes first; (iii) interest earned on any funds being administered by the Manager pursuant to this Agreement; (iv) proceeds of insurance other than loss of rental income insurance actually received by the REIT; (v) legal or brokerage fees payable by the REIT which are recovered from Tenants; and (vi) any amounts paid by tenants for parking on property not owned by the REIT;

"GST" means the tax imposed under subsection 165(1) of the ETA;

"HST" means any harmonized sales tax which combines a province's sales tax with the tax imposed under subsections 165(1) and 165(2) of the ETA;

"Huntingdon" means, for the purpose of any agreement that incorporates the defined terms of this Agreement by reference, the Manager;

"Independent Trustee" means a REIT Trustee who, in relation to the REIT, from and after the Closing, is 'independent' within the meaning of National Instrument 58-101 — Disclosure of Corporate Governance Practices, as replaced or amended from time to time (including any successor rule or policy thereto);

"Initial Business" has the meaning set out in Recital A;

"Initial Term" has the meaning set out in Section 2.1;

"Investment" has the meaning set out in Section 7.2(b);

"Law" has the meaning set out in the definition of "Applicable Law";

"Leases" means all present and future leases, agreements to lease and subleases of any part of the Properties and all present or future licences and concessions giving any person a right (other than an easement or a right in the nature of an easement) to use or occupy any part of the Properties (in each case for the time during which they are in effect) and all revisions, alterations, modifications, amendments, extensions, renewals, replacements or substitutions thereto or therefor which may be entered into from time to time;

"Leasing Fee" has the meaning set out in Section 4.1;

"Loss of Key Man" means if both Blair Welch and Brady Welch are no longer associated with the Manager;

"Manager" means Huntingdon Capital Corp. and its successors and assigns;

“Manager Employee Severance Costs” means any and all Severance Costs (if any) actually incurred by the Manager or its Affiliates in respect of employees of the Manager or its Affiliates arising out of or resulting from the ensuing termination of redundant or surplus employees as a consequence of the termination of this Agreement in respect of the period after Closing that each such employee has worked on REIT matters and based on the proportion of each such employee’s services attributable to REIT matters;

“Manager Indemnified Parties” has the meaning set out in Section 9.2;

“Offering” means the initial offering of Units to the public pursuant to the Prospectus;

“Office Property Business” has the meaning set out in Recital C;

“Operating Expenditures” means all expenditures properly paid or properly accrued relating to the operation and management of the Properties including the following:

- (a) expenditures paid for the operating, maintaining, repairing, replacing and managing the Properties and all components thereof and systems therein;
- (b) real property taxes and assessments, utilities, water rates, energy rates and fuel costs chargeable to the Properties including all costs incurred for the appeal or review of property tax assessments;
- (c) insurance premiums;
- (d) fees for special services;
- (e) wages, employee costs and other amounts payable to or for the benefit of employees engaged in the accounting, maintenance, repair and supervision of the Properties;
- (f) the deductible portion of any insured loss;
- (g) tenants’ inducements and other such capital costs;
- (h) fees paid to the auditor of the REIT or a Subsidiary Entity;
- (i) legal fees and disbursements paid in respect of the Properties including in respect of Lease negotiation and documentation;
- (j) all other expenditures paid by the Manager in accordance with the Approved Budget and the Approved Leasing Strategy; and
- (k) leasing commissions and brokerage fees properly paid to third parties;

“Parties” means the REIT and the Manager, and **“Party”** means any one of the Parties;

“Partnership Agreement” means the limited partnership agreement governing the Partnership, as it may be amended, supplemented or amended and restated from time to time;

“Partnership” means FAM Management Limited Partnership, a limited partnership formed under the laws of the Province of Ontario;

“Person” means and includes any individual, general partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, joint stock company, association, trust, trust company, bank, pension fund, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or other organization or entity, whether or not a legal entity, however designated or constituted;

“Personnel” has the meaning set out in Section 3.6(1);

“Properties” means all real properties (including the buildings, structures and improvements located thereon, as the same may be altered from time to time), and any interest therein, which the REIT directly or indirectly owns from time to time, and **“Property”** means any one of them;

“Property Financing Strategy” has the meaning set out in Section 3.5(1)(a);

“Property Management Fee” has the meaning set out in Section 4.1;

“Property Management Services” has the meaning set out in Section 3.3(e);

“Prospectus” means the final prospectus of the REIT dated December 17, 2012, as the same may be amended or amended and restated from time to time;

“Purchase Price” means the purchase price paid, directly or indirectly, by the REIT or any of its Affiliates, for a Property, and shall include the value of any non-cash consideration paid for such Property, including, but not limited to, the assumption of any debt or liabilities in respect of such Property;

“REIT” means FAM Real Estate Investment Trust, an unincorporated, open-ended limited purpose trust established under the laws of the Province of Ontario pursuant to the Declaration of Trust;

“REIT Financing Strategy” has the meaning set out in Section 3.5(1)(b);

“REIT Indemnified Parties” has the meaning set out in Section 9.1;

“REIT Trustees” means the trustees holding office, from time to time, of the REIT pursuant to the Declaration of Trust;

“Renewal Term” has the meaning set out in Section 2.2;

“Restricted Investments” means office revenue producing real property, where the revenue of such real property is primarily derived from office tenants, which meets the Investment Guidelines and Operating Policies of the REIT set out in the Declaration of Trust but for certainty does not include, without limitation, retail real property, industrial real property, vacant land, residential housing, multi-residential housing units, hotels, resorts, residential condominium units, nursing homes or retirement homes or any combination of the foregoing exceptions;

“ROFO Agreement” means the right of first offer agreement entered into December 28, 2012 among the REIT and the Manager, as such agreement may be amended, supplemented or amended and restated from time to time (including the amendments set out in this Agreement);

“SCC” means Slate Capital Corporation;

“Services” has the meaning set out in Section 3.3;

“Severance Costs” means an amount equal to the greater of (i) the minimum severance amount required by law; or (ii) the severance amount provided for pursuant to an employment agreement entered into by any Personnel, provided that such employment agreement contains terms that are consistent with market terms for an employee of that seniority level;

“Slate” means Slate Asset Management L.P.;

“Special Voting Units” means the special voting units in the capital of the REIT that represent voting rights in the REIT and accompany the Class B LP Units;

“Subsidiary Entity” means the Partnership or any new limited partnership Controlled by the REIT from time to time, a trust all of the units of which or a corporation all of the shares of which are owned directly or indirectly by the REIT or another subsidiary entity of the REIT that would be consolidated with the REIT under Canadian generally accepted accounting principles;

“Taxes” means all taxes including all income, sales, use, goods and services, harmonized sales, value added, capital, capital gains, alternative, net worth, transfer, profits, withholding, payroll, employer health, excise, franchise, real property and personal property taxes, and any other taxes, customs duties, fees, levies, imposts and other assessments or similar charges in the nature of a tax including Canada Pension Plan and provincial pension plan contributions, employment insurance and unemployment insurance payments and workers' compensation premiums, together with any instalments with respect thereto, and any interest, fines and penalties, in all cases imposed by any Governmental Authority in respect thereof;

“Tax Act” means the *Income Tax Act* (Canada);

“Tenant” means a tenant of one or more of the Properties;

“Tenant Recoveries” has the meaning set out in Section 4.3(1);

“Units” means trust units in the capital of the REIT, excluding Special Voting Units unless the context otherwise requires;

“Unitholder” means a Person who holds Units; and

“VWAP” means the volume weighted average trading price of the Units on the REIT's primary stock exchange.

Section 1.2 Rules of Construction

In this Agreement, unless otherwise expressly stated or the context otherwise requires:

- (a) references to “herein”, “hereby”, “hereunder”, “hereof” and similar expressions are references to this Agreement and not to any particular Article or Section of this Agreement;
- (b) references to an “Article”, “Section” or “Schedule” are references to an Article, Section or Schedule of this Agreement;
- (c) words importing the singular shall include the plural and vice versa, words importing gender shall include the masculine, feminine and neuter genders;
- (d) the use of headings is for convenience of reference only and shall not affect the construction or interpretation hereof;
- (e) the words “includes” and “including”, when following any general term or statement, is not to be construed as limiting the general term or statement to the specific items or matters set forth or to similar items or matters, but rather as referring to all other items or matters that could reasonably fall within the broadest possible scope of the general term or statement;
- (f) for greater certainty, the REIT Trustees have entered into this Agreement in their capacity as trustees of the REIT under the Declaration of Trust and this Agreement has been executed and delivered on behalf of the REIT Trustees in such capacity, and, unless otherwise expressly provided herein, where any reference is made in this Agreement to the REIT as a Party to this Agreement or to any other agreement or to an act to be performed by or a covenant, representation or warranty given by the REIT such reference shall be construed and applied for all purposes as if referred to the REIT Trustees in their respective capacity as trustees of the REIT under the Declaration of Trust;
- (g) reference to any statute shall be deemed to be a reference to such statute, and the regulations thereunder, as amended, re-enacted or replaced from time to time;
- (h) references to “\$” are references to the lawful currency of Canada; and
- (i) any reference in this Agreement to a Person shall include, and be deemed to be a reference also to, any successor or assign of such Person.

ARTICLE 2 TERM

Section 2.1 Term

This Agreement shall commence on December 28, 2012 and, unless terminated in accordance with the provisions hereof, shall continue for an initial term of ten (10) years from December 28, 2012 (the “**Initial Term**”).

Section 2.2 Renewal

Upon completion of the Initial Term or any subsequent Renewal Term, this Agreement shall automatically renew for successive five (5) year terms (each a “**Renewal Term**”) until terminated in accordance with the provisions hereof.

ARTICLE 3 SERVICES

Section 3.1 Engagement

The REIT hereby appoints the Manager, as an independent contractor, as of and from December 28, 2012, and the Manager accepts the appointment, to provide services in accordance with this Agreement.

Section 3.2 Scope of Authority.

On behalf of the REIT, the Manager shall have the authority:

- (a) to negotiate, settle and execute all contracts relating to the operation, maintenance and servicing of the Properties provided that:
 - (i) the expense to be incurred thereby is provided for in the current Approved Budget; or
 - (ii) each such contract is upon fair market terms;
- (b) to incur all expenses on behalf of the REIT, whether or not of a capital nature, provided for in the current Approved Budget with respect to the item or category of expense therein provided;
- (c) if there is an emergency or perceived emergency, the Manager shall proceed with such steps as in its reasonable discretion are deemed necessary for the protection or preservation of the Properties or to protect the REIT and the Manager from any penalty or other liability and, upon the happening of any such event, the Manager shall promptly give notice thereof to the REIT; and
- (d) on behalf of the REIT, to execute and deliver all documents related to the Leases provided it is in accordance with the Approved Leasing Strategy then in effect.

Section 3.3 Services

The Manager agrees to provide to the REIT and its Subsidiary Entities the following services (collectively, the “**Services**”).

- (a) In accordance with the REIT Financing Strategy and the Property Financing Strategy, or as otherwise Approved by the REIT, arranging for the financing, refinancing or restructuring of financing of Properties, including the issuance, granting, allotment, acceptance, endorsement, renewal, processing, variation, transfer of ownership and/or repayment of any financial instrument, and the preparation of all analysis and budgets required to support any secured debt

financing that may be required by the REIT or recommended by the Manager (“**Financing Services**”).

- (b) In accordance with the Acquisition and Disposition Strategy, or as otherwise Approved by the REIT, identifying and recommending properties for acquisition or disposition by the REIT or its Subsidiary Entities (“**Acquisition and Disposition Services**”). In particular, the duties to be discharged by the Manager pursuant to this subsection include:
 - (i) advising the REIT and its Subsidiary Entities on potential acquisitions of properties;
 - (ii) advising the REIT and its Subsidiary Entities on potential dispositions of Properties;
 - (iii) advising the REIT on strategic matters relating to the REIT's and its Properties, dispositions and development or re-development of Properties and value maximization;
 - (iv) arranging, structuring and negotiating on behalf of the REIT and its Subsidiary Entities for the dispositions and other transactions in respect of the Properties, including identifying, structuring and negotiating purchase and sale agreements and arranging the completion thereof, including conducting due diligence in respect thereof, all for Approval by the REIT;
 - (v) assisting, obtaining, consolidating, analyzing and providing information (including financial modelling and market analysis) in connection with prospective purchases of Properties or sales of Properties to the REIT and its Subsidiary Entities; and
 - (vi) preparing budgets in respect of acquisition opportunities and disposition opportunities.
- (c) In accordance with the Leasing Strategy, or as otherwise Approved by the REIT, attend to matters related to the leasing of the Properties. In particular, the duties to be discharged by the Manager pursuant to this subsection include:
 - (i) using all reasonable efforts to obtain Tenants who will lease premises on the Properties in accordance with the Approved Leasing Strategy;
 - (ii) on behalf of the REIT, executing and delivering all Lease Documentation for new leases, expansions, renewals and negotiated terminations and document assignments, amendments and other documents requested by Tenants in forms pre-approved by the REIT from time to time; and
 - (iii) submitting for Approval by the REIT such changes to the standard lease currently used in connection with the Properties as the Manager may deem necessary or advisable from time to time.
- (d) The following administrative services:

- (i) providing the services of a member of the Manager's senior management team, to be appointed by the Manager and acceptable to the REIT, to act as the chief executive officer of the REIT;
 - (ii) providing the services of a member of the Manager's senior management team, to be appointed by the Manager and acceptable to the REIT, to act as the chief financial officer of the REIT;
 - (iii) providing the services of such administrative, management and executive personnel to be provided to the REIT as is reasonably necessary;
 - (iv) assisting the REIT with investor relations activities;
 - (v) managing regulatory compliance in respect of the REIT's and its Subsidiary Entities' Properties, including making all required filings;
 - (vi) assisting the REIT with the preparation of all documents, reports, data and analysis required by the REIT for its filings and documents necessary for its continuous disclosure requirements pursuant to applicable stock exchange rules and securities Laws;
 - (vii) co-ordinating the provision of the Services and any Additional Services with the REIT;
 - (viii) attending meetings of REIT Trustees or applicable committees, as requested by the REIT, to present an annual assert plan pursuant to Section 3.5 hereof, the Budget, financing opportunities, acquisition opportunities and disposition opportunities; and
 - (ix) supervising the activities of any third party managers subcontracted by the Manager in accordance with Section 3.7.
- (e) The following property management services (the “**Property Management Services**”):
- (i) generally doing and performing and contracting for all things necessary for the proper and efficient leasing, management, operation and maintenance of the Properties;
 - (ii) operating, repairing and maintaining the Properties and implementing and updating no less often than annually the operating and maintenance strategy for each Property;
 - (iii) contracting for or purchasing all services, material and supplies required by the Manager in connection with the performance of its duties and responsibilities under this Agreement at competitive prices from arm's length third parties, which services, materials and supplies shall be paid for by the REIT or its designate as and to the extent provided for herein;

- (iv) at the expense of the REIT, paying all Operating Expenditures as they become due and any other expenses either contemplated in any current Approved Budget or approved from time to time in writing by the REIT;
- (v) arranging for the provision of all utilities required by the Properties and cause the Properties to be heated or cooled to reasonable temperatures according to the season and in accordance with the obligations contained in the Leases. the Manager shall cause the heating and air conditioning equipment to be operated and maintained and kept and repaired in conformity with the obligations of the landlord under the Leases;
- (vi) reviewing property and business taxes and assessments, and if prudent in the opinion of the Manager or if the REIT so requires, taking steps to contest or appeal such taxes, at the REIT's expense;
- (vii) if the appropriate GST and/or HST authorization pursuant to section 239 of the ETA is obtained and so long as it is in effect, preparing, signing (if permitted by Canada Customs and Revenue Agency or such other similar governmental authority which has jurisdiction to do so) and filing on behalf of the REIT in the prescribed manner and within the time prescribed, all GST and/or HST returns relating to the Properties and remitting with such returns any net tax (as determined in accordance with the applicable legislation) owing by the REIT on such returns. If the Manager is not permitted to sign any such return(s), the REIT will sign it or them forthwith in order to enable the Manager to comply with its obligations hereunder; and the Manager shall deposit any net tax refund(s) received in the accounts maintained pursuant to this Agreement;
- (viii) promptly giving to the REIT notice of any damage to any of the Properties and copies of any notices given by the Manager to any insurer of the Properties with respect to any claim against the Properties or the REIT;
- (ix) arrange for the placement of insurance policies with respect to the Properties with licensed carriers with appropriate limits and reasonable deductibles maintained by comparable real estate companies; such insurance policies shall include liability coverage with the REIT and the Manager named on the insurance policy for the Properties as an additional named insured;
- (x) notifying the REIT of any material claim, demand or action asserted or instituted against the Manager or the REIT which relates to the Properties and settling any insurance claim;
- (xi) supervising all dealings with Tenants in connection with the leasing, operation and maintenance of the Properties and establishing and maintaining a suitable scheme of liaison with the Tenants;
- (xii) being responsible for giving all notices and statements required to be given to Tenants under the terms of Leases;

- (xiii) on behalf of the REIT, reviewing, and, if appropriate, approving all Tenants' plans and specifications in respect of any renovations, repairs or construction of their leasehold improvements in their respective premises and supervising the construction of such renovations, repairs or leasehold improvements in accordance with such approved plans and specifications and otherwise in accordance with any approved construction requirements for the Properties;
- (xiv) where applicable, obtaining Tenant sales figures and calculating percentage rent to be paid and, whenever the Manager deems it necessary, causing the books and records of a Tenant to be inspected or audited or both, at the expense of the REIT;
- (xv) on behalf of and for the account of the REIT, endeavouring to collect all rent and other amounts payable by Tenants, including using reasonable efforts to ensure that all rent and other amounts payable by Tenants are regularly received by the Manager in a timely manner for the account of and in trust for the REIT provided that the Manager shall not have any liability for any arrears of rent;
- (xvi) endeavouring, by promptly issuing demand for payment, to collect from any of the Tenants all arrears and obtaining payment thereof whenever possible and if, in the opinion of the Manager, it is prudent to do so and other reasonable steps have failed or will not likely achieve satisfactory results, instituting suit for the collection of amounts in arrears from any Tenant or taking advantage of any other legal or equitable remedies at the REIT's expense. In connection with the foregoing, the Manager may, as agent of the REIT (and the REIT hereby appoints the Manager as its agent for such purpose) execute any and all documents which the Manager considers necessary or desirable to enable it fully to carry out the powers granted to it in this subsection; the REIT at all times shall have the right at its risk to direct the course of any action taken under this subsection;
- (xvii) from time to time recommending to the REIT for its Approval rules and regulations for the better or more efficient operation of the Properties and using its reasonable efforts to cause whatever rules and regulations have been so approved to be observed by Tenants;
- (xviii) developing and implementing plans (in accordance with the Approved Leasing Strategy) concerning the installation and removal of all Tenants in the Properties, and supervising the same so as to minimize disturbance to the operation of the Properties and other Tenants therein;
- (xix) using reasonable efforts to ensure compliance by the REIT and the Tenants with the terms and conditions of all contractual, statutory or municipal obligations with respect to the Properties and, in so doing, the Manager may call upon the REIT to provide any payments necessary in connection therewith, and the REIT shall forthwith make such payments;

- (xx) doing nothing to cause a lien and taking all reasonable steps to avoid registration of a construction or builders lien. the Manager shall notify the REIT of any lien filed and if requested by and at the expense of the REIT shall cause the lien to be satisfied. If the Manager or the REIT disputes the validity of the lien, the Manager will defend the same at REIT's cost. If requested by and subject to the provision of funds by the REIT, the Manager shall pay the amount claimed into court and shall register all necessary documents to vacate the lien;
- (xxi) maintaining, all information related to the Properties on a confidential basis except to the extent that the Manager is obliged to disclose such information in legal proceedings or by law;
- (xxii) carrying out or causing to be carried out, at least once in each Fiscal Year, physical inspections of the exterior of the buildings situated on the Properties and, if required, submitting a written report of the results of such inspections to the REIT;
- (xxiii) carrying out such advertising and promotional activities with respect to the Properties as are deemed advantageous by the Manager;
- (xxiv) arranging for a valuation of the Properties by a qualified valuator when requested by the REIT;
- (xxv) keeping the interior and exterior common areas of the Properties clean and, where the same are open to the elements, reasonably free from snow and ice and maintain the landscaping of the Properties;
- (xxvi) using reasonable efforts to prevent the use, handling or storage of any solid, industrial or hazardous waste, pollutants, contaminants or other hazardous substances at the Properties except: (A) those substances and supplies that may be required to be stored at any Property; (B) Tenants' inventory, supplies and substances as permitted under their Leases; and (C) cleaning solvents, insecticides, and other similar substances commonly used in the maintenance and operation of the Properties; provided in each case that the foregoing are stored, handled and used in accordance with the requirements of all applicable laws and regulations; and
- (xxvii) ensuring compliance with any environmental laws, regulations and environmental management plans and systems.

Section 3.4 Additional Services

The REIT and the Manager may from time to time agree in writing on additional services which are to be provided to the REIT and/ or its Subsidiary Entities by the Manager ("**Additional Services**") for which the Manager shall be compensated on terms to be agreed upon between the Manager and the REIT prior to the provision of any such Additional Services.

Section 3.5 Asset Plan

(1) On or before December 31 in any calendar year in which this Agreement is in force, the Manager shall prepare for Approval by the REIT, with respect to the Properties, an asset plan for the following fiscal year which shall describe, among other things:

- (a) a financing strategy (the “**Property Financing Strategy**”) which identifies all Properties requiring financing, refinancing or restructuring of financing during the next calendar year, current terms and conditions expected on, and the optimal manner to achieve, financing, refinancing or restructuring of financing along with the impact that the financing and refinancing will have on the cash flow of the Properties and the policies and guidelines of the REIT and the Declaration of Trust;
- (b) a financing strategy (the “**REIT Financing Strategy**”) which outlines secured or unsecured debt requirements for the REIT over the next calendar year (other than debt requirements referred to in the Property Financing Strategy) in order to implement the Acquisition and Disposition Strategy, the current or expected market conditions for, and the optimal approach to, raising equity or securities convertible or exchangeable for equity securities, along with the impact any such financing or raise will have on the REIT's income, on cash flow and distributions and the policies and guidelines of the REIT and the Declaration of Trust;
- (c) an asset acquisition and disposition strategy for the REIT (the “**Acquisition and Disposition Strategy**”) that outlines: (i) the types of properties and markets targeted for acquisitions during the next year, the expected rates of return, cash requirements and the impact of the acquisitions on the cash flow and distributions of the REIT and the policies and guidelines of the REIT and the Declaration of Trust; (ii) the Properties targeted for disposition during the next calendar year, the expected sale prices and the impact of such dispositions on the cash flow and distributions of the REIT and the policies and guidelines of the REIT and the Declaration of Trust; and (iii) recommendations with respect to (x) the optimal manner in which the REIT, directly or indirectly, should acquire additional properties and dispose of Properties, and (y) potential additional properties to be acquired, potential Properties to dispose of and the estimated costs of acquisition and disposition in each case; and
- (d) a leasing strategy (the “**Leasing Strategy**”) which outlines proposals on rental rates, tenant inducements, effective rental rates, (in each case, on a square footage basis) and any other material terms and conditions for new leases or the renewal of leases for premises in the Properties.

(2) The Parties agree that the REIT shall have the right to reject any Property Financing Strategy, REIT Financing Strategy, Acquisition and Disposition Strategy, Leasing Strategy or any financing, refinancing, restructuring of financing or acquisition or disposition opportunity in its sole discretion.

(3) Notwithstanding anything to the contrary herein, in the event that a Property Financing Strategy, REIT Financing Strategy, Acquisition and Disposition Strategy or Leasing Strategy has not been Approved for any fiscal year of the REIT as provided for in this Agreement, the Property Financing Strategy, REIT Financing Strategy, Acquisition and

Disposition Strategy or Leasing Strategy for the immediately preceding fiscal year shall apply to the current fiscal year until a new asset plan is Approved by the REIT for the current fiscal year, provided that in the event that an asset plan does not exist for the preceding fiscal year, the Manager shall provide the Services and any Additional Services in such manner as it determines is appropriate, having regard to the standard of care set out in Section 5.1(1) hereof.

Section 3.6 Personnel

(1) The Parties acknowledge and agree that, subject to Section 3.7(1), the Manager (together with its Affiliates) shall be responsible for performing the Services or any Additional Services primarily through its dedicated management team and employees (“**Personnel**”).

(2) Except as expressly provided herein, all costs relating to any Personnel (and personnel of third parties whom the Manager has retained pursuant to Section 3.7(1)), including employment, termination or severance costs, shall be the responsibility of the Manager. The withholding and payment of any amounts required to be withheld and paid to any Governmental Authority in respect of Personnel engaged or employed by the Manager shall be withheld and paid by the Manager.

(3) The Parties acknowledge that the person acting as the chief executive officer of the REIT pursuant to Section 3.3(d)(i), the person acting as the chief financial officer of the REIT pursuant to Section 3.3(d)(ii) and any other executive officers provided by the Manager to the REIT in accordance with this Agreement shall be permitted, in addition to providing his or her services to the REIT, to provide services to the Manager and/ or its Affiliates.

Section 3.7 Subcontracting

(1) Subject to Section 3.7(2) the Parties acknowledge and agree that the Manager shall have the ability and right from time to time to retain the services of third parties where it is appropriate to do so, provided that the Manager will at all times remain responsible for the Services and any Additional Services and that such third party managers shall be subject to the standard of care of the Manager, as set out in Section 5.1(1).

(2) Except as expressly provided herein, the Manager will be responsible for the costs of any third parties it retains in performing the Services or any Additional Services.

Section 3.8 Books and Records

(1) The Manager shall keep proper, separate and complete books, records and accounts in which full, true and correct entries in conformity with International Financial Reporting Standards and all requirements of Applicable Law will be made of all dealings and transactions in relation to the Services and any Additional Services under this Agreement. the Manager shall permit the REIT and its representatives at reasonable times and intervals, and upon reasonable prior notice, to have access to and make copies of such books, records and accounts as they may reasonably require in respect of the Services and any Additional Services.

(2) The Manager shall maintain (in accordance with the Manager’s standard accounting systems) accounts with respect to matters arising under this Agreement in order for the REIT readily to extract financial statements pertaining to the Properties in the form required

by it. The Manager shall co-operate with the auditors of the REIT in the preparation of such financial statements and their presentation to the REIT.

Section 3.9 Financial Statements

(1) The Manager shall prepare and submit to the REIT unaudited financial statements relating to the operation of the Properties prepared in accordance with International Financial Reporting Standards as may be reasonably requested by the REIT within forty-five (45) days after the end of each fiscal quarter (being March 31, June 30 and September 30 of each Fiscal Year) and within sixty (60) days after the end of each Fiscal Year.

Section 3.10 Furnish Information

(1) The Manager shall make available to the REIT and its representatives such information, documentation and material relating to the performance of the Services and any Additional Services as and when the same may be reasonably requested in writing and otherwise give such co-operation as may be reasonably requested by the REIT or as may be necessary for the REIT's representatives to carry out their duties on behalf of the REIT.

(2) The Manager shall, within a reasonable time of receipt, provide the REIT with copies of any material notices, claims or demands received by the Manager relating to the Properties or the Services.

(3) The Manager shall, in addition to the reports and statements to be provided pursuant to this Agreement provide to the REIT whatever additional reports and information relating to the Properties the REIT may reasonably request. The cost of preparing such additional reports and information and a reasonable fee by the Manager in connection therewith shall be paid by the REIT.

Section 3.11 Cooperation of the REIT

Subject to Applicable Law and agreements relating to confidentiality of disclosure (if any), the REIT hereby authorizes the Manager to have full and complete access to the books, records and business premises and to whatever other information and material of the REIT and its Subsidiary Entities the Manager may reasonably consider necessary or desirable to discharge its duties hereunder. The REIT acknowledges that the Manager may in certain cases require the assistance and co-operation of the REIT and/or its Subsidiary Entities in the performance of the duties of the Manager hereunder. In that regard, the REIT covenants and agrees to provide, or cause its Subsidiary Entities to provide, all assistance and co-operation on a timely basis reasonably necessary to enable the Manager to comply with its obligations herein.

ARTICLE 4 FEES

Section 4.1 Fee for Services

(1) The REIT shall pay to the Manager an annual base management fee (the "**Base Management Fee**") equal to 0.30% of the Gross Book Value calculated and paid in accordance with Section 4.2(1)(a);

(2) With respect to the Acquisition and Disposition Services, the REIT shall pay to the Manager an acquisition fee (the “**Acquisition Fee**”) equal to:

- (a) 1.00% of the Purchase Price paid for the purchase of a Property in respect of the first \$100 million in aggregate Purchase Price actually paid for all Properties (other than properties owned by the Manager and any of its Subsidiary Entities at the time of Closing or any properties transferred to the REIT by Slate GTA Suburban Office Inc.) acquired in each fiscal year of the REIT (using the applicable exchange rate at the time of each such acquisition if the applicable Purchase Price is not payable in Canadian dollars);
- (b) 0.75% of the Purchase Price paid for the purchase of a Property in respect of any amount in excess of \$100 million and less than \$200 million in aggregate Purchase Price actually paid for all Properties (other than properties owned by the Manager and any of its Subsidiary Entities at the time of Closing or any properties transferred to the REIT by Slate GTA Suburban Office Inc.) acquired in each fiscal year of the REIT (using the applicable exchange rate at the time of each such acquisition if the applicable Purchase Price is not payable in Canadian dollars); and
- (c) 0.50% of the Purchase Price paid for the purchase of a Property, in respect of any amount in excess of \$200 million in aggregate Purchase Price actually paid for all Properties (other than properties owned by the Manager and any of its Subsidiary Entities at the time of Closing or any properties transferred to the REIT by Slate GTA Suburban Office Inc.) acquired in each fiscal year of the REIT (using the applicable exchange rate at the time of each such acquisition if the applicable Purchase Price is not payable in Canadian dollars).

(3) With respect to the REIT Financing Strategy and Property Financing Strategy, the REIT shall pay to the Manager a financing fee (the “**Financing Fee**”) equal to 0.25% of the principal amount and associated costs of any debt financing or debt refinancing in respect of Properties, the REIT or any Subsidiary Entity. The Financing Fee is payable on the principal amount of any increase or refinancing of the REIT’s revolving credit facility but is not payable on borrowings under such facility.

(4) With respect to the duties and services of the Manager under this Agreement in relation to the execution of the Leasing Strategy, the REIT shall pay to the Manager a leasing fee (the “**Leasing Fee**”) equal to 5.0% of the Base Rent for all new Leases and 2.0% of Base Rent for all renewals of existing Leases and expansion of leased premises provided that no Leasing Fee is payable on month-to-month Leases that rollover on a monthly basis.

(5) With respect to any Construction Activity, as defined below, the REIT shall pay to the Manager a construction management fee (the “**Construction Management Fee**”) equal to 5.00% of the hard and soft costs in respect of any Construction Activity undertaken by the REIT. “**Construction Activity**” shall include (i) the construction, enlargement or reconstruction of any building, building systems, erection, plant, equipment, parking lot, parkade or improvement on a Property; or (ii) any refurbishing, additions, upgrading or restoration of or renovations to existing buildings, erections, plant, equipment or improvements, including redevelopments, but shall exclude repair and maintenance activities in the ordinary course of business.

(6) With respect to the Property Management Services, a property management fee (the “**Property Management Fee**”) equal to 3.0% of the Gross Revenue for each Fiscal Year for all of the Properties.

(7) For greater certainty, no Fees shall be earned or payable in connection with the transactions occurring at or in connection with the Closing.

Section 4.2 Payment of Fees

(1) The amounts payable to the Manager hereunder shall either be paid to the Manager or obtained by direct withdrawal by the Manager from the bank account maintained by the Manager in accordance with this Agreement.

- (a) The Base Management Fee shall be payable in equal monthly instalments in advance on the first day of each month commencing on the first full month of the Initial Term and calculated based on Gross Book Value of the Properties as at the end of the prior fiscal quarter. If this Agreement does not start on the first day of a month or end on the last day of a month, the REIT shall pay to the Manager a prorated share of the Base Management Fee for such part month.
- (b) The Acquisition Fee shall be paid in full upon the completion of the purchase of the related Property.
- (c) The Financing Fee shall be paid in full upon the completion of the debt financing or debt refinancing, as applicable.
- (d) The Leasing Fee shall be paid in full upon the Tenant signing its binding Lease, extension, renewal or amending document.
- (e) The Construction Management Fee shall be estimated in advance based on the Approved Budget and shall be payable in equal monthly instalments in advance on the first day of each month commencing on the first full month of the Initial Term. If this Agreement does not start on the first day of a month or end on the last day of a month, the REIT shall pay to the Manager a prorated share of the Construction Management Fee for such part month. Such fee shall be subject to retroactive adjustment, upward or downward, after the end of each Fiscal Year within thirty (30) days after the annual financial statements have been delivered to the REIT.
- (f) The Property Management Fee shall be estimated in advance based on the Approved Budget and shall be payable in equal monthly instalments in advance on the first day of each month commencing on the first full month of the Initial Term. If this Agreement does not start on the first day of a month or end on the last day of a month, the REIT shall pay to the Manager a prorated share of the Property Management Fee for such part month. Such fee shall be subject to retroactive adjustment, upward or downward, after the end of each Fiscal Year within thirty (30) days after the annual financial statements have been delivered to the REIT.

- (g) Except as otherwise provided for in this Agreement or with the Approval of the REIT, the Manager shall not be entitled to any other compensation, reimbursement or payment for the Services.
- (h) The Fees shall be payable by the REIT to the Manager without deduction, abatement or setoff.

Section 4.3 Expenses and Tenant Recoveries

(1) Except as set out in Section 4.3(3), the Manager shall be reimbursed by the REIT for all reasonable third party costs and out-of-pocket expenses incurred by the Manager in connection with the performance of the Services and any Additional Services, including: (i) all Operating Expenditures paid by the Manager; (ii) interest and other costs of borrowed money; (iii) legal, accounting and other professional advisors, appraisers and consultants; (iv) fees/expenses incurred in connection with acquisitions, dispositions and ownership of property or mortgage loans or other property; (v) insurance; (vi) travel and accommodation expenses; and (vii) expenses associated with the incorporation, organization and maintenance of subsidiaries of the REIT (the “**Expenses**”) provided such Expenses are in a category and amount included in the Approved Budget for the applicable calendar year in which such Expense was incurred or as otherwise Approved by the REIT. As part of the reimbursable amounts payable to the Manager, the Manager shall be entitled to receive landlord reimbursements and recoveries as well as property administration fees allowable under the tenant leases relating to assets or resources of the Manager that are directly attributable to the management of the Properties, including those relating to: (i) employment expenses of property-related personnel (salaries, wages, cost of employee benefit plans, etc.) and (ii) expenses related to on-site offices (collectively, the “**Tenant Recoveries**”). Expenses shall be paid by the REIT within thirty (30) days following receipt by the REIT of appropriate documentation evidencing the payment by the Manager of such Expenses and Approval thereof, if applicable, by the REIT. Tenant Recoveries shall be paid to the Manager within 30 days of receipt of the Tenant Recoveries by the REIT or its Affiliates. For greater certainty, it is acknowledged by the Manager that it is not intended that the Manager be reimbursed for any corporate-level general and administrative expenses.

(2) the Manager shall keep appropriate records to document all Expenses and Tenant Recoveries, which records shall be made available for inspection by the REIT or its representatives upon request.

(3) Notwithstanding Section 4.3(1), the Manager shall not be entitled to be reimbursed by the REIT for any Expenses incurred by the Manager where such Expenses were incurred as a direct result of the Manager continuing to pursue an activity after the Manager receives notice from the REIT notifying the Manager to stop pursuing such activity (for example, expenses incurred in conducting due diligence investigations of an acquisition opportunity that the REIT has declined to pursue). For greater certainty, the foregoing sentence shall not apply to Expenses incurred prior to the Manager's receipt of such notice that are subsequently billed to the Manager.

Section 4.4 Financial Duties

(1) On or before December 31 in any calendar year in which this Agreement is in force, the Manager shall prepare a budget for Approval by the REIT with respect to the Services and any Additional Services to be performed in the upcoming calendar year (a “**Budget**”).

(2) The Manager shall establish and maintain suitable records and systems to handle all billings to Tenants including all payments which, by the terms of any Lease, are to be collected as a part of rent or otherwise on a periodic basis.

(3) The Manager shall maintain banking arrangements necessary for the due performance of the accounting and administrative functions of the Manager under this Agreement and for the receipt and disbursement of all moneys of the REIT pertaining to the operations of the Properties required to be attended to by the Manager under this Agreement. the Manager shall be responsible for the management of the cash balance held by the Manager for the REIT in connection with the Properties from time to time and shall deposit in a separate interest bearing account or accounts, to be maintained by the Manager as the REIT directs and to be designated as trust accounts all cash, cheques and other negotiable instruments received by the Manager pursuant to this Agreement. the Manager shall have signing authority over such account(s) and shall deal with such cash, cheques and negotiable instruments in accordance with sound management practices so that the REIT is adequately protected.

(4) The Manager shall, as periodically required by the REIT from time to time, distribute to the REIT any funds which it holds in respect of the Properties and which, in the reasonable opinion of the parties, are not required to be held by the Manager for the operation of the Properties. The Manager acknowledges and agrees that all rent and other monies received by the Manager pursuant to any of the obligations provided for in this Agreement for or on account of the REIT shall be received by the Manager and held by the Manager for the account of and in trust for the REIT; all such moneys together with interest thereon will be accounted for in the manner provided for and will be remitted monthly to the REIT or as the REIT directs in writing from time to time as provided in for herein. Notwithstanding the foregoing, the REIT shall pay the Manager monthly or the Manager may, so long as the Manager is not in default hereunder periodically but no more frequently than monthly, deduct from the moneys received by it pursuant to this Agreement, the amount of the fees payable to the Manager pursuant to this Agreement.

(5) The Manager shall not at any time be requested to and shall not overdraw the bank account or bank accounts operated by it in connection with the Properties. If the amount of the expenditures authorized to be made pursuant to this Agreement exceeds at any time the amount held by the Manager for the REIT, the REIT shall forthwith furnish to the Manager sufficient funds to enable it to make such expenditures. If the REIT fails to furnish such funds, the Manager shall not be required to expend its own funds and shall have no other liability whatsoever for any consequences arising from such failure by the REIT. The REIT hereby shall indemnify and save the Manager harmless from any and all actions by third parties arising from failure to make any expenditures by reason of the REIT's failure so to provide funds.

Section 4.5 Apportioning of Fees

The Manager shall apportion the Fees among the REIT and its Subsidiary Entities in a manner Approved by the REIT and shall issue its invoices to the REIT in accordance with such apportionment.

Section 4.6 Payment of Taxes

All amounts payable to the Manager pursuant to this Agreement shall be exclusive of any and all applicable goods and services tax, value-added tax, sales tax, use tax, stamp tax or similar Taxes applicable to such payments, including, without limitation, any HST or GST

required to be paid thereon pursuant to the ETA, and, unless the REIT or the Manager is exempt from such Taxes, the Manager shall be paid by the REIT or its Affiliates, as the case may be, in addition to the Fees and such other amounts payable to the Manager pursuant to this Agreement, all amounts of such Taxes collectible by the Manager with respect thereto. The Manager shall remit all amounts paid to it by the REIT or its Affiliates in respect of Taxes to the appropriate Governmental Authority, as applicable.

Section 4.7 Failure to Pay When Due

Any amount payable to the Manager under this Agreement and which is not remitted to the Manager when so due shall remain due (whether on demand or otherwise) and interest shall accrue on such overdue amounts (both before and after judgment) at a rate per annum equal to the prime rate charged by the REIT's principal bank plus four percent (4%) per annum from (and including) the date payment is due to (but excluding) the date payment is made.

ARTICLE 5 COVENANTS AND AUTHORITY OF THE MANAGER

Section 5.1 Covenants of the Manager

(1) The Manager covenants and agrees it will (i) exercise its responsibilities hereunder honestly, in good faith, carefully and diligently and in the best interests of the REIT, (ii) exercise the degree of care, diligence, judgment and skill that would be exercised by a professional, prudent and competent person who is experienced in performing services substantially similar to the Services and any Additional Services and (iii) will use such inspection, quality control and other procedures as the Manager deems necessary, acting reasonably, to ensure that its duties and obligations hereunder are performed in accordance with the conditions hereof.

(2) The Manager covenants and agrees that it will (i) use qualified individuals with suitable training, experience and skill to perform the Services and any Additional Services, (ii) provide such administrative and other support to the Personnel as they may reasonably require to perform the Manager's duties hereunder, and (iii) dedicate the human, equipment and other resources which, in the opinion of the Manager, acting reasonably, are necessary in order for the Manager to provide the Services and any Additional Services.

(3) The Manager shall perform the Services and any Additional Services in a manner which is at all times consistent with assisting the REIT to carry on its business and affairs in compliance with the terms and conditions of the Declaration of Trust.

(4) The Manager covenants and agrees that it will comply in all material respects with Applicable Law in the performance of the Services and any Additional Services.

(5) The REIT acknowledges and agrees that the covenants and agreements of the Manager under this Section 5.1 are made having regard to the transition from the Initial Business to the Office Property Business and each of these covenants and agreements shall be interpreted in light of such context.

Section 5.2 The Manager Acknowledgement

The Manager acknowledges that it has received a copy of the Declaration of Trust and the Partnership Agreement and is familiar with and understands the duties of the respective parties thereto, including those duties of the REIT Trustees which are being delegated to the Manager under this Agreement.

Section 5.3 Additional Information

The REIT acknowledges that the Manager's provision of the Services and any Additional Services as contemplated herein may have the incidental effect of providing the Manager with additional information in respect to or augmenting the value of properties in which the Manager or its Affiliates or Associates have an interest and the REIT agrees that neither the Manager nor its Affiliates or Associates shall be liable to account to the REIT or its Affiliates with respect to such activities or results; provided, however, that the Manager shall not, in making any use of any such information, do so in any manner that the Manager knew, or ought reasonably to have known, would cause or result in a breach of any confidentiality agreements to which the REIT is a party or is bound or would breach the Manager's obligations pursuant to Section 7.1.

Section 5.4 Limit to Authority

The Manager acknowledges it has no authority to act on behalf of the REIT or its Subsidiary Entities, except as explicitly provided under this Agreement or any other agreement between the Parties.

ARTICLE 6 REPRESENTATIONS AND WARRANTIES

Section 6.1 Representations and Warranties

- (1) The Manager represents and warrants to the REIT that:
 - (a) it is a corporation continued and amalgamated under the laws of the Province of Ontario and has not been dissolved;
 - (b) it has, and agrees that it will maintain, all requisite power, authority, licenses, permits, consents and other third party approvals and approvals of Governmental Authorities to execute, deliver and perform its obligations which arise pursuant to or in respect of this Agreement and has taken necessary action to authorize the entering into and performance by it of this Agreement;
 - (c) the performance by the Manager of its obligations hereunder does not, and will not, violate any agreements or obligations pursuant to which the Manager is bound;
 - (d) this Agreement constitutes a legal, valid and binding obligation of the Manager, enforceable against the Manager in accordance with its terms, subject only to applicable bankruptcy, insolvency, re-organization, moratorium or other similar laws affecting creditors' rights generally and to equitable principles of general application;

- (e) the Manager is, and shall not cease to be, a resident of Canada for purposes of the Tax Act; and
- (f) the Manager is, and shall not cease to be, a registrant for the purposes of the ETA and its registration number has been provided to the REIT.
- (2) The REIT represents and warrants to the Manager that:
 - (a) it is an unincorporated, open-ended limited purpose trust established under the laws of the Province of Ontario pursuant to the Declaration of Trust and has not been terminated;
 - (b) it has, and agrees it will maintain, all requisite power and authority to execute, deliver and perform its obligations which arise pursuant to or in respect of this Agreement and has taken necessary action to authorize the entering into and performance by it of this Agreement;
 - (c) the performance by the REIT of its obligations hereunder does not, and will not, violate any agreements or obligations pursuant to which the REIT is bound; and
 - (d) this Agreement constitutes a legal, valid and binding obligation of the REIT, enforceable against the REIT in accordance with its terms, subject only to applicable bankruptcy, insolvency, re-organization, moratorium or other similar laws affecting creditors' rights generally and to equitable principles of general application.

ARTICLE 7
CONFIDENTIALITY, COMPETITION AND NON-SOLICITATION

Section 7.1 Confidentiality

- (1) The Manager shall not, without the prior written consent of the REIT, disclose to any third party any information about the REIT or its Affiliates (or any of them) acquired or developed pursuant to the performance of the Services and any Additional Services under this Agreement except that consent shall not be required to the following disclosure:
 - (a) information disclosed as required by Applicable Law or as may be required by the regulations or policies of any Governmental Authority;
 - (b) information disclosed as necessary for the purposes of any acquisitions, debt or equity financing undertaken by the REIT or any of its Affiliates; or
 - (c) information disclosed that the Manager acting reasonably deems to be necessary to be disclosed, on a confidential basis, for the performance of its duties and obligations under this Agreement, including without limitation, disclosure of information to Affiliates, consultants and other third parties engaged by or assisting the Manager in accordance with the terms of this Agreement in order to carry out the purposes of this Agreement.
- (2) The provisions of this Section 7.1 shall survive the termination of this Agreement.

Section 7.2 Non-Competition and Non-Solicitation

Subject to Section 7.3, the Manager will not, during the Term, directly or indirectly, either individually, in partnership, jointly or in conjunction with any other Person,

- (a) create or manage another publicly traded real estate investment trust focused on the ownership of Restricted Investments;
- (b) invest in, purchase or finance the purchase of any assets which constitute a Restricted Investment (an “**Investment**”), unless such Investment opportunity has first been offered to the REIT in accordance with Section 7.7; or
- (c) solicit tenants, suppliers, employees, consultants, advisers, partners, trustees, directors, officers or agents away from the REIT or its facilities, or otherwise interfere with relationships that the REIT has with such persons.

Section 7.3 Exclusions to Non-Competition

Notwithstanding Section 7.2, the following (each a “**Permitted Property**”) will not be subject to the restrictions described in Section 7.2 above:

- (a) any interest up to \$10 million in an entity owning Restricted Investments that represents less than a 50% fully-diluted interest in such entity and Affiliates of that entity;
- (b) any interest in the securities of a public entity owning Restricted Investments that represents less than a 10% fully-diluted interest in such entity;
- (c) any interest in the securities of a public entity owning Restricted Investments (representing up to a 100% interest) provided that any Restricted Investments owned or subsequently acquired by such entity that do not constitute a Permitted Property are first offered to the REIT;
- (d) any Controlling interest in any entity or a portfolio of assets, in each case that owns or contains Restricted Investments that comprise less than 30% of the asset value of such entity or portfolio;
- (e) any activity or Investment related to (i) any Restricted Investment that is first offered to the REIT in accordance with Section 7.7, or (ii) any of the other exceptions in this Section 7.3;
- (f) any investment in or purchase of a property that does not meet the Investment Guidelines and Operating Policies of the REIT set out in the Declaration of Trust;
- (g) Investments that are owned by the Manager on the Effective Date;
- (h) Investments by Slate or any of the Persons described in Section 7.5 (other than the Manager); and

- (i) any other exception approved by the REIT Trustees from time to time (provided that the Independent Trustees shall be required to act reasonably and expeditiously in responding to any request for an exception).

For certainty, the Manager or any of its Affiliates shall be entitled to make an Investment in a Restricted Investment where the provisions of Section 7.7 have been complied with.

Section 7.4 Non-Solicitation of the Manager's Employees

(1) During the Initial Term and any Renewal Term and for a period of two years following the termination of this Agreement, the REIT shall not, without the prior written consent of the Manager, and the REIT shall cause its Affiliates not to, directly or indirectly, solicit for employment and/or hire as an employee of the REIT or its Affiliates, any Personnel (other than non-executive employees of the Manager who respond to an advertisement available to the general public), provided that the REIT and its Affiliates shall be entitled to solicit for employment and/or hire as an employee any non-executive employee of the Manager in respect of whom the REIT has a severance obligation pursuant to the terms of this Agreement.

- (2) The provisions of this Section 7.4 shall survive the termination of this Agreement.

Section 7.5 Other Activities of the Manager

Subject to Section 7.2 of this Agreement in respect of the Manager, the REIT acknowledges that Slate, the Manager and their respective Affiliates, Associates, directors, officers, members, partners, shareholders and employees are engaged or may become engaged, directly or indirectly, in a variety of other businesses and activities which include or may include any one or more of the development, ownership, acquisition, financing, leasing, sale, operation and management of real property. The REIT hereby consents to any and all such business interests and activities and agrees that nothing in this Agreement shall in any way prevent or restrict Slate, the Manager or their respective Affiliates, Associates, directors, officers, members, partners, shareholders and employees from having other business interests or conducting any activity without accountability to any member of the REIT and each Subsidiary Entity even if such business interests or activities compete directly or indirectly with the members of the REIT and each Subsidiary Entity. Notwithstanding the foregoing, the Manager covenants that all matters in respect of which a conflict of interest exists between (a) the interests of the REIT and each Subsidiary Entity and (b) the interests of the Manager or any of its Affiliates in, or ownership of, or management of, other properties, ventures or projects that the Manager or any of its Affiliates own or manage, shall be dealt with by the Manager and Slate in good faith and in a fair, equitable and even handed manner. For greater clarity, Section 7.2 does not apply to Slate or any of its Affiliates (other than the Manager), Associates, directors, officers, partners, shareholders or employees.

Section 7.6 Acknowledgments of the Manager

- (a) The Manager acknowledges and agrees that the restrictive covenants provided in Section 7.1. Section 7.2 and Section 7.7 are reasonable and necessary for the protection of the legitimate interests of the REIT and the Subsidiary Entities such that the REIT and/or the Subsidiary Entities would be irreparably harmed (which harm cannot be calculated or fully or adequately compensated by recovery of damages alone), and the REIT's substantial investment in its business materially

impaired, if the Manager were to contravene, intentionally or otherwise, the terms of Section 7.1, Section 7.2 or Section 7.7.

- (b) The Manager acknowledges and agrees that the terms of this Agreement are fair and reasonable to the Manager in all respects and that the REIT, in addition to any other remedies it may have, shall be entitled, as a matter of right, to interim and permanent injunctive relief, including specific performance and other equitable remedies, in any court of competent jurisdiction with respect to any actual or threatened breach by the Manager of the terms of Section 7.1 and Section 7.2.

Section 7.7 Right to Invest

- (a) If the Manager has an opportunity to make an Investment which the Manager wishes to pursue (whether such opportunity was sought out by the Manager or presented to the Manager by a third party), the Manager shall, by notice in writing (the “**Investment Notice**”), advise the REIT of such Investment (the “**Offered Investment**”). An Investment Notice shall outline the purchase price and all other material terms and conditions of the Offered Investment then known to the Manager and shall be accompanied by all information relating to the Offered Investment as is in the possession of the Manager.
- (b) Within five (5) days of receipt of an Investment Notice, the REIT shall, by notice in writing (a “**Notice of Interest**”), advise the Manager as to whether the REIT is interested in pursuing such Offered Investment. Such Notice of Interest shall not constitute any commitment on the part of the REIT to make such Offered Investment. Any failure by the REIT to provide a Notice of Interest to the Manager within such five (5) day period shall be deemed to constitute notice to the Manager that the REIT is not interested in making the Offered Investment.
- (c) If the REIT notifies or is deemed to notify, pursuant to paragraph (b), that the REIT is not interested in pursuing such Offered Investment, the Manager shall be free to make such Offered Investment on such terms and conditions as the Manager considers appropriate, provided such terms and conditions are not, when taken as a whole and having regard to the overall transaction, materially more favourable to the proposed counterparty than those offered to the REIT (including, but not limited to, the price); otherwise, any such proposed Investment shall be considered a new Investment and the provisions of Section 7.7 shall again apply to such Investment.
- (d) If the REIT notifies the Manager that the REIT is interested in pursuing the Offered Investment pursuant to paragraph (b), the REIT shall be entitled to pursue such Offered Investment and the Manager shall cease all efforts to make such Offered Investment otherwise than on behalf of the REIT as purchaser. If the REIT has provided a Notice of Interest, but subsequently ceases to actively pursue the Offered Investment or notifies the Manager in writing that it has ceased all efforts to make such Offered Investment (which it shall be obliged to do if it ceases all efforts in respect of an Offered Investment for which it has delivered a Notice of Interest), the Manager shall thereafter be free to make such Offered Investment in accordance with paragraph (c).

ARTICLE 8 ELECTION OF TRUSTEES OF THE REIT

Section 8.1 The Manager Nomination Right

The REIT agrees that throughout the Initial Term and any subsequent Renewal Terms, the Manager will have the right to nominate one trustee to stand for election to the board of trustees of the REIT in accordance with the terms of the Declaration of Trust. The Manager shall specify its nominee to the board of trustees of the REIT by written notice delivered or mailed to the Chair of REIT's board of trustees, the REIT's President or the REIT's Secretary in advance of the mailing of the information circular in respect of the meeting at which trustees of the REIT are to be elected. Notwithstanding the foregoing, for so long as the Manager or an Affiliate thereof has the right to nominate one or more trustees to stand for election to the board of trustees of the REIT pursuant to the terms of the Declaration of Trust, the Manager's nomination right under this Section 8.1 shall be of no force and effect.

ARTICLE 9 INDEMNITIES AND LIMITATION ON LIABILITY

Section 9.1 Indemnification of the REIT

Subject to Section 9.6, the Manager shall indemnify and hold harmless the REIT and its Affiliates and their respective general partners, trustees, officers, directors, employees and representatives, as applicable (the "**REIT Indemnified Parties**") from and against any and all Damages arising out of or resulting from or connected with:

- (a) any fraudulent, negligent or unlawful act or omission on the part of the Manager or its Affiliates and their respective officers, directors, Personnel, representatives or agents in performing its obligations hereunder;
- (b) any inaccuracy or misrepresentation of a representation or warranty set forth in Section 6.1(1); and
- (c) any breach or non-performance by the Manager of any of its material obligations hereunder;

in each case except to the extent such Damages are caused by: (i) any fraudulent, negligent or unlawful act or omission on the part of any of the REIT Indemnified Parties; (ii) a breach or non-performance by any of the REIT Indemnified Parties of any of the REIT's obligations hereunder; or (iii) any action taken by the Manager pursuant to the directions or written instructions of any of the REIT Indemnified Parties. The provisions of this Section 9.1 shall survive the termination of this Agreement.

Section 9.2 Indemnification of the Manager

The REIT shall indemnify and hold harmless the Manager, its officers, directors, employees and agents, as applicable (the "**Manager Indemnified Parties**") from and against any and all Damages arising or resulting from or connected with:

- (a) any fraudulent, negligent or unlawful act or omission of the REIT or its Affiliates and their respective general partners, trustees, officers, directors, employees and representatives in respect of its obligations hereunder;
- (b) any breach or non-performance by the REIT of any of its material obligations hereunder;
- (c) any action taken by the Manager pursuant to the directions or written instructions of any of the REIT Indemnified Parties; and
- (d) any injury to any Personnel or other Person or damage to personal property in or about any Property by reason of any cause whatsoever;

in each case except to the extent such Damages are caused by (i) any fraudulent, negligent or unlawful act on the part of the Manager Indemnified Parties; (ii) any action taken by the Manager Indemnified Parties outside the scope of the Manager's authority pursuant to this Agreement; (iii) any breach or non-performance by any of the Manager Indemnified Parties of any of the Manager's obligations hereunder; or (iv) any inaccuracy of any representation or warranty of the Manager contained in this Agreement. The provisions of this Section 9.2 shall survive the termination of this Agreement.

Section 9.3 Indemnification in Respect of Employees on Termination of this Agreement

(1) In addition to any other rights or remedies available to the Manager at law, equity or

otherwise:

- (a) If this Agreement is terminated for any reason, other than pursuant to Section 10.1(1), 10.1(3) or Section 10.2(2), the REIT shall indemnify and save harmless the Manager from and against any and all Manager Employee Severance Costs.
 - (b) In addition, if this Agreement is terminated for any reason and the REIT or any of its Affiliates employs any Personnel within twelve (12) months of the effective date of such termination, the REIT or such Affiliate shall indemnify and save harmless the Manager and its Affiliates from and against and reimburse the Manager for any and all severance and termination payments and costs actually paid or payable by the Manager or its Affiliates in respect of such Personnel.
- (2) The provisions of this Section 9.3 shall survive the termination of this Agreement.

Section 9.4 Removal of Senior Officer of the REIT

The REIT may, at its discretion, require the removal of any person acting as a senior officer of the REIT (including the chief executive officer and chief financial officer) pursuant to this Agreement. If the REIT requests the removal, without cause, of any senior officer of the REIT (including the chief executive officer and chief financial officer) whose services are being provided by the Manager or an Affiliate of the Manager under this Agreement, the REIT shall reimburse and indemnify and save harmless the Manager or such Affiliate from and against any and all severance and termination payments and costs (if any) actually incurred by the Manager or its Affiliates arising out of any claim, action or proceeding related to the removal of such

senior officer in respect of (a) the period after Closing that such senior officer has worked on REIT matters and (b) the proportion of such senior officer's services attributable to REIT matters.

Section 9.5 Limitation in Respect of Liability for Severance and Termination Costs

The REIT shall not be liable to indemnify the Manager or its Affiliates for any severance or termination payments and costs in respect of the Manager's or its Affiliates' employees except as explicitly provided herein.

Section 9.6 Exculpatory Clause

The REIT acknowledges that so long as the Manager has acted in accordance with the standard of care set out in Section 5.1(1), the Manager shall not be liable, answerable or accountable for any consequences resulting from, incidental to or relating to the provision of the Services and any Additional Services hereunder by the Manager, including any exercise or refusal to exercise a discretion, any mistake or error of judgement or any act or omission believed by the Manager to be within the scope of authority conferred on it by this Agreement, unless such loss or damage resulted from (a) any fraudulent, negligent or unlawful act or omission on the part of the Manager in performing its obligations hereunder or (b) any breach or non-performance by the Manager of any of the Manager's material obligations hereunder.

Section 9.7 Limitation of Liability for REIT

(1) The Parties acknowledge that this Agreement shall be conclusively taken to have been executed by, or by an officer of the REIT on behalf of, the REIT Trustees only in their capacity as trustees under the Declaration of Trust. The Parties hereby disclaim any liability upon and waive any claim against Unitholders and any annuitants or beneficiaries of a trust governed by a registered retirement savings plan, registered retirement income fund, registered education savings plan or deferred profit sharing plan or under plans of which Unitholders act as trustee or carrier and the obligations created hereunder are not personally binding upon, nor shall resort be had to, nor shall recourse or satisfaction be sought from, the private property of any REIT Trustee or any Unitholders or such annuitant or beneficiary. The Manager expressly agrees that recourse under this Agreement shall be limited to the property, assets, rights and interests held by or on behalf of the REIT. It is agreed that the benefit of this provision is restricted to the REIT Trustees and officers, each Unitholder and such annuitants or beneficiaries and, solely for that purpose, the undersigned signing officer of the REIT has entered into this provision as agent and trustee for and on behalf of the REIT Trustees, each Unitholder and each such annuitant or beneficiary.

(2) The provisions of this Section 9.7 shall survive the termination of this Agreement.

Section 9.8 Insurance

The REIT shall, on behalf of those employees of the Manager acting as senior officers of the REIT, purchase and maintain insurance at its own expense against any liability that may be asserted against or expense that may be incurred by such employees in connection with the REIT's activities, whether or not the REIT would have the obligation to indemnify those Persons against those liabilities under the provisions of this Agreement.

ARTICLE 10 TERMINATION

Section 10.1 Termination Rights of the REIT

(1) The REIT may terminate this Agreement immediately upon the occurrence of an Event of Default by the Manager.

(2) The REIT may terminate this Agreement on the expiry of the Initial Term or any Renewal Term if (i) a majority of the Independent Trustees reasonably determine that the Services are not being satisfactorily performed by the Manager, (ii) the termination of this Agreement is approved by at least two-thirds of the votes cast by the Unitholders and holders of Special Voting Units (voting together, but excluding any Units or Special Voting Units held by the Manager or any of its Affiliates) at a duly called meeting of Unitholders and holders of Special Voting Units; (iii) the REIT provides the Manager with at least three months prior written notice of such termination; and (iv) upon such termination, the REIT pays to the Manager an additional amount equal to the Manager's aggregate annual management fees earned for the preceding 12-month period and reimburses the Manager for all Manager Employee Severance Costs.

(3) The REIT may terminate this Agreement upon the occurrence of a Loss of Key Man, if the Independent Trustees reasonably determine that the Loss of Key Man is detrimental to the Manager's performance of its obligations to the REIT. The Manager is required to provide the Independent Trustees with advance notice of any proposed Loss of Key Man as and when the Manager becomes aware of it. Should the REIT wish to terminate this Agreement in such circumstances, the REIT will (i) provide the Manager with written notice of such termination, and (ii) pay to the Manager, immediately upon the date on notification of termination, any unpaid amounts then owing to the Manager under this Agreement. For greater certainty, this provision shall not apply following the REIT achieving an equity market capitalization of \$750,000,000 based on the VWAP (calculated assuming the exchange of all Class B LP Units) over a 20 day period.

(4) The REIT may terminate this Agreement at any time following the expiry of the Initial Term if (i) the REIT has achieved an equity market capitalization of \$750,000,000 based on the VWAP (calculated assuming the exchange of all Class B LP Units) over a 20 day period, (ii) a majority of the Independent Trustees reasonably determine that it is in the best interests of the REIT to internalize the Services and Additional Services provided pursuant to this Agreement, (iii) such internalization is approved by at least two-thirds of the votes cast by the Unitholders and holders of Special Voting Units (voting together, but excluding any Units or Special Voting Units held by the Manager or any of its Affiliates) at a duly called meeting of Unitholders and holders of Special Voting Units; (iv) the REIT provides the Manager with at least three months prior written notice of such termination; and (v) upon such termination, the REIT pays to the Manager an additional amount equal to the Manager's aggregate annual management fees earned for the preceding 12-month period and reimburses the Manager for all Manager Employee Severance Costs.

Section 10.2 Termination Rights of the Manager

(1) The Manager may terminate this Agreement immediately upon the occurrence of an Event of Default by the REIT. Upon any such termination pursuant to this Section 10.2(1), the Manager shall be entitled, and the REIT shall pay to the Manager, an additional amount

equal to the Manager's aggregate annual management fees earned for the preceding 12-month period and such amount shall be paid to the Manager by the REIT forthwith upon the Manager providing written notice of termination pursuant to this Section 10.2(1).

(2) The Manager may terminate this Agreement at any time upon one hundred and eighty (180) days prior written notice to the REIT.

Section 10.3 Return of Records

Upon termination of this Agreement for any reason, the Manager, at the request of the REIT, shall forthwith deliver to the REIT, or as the REIT may direct, a full and final accounting and all original records, documents and books of account relating to the Services and any Additional Services provided hereunder (other than proprietary systems owned by the Manager, provided that the REIT shall be provided reasonable access to such proprietary systems for a period of ninety (90) days following the effective date of termination), which are then in the possession or control of the Manager or its Affiliates provided, however, that the Manager may retain copies of such records, documents and books of account for its own purposes. Where such data is in electronic form, it shall be made available in useable electronic format.

Section 10.4 Final Balance

Upon termination of this Agreement for any reason, the REIT shall pay to the Manager all earned and unpaid amounts due to the Manager hereunder up to (and including) the date of termination, together with any Reimbursable Amounts and/or Expenses incurred by the Manager but unpaid by the REIT prior to the date of termination which are to be reimbursed by the REIT hereunder. In addition, upon termination of this Agreement for any reason, the REIT shall pay Fees to the Manager in respect of transactions that have been approved or committed to by the REIT or any of its Affiliates, but not yet completed, as of the date of termination which would have otherwise been payable if such transactions had been completed as of the date of termination.

Section 10.5 Assumption of Contracts Upon Termination

Upon termination of this Agreement for any reason, the REIT or any of its Affiliates, as applicable, shall assume all contracts entered into by the Manager relating to the Services and any Additional Services provided hereunder, if such contacts have been entered into in accordance with the provisions of this Agreement, and indemnify the Manager from and after the effective date of termination of this Agreement against any liability by reason of anything done or required to be done under any such contracts unless such liability results from the fraud, wilful misconduct or gross negligence of the Manager or any act or omission of the Manager which constitutes a breach of this Agreement.

Section 10.6 Orderly Transition Upon Termination or Notice of Termination

(1) Upon termination of this Agreement for any reason, the Manager shall, at the expense of the REIT, co-operate and work diligently with the REIT in effecting the transition of the Services and any Additional Services to a new service provider or the REIT itself, as the case may be, in an orderly manner as soon as reasonably practical.

(2) Upon the delivery of a notice of termination of this Agreement to the Manager or the REIT, as applicable, (i) the Parties shall work diligently to prepare and settle a transition plan

within thirty (30) days of the receipt of such notice of termination, with the objective of such transition plan being to facilitate an efficient transition of the Services and any Additional Services as soon as reasonably practical; and (ii) subject to the terms of any agreed transition plan, the Manager shall only be required to continue providing, until the effective date of termination, the Financing Services and/or Acquisition and Disposition Services in respect of transactions that are in progress at that time and shall not be required to provide Financing Services and/or Acquisition and Disposition Services in respect of any new transactions.

Section 10.7 Offer to Purchase Units owned by the Manager on Termination

Upon the termination of this Agreement for any reason other than due to an Event of Default by the Manager or a termination pursuant to Sections 10.1(3), 10.2(1) (where the Event of Default by the REIT is pursuant to clause (i) of such definition) or 10.2(2), and subject to compliance with applicable laws, the REIT shall use commercially reasonable best efforts to facilitate the disposition (but in any event shall ensure such disposition is completed within six months of receipt of notice of the Manager's decision to proceed with a disposition) of the Units owned by the Manager or its Affiliates (including securities convertible, exchangeable or redeemable into Units (including the Class B LP Units and the Special Voting Units)) at a price not less than 95% of the 20 day VWAP on the date the Manager received notification of such termination, provided that such number of Units shall not exceed such number of Units as would have an aggregate purchase price (as calculated in accordance with the foregoing) of \$75,000,000. Any decision to proceed with a disposition pursuant to this Section 10.7 shall be at the sole option of the Manager, provided that notice of a decision to proceed must be provided to the REIT within 30 days of termination. If the Manager decides to proceed with such a disposition, the Manager shall take such actions as shall be reasonably requested by the REIT, at the REIT's expense, in order to effect such disposition on customary market terms and conditions and in accordance with the disposition transaction determined by the REIT following consultation with the Manager.

ARTICLE 11 AMENDMENT TO ROFO AGREEMENT

Section 11.1 Amendment

Section 3.1(1) of the ROFO Agreement is amended to delete its contents entirely and the following substituted therefor:

"If at any time and from time to time following Closing, Huntingdon determines that it desires to sell or dispose of (directly or indirectly, including by way of the sale of securities), or receives and desires to accept a bona fide offer from an Arm's Length party to acquire (directly or indirectly, including by way of the acquisition of securities), any office property that it owns or in which it has an interest, whether on the date hereof or at any time hereafter during the term of this Agreement (collectively, the "**Huntingdon Properties**"), including any Huntingdon Property that is under development that is substantially complete (as determined by Huntingdon, acting reasonably) (a "**Proposed Disposition**"), Huntingdon shall, by notice in writing (the "**Disposition Notice**"), provide the REIT (either by itself or through its Subsidiary Entities) with a right of first offer to acquire the Proposed Disposition on terms and conditions (including, but not limited to the acquisition price) that, when taken as a whole and having reasonable regard to the overall economics of the proposed transaction are not materially less favourable to the REIT than those offered by or to be offered to an Arm's Length party."

Each of the Manager and the REIT agree that the ROFO Agreement (as amended by this Agreement) shall continue in full force and effect in accordance with its terms upon this Agreement becoming effective.

ARTICLE 12 GENERAL

Section 12.1 No Partnership

The Manager and the REIT acknowledge that they are independent contractors and that it is not intended by entering into this Agreement to form a partnership of any nature whatsoever between them, nor is it intended by carrying out the terms hereof that they should be characterized as carrying on business in partnership. Each of the Parties shall not take or omit to take any action whatsoever which might reasonably result in any Person believing that the Parties are carrying on business in partnership and each of them shall cooperate to take all steps necessary and desirable to avoid the creation of such an impression of partnership.

Section 12.2 Approval

Wherever the provisions of this Agreement require an approval, consent or agreement (individually or collectively referred to as an “**Approval**” or “**Approved**”) unless the contrary is expressed herein:

- (a) the Party whose Approval is required shall, within ten (10) Business Days of receipt of a written request for Approval accompanied by reasonable detail, if the circumstances require, notify the requesting Party, in writing, either that it approves or that it withholds its approval setting forth, in reasonable detail, its reasons for withholding;
- (b) the Party requesting the Approval shall consult with the Party whose Approval is required and provide any information concerning the same requested by the Party whose Approval is required; and
- (c) if the notification referred to in (a) above is not given with the applicable period of time, the Party whose Approval is requested shall be deemed conclusively to have given its Approval in writing.

Section 12.3 Notices

All notices, demands or other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed conclusively to have been given on the date of delivery or date sent by facsimile or other means of prepaid, transmitted or recorded communications or, if mailed, five days from the date of mailing or if by electronic communication (including email but excluding Internet or intranet websites), upon the sender's receipt of an acknowledgement from the intended recipient (such as by the “return receipt requested” function, as available, return email or other written acknowledgement). If any such notice or communication shall have been mailed and if regular mail service shall be interrupted by strikes or other irregularities, such notice or communication shall be deemed to have been received 48 hours after 12:01 a.m. (Toronto time) on the day following the resumption of normal mail service, provided that during the period that regular mail service shall

be interrupted any notice or other communication shall be given by personal delivery or by facsimile or other means of prepaid, transmitted or recorded communication or by electronic communication (including email but excluding Internet or intranet websites). Such notices, demands and other communications shall be delivered to the Parties at the respective addresses indicated below:

(a) the REIT:

FAM Real Estate Investment Trust
2000-5000 Miller Road
Richmond, British Columbia,
V7B 1K6

Attention: Chief Executive Officer
Fax No.: 604-249-5101
Email: spoladian@huntingdoncapital.com

(b) The Manager:

Huntingdon Capital Corp.
2000-5000 Miller Road
Richmond, British Columbia,
V7B 1K6

Attention: Chief Executive Officer
Fax No.: 604-249-5101

Section 12.4 Waiver

No waiver of any provision of this Agreement shall be binding unless it is in writing. No indulgence or forbearance by a Party shall constitute a waiver of such Party's right to insist on performance in full and in a timely manner of all covenants in this Agreement. Waiver of any provision shall not be deemed to waive the same provision thereafter, or any other provision of this Agreement at any time.

Section 12.5 Further Assurances

Each Party shall act in good faith in performing its obligations and exercising its rights herein and shall promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things as the other Party may reasonably require from time to time for the purpose of giving effect to this Agreement and shall use reasonable commercial efforts and take all such steps as may be reasonably within its power to implement to their full extent the provisions of this Agreement.

Section 12.6 Entire Agreement

This Agreement constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations, and discussions, whether oral or written, of the Parties pertaining thereto. There are no warranties, representations or other agreements between the Parties in connection with the subject matter hereof except as specifically set forth in this Agreement.

Section 12.7 Assignment

Subject to the right of the Manager to subcontract services in accordance with Section 3.7 hereof, neither this Agreement nor any of the rights and obligations arising from it shall be assignable in whole or in part by any Party, except with the prior written approval of the other Party which approval shall not be unreasonably withheld. Notwithstanding the preceding sentence, no consent is required for a Party to assign this Agreement to an Affiliate so long as such Person remains an Affiliate.

Section 12.8 Successors and Assigns

All of the terms and provisions of this Agreement shall be binding upon the Parties hereto and their respective permitted successors and assigns.

Section 12.9 Time of the Essence

Time is of the essence to every provision of this Agreement. Extension, waiver or variation of any provision of this Agreement shall not be deemed to affect this provision and there shall be no implied waiver of this provision.

Section 12.10 Amendments

This Agreement may not be modified or amended except by written agreement of the Parties.

Section 12.11 Severability

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

Section 12.12 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in such province and the Parties irrevocably attorn to the non-exclusive jurisdiction of the courts of such province.

ARTICLE 13 ESCROW TERMS

(1) Notwithstanding the date of execution of this Agreement, each provision of this Agreement (other than this Article 13) shall be held in escrow upon execution and shall not become effective until the Effective Date. Upon the Effective Date, this Agreement and all of the provisions herein shall automatically be released from escrow and shall take effect and become operative, without any further action by the parties hereto; provided that if the Arrangement Agreement is terminated in accordance with the terms thereof prior to completion of the Arrangement, this Agreement shall automatically become null and void simultaneously with such termination of the Arrangement Agreement.

(2) The Manager and the REIT each acknowledge that SCC has relied upon the execution of this Agreement in connection with its decision to enter into the Arrangement Agreement. In consideration of the foregoing, each of the Manager and the REIT irrevocably covenant and agree in favour of SCC that neither the Manager nor the REIT will make any amendment to this Agreement without the express written consent of SCC, which may be unreasonably withheld in SCC's sole discretion, and that the Manager and the REIT will not take any action that would inhibit or restrict this Agreement becoming effective in accordance with this Article 13 on the Effective Date. The Manager and the REIT further acknowledge and agree that SCC shall be entitled to enforce the provisions of this Article 13 directly against the Manager and the REIT, as if it were a party to this Agreement and that, in addition to any other remedies it may have, shall be entitled, as a matter of right, to interim and permanent injunctive relief, including specific performance and other equitable remedies, in any court of competent jurisdiction with respect to any actual or threatened breach by the Manager or the REIT of the terms of this Article 13.

(3) For greater certainty, each of the Manager and the REIT acknowledge and agree in favour of each other and SCC that the Arrangement and the other transactions contemplated in the Arrangement Agreement shall not constitute a Proposed Disposition (as such term is defined in the ROFO Agreement) or otherwise be subject to the ROFO Agreement.

IN WITNESS WHEREOF the Parties have duly executed this Agreement on the date written on the first page of this Agreement.

FAM REAL ESTATE INVESTMENT TRUST

Per: *(signed) "Pam Spackman"*
Name: Pam Spackman
Title: Trustee

HUNTINGDON CAPITAL CORP.

Per: *(signed) "Sandeep Manak"*
Name: Sandeep Manak
Title: President and CEO

The undersigned acknowledges the terms of Article 13 of this Agreement, the Parties having agreed that the undersigned shall be entitled to enforce such provisions as if it were a direct party to this Agreement.

SLATE CAPITAL CORPORATION

Per: *(signed) "Blair Welch"*
Name: Blair Welch
Title: ASO