PURCHASE AND SALE AGREEMENT

THIS AGREEMENT made the 11th day of December, 2018 at

A M O N G:

WILMINGTON CAPITAL MANAGEMENT INC.
a corporation incorporated under the laws of the Province of Ontario (hereinafter called "**Wilmington**")

OF THE FIRST PART;

\- and –

WESTHILLS DEVELOPMENT CORPORATION
a corporation incorporated under the laws of Alberta (hereinafter called "**Westhills**")

OF THE SECOND PART;

\- and –

PERRON HOLDINGS LTD., a corporation incorporated under the laws of Alberta (collectively with Wilmington and Westhills, the "**Execution Date Vendors**")

OF THE THIRD PART;

\- and –

such other Persons that become party to this Agreement as Vendors hereunder, including the Cancelled Securityholders (collectively with the Execution Date Vendors, the "**Vendors**" and each, a "**Vendor**")

OF THE FOURTH PART

\- and –

STORAGEVAULT CANADA INC.
a corporation incorporated under the laws of the Province of Alberta.
(hereinafter called the "**Purchaser**")

OF THE FIFTH PART;

WHEREAS:

A. The Execution Date Vendors and the Private Trust Vendors are now and will be on Closing the sole registered and beneficial owners of 100% of all of the issued and outstanding trust units and beneficial interests in the capital of Real Storage Private Trust (the "**Private Trust**"), which they hold in the manner set out in Schedule 8.04(b) of the Vendors' Disclosure Letter (collectively, the "**Trust Units**").

B. The Private Trust is the registered and beneficial owner of:

(i) all of the ABS Shares;

(ii) all of the 1705406 Shares;

(iii) all of the SNS LP Units;

(iv) all of the RES LP Units;

(v) all of the RS LP Units;

(vi) 33.3% of the Woodfield Class A LP Units; and

(vii) 24% of the SNS Kitchener Class A LP Units.

C. SNS LP is the registered and beneficial owner of all of the SNS 2015 LP Units.

D. 2242907 GP is the sole general partner of SNS LP and SNS Kitchener LP and is the registered and beneficial owner of the SNS GP Interest and the SNS Kitchener GP Interest.

E. RS GP is the sole general partner of RES LP, RS LP and Woodfield LP and is the registered and beneficial owner of the RES GP Interest, the RS GP Interest and the Woodfield GP Interest.

F. SNS 2015 GP is the sole general partner of SNS 2015 LP and is the registered and beneficial owner of the SNS 2015 GP Interest.

G. Wilmington is the registered and beneficial owner of:

(i) all of the 2242907 GP Shares, and

(ii) all of the RS GP Shares.

H. 2242907 GP is the registered and beneficial owner of:

(i) all of the SNS 2015 GP Shares; and

(ii) all of the Grizzly Shares.

I. The Woodfield LP Vendors are the registered and beneficial owners of 66.7% of the Woodfield Class A LP Units and 100% of the Woodfield Class B LP Units.

J. The SNS Kitchener LP Vendors are the registered and beneficial owners of 76% of the SNS Kitchener Class A LP Units and 100% of the SNS Kitchener Class B LP Units.

K. The detailed ownership of the LP Units and the Shares described in Recitals B to J inclusive are as illustrated in Schedule 8.02(b) and Schedule 8.03(b), as applicable, of the Vendors' Disclosure Letter.

L. SNS LP is the beneficial owner of the SNS Lands and the Buildings constructed on the SNS Lands (collectively, the "**SNS Properties**") and owns and operates the Business carried on at and from the SNS Properties.

M. RES LP is the beneficial owner of the RES Lands and the Buildings constructed on the RES Lands (collectively, the "**RES Properties**") and owns and operates the Business carried on at and from the RES Properties.

N. RS LP is the beneficial owner of the RS Lands and the Buildings constructed on the RS Lands (collectively, the "**RS Properties**") and owns and operates the Business carried on at and from the RS Properties.

O. ABS is the registered and beneficial owner of the ABS Lands and the Buildings constructed on the ABS Lands (collectively, the "**ABS Properties**") and owns and operates the Business carried on at and from the ABS Properties.

P. Woodfield LP is the beneficial owner of the Woodfield Lands and the Buildings constructed on the Woodfield Lands (collectively, the "**Woodfield Property**") and owns and operates the Business carried on at and from the Woodfield Property.

Q. SNS Kitchener LP is the beneficial owner of the Kitchener Lands and the Buildings constructed on the Kitchener Lands (collectively, the "**Kitchener Property**") and owns and operates the Business carried on at and from the Kitchener Property.

R. SNS 2015 LP is the beneficial owner of the SNS 2015 Lands and the Buildings constructed on the SNS 2015 Lands (collectively, the "**SNS 2015 Properties**") and owns and operates the Business carried on at and from the SNS 2015 Properties.

S. The SNS Properties and the Kitchener Property are registered in the name of 2242907 GP as bare trust for SNS LP.

T. The RES Properties, the RS Properties and the Woodfield Property are registered in the name of RS GP as bare trustee for RES LP, RS LP and Woodfield LP, respectively.

U. The SNS 2015 Properties are registered in the name of SNS 2015 GP as bare trustee for SNS 2015 LP.

V. Grizzly is the registered and beneficial owner of the Grizzly Lands and the Buildings constructed on the Grizzly Lands (the "**Grizzly Property**") and owns and operates the Business carried on at and from the Grizzly Property.

W. The Execution Date Vendors and the Private Trust Vendors that are party to this Agreement shall sell to the Purchaser and the Purchaser has agreed to purchase all of the Trust Units upon and subject to the terms and conditions set out herein.

X. The Execution Date Vendors and the Woodfield LP Vendors shall sell to the Purchaser and the Purchaser has agreed to purchase all of the Woodfield Class A LP Units upon and subject to the terms and conditions set out herein.

Y. Woodfield LP shall purchase the Woodfield Class B LP Units for cancellation upon and subject to the terms and conditions set out herein.

Z. The Execution Date Vendors and the SNS Kitchener LP Vendors shall sell to the Purchaser and the Purchaser has agreed to purchase all of the SNS Kitchener Class A LP Units upon and subject to the terms and conditions set out herein.

AA. SNS Kitchener LP shall purchase the SNS Kitchener Class B LP Units for cancellation upon and subject to the terms and conditions set out herein.

BB. Wilmington has agreed to sell to the Purchaser and the Purchaser has agreed to purchase all of the 2242907 GP Shares and all of the RS GP Shares upon and subject to the terms and conditions set out herein.

CC. The Execution Date Vendors shall cause the Private Trust to enter into agreements with the holders of the Private Trust Options whereby the holders will agree to surrender all of the Private Trust Options upon and subject to the terms and conditions set out herein.

NOW THEREFORE THIS AGREEMENT WITNESSES that for and in consideration of the mutual covenants and agreements herein contained, it is agreed by and between the parties hereto as follows:

ARTICLE ONE
DEFINED TERMS

Section 1.01 Definitions

Where used herein or in any Schedules or the Disclosure Letters or amendments hereto or thereto, the following terms shall have the following meanings respectively:

(1) "**1705406**" means 1705406 Alberta Inc., a corporation incorporated under the laws of the Province of Alberta;

(2) "**1705406 Shares**" means one (1) common share in the capital of 1705406;

(3) "**2242907 GP**" means 2242907 Ontario Inc., a corporation incorporated under the laws of the Province of Ontario;

(4) "**2242907 GP Interest**" means the 0.1% partnership interest of 2242907 GP in SNS LP and the 0.1% partnership interest of 2242907 GP in SNS Kitchener LP;

(5) "**2242907 GP Shares**" means one (1) common share in the capital of 2242907 GP;

(6) "**ABS**" means AB Storage Ltd., a corporation incorporated under the laws of the Province of Alberta;

(7) "**ABS Lands**" means those Lands legally and municipally described on Part 1 Schedule 1.01(71) of the Vendors' Disclosure Letter;

(8) "**ABS Shares**" means one hundred (100) common share in the capital of ABS;

(9) "**Affiliate**" shall have the meaning ascribed thereto in National Instrument 45-106 - "*Prospectus Exemptions*" of the Canadian Securities Administrators, as amended or replaced;

(10) "**Accountants**" shall mean PricewaterhouseCoopers LLP;

(11) "**Agreement**" means this agreement, including the Schedules hereto and the Vendors' Disclosure Letter, as it may be amended or supplemented from time to time by the written agreement of the Purchaser and the Vendors' Representative;

(12) "**Applicable Law**" means any domestic or foreign statute, law (including the common law), ordinance, rule, regulation, restriction, regulatory policy or guideline, by-law (zoning or otherwise), or order, or any consent, exemption, approval or license of any Governmental Authority, that applies in whole or in part to the Vendors, the RS Entities, the Purchaser or the Business or the manner in which the Business is carried on;

(13) "**Approved Contracts**", "**Approved Customer Contracts**" and "**Approved Leases**" have the meanings set out in Section 6.03;

(14) "**ASPE**" means accounting standards in Canada applicable to private enterprises;

(15) "**Assumed Debt**" means (i) subject to Section 3.11, the Construction Loan Facility, including all amounts due and owing thereunder as of the Closing Date to a maximum of $4,500,000.00, and (ii) in the event the Purchaser exercises its option to assume the Debt owing by ABS to *[Redacted – name of lender]* that is secured by the ABS Lands (the "**ABS Debt**") pursuant to Section 6.06(b), the ABS Debt;

(16) "**Benefit Plans**" means all bonus, deferred compensation, incentive compensation, share purchase, share appreciation and share option, severance or termination pay, hospitalization or other medical benefits, life or other insurance, dental, disability, salary continuation, vacation, supplemental unemployment benefits, profit-sharing, mortgage assistance, supplemental unemployment benefits, employee loan, employee assistance,

pension, retirement or supplemental retirement plan or agreement (including without limitation any defined benefit or defined contribution pension plan and any group registered retirement savings plan), and each other employee benefit plan or agreement (whether oral or written, formal or informal, funded or unfunded), sponsored, maintained or contributed to or required to be contributed to by the RS Entities for the benefit of any of the Employees, whether or not insured and whether or not subject to any Applicable Law, except that the term "Benefit Plans" shall not include any statutory plans with which the Corporations or the Partnerships are required to comply, including without limitation the Canada Pension Plan or plans administered pursuant to applicable provincial health, tax, workers compensation and employment insurance legislation;

(17) "**Books and Records**" means all books, records, books of account, sales and purchase records, lists of suppliers, business reports, plans and projections and all other documents, files, records, correspondence and other data and information, financial or otherwise relating to or in connection with the RS Entities or the Business, in hard and electronic format, including all software programs and data utilized in the operation of the Business;

(18) "*[Redacted – name of lender]* **Note**" means the promissory note dated *[Redacted – date]* made by *[Redacted – name of Target Entity]* in favour of the Private Trust in connection with *[Redacted – description]* and in the original amount of *[Redacted – amount]*;

(19) "**Buildings**" means the storage buildings constructed on the Lands and all other existing structures, fixtures, installations and improvements, including all self-storage fixtures and improvements located on, in or under the Lands;

(20) "**Business**" means each of (i) the self-storage business carried on by the Partnerships, ABS and Grizzly, in British Columbia, Alberta, Ontario or any other jurisdiction from which such business is conducted, including at and from the Real Properties, which business primarily involves the renting to third parties of self-storage space situated at each Real Property, (ii) records management for the Partnerships and the Corporations, (iii) all other ancillary businesses operated by the Partnerships or the Corporations; and (iv) with respect to 1705406, means the management of the Real Properties;

(21) "**Business Day**" means any day on which chartered banks in the Province of Alberta are open for business and which day is not a Saturday, Sunday or statutory or civic holiday in the Province of Alberta;

(22) "**Cancelled Securityholders**" means the holders of Cancelled Securities;

(23) "**Cancelled Securities**" means, collectively, the Woodfield Class B LP Units, the SNS Kitchener Class B LP Units and the Private Trust Options;

(24) "**Claims**" has the meaning ascribed therein in Section 11.01;

(25) "**Closing Date**" means the later of (A) April 1, 2019, (B) thirty (30) days immediately following the later of (i) the waiver of the Initial Conditions to be satisfied on or before the Further Conditional Period and (ii) the obtaining of Competition Act Approval, or (C)

such other date as may be mutually agreed upon in writing between the Purchaser and the Vendors' Representative;

(26) "**Closing Documents**" means all agreements, certificates, assignments, transfers, consents, acknowledgments and other documents typically required to be delivered on or prior to closing transactions of the same nature as the Transaction including, without limitation, the Restrictive Covenants Agreement and the Escrow Agreement;

(27) "**Closing Time**" or "**Closing**" means 1:00 p.m. Mountain Standard Time ("**MST**") on the Closing Date, or such other time on that date as the Purchaser and the Vendors' Representative agree in writing that the Closing shall take place;

(28) "**Common Shares**" means common shares in the capital of the Purchaser;

(29) "**Competition Act Approval**" means:

(i) the issuance of an advance ruling certificate by the Commissioner of Competition pursuant to section 102 of the *Competition Act* (Canada) with respect to the Transaction; or

(ii) the Purchaser and the Vendors have given the notice required under section 114 of the Competition Act with respect to the Transaction and the applicable waiting period under section 123 of the *Competition Act* (Canada) has expired or been waived in accordance with the Competition Act (Canada); or

(iii) the obligation to give the requisite notice has been waived pursuant to subsection 113(c) of the *Competition Act* (Canada);

and, in the case of (ii) or (iii), the Purchaser has been advised in writing by the Commissioner of Competition that he does not, at that time, intend to make an application under section 92 of the *Competition Act* (Canada) with respect to the Transaction;

(30) "**Contracts**" means all contracts and agreements relating to the use, operation, maintenance and management of the Business and the Real Properties, including, without limitation, any supply contracts providing for the provision of goods and services to the Business and all marketing, co-branding and other agreements entered into between the Corporations or the Partnerships and any third party with respect to the rental of self-storage facilities, copies of which are to be delivered to the Purchaser pursuant to Section 4.01;

(31) "**Corporations**" means 1705406, ABS, Grizzly and the GP Corporations collectively and "**Corporation**" means any one of them;

(32) "**Current Assets**" means deposits, cash on deposit, Receivables, Inventories and prepaid expenses of the RS Entities existing on the Closing Date, but excludes construction lien holdbacks relating to the Conversion;

(33) "**Current Trade Debts**" means all current trade debts of the RS Entities existing on the Closing Date, excluding Debt and trade debts relating to the Conversion;

(34) "**Customer Contracts**" means all existing contracts between the Corporations or the Partnerships and Customers of the Business or contracts which may be entered into by the Corporations or the Partnerships and Customers of the Business prior to the Closing Date which entitle any Person to:

(i) rent space within any Real Property; or

(ii) receive any goods or services to be provided by the Corporations or the Partnerships in connection with the Business;

(35) "**Customers**" means all Persons or parties having a right to rent self-storage space on any part of any Real Property pursuant to a Customer Contract;

(36) "**Debt**" means (i) an obligation for borrowed money, (ii) an obligation evidenced by a note, bond, debenture or other similar instrument representing borrowed money, (iii) an obligation for the deferred or unpaid price of property or services, (iv) a guarantee, indemnity or financial support obligation, determined in accordance with ASPE other than indemnities pursuant to the terms hereunder, (v) an obligation arising in connection with an acceptance facility or letter of credit issued for the account of any RS Entity; and (vi) all amounts owing by any of the RS Entities to their respective shareholders, partners and unitholders and their Related Persons; provided that all amounts owing under the *[Redacted – name of lender]* Note, all amounts owing under the Construction Loan Facility as of the Closing Date, if the Construction Loan Facility Consent is obtained, and, the ABS Debt, if the Purchaser exercises its option to assume the ABS Debt pursuant to Section 6.06(b) and the *[Redacted - name of lender]* Consent is obtained, shall be excluded from the Debt of the RS Entities;

(37) "**Defeasance Costs**" means all defeasance and prepayment costs and penalties payable by any of the RS Entities to the holder of any Debt arising from the repayment of such Debt, other than any such costs and penalties relating to any Debt owing to any unitholder, partner or shareholder of any of the RS Entities, on Closing pursuant to Section 3.06 hereof;

(38) "**Disclosed** *[Redacted – descriptor]*" means the *[Redacted – descriptor]* described in Schedule 1.01(38) of the Vendors' Disclosure Letter;

(39) "**Disclosure Letters**" means the Vendors' Disclosure Letter and the Vendors' Employment Matters Disclosure Letter;

(40) "**Documents for Inspection**" has the meaning ascribed to it in Section 4.01 hereof;

(41) "**Employees**" means those individuals employed by the RS Entities who work primarily in the operation of the Business, being included on the list of employees in Schedule 1.01(41) of the Vendors' Employment Matters Disclosure Letter;

(42) "**Effective Time**" means 12:01 a.m. on the Closing Date;

(43) “**Encumbrance**” includes any encumbrance, lien, charge, hypothec, pledge, mortgage, title retention agreement, security interest of any nature, adverse claim, exception, reservation, easement, right of occupation, any matter capable of registration against title, option, right of pre-emption, any contract to create any of the foregoing, and any right or privilege capable of becoming any of the foregoing;

(44) “**Environmental Condition**” has the meaning in Section 5.02(c);

(45) “**Environmental Laws**” includes all federal, provincial, municipal or local statutes, regulations, by-laws, guidelines, policies or rules, and orders of any Governmental Authority and the common law, relating in whole or in part to the environment and includes those laws relating to the storage, generation, use, handling, manufacture, processing, transportation, import, export, treatment, release or disposal of any Hazardous Substance and any laws relating to asbestos or asbestos containing materials in the environment, in the workplace or in any building;

(46) “**Environmental Notice**” includes any directive, order (draft or otherwise), claim, litigation, investigation, proceeding, judgment, letter or other communication, written or oral, actual or implied, from any Person, including any Governmental Authority relating to non-compliance with or breach of any Environmental Law;

(47) “**Environmental Reports**” means any environmental reports delivered by the Vendors to the Purchaser pursuant to Section 4.01 with respect to the Real Properties;

(48) “**Equipment**” means all fixed assets and tangible personal property of the Corporations and the Partnerships reflected in the Financial Statements, including all fixtures, furniture, furnishings, vehicles, typewriters, computers, software, photocopiers, office equipment and cell phones used in the Business; all of the motor vehicles and all of the other items of Equipment having a value of greater than $35,000.00 are listed and described in Schedule 1.01(48) of the Vendors’ Disclosure Letter;

(49) “**Equipment Leases**” means the leases of Equipment listed and described in Schedule 1.01(49) of the Vendors’ Disclosure Letter;

(50) “**Execution Date**” means the date this Agreement is executed by the Execution Date Vendors and the Purchaser, which shall be the date first written above;

(51) “**Financial Due Diligence Conditional Period**” means the period commencing on the date all of the Preliminary Documents for Inspection (as hereinafter defined) are delivered to the Purchaser and expiring thirty (30) days thereafter;

(52) “**Financial Statements**” means, with respect to each of the RS Entities, the financial statements of such RS Entity as at and for the financial years ended December 31, 2015, December 31, 2016 and December 31, 2017, including, where available, the notes thereto and the report of their accountants thereon, and the internally prepared interim financial statements of each of them for the period January 1, 2018 to September 30, 2018, copies of which are included in Schedule 1.01(52) of the Vendors’ Disclosure Letter;

(53) “**Further Conditional Period**” means the period commencing on the expiration of the Financial Due Diligence Conditional Period and expiring sixty (60) days thereafter provided that if a Phase II Environmental Site Assessment or any supplemental reports are required for any Real Property the Further Conditional Period shall, for the Environmental Condition only, be automatically extended by forty-five (45) days; further provided that the Further Conditional Period shall automatically end if and when the Purchaser provides the Vendors’ Representative with a First Waiver Notice and a Second Waiver Notice in accordance with Section 5.02 stating that all of the Initial Conditions have been satisfied or waived;

(54) “**Governmental Authority**” means any domestic or foreign government whether federal, provincial, state or municipal and any stock exchange, securities commission, governmental agency, governmental authority, governmental tribunal or governmental commission of any kind whatever;

(55) “**GP Corporations**” means 2242907 GP, RS GP and SNS 2015 GP;

(56) “**GP Shares**” means the 2242907 GP Shares, the RS GP Shares and the SNS 2015 GP Shares;

(57) “**Grizzly**” means Grizzly Storage Inc., a corporation incorporated under the laws of the Province of Alberta;

(58) “**Grizzly Lands**” means those Lands legally and municipally described on Part 2 of Schedule 1.01(71) of the Vendors’ Disclosure Letter;

(59) “**Grizzly Shares**” means one hundred (100) common shares in the capital of Grizzly;

(60) “**Hazardous Substances**” means, collectively, any contaminant, toxic substance, dangerous good or pollutant or any other substance which when released to the natural environment is likely to cause, at some immediate or future time, harm or degradation to the environment or risk to human health;

(61) “**IFRS**” means the International Financial Reporting Standards developed and maintained by the International Accounting Standards Board, as adopted by the Chartered Professional Accountants of Canada from time to time;

(62) “**Income Tax Act**” means the *Income Tax Act* (Canada) as amended, replaced, supplemented or re-enacted from time to time;

(63) “**Indemnity Payment**” has the meaning ascribed to such term in Section 11.01;

(64) “**Initial Conditions”** means the conditions for the benefit of the Purchaser set out in Sections 5.01 and 5.02 hereto;

(65) “**Intellectual Property**” includes, without limitation, the telephone numbers, the facsimile numbers, the web sites and email addresses, all social media sites and registrations, the business names and trade names of the Business, including “Real

Storage” and “Store-N-Save” or any variations thereof, operating manuals, trademark applications, trademarks, all copyright and all computer software, including the billing system, used in the Business including all related code, specifications, documentation, revisions, enhancements and modifications thereto, in whatever form and media used in or relating to the Business and all other intellectual property of the RS Entities relating to or used in connection with the Business;

(66) “**Interim Period**” means the period commencing on the Execution Date and ending on the Closing Date;

(67) “**Inventories**” means all supplies of the Corporations or the Partnerships that are held for sale as reflected in the Closing Working Capital Statement;

(68) “**Key Customers**” means any Customers who occupy more than 5,000 sq. ft. of rentable space at any Real Property;

(69) “**Key Tenants**” means any Tenants who occupy more than 5,000 sq. ft. of rentable space at any Real Property;

(70) “**Kitchener Lands**” means those Lands legally and municipally described on Part 3 of Schedule 1.01(71) of the Vendors’ Disclosure Letter;

(71) “**Lands**” means the ABS Lands, the Grizzly Lands, the RS Lands, the RES Lands, the SNS 2015 Lands, the SNS Lands, the Kitchener Lands and the Woodfield Lands, each of which is legally described in Schedule 1.01(71) of the Vendors’ Disclosure Letter;

(72) “**Leased Equipment**” means the Equipment described in the Equipment Leases;

(73) “**Leases**” means agreements to lease or leases entered into by or on behalf of the Corporations or the Partnerships, as Landlord, and any Tenants, with respect to the leasing of premises at any of the Real Properties, but excluding Customer Contracts relating to the rental of self-storage space, copies of which are to be delivered to the Purchaser pursuant to Section 4.01 and “**Lease**” means any one of the Leases;

(74) “**Licenses**” has the meaning ascribed thereto in Section 8.17;

(75) “**Loss**” has the meaning ascribed to it in Section 11.01;

(76) “**LP Agreements**” means the Woodfield LP Agreement, the SNS Kitchener LP Agreement and the Private Trust Agreement;

(77) “**LP Units**” means any or all, as the context requires, of the partnership units in the capital of the Partnerships;

(78) “**Material Adverse Change**” means any event, occurrence, fact, condition or change that is, or could reasonably be expected to become, individually or in the aggregate, materially adverse to: (a) the business, operations, financial condition or assets of the RS Entities taken as a whole; except to the extent that the material adverse change results

from or is caused by (i) worldwide, national or local conditions or circumstances whether they are economic, political, regulatory or otherwise, including war, armed hostilities, acts of terrorism, emergencies, crises and natural disasters, (ii) changes in the markets or industry in which any of the RS Entities operates, (iii) the announcement of this Agreement and the transactions contemplated by it, or (iv) any act or omission of the Vendors prior to the Closing Date taken with the prior consent or at the request of the Purchaser; provided that for subsections (i) and (ii), such event, occurrence, fact, condition or change, does not disproportionately affect an RS Entity as compared to the other participants in the industries in which the RS Entities operate; or (b) the ability of the Vendors to consummate the transactions contemplated hereby on a timely basis;

(79) "**Material Operating Agreements**" has the meaning ascribed thereto in Section 8.11(a);

(80) "**New Parcel PSA**" has the meaning given to that term in Schedule 1.01(80) of the Vendors' Disclosure Letter;

(81) "**Notice**" has the meaning ascribed thereto in Section 12.03;

(82) "**Occupational Health and Safety Acts**" means the *Occupational Health and Safety Act* (Alberta) and all other legislation of any jurisdiction where the Business is operated dealing with any of the subject matter of such statute or with any aspect of the health or safety of Employees;

(83) "**Order**" means any order, ruling or decision of any Governmental Authority or court of competent jurisdiction;

(84) "**Parties**" means the Vendors and Purchaser and "**Party**" means any of the Vendors or the Purchaser, as the case may be;

(85) "**Partnerships**" means SNS LP, RES LP, RS LP, Woodfield LP, SNS Kitchener LP and SNS 2015 LP;

(86) "**Payroll Costs**" means any wages, salaries and benefits earned by Employees, including without limitation, all overtime pay, vacation pay, and the value of all vacation time earned by each and every Employee up to the Closing Time, but that have not been paid to such Employee as at the Closing Time; and any required withholdings, remittances and/or contributions required to be withheld, remitted and/or contributed by the RS Entities on behalf of, or in connection with Employees in respect of income tax, Canada Pension Plan, employment insurance, workers compensation and other Employee benefits, which have not been paid or remitted by the RS Entities at the Closing Time, but for certainty does not include any severance costs;

(87) "**Permitted Encumbrances**" means the Encumbrances listed and described in Schedule 1.01(87) of the Vendors' Disclosure Letter with respect to each Real Property;

(88) "**Person**" shall be broadly interpreted and includes a natural person, whether acting in his or her own capacity, or in his or her capacity as executor, administrator, estate trustee, trustee or personal or legal representative, and the heirs, executors, administrators, estate

trustees, trustees or other personal or legal representatives of a natural person, body, corporate, partnership, joint venture, trust, association, unincorporated organization, the Crown, any Governmental Authority or any other entity recognized by law;

(89) "**Personal Information**" means information about an identifiable individual as defined in Privacy Law;

(90) "**Plans, Permits and Approvals**" means the as-built building plans and specifications for the Real Properties, all surveys of the Real Properties, all licences, permits for the Real Properties, all municipal agreements relating to the Real Properties, and all development approvals, architectural drawings and permits relating to the Real Properties, provided in each case they are in the possession or control of any of the Corporations or any of the Partnerships;

(91) "**Pre-Closing Tax Periods**" means any Tax Period as prescribed by any Governmental Authority for which a Tax Return is required to be filed or Tax is required to be paid, ending on or before the Closing Date;

(92) "**Privacy Law**" means the *Personal Information Protection and Electronic Documents Act* (Canada), the *Personal Information Protection Act* (Alberta) and any comparable law of any other province or territory of Canada;

(93) "**Private Trust Agreement**" means the Amended and Restated Declaration of Trust of Real Storage Private Trust described in Schedule 1.01(93) of the Vendors' Disclosure Letter;

(94) "**Private Trust Optionholder**" means a Person holding Private Trust Options;

(95) "**Private Trust Option Plan**" means the Real Storage Private Trust Unit Option Plan dated effective January 31, 2011;

(96) "**Private Trust Options**" means options to acquire units of the Private Trust granted under the Private Trust Option Plan;

(97) "**Private Trust Vendors**" means the Persons listed and described as such in Schedule 8.04(b) of the Vendors' Disclosure Letter;

(98) "**Provincial Tax Act**" means the *Alberta Corporate Tax Act* (Alberta) and any similar legislation in any province in which the Business is carried on, in each case, as amended, replaced, supplemented, or re-enacted from time to time;

(99) "**Purchase Price**" has the meaning given to that term in Section 3.01;

(100) "**Purchased GP Shares**" means the 2242907 GP Shares and the RS GP Shares;

(101) "**Purchased Securities**" means the Trust Units, the Purchased GP Shares, the Woodfield Class A LP Units and the SNS Kitchener Class A LP Units owned by the Vendors;

(102) "**Purchaser**" means StorageVault Canada Inc. a corporation incorporated under the laws of the Province of Alberta;

(103) "**Purchaser Annual Financial Statements**" means the audited consolidated financial statements of the Purchaser as at and for the period ended December 31, 2017, together with the notes thereto, and if issued and filed prior to Closing, the audited consolidated financial statements of the Purchaser as at and for the period ended December 31, 2017, together with the notes thereto;

(104) "**Purchaser Financial Statements**" means, collectively, the Purchaser Annual Financial Statements and the Purchaser Interim Financial Statements;

(105) "**Purchaser Interim Financial Statements**" means the unaudited consolidated financial statements of the Purchaser as at and for the period six-month period ended June 30, 2018, together with the notes thereto;

(106) "**Purchaser Public Documents**" means all documents and information filed by the Purchaser under applicable Securities Laws on the System for Electronic Document Analysis Retrieval (SEDAR), during the two years prior to the date hereof;

(107) "**Purchaser's Certificate**" has the meaning given to that term in Section 5.04(b);

(108) "**Purchaser's Counsel**" means Marrelli & Co., Toronto, Ontario and DLA Piper (Canada) LLP, Calgary, Alberta;

(109) "**Real Properties**" means the ABS Properties, the Grizzly Property, the RS Properties, the RES Properties, the SNS 2015 Properties, the SNS Properties, the Kitchener Property and the Woodfield Property and "**Real Property**" means any of them. The municipal addresses of the Real Properties are listed on Schedule 1.01(109) of the Vendors' Disclosure Letter;

(110) "**Receivables**" means all accounts receivable, trade accounts and book debts due or accruing due to the Corporations or the Partnerships as at the Closing Date;

(111) "**Recitals**" means the recitals to this Agreement;

(112) "**Related Person**" means any Person that does not deal at "arm's length" (as defined in the Income Tax Act) with the Vendors or any of the RS Entities;

(113) "**Repayable Debt**" has the meaning ascribed thereto in Section 3.06;

(114) "**Representative**" when used with respect to a Party, Corporation or Partnership means each director, officer, employee, agent, consultant, adviser and other Representative of that Party, Corporation or Partnership which is involved in the Transaction;

(115) "**RES GP Interest**" means the 0.1% partnership interest of RS GP in RES LP;

(116) “**RES Lands**” means those Lands legally and municipally described on Part 4 of Schedule 1.01(71) of the Vendors’ Disclosure Letter;

(117) “**RES LP**” means Real Storage (Edmonton) Limited Partnership, a limited partnership established under the laws of the Province of Alberta;

(118) “**RES LP Units**” means one hundred (100) limited partnership units in the capital of RES LP;

(119) “**Restrictive Covenants Agreement**” means the agreement to be provided on Closing by Christopher Killi in the form annexed hereto as Schedule 1.01(119);

(120) “**RS Entities**” means the Private Trust, the Corporations and the Partnerships;

(121) “**RS GP**” means Real Storage GP Inc., a corporation incorporated under the laws of the Province of Ontario;

(122) “**RS GP Interest**” means the 0.1% partnership interest of RS GP in RS LP;

(123) “**RS GP Shares**” means one hundred (100) common shares in the capital of RS GP;

(124) “**RS Lands**” means those Lands legally and municipally described on Part 5 of Schedule 1.01(71) of the Vendors’ Disclosure Letter;

(125) “**RS LP**” means Real Storage Limited Partnership, a limited partnership formed under the laws of the Province of Alberta;

(126) “**RS LP Units**” means 84,000 limited partnership units in the capital of RS LP;

(127) “**RS Target WC**” means Working Capital of the RS Entities (other than Woodfield LP and SNS Kitchener LP) equal to $1.00;

(128) “**Securities Jurisdictions**” means the provinces of British Columbia, Alberta, Manitoba, Saskatchewan, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland.

(129) “**Securities Laws**” means the securities laws, regulations and exchange rules having application thereto and the rules, policies, notices and orders issued in the Securities Jurisdictions by the Securities Regulators having application thereto;

(130) “**Securities Regulators**” means the securities commissions or other securities regulatory authorities of each of the Securities Jurisdictions;

(131) “**Shares**” means all of the issued and outstanding shares in the capital of the Corporations, as described in the Recitals, and includes any shares or securities into which the Shares may be changed, reclassified, subdivided, consolidated or converted, any shares or securities which have been received as a stock dividend or as a distribution payable in shares or securities and any shares or securities of the Corporations or of any

subsidiary or affiliate which have been received on a reorganization, amalgamation, wind-up, consolidation or merger, statutory or otherwise; and “**Share**” has a corresponding meaning;

(132) “**SNS 2015 GP**” means SNS Storage (2015) GP Ltd., a corporation incorporated under the laws of the Province of Ontario;

(133) “**SNS 2015 GP Interest**” means the 0.1% partnership interest of SNS 2015 GP in SNS 2015 LP;

(134) “**SNS 2015 GP Shares**” means one (1) common share in the capital of SNS 2015 GP;

(135) “**SNS 2015 Lands**” means those Lands legally and municipally described on Part 6 of Schedule 1.01(71) of the Vendors’ Disclosure Letter;

(136) “**SNS 2015 LP**” means SNS Storage (2015) Limited Partnership, a limited partnership formed under the laws of the Province of Ontario;

(137) “**SNS 2015 LP Units**” means one (1) limited partnership unit in the capital of SNS 2015 LP;

(138) “**SNS GP Interest**” means the 0.1% partnership interest of 2242907 GP in SNS LP;

(139) “**SNS Kitchener GP Interest**” means the 0.1% partnership interest of 2242907 GP in SNS Kitchener LP;

(140) “**SNS Kitchener LP**” means SNS Storage (Ontario) Limited Partnership, a limited partnership formed under the laws of the Province of Ontario;

(141) “**SNS Kitchener LP Agreement**” means the limited partnership agreement described in Schedule 1.01(141) of the Vendors’ Disclosure Letter;

(142) “**SNS Kitchener Class A LP Units**” means three million five hundred thousand (3,500,000) Class A limited partnership units in the capital of SNS Kitchener LP;

(143) “**SNS Kitchener Class B LP Units”** means three hundred fifty thousand (350,000) Class B limited partnership units in the capital of SNS Kitchener LP (collectively with the SNS Kitchener Class A LP Units, the “**SNS Kitchener LP Units**”);

(144) “**SNS Kitchener LP Vendors**” means the Persons listed and described as such in Schedule 8.06(b) of the Vendors’ Disclosure Letter;

(145) “**SNS Kitchener Target WC**” means Working Capital of the SNS Kitchener LP equal to $1.00;

(146) “**SNS Lands**” means those Lands legally and municipally described on Part 7 of Schedule 1.01(71) of the Vendors’ Disclosure Letter;

(147) “**SNS LP**” means SNS Limited Partnership, a limited partnership formed under the laws of the Province of Ontario;

(148) “**SNS LP’S**” means SNS LP, RES LP, RS LP and SNS 2015 LP;

(149) “**SNS LP Units**” means three (3) limited partnership units in the capital of SNS LP;

(150) “**Target WC**” means, collectively, the RS Target WC, the Woodfield Target WC and the SNS Kitchener Target WC;

(151) “**Taxes**” means all taxes and related governmental charges (including assessments, charges, duties, rates, fees, imposts, levies or other governmental charges and interest, penalties or additions associated therewith) including Canadian federal, provincial, municipal and local, foreign or other income, franchise, capital, real property, personal property, tangible, withholding, payroll, employer health, transfer, sales, use, consumption, excise, anti-dumping, countervail and value added taxes, all other taxes of any kind for which the Private Trust, any of the Corporations or any of the Partnerships may have any liability imposed by Canada or any province, municipality, country or foreign government or subdivision or agency thereof, whether disputed or not and all Canada Pension Plan contributions and employment insurance premiums;

(152) “**Tax Periods**” means any period prescribed by any Governmental Authority for which a Tax Return is required to be filed or Tax is required to be paid;

(153) “**Tax Returns**” means all reports, returns, information returns, claims for refunds, elections, designations, estimates, reports and other documents, including any schedule or attachments thereto, filed or required to be filed or supplied to any Governmental Authority in respect of Taxes and including any amendment thereof or attachment thereto;

(154) “**Tenants**” means the Persons named as tenants or otherwise bound as Tenants under the Leases;

(155) “**Terminated Employees**” means those individuals indicated as such in Schedule 1.01(155) of the Vendors’ Employment Matters Disclosure Letter;

(156) “**Third Party Consents**” has the meaning ascribed thereto in Section 5.04(c);

(157) “**Transaction**” means the purchase and sale of the Purchased Securities, and the purchase for cancellation or surrender, as applicable, of the Cancelled Securities pursuant to the terms and conditions as contained in, and as contemplated in, this Agreement;

(158) “**Transaction Personal Information**” means any Personal Information in the possession, custody or control of the Corporations, the Partnerships, the Private Trust or the Vendors at the Closing Date, including Personal Information about Employees, Tenants, Customers, directors, officers, limited partners or shareholders of the Corporations, the Partnerships or the Private Trust:

(i) disclosed to the Purchaser or any Representative of the Purchaser prior to the Closing Date by the Corporations, the Partnerships, the Private Trust or the Vendors, or their respective Representatives or otherwise; or

(ii) collected by the Purchaser or any Representative of the Purchaser prior to the Closing Date from the Corporations, the Partnerships, the Private Trust or the Vendors, or their respective Representatives or otherwise;

in either case in connection with the Transaction;

(159) "**TSXV**" means the TSX Venture Exchange Inc.;

(160) "**Vendors**" has the meaning given to that term in the Recitals and, for certainty, includes each of the Cancelled Securityholders;

(161) "**Vendor's Pro Rata Interest**" has the meaning given to that term in Section 3.01;

(162) "**Vendors' Certificate**" has the meaning given to that term in Section 5.03(b);

(163) "**Vendors' Counsel**" means Stikeman Elliott LLP, Calgary, Alberta;

(164) "**Vendors' Disclosure Letter**" means the disclosure letter dated the date of this Agreement and delivered by the Vendors' Representative to the Purchaser with this Agreement;

(165) "**Vendors' Employment Matters Disclosure Letter**" means the disclosure letter dated the date of this Agreement and delivered by the Vendors' Representative to the Purchaser with this Agreement;

(166) "**Vendors' Representative**" has the meaning ascribed thereto in Section 12.04;

(167) "**Warranties**" means all warranties and guarantees obtained by the Corporations or the Partnerships with respect to maintenance and/or the existing operation of any of the Real Properties that are currently in effect;

(168) "**Wilmington Shareholder Approval**" shall have the meaning ascribed thereto in Section 6.10;

(169) "**Woodfield GP Interest**" means the 0.1% partnership interest of RS GP in Woodfield LP;

(170) "**Woodfield Lands**" means those Lands legally and municipally described on Part 8 of Schedule 1.01(71) of the Vendors' Disclosure Letter;

(171) "**Woodfield LP**" means Woodfield Limited Partnership, a limited partnership formed under the laws of the Province of Ontario;

(172) "**Woodfield LP Agreement**" means the limited partnership agreement described in Schedule 1.01(172) of the Vendors' Disclosure Letter;

(173) “**Woodfield Class A LP Units**” means 68,001 Class A limited partnership units in the capital of Woodfield LP;

(174) “**Woodfield Class B LP Units”** means 6,800 Class B limited partnership units in the capital of Woodfield LP (collectively with the Woodfield Class A LP Units, the “**Woodfield LP Units**”);

(175) “**Woodfield LP Vendors**” means the Persons listed and described as such in Schedule 8.05(b) of the Vendors’ Disclosure Letter;

(176) “**Woodfield Target WC**” means Working Capital of Woodfield LP equal to $1.00; and

(177) “**Working Capital**” means with respect to each of the RS Entities the Current Assets less (i) all Current Trade Debts; (ii) security deposits and deferred revenue; (iii) all Taxes payable in respect of the fiscal years of the RS Entities ending on the day immediately preceding the Closing Date; (iv) all Payroll Costs; and (v) any other amounts to be included in the calculation of Working Capital pursuant to any other provisions of this Agreement.

Section 1.02 Interpretation

All dollar amounts referred to in this Agreement are in Canadian funds. Words importing the singular number include the plural and vice versa and words importing gender include the masculine, feminine and neuter genders. The division of this Agreement into articles, sections and paragraphs and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof. The terms “this Agreement”, “hereof”, “herein”, “hereunder” and similar expressions refer to this Agreement, the Schedules hereto and the Disclosure Letters and not to any particular article, section, paragraph, clause or other portion hereof and thereof and include any agreement or instrument supplementary or ancillary hereto.

Section 1.03 Knowledge

References in this Agreement to the “knowledge of the Vendors” means the actual knowledge of Chris Killi after due inquiry, as may be reasonably necessary to inform themselves as to the relevant matters. References in this Agreement to the “knowledge of the Purchaser” means the actual knowledge of either one or more of Iqbal Khan and Steven Scott after due inquiry, as may be reasonably necessary to inform themselves as to the relevant matters.

Section 1.04 Schedules and Disclosure Letters

(a) The following schedules (the “**Schedules**”) form part of this Agreement:

Schedule 1.01(119)	Restrictive Covenants Agreement
Schedule 3.07	Escrow Agreement
Schedule 4.04	Purchaser Press Release
Schedule 6.07	Counterpart Signature Page

(b) Any information contained or referenced in either Disclosure Letter is to be treated as a disclosure by the Vendors to the Purchaser for all purposes for which disclosure is referenced in this Agreement, including with respect to matters disclosed therein in respect of the identified covenant, representation, warranty, term or condition contained in this Agreement. This disclosure of any matter in either Disclosure Letter should not be deemed to be or construed as an admission that such item or information is material to the business, operations, results of operations, capitalization, condition (financial or otherwise), properties, assets or liabilities (contingent or otherwise) of the RS Entities, nor an admission of any obligation or liability to any third party.

(c) Each Disclosure Letter itself is confidential information and may not be disclosed unless (i) it is required to be disclosed pursuant to Applicable Law, unless such Applicable Law permits the Parties to refrain from disclosing the information for confidentiality or other purposes or (ii) a Party needs to disclose it in order to enforce or exercise its rights under this Agreement.

ARTICLE TWO
PURCHASE OF PURCHASED SECURITIES

Section 2.01 <u>Purchase and Sale</u>

Upon and subject to the terms and conditions hereinafter set forth and effective (as of the Effective Time) on the Closing Date:

(a) the Vendors shall sell to the Purchaser and the Purchaser shall purchase all of the Trust Units owned by such Vendors;

(b) the Vendors shall sell to the Purchaser and the Purchaser shall purchase all of the Woodfield Class A LP Units owned by such Vendors;

(c) the Vendors shall sell to the Purchaser and the Purchaser shall purchase all of the SNS Kitchener Class A LP Units owned by such Vendors;

(d) Wilmington shall sell to the Purchaser and the Purchaser shall purchase all of the Purchased GP Shares;

(e) Woodfield LP shall purchase the Woodfield Class B LP Units for cancellation;

(f) SNS Kitchener LP shall purchase the SNS Kitchener Class B LP Units for cancellation; and

(g) the Private Trust shall purchase the Private Trust Options for cancellation.

ARTICLE THREE
PURCHASE PRICE

Section 3.01 <u>Purchase Price</u>

The gross purchase price for the purchase and sale of the Purchased Securities by the Purchaser and the purchase for cancellation of the Cancelled Securities by Woodfield LP, SNS Kitchener LP and the Private Trust (the "**Purchase Price**") shall be an amount equal to:

(a) Two Hundred and Seventy-Five Million ($275,000,000.00) Dollars;

(b) plus the amount, if any, by which the Closing Date WC (as that term is defined below) is greater than the Target WC;

(c) less the amount, if any, by which the Target WC is greater than the Closing Date WC;

(d) less Four Million and Five Hundred Thousand ($4,500,000.00) Dollars, representing the amount estimated to be required to be drawn on the Construction Loan Facility or otherwise funded in order to complete the Conversion;

(e) less the Assumed Debt (excluding all amounts due and owing under the Construction Loan Facility, if the Assumed Debt does include the Construction Loan Facility),

subject to any adjustment pursuant to Section 3.05, Section 3.06, Section 3.09(b), Section 3.11 and Section 6.07(f), or as otherwise contemplated herein. The Purchase Price shall be allocated among the Vendors (including the Cancelled Securityholders) in accordance with each Vendor's pro rata interest in accordance with Schedule 3.01 of the Vendors' Disclosure Letter (each, a "**Vendor's Pro Rata Interest**").

Section 3.02 <u>Payment</u>

The Purchase Price shall be paid and satisfied as follows:

(a) The sum of *[Redacted – amount]* by way of a deposit ("**First Deposit**") to be delivered by certified cheque, wire transfer or bank draft in trust to Vendors' Counsel within two (2) Business Days after the Execution Date;

(b) The sum of *[Redacted – amount]* by way of a deposit ("**Second Deposit**") to be delivered by certified cheque, wire transfer or bank draft in trust to Vendors' Counsel within two (2) Business Days after the satisfaction of or waiver of the conditions set out in Section 5.02, other than the Environmental Condition;

(c) The sum of *[Redacted – amount]* by way of a deposit ("**Third Deposit**") to be delivered by certified cheque, wire transfer or bank draft in trust to Vendors' Counsel within two (2) Business Days after the satisfaction of or waiver of the Environmental Condition (as that term is defined in Section 5.02(c));

(d) The First Deposit, Second Deposit and Third Deposit are herein collectively referred to as the "**Deposit**". The Deposit shall be invested in a term deposit with a Canadian Chartered bank in Canada and all accrued interest thereon shall be credited to the Purchaser on Closing, to the extent such interest is actually received by the Vendors' Counsel;

(e) With respect to the Deposit, the Parties agree that:

(i) if the Initial Conditions have been satisfied or waived and the sale and purchase of the Purchased Securities is completed, the Deposit together with all accrued interest, to the extent actually received by Vendors' Counsel, shall be paid to the Vendors (and to each Vendor, an amount equal to its Vendor's Pro Rata Interest of the Deposit) and credited to the Purchaser in satisfaction of an equivalent amount of the Purchase Price payable on the Closing Date;

(ii) if the Initial Conditions have been satisfied or waived, all of the Purchaser's Closing Conditions are satisfied and the sale and purchase of the Purchased Securities is not completed either (A) solely by reason of the default of the Purchaser, including any material breach by the Purchaser of its representations, warranties or covenants under this Agreement, or (B) by reason of any of the Vendors' Closing Conditions not being satisfied solely by reason of the actions or omissions of the Purchaser, the Deposit together with all accrued interest thereon, to the extent actually received by Vendors' Counsel, shall, subject to Section 4.02, be paid to the Vendors (and to each Vendor, an amount equal to its Vendor's Pro Rata Interest of the Deposit) promptly as liquidated damages (and not as a penalty) to compensate them for the expenses incurred, opportunities foregone and losses and damages incurred as a result of the Transaction not closing;

(iii) if the Initial Conditions are not satisfied or waived within the time herein provided, then the Deposit together with all accrued interest, to the extent actually received by Vendors' Counsel, and without any deduction shall, subject to Section 4.02, be paid to the Purchaser promptly; and

(iv) if the Initial Conditions have been satisfied or waived and the Transaction is not completed by reason of non-satisfaction of any of the Purchaser's Closing Conditions, the Deposit together with all accrued interest, to the extent actually received by Vendors' Counsel, and without any deduction shall, subject to Section 4.02, be paid to the Purchaser promptly, provided that non-satisfaction of such Purchaser's Closing Condition was not the result of the default of the Purchaser, including any material breach by the Purchaser of its representations, warranties or covenants under this Agreement.

(f) If mutually agreed upon by the Parties in writing not less than fifteen (15) Business Days prior to the Closing Date, up to FIFTY MILLON DOLLARS ($50,000,000.00) of the Purchase Price allocable to the Purchased Securities shall be paid and satisfied by the issuance to each Vendor on the basis of its Vendor's Pro Rata Interest, or as otherwise allocated to the Vendors by the Vendors' Representative, on Closing, of

Common Shares at a price per Common Share as mutually agreed upon, in writing, between the Purchaser and the Vendors' Representative not less than (15) Business Days prior to the Closing Date (the "**Payment Shares**"). In respect of each Vendor that receives Payment Shares as part of the consideration for such Vendor's Purchased Securities, if so requested by that Vendor, the Purchaser shall jointly file an election with that Vendor under section 85 of the Income Tax Act and any similar provision of provincial law in the prescribed form and with the agreed amount therein being determined solely in the discretion of that Vendor, subject to applicable limits under section 85 of the Income Tax Act or applicable provincial law. Each Vendor shall provide two signed copies of the necessary election forms to the Purchaser within 90 days following the Closing Date, duly completed with the details of the Purchased Securities transferred to the Purchaser and the Purchase Price, including the Payment Shares and all non-share consideration, and the applicable elected amount for the purposes of such election. The Purchaser shall not be responsible for the proper completion of any election form and, except for the obligation of the Purchaser to so sign and return such duly completed election forms which are received by the Purchaser within 90 days of the Closing Date, the Purchaser shall not be responsible for any taxes, interest or penalties resulting from the failure by a Vendor to properly complete or file the election form in the form and manner and within the time prescribed by the Income Tax Act (and any applicable provisions of provincial income tax legislation). In its sole discretion, the Purchaser may choose to sign and return an election form received by it more than 90 days following the Closing Date but has no obligation to do so.

(g) The balance of the Purchase Price (i) plus the amount if any, by which the WC Estimate (as that term is defined below) is greater than the Target WC, (ii) less the amount, if any, by which the Target WC is greater than the WC Estimate; and (iii) less the amount of the Holdbacks and subject to Section 3.06, Section 3.07 and Section 6.07(f), and any other adjustments otherwise contemplated herein, shall be payable to the Vendors (and to each Vendor, an amount equal to its Vendor's Pro Rata Interest of the balance payable under this Section 3.02(g)), or as the Vendors' Representative may otherwise direct, on Closing by wire transfer payable to or to the order of the Vendors' Counsel, in trust.

Section 3.03 Preparation of the Estimated Working Capital Statement

(a) The Parties agree that five (5) Business Days prior to the Closing Date (or such other date as is mutually agreed to by the Vendors' Representative and the Purchaser in writing), the Vendors' Representative shall cause the Private Trust to prepare and deliver to the Purchaser the following:

(i) a draft unaudited statement of Working Capital of the RS Entities (other than Woodfield LP and SNS Kitchener LP) (the "**Estimated RS Working Capital Statement**") setting forth in reasonable detail its good faith estimate of the Working Capital of the RS Entities (other than Woodfield LP and SNS Kitchener LP), prepared as of the Effective Time (the "**RS WC Estimate**");

(ii) a draft unaudited statement of Working Capital of Woodfield LP (the "**Estimated Woodfield Working Capital Statement**") setting forth in reasonable detail its good faith estimate of the Working Capital of Woodfield LP, prepared as of the Effective Time (the "**Woodfield WC Estimate**");

(iii) a draft unaudited statement of Working Capital of SNS Kitchener LP (the "**Estimated SNS Kitchener Working Capital Statement**" and, collectively with the Estimated RS Working Capital Statement and the Estimated Woodfield Working Capital Statement, the "**Estimated Working Capital Statement**") setting forth in reasonable detail its good faith estimate of the Working Capital of SNS Kitchener LP, prepared as of the Effective Time (the "**SNS Kitchener WC Estimate**" and, collectively with the RS WC Estimate and Woodfield WC Estimate, the "**WC Estimate**"); and

(iv) full particulars of the Assumed Debt, including a detailed assumption statement from the lender under the Construction Loan Facility and the ABS Debt, as applicable.

(b) The Estimated Working Capital Statement will be prepared in accordance with ASPE applied on a basis consistent with the preparation of the Financial Statements, provided that Working Capital shall be calculated subject to the following adjustments:

(i) prepaid expenses shall be valued at the face amount thereof provided the Corporations or the Partnerships shall be entitled to the full benefit thereof;

(ii) Inventories shall be valued at the lower of cost and net realizable value; and

(iii) Receivables that are outstanding for more than sixty (60) days shall be valued at $1.00.

Section 3.04 <u>Preparation of the Draft Working Capital Statement</u>

(a) The Parties agree that within sixty (60) days following the Closing Date (or such other date as is mutually agreed to by the Vendors' Representative and the Purchaser in writing), the Vendors' Representative shall prepare and deliver to the Purchaser the following:

(i) a draft unaudited statement of Working Capital (the "**Draft RS Working Capital Statement**") of the RS Entities (other than Woodfield LP and SNS Kitchener LP) setting forth in reasonable detail its good faith estimate of the Working Capital of the RS Entities (other than Woodfield LP and SNS Kitchener LP), prepared as of the Effective Time;

(ii) a draft unaudited statement of Working Capital (the "**Draft Woodfield Working Capital Statement**") of Woodfield LP setting forth in reasonable detail its good faith estimate of the Working Capital of Woodfield LP, prepared as of the Effective Time; and

(iii) a draft unaudited statement of Working Capital (the "**Draft SNS Kitchener Working Capital Statement**" and, collectively with the Draft RS Working Capital Statement and Draft Woodfield Working Capital Statement, the "**Draft Working Capital Statement**") of SNS Kitchener LP setting forth in reasonable detail its good faith estimate of the Working Capital of SNS Kitchener LP, prepared as of the Effective Time.

(b) The Draft Working Capital Statement will be prepared in accordance with ASPE applied on a basis consistent with the preparation of the Financial Statements, provided that Working Capital shall be calculated subject to the following adjustments:

(i) prepaid expenses shall be valued at the face amount thereof provided the Corporations or the Partnerships shall be entitled to the full benefit thereof;

(ii) Inventories shall be valued at the lower of cost and net realizable value; and

(iii) Receivables that are outstanding for more than sixty (60) days shall be valued at $1.00.

(c) During the period from the Closing Date through the date the Draft Working Capital Statement is delivered by the Vendors' Representative to the Purchaser, the Purchaser shall and shall cause its Representatives to reasonably cooperate with the Vendors' Representative and its other Representatives and to provide Vendors' Representative and its other Representatives reasonable access, to the work papers of the Private Trust and its Representatives in connection with the preparation of the Estimated Working Capital Statement and to the Books and Records required by the Vendors' Representative to prepare the Draft Working Capital Statement, and the Purchaser shall make reasonably available to the Vendors' Representative and its other Representatives individuals responsible for the preparation of the Estimated Working Capital Statement in order to respond to inquiries of the Vendors' Representative related thereto.

(d) The Purchaser will have 10 Business Days to review the Draft Working Capital Statement following receipt of it and the Purchaser must notify the Vendors' Representative in writing if it has any objections to the Draft Working Capital Statement within such 10 Business Day period. The notice of objection must contain a statement of the basis of each of the Purchaser's objections and each amount in dispute.

(e) If the Purchaser sends a notice of objection of the Draft Working Capital Statement in accordance with Section 3.04(d), the Purchaser and the Vendors' Representative will work expeditiously and in good faith in an attempt to resolve such objections within 20 Business Days following receipt of the notice. Failing resolution of any objection to the Draft Working Capital Statement raised by the Purchaser, the dispute will be submitted for determination to the Accountants. The Accountants are deemed to be acting as experts and not as arbitrators.

(f) If the Purchaser does not notify the Vendors' Representative of any objection within the 10 Business Day period, the Purchaser is deemed to have accepted and approved the Draft Working Capital Statement and such Draft Working Capital Statement will be final, conclusive and binding upon the Parties, and will not be subject to appeal, absent manifest error. The Draft Working Capital Statement will become the "**Closing Working Capital Statement**" on the next Business Day following the end of such 10 Business Day period.

(g) If the Purchaser sends a notice of objection in accordance with Section 3.04(d), the Purchaser and the Vendors' Representative will revise the Draft working Capital Statement to reflect the final resolution or final determination of such objections under with Section 3.04(e) within two Business Days following such final resolution or determination. Such revised Draft Working Capital Statement will be final, conclusive and binding upon the Parties, and will not be subject to appeal, absent manifest error. The Draft Working Capital Statement will become the "**Closing Working Capital Statement**" on the next Business Day following revision of the Draft Working Capital Statement under this Section 3.04(g).

(h) The Purchaser and the Vendors will each bear their own fees and expenses, including the fees and expenses of their respective auditors, in preparing or reviewing, as the case may be, the Draft Working Capital Statement. In the case of a dispute and the retention of the Accountants to determine such dispute, the costs and expenses of the Accountants shall be borne equally by the Purchaser and the Vendors (and in respect of each Vendor, in accordance with its Vendor's Pro Rata Interest). However, the Purchaser and the Vendors will each bear their own costs in presenting their respective cases to the Accountants.

(i) The Parties agree that the procedure set forth in this Section 3.04 for resolving disputes with respect to the Draft Working Capital Statement is the sole and exclusive method of resolving such disputes, absent manifest error.

Section 3.05 <u>Working Capital Adjustment</u>

(a) The Purchase Price will be increased or decreased, as the case may be, dollar-for-dollar, to the extent that:

(i) the Working Capital of the RS Entities (other than Woodfield LP and SNS Kitchener LP) as determined from the Closing Working Capital Statement (the "**RS Closing Date WC**") is more or less than the RS WC Estimate;

(ii) the Working Capital of Woodfield LP as determined from the Closing Working Capital Statement (the "**Woodfield Closing Date WC**") is more or less than the Woodfield WC Estimate; and

(iii) the Working Capital of SNS Kitchener LP as determined from the Closing Working Capital Statement (the "**SNS Kitchener Closing WC**" and, collectively with the RS Closing Date WC and Woodfield Closing Date WC, the "**Closing Date WC**") is more or less than the SNS Kitchener WC Estimate.

(b) If the Closing Date WC is more than the WC Estimate, the Purchaser will pay each Vendor an amount equal to its Vendor's Pro Rata Interest of the amount of such difference as an increase to the Purchase Price. If the Closing Date WC is less than the WC Estimate, each Vendor will pay to the Purchaser an amount equal to its Vendor's Pro Rata Interest of the amount of such difference as a decrease to the Purchase Price. Subject to Section 3.08, any amounts to be paid under this Section 3.05(b) will be paid by wire transfer of immediately available funds within six (6) Business Days after the Draft Working Capital Statement becomes the Closing Working Capital Statement in accordance with Section 3.04(f) or Section 3.04(g), as the case may be, and any amounts payable to the Vendors will be paid to the Vendors' Representative for and on behalf of the Vendors, or as the Vendor's Representative may otherwise direct.

(c) Notwithstanding the foregoing or anything to the contrary contained in this Agreement, the Parties agree that for purposes of the calculations, adjustments and payments set forth in this Agreement, none of the provisions in this Agreement, including without limitation those set forth in this Article Three with respect to Working Capital, are intended to result in any item or amount being counted more than once.

Section 3.06 **<u>Repayment of Existing Debt</u>**

The Vendors shall cause the RS Entities to pay, satisfy and discharge on the Closing Date, all Debt of the RS Entities existing as of the Effective Time, including all Debt described in Schedule 3.06 of the Vendors' Disclosure Letter, other than the Assumed Debt or the Current Trade Debts and obligations and Taxes reflected in the calculation of the WC Estimate (the "**Repayable Debt**"). To the extent that the cash balances of the applicable RS Entities are not sufficient to payout all of the Repayable Debt obligations, the Purchaser shall advance the amount of any shortfall to the applicable RS Entities on Closing, the Purchase Price will be reduced on a dollar for dollar basis by the full amount of such shortfall (other than, in the case that the Construction Loan Facility is not assumed by the Purchaser, any amounts outstanding under such facility shall not be deemed to reduce the Purchase Price) and the balance due on Closing pursuant to Section 3.02(g) shall be reduced accordingly. For greater certainty, the Purchaser shall assume the Assumed Debt as of the Effective Time.

The Parties agree that the exact amount of the Defeasance Costs shall be communicated by written notice to the Purchaser by the Vendors' Representative not less than five (5) Business Days prior to the Closing Date. In the event the Purchaser does not elect to assume the ABS Debt or in the event *[Redacted – name of lender]* does not consent to the assumption of the ABS Debt by the Purchaser on the same terms currently in effect, the Purchaser shall pay and be responsible for all Defeasance Costs relating to the ABS Debt. The Defeasance Costs relating to any other Debt shall be paid and satisfied by the Purchaser as to the sum of *[Redacted – amount]* and to the extent there are any Defeasance Costs in excess of this amount, the Purchaser shall advance the excess amounts to the applicable RS Entities on Closing, the Purchase Price will be reduced on a dollar-for-dollar basis by the full amount of such excess and the balance due on Closing pursuant to Section 3.02(g) shall be reduced accordingly.

Section 3.07 **Holdbacks**

The Parties agree that the sum of:

(a) THREE MILLION DOLLARS ($3,000,000.00) due and payable on account of the Purchase Price (the "**General Holdback**"); and

(b) An amount equal to the sum of the principal of the *[Redacted – name of lender]* Note (which is *[Redacted – amount]*), due and payable on account of the Purchase Price (the "*[Redacted – descriptor]* **Holdback**" and, collectively with the General Holdback, the "**Holdbacks**"),

will be paid by the Purchaser to the Vendors' Counsel in trust on Closing by way of wire transfer. The Holdbacks will be invested in a term deposit with a Canadian chartered bank in Canada and all accrued interest shall be paid to the Vendors or the Purchaser, as the case may be, in the same proportion that they are entitled to the principal of each Holdback.

The General Holdback will be paid to the Purchaser to the extent required to reimburse the Purchaser for:

(c) any post-Closing Purchase Price adjustments pursuant to Section 3.05, Section 3.09(b) and Section 3.11 hereof; and

(d) any Indemnity Payment (as defined in Section 11.01) required to be made by any Vendor pursuant to Article Eleven provided the Vendors' Representative agrees in writing in advance as to such Vendor's liability for the Indemnity Payment, including the amount thereof, failing which the Indemnity Payment claimed by the Purchaser will be retained by Vendors' Counsel from the General Holdback until the dispute is resolved pursuant to the *Arbitration Act* (Alberta) by a single arbitrator that is jointly selected by the Vendors' Representative and the Purchaser or, failing such agreement, appointed by the court. The decision of the arbitrator shall be final and binding upon the Parties and Vendors' Counsel.

The *[Redacted – descriptor]* Holdback will be paid to the Purchaser to the extent required to reimburse the Purchaser for any *[Redacted – descriptor]* Indemnity Payment (as defined in Section 11.01) required to be made by the Vendors pursuant to Article Eleven provided the Vendors' Representative agrees in writing in advance as to the Vendors' liability for the *[Redacted – descriptor]* Indemnity Payment, including the amount thereof, failing which the *[Redacted – descriptor]* Indemnity Payment claimed by the Purchaser will be retained by Vendors' Counsel from the *[Redacted – descriptor]* Holdback until the dispute is resolved pursuant to the *Arbitration Act* (Alberta) by a single arbitrator that is jointly selected by the Vendors' Representative and the Purchaser or, failing such agreement, appointed by the court. The decision of the arbitrator shall be final and binding upon the Parties and Vendors' Counsel.

The General Holdback shall be held by Vendors' Counsel for *[Redacted – holdback period]* following the Closing Date and shall be paid and applied in the manner specified in this Agreement and the Escrow Agreement (as defined below). The General Holdback will be released to the Vendors, as follows:

(i) the sum of *[Redacted – amount]*, less the amount of any post-Closing Purchase Price adjustments provided for herein and less the amount of any Claims (as defined in Section 11.01) identified as at such date will be released to the Vendors on the first anniversary of the Closing Date; and

(ii) the sum of *[Redacted – amount]*, less the amount of any Claims identified as at such date (but without duplication with respect to amounts referred to in paragraph (i) above), will be released to the Vendors on such date that is *[Redacted – holdback period]* immediately following the Closing Date.

The *[Redacted – descriptor]* Holdback shall be held by Vendors' Counsel for a period commencing on the Closing Date and ending at such time as *[Redacted – holdback period]* (the "*[Redacted – descriptor]* **Holdback Period**") and shall be paid and applied in the manner specified in this Agreement and the Escrow Agreement (as defined below). The *[Redacted – descriptor]* Holdback, less the amount of any *[Redacted – descriptor]* Indemnity Payment(s) required to be made by the Vendors pursuant to Article Eleven, will be released to the Vendors within six (6) Business Days of the last date of the *[Redacted – descriptor]* Holdback Period.

The Parties agree that the basic terms of this Section 3.07 shall be set out in an escrow agreement to be entered into on Closing among the Purchaser, the Vendors' Representative, for and on behalf of the Vendors, and the Vendors' Counsel, in the form attached to this Agreement as Schedule 3.07 (the "**Escrow Agreement**"). The Escrow Agreement will also set out such additional terms and conditions as are customary and satisfactory to the Parties and their legal counsel, each acting reasonably.

Section 3.08 **Deduction and Set-Off**

In the event of any post-Closing Purchase Price adjustments in favour of the Purchaser pursuant to Section 3.05, Section 3.09(b) and Section 3.11, the amount of such adjustments shall be paid and remitted to the Purchaser from the General Holdback, subject to the terms and conditions of the Escrow Agreement. In the event any of the indemnification obligations of the Vendors under Article Eleven hereof (other than pursuant to Section 11.02.3(d) shall arise prior to the expiry of the General Holdback Period, the Indemnity Payment (as defined in Section 11.01) shall be paid and remitted to the Purchaser from the General Holdback, subject to the terms and conditions of the Escrow Agreement. In the event of any of the indemnification obligations of the Vendors under Section 11.02.3(d) shall arise prior to the expiry of the *[Redacted – descriptor]* Holdback Period, the *[Redacted – descriptor]* Indemnity Payment (as defined in Section 11.01), shall, to the extent of and not exceeding the total amount of the *[Redacted – description]*, be paid and remitted to the Purchaser from the *[Redacted – descriptor]* Holdback, subject to the terms and conditions of the Escrow Agreement.

Section 3.09 **Tax Returns**

(a) The Vendors shall cause the Accountants to prepare all Tax Returns for the RS Entities that relate to any Pre-Closing Tax Period commencing on or after January 1, 2018 and that are due after the Closing Date. Such Tax Returns shall be prepared in accordance with all Applicable Laws and past practices of the RS Entities, except as otherwise required by Applicable laws. The Vendors' Representative shall provide a draft of each such Tax Return to the Purchaser for its information. The Vendors' Representative or the applicable RS Entities shall file or cause to be filed such Tax Returns.

(b) The Vendors shall be responsible for and shall pay or cause to be paid, as and when due, the Taxes shown as due on any Tax Return filed with a Governmental Authority as described in Section 3.09(a) to the extent such Taxes relate to any Pre-Closing Tax Period, but excluding Taxes taken into account as a reduction in the computation of the Closing Date WC in accordance with Section 3.05 which shall be the Corporations' and/or the Partnerships' responsibility to pay. Any payments to be made to the Corporations or the Partnerships on account of tax receivables relating to any Pre-Closing Tax Period (or any portion of a Tax Period relating to the period prior to Closing) that are not otherwise taken into account as an increase in the computation of the Closing Date WC in accordance with Section 3.03 shall constitute an increase to the Purchase Price on a dollar-for-dollar basis and the Purchaser shall, upon receipt thereof from the applicable Governmental Authority, promptly remit or shall cause the Corporations or the Partnerships to promptly remit the amount of such increase to the Vendors without set-off or deduction. The Vendors shall be entitled to claim and keep any refunds in respect of any such Vendor's allocation of any income, deduction, gain, loss, credit, withholding tax, or tax attributed by the Woodfield LP or the SNS Kitchener LP.

(c) The Purchaser will cause to be prepared and timely filed, at its expense, all Tax Returns for the RS Entities for all Tax Periods of the RS Entities which end after the Closing Date, which are to be prepared in accordance with Applicable Law at that time.

(d) The Parties hereby agree that, in respect of the Woodfield LP and the SNS Kitchener LP:

(i) for Canadian federal and provincial income tax purposes, the taxable income (or loss) of the Woodfield LP and the SNS Kitchener LP, together with any capital gain or loss thereof, shall be determined, in accordance with the requirements of the Income Tax Act and, to the extent any such income (or loss) relates to any Tax Period (or portion thereof) ending prior to the Closing Date, all such income (or loss) shall be allocated to the Persons who are the holders of Woodfield LP Units or SNS Kitchener LP Units, including the Private Trust, immediately prior to Closing;

(ii) for Canadian federal and provincial income tax purposes, the taxable income or loss of the Woodfield LP and SNS Kitchener LP, together with any capital gain or loss thereof, relating to any Tax Period (or portion thereof) commencing on or after the Closing Date, shall be allocated to Purchaser and any other Person that acquires a partnership interest in Woodfield LP or SNS Kitchener LP, as applicable, on or after Closing;

(iii) the Parties shall cooperate as needed in order to provide such information as is reasonably necessary in respect of the computation of the income (or loss) of Woodfield LP and SNS Kitchener LP, and any capital gain or loss thereof, in respect of the fiscal year thereof in which the Closing Date occurs; and

(iv) the Parties agree that each of the Woodfield LP Agreement and the SNS Kitchener LP Agreement are hereby amended, as necessary, in order to give effect to this Section 3.09(d). Purchaser shall not, without the prior written consent of the Vendors' Representative, amend or modify, or cause or permit the amendment or modification of, in whole or in part, any partnership agreement or other governing document of Woodfield LP or SNS Kitchener LP, until such time as the net income and net loss and any capital gains or loss thereof for the fiscal year thereof which includes the Closing Date has been allocated in accordance with the terms of Section 3.09(d).

(e) The Parties agree that in respect of the preparation of any Tax Returns and/or any allocation of taxable income (or loss) pursuant to this Section 3.09, the RS Entities shall claim the maximum amount of capital cost allowance available pursuant to the Income Tax Act and claim any other discretionary deductions to the full extent permitted pursuant to the Income Tax Act.

(f) The Parties agree that in respect of the allocations of taxable income (or loss) pursuant to Section 3.09(d), any expenses, deductions and credits imposed or realized on a periodic basis without regard to income, gross receipts, payroll or sales shall be allocated between the portion of the relevant Tax Period relating prior to, and from and after, the Closing Date, as applicable, based on the amount thereof and the number of calendar days in the portion of the Tax Period relating prior to, and from and after, the Closing Date.

Section 3.10 <u>Purchaser Funded Debt Repayment</u>

For the avoidance of doubt, any and all amounts paid by the Purchaser to the Corporations or the Partnerships on Closing that are required to fund the payment of any Repayable Debt contemplated in Section 3.06, whether advanced as equity or loan, will not, for the purposes of this Agreement, be included in any calculation of Closing Date WC.

Section 3.11 <u>Conversion Cost Adjustment</u>

To the extent the aggregate of the amounts borrowed by SNS Kitchener LP, or any other RS Entities, under the Construction Loan Facility (as that term is defined in Section 10.03) to complete the Conversion (the "**Conversion Cost**") exceed or are less than (a) the sum of $4,500,000.00, being the amount owing, or expected to be owing after further draws to complete the Conversion, under the Construction Loan Facility, or (b) the amount owing after draws under the Replacement Facility under Section 10.03 (the "**Conversion Estimate**"), the Purchase Price will be adjusted upwards or downwards, as applicable, on a dollar-for-dollar basis. The Vendors shall be responsible for and shall pay or cause to be paid, within five (5) Business Days of completion of the Conversion, the amount, if any, by which the Conversion Cost exceeds the

Conversion Estimate. The Purchaser shall be responsible for and shall pay or cause to be paid, within five (5) Business Days of completion of the Conversion, the amount, if any, by which the Conversion Estimate exceeds the Conversion Cost. Notwithstanding the foregoing or anything else in this Agreement, if the Construction Loan Facility Consent is not obtained, the Assumed Debt shall not include the Construction Loan Facility.

Section 3.12 TSXV Restrictions

The Vendors and the Purchaser acknowledge and agree that any and all Payment Shares issued pursuant to the Transaction will be subject to a legend which will restrict the trading of such Payment Shares for a period of four (4) months and one (1) day following the date of the issuance of such Payment Shares, and the certificates for such Payment Shares will bear the following legend to that effect:

> "Without the prior written approval of the TSX Venture Exchange and compliance with all applicable securities legislation, the securities represented by this certificate may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until ___, 201_. Unless permitted under securities legislation, the holder of this security must not trade the security before ___, 201_."

Section 3.13 Corporate Reorganizations

In the event that the Purchaser shall, prior to the Closing Date undertake a subdivision or consolidation of any of the issued and outstanding Common Shares, the number of the Payment Shares, which may otherwise be issued pursuant to the Transaction, shall be adjusted accordingly.

Section 3.14 Payment Shares

All filing fees in respect of any Payment Shares to be issued to the Vendors pursuant to Section 3.02(f) shall be paid by the Purchaser, at its sole expense.

Section 3.15 TSXV Escrow

The Parties acknowledge that any Payment Shares to be issued pursuant to the Transaction may be subject to escrow provisions contained in the policies of the TSXV, and that such policies may require that any or all of the Payment Shares issued pursuant to the Transaction shall be held in escrow and released, over time, as determined by the policies of the TSXV. Notwithstanding the foregoing, the Purchaser covenants and agrees that it will use its commercially reasonable efforts to ensure that the amount of Payment Shares issued pursuant to the Transaction that are subject to escrow imposed by the TSXV is minimized as much as possible in accordance with the policies of the TSXV.

Section 3.16 Non-Compete Election

The Parties hereby agree that no portion of the Purchase Price is allocable to the restrictive covenants in the Restrictive Covenants Agreement contemplated herein.

Section 3.17 **Local Improvement Charges, etc.**

The Vendors shall, prior to Closing, cause each of the Corporations and the Partnerships to pay and satisfy all development charges, local improvement charges, levies and all other municipal charges levied or assessed in respect of the Real Properties or the Conversion at any time prior to the Closing Date which shall be included in the Working Capital to the extent not paid and satisfied in full prior to the Closing Date.

Section 3.18 **Treatment of Private Trust Options**

The Parties acknowledge and agree that the vesting of the outstanding Private Trust Options will be accelerated by virtue of the Transaction and that all such Private Trust Options will become exercisable prior to the Closing Date, conditional upon completion of the Transaction. The Execution Date Vendors will cause the Private Trust to take all such actions as are necessary or desirable to effect the foregoing. In addition, the Vendors represent and warrant that all of the Private Trust Optionholders have entered into and delivered to Vendors' Counsel, to be held in escrow and not released to the Purchaser until all of the Initial Conditions have either been satisfied or waived and Wilmington Board Approval has been obtained, (a) written agreements (each a "**Conditional Cancellation Agreement**") with the Private Trust whereby each Private Trust Optionholder has agreed, conditional upon completion of the Transaction, to surrender each of its Private Trust Options in exchange for that sum of money equal to its Vendor's Pro Rata Interest of the Purchase Price and to become party to this Agreement, effective as of the Execution Date, by the delivery of a counterpart signature page to this Agreement in the form annexed hereto as Schedule 6.07, and (b) executed counterpart signature pages described in paragraph (a) pursuant to which each such Private Trust Optionholder agrees to be bound by the terms and conditions of this Agreement applicable to it. To the extent the foregoing has not been obtained from a Private Trust Optionholder on or prior to the Execution Date, the Execution Date Vendors covenant and agree to obtain such documentation from such Private Trust Optionholder promptly following the Execution Date.

ARTICLE FOUR
DELIVERIES AND INSPECTIONS

Section 4.01 **Access to Information for the Purchaser**

The Vendors' Representative, for and on behalf of the Vendors, shall deliver to the Purchaser (or shall make available at the Corporations' or Partnerships' offices, and continue to make available from time to time until the Closing Date, during the Corporations' or Partnerships' regular business hours and on reasonable notice, for inspection and copying by the Purchaser and/or its Representatives at the Purchaser's sole expense) such of the following that are in the possession of control of the Corporations or the Partnerships, subject to such limitations as may be advisable for the purposes of compliance with applicable competition or antitrust laws (collectively referred to as the "**Documents for Inspection**"):

(a) copies of all building location surveys prepared by or for the Corporations or the Partnerships with respect to the Real Properties;

(b) copies of all title deeds, title opinions and title insurance policies received by or issued to the Corporations or the Partnerships with respect to the Real Properties;

(c) Plans, Permits and Approvals relating to the Real Properties;

(d) copies of any outstanding work orders, notices, directives or letters of non-compliance issued by any Governmental Authority affecting the Real Properties or the Business;

(e) copies of any applications and submissions prepared by or for the Corporations or the Partnerships (including draft plans) for zoning, site plan approvals, site plan amendments, building permits and all other governmental approvals submitted by any of the Corporations or any of the Partnerships with respect to any Real Properties;

(f) copies of all unexpired Warranties and a list of such Warranties, if any;

(g) copies of all environmental inspection reports and property inspection reports prepared by or for the Corporations or the Partnerships prior to the date hereof or at any time prior to the Closing Date with respect to the Real Properties or the Business;

(h) access to all other files and records relating to the Real Properties and the Business;

(i) any current realty tax assessments, notices and tax bills relating to the Real Properties or the Business and copies of any notices of all outstanding realty tax appeals and correspondence relating thereto;

(j) Financial Statements with respect to each of the RS Entities and for each of the Real Properties and full copies of all Tax Returns of the RS Entities for the fiscal years ended December 31, 2014, December 31, 2015, December 31, 2016 and December 31, 2017;

(k) the Purchaser shall have read-only access to the site's operating system, Site Link, for analysis (with the ability to print reports as deemed necessary) with respect to each of the following:

    (i) rent roll, listing all Customers and Tenants and the room or unit occupied by such Customers and Tenants;

    (ii) a list of the security deposits for each unit, if any;

    (iii) delinquencies for each unit broken down by age;

    (iv) a list of any prepaid rentals;

    (v) unit occupancy statistics; and

    (vi) the term of each Lease and any options to extend the term;

(l) access to all books, accounts, income tax returns, records and other financial and accounting data of the RS Entities;

(m) all incorporation documents, trust agreements, minute books and other corporate records and all documents relating to title to the assets and undertaking, including the Real Properties, of the RS Entities;

(n) bank statements for each Real Property for the past six (6) months will be made available if requested by the Purchaser;

(o) a representative sample of existing Customer Contracts from each of the Real Properties;

(p) copies of all current Material Operating Agreements (other than Customer Contracts), the Leases, the LP Agreements, the Private Trust Option Plan, particulars of all outstanding Private Trust Options, agreements entered into pursuant to the Private Trust Option Plan and particulars of all outstanding loans owing by any of the RS Entities to any of the Vendors or any Related Persons;

(q) access to all correspondence and files relating to the Customers, including customer lists, files, data and information relating to Customers and potential Customers of the Business;

(r) all lists of current suppliers, cost and pricing information, related to the Business;

(s) copies of all current agreements, correspondence and other information relating to marketing and promotional campaigns for the Real Properties or the Business;

(t) a current list of Employees as disclosed in the Vendors' Employment Matters Disclosure Letter;

(u) a list of all Intellectual Property;

(v) copies of all insurance policies or certificates thereof held by any of the Corporations or any of the Partnerships in respect of the Real Properties;

(w) a list of all Equipment;

(x) copies of all existing trust agreements entered into between the registered owner and beneficial owner of each Real Property;

(y) a list of any outstanding litigation against the Vendors, or any of the RS Entities and a list of all threatened litigation affecting the Vendors or any of the RS Entities of which the Vendors have received written notice, together with access to all of the files and records of the RS Entities relating to such litigation or threatened litigation;

(z) all loan agreements and related documents relating to the Construction Loan Facility; and

(aa) all loan agreements and related documents relating to the ABS Debt.

The Documents for Inspection listed in paragraphs (j), (k), (l), (p), (t), (x), (y), (z) above (the "**Preliminary Documents for Inspection**") shall be delivered or made available to the Purchaser for its review within seven (7) days after the Execution Date provided the Parties have entered into the Confidentiality Agreement (as defined below). All of the other Documents for Inspection shall be delivered or made available to the Purchaser no later than the commencement of the Further Conditional Period.

The Purchaser acknowledges that in the course of its review of the Documents for Inspection it will work cooperatively with Chris Killi to minimize any involvement by any Employees.

The Vendors will, upon reasonable request of the Purchaser, cause the Corporations and the Partnerships to execute and deliver to the Purchaser authorizations that may be sent by the Purchaser or the Purchaser's Counsel to various Governmental Authorities that authorize them to reveal to the Purchaser's Counsel all information, if any, on any files they have in respect of the Real Properties, but which shall expressly state that there are not to be any inspections of any of the Real Properties. Neither the Purchaser nor the Purchaser's Counsel will request any inspections of the Real Properties by any Governmental Authorities.

Section 4.02 Physical Inspections by the Purchaser

Commencing on the date the Purchaser waives the Initial Conditions set out in Section 5.01 and continuing until the expiry of the Further Conditional Period, the Purchaser shall have the right, from time to time, and upon reasonable notice to the Vendors' Representative from the Purchaser of at least two (2) Business Days, subject to any notice to be given to any Tenant pursuant to the Leases and subject to the rights of the Tenants and the Customers under the Leases and Customer Contracts, respectively, to enter the Real Properties, in the presence of *[Redacted – name of employee]*, a representative of the Vendors' Representative (if required) or any other designated employee of the Corporations or the Partnerships, on any Business Day during the Corporations' or Partnerships' regular business hours, at the Purchaser's sole risk and expense, for the purpose of conducting inspections, tests and audits (including environmental inspections) relating to the Real Properties, including, without limitation, soils tests, chemical analysis tests, inspections and tests of the roof and structural soundness of the buildings situate on the Real Properties and the operating capability of all building systems serving the Real Properties; provided, however, that the performing of such inspections, tests and audits shall be conducted in a manner that minimizes any disturbance to the Real Properties and minimizes interference with the use and enjoyment of the Real Properties by Customers and Tenants.

The Purchaser shall forthwith repair and remediate any damage caused by any inspections, tests and audits performed by the Purchaser and/or the Purchaser's representatives and shall fully indemnify the Vendors and each of their respective directors, officers and employees from all Claims resulting from said inspections, tests and/or audits including, without limitation, the costs of repairing any damage or any loss caused by such inspections, tests or audits and all Claims relating to any such inspections, tests and audits and from all Claims incurred by the Vendor as a result thereof including, without limitation, any construction liens registered against any Real Property as a result thereof. For greater certainty, the Purchaser hereby agrees that in the event the Transaction is not completed the Deposit shall stand as security for such indemnity and shall be held by the Vendors' Counsel for a period of five (5) Business Days after termination of this

Agreement (if applicable) during which time the Vendors may submit notice in writing of any Claims or potential Claims to the Purchaser and the Vendors' Counsel and if the Purchaser does not validly dispute any such Claim within a further five (5) Business Days , then, the Vendors' Counsel shall forthwith pay the amount of the Claim to the Vendors from the Deposit and remit the balance (if any) to the Purchaser, or if the Purchaser disputes the Claim or does not respond in writing within such five (5) Business Day period, then, the Vendors' Counsel shall pay the Deposit into Court and thereupon shall be relieved of all responsibilities and liabilities with respect thereto. This provision and the indemnity shall survive and not merge on termination of this Agreement regardless of the cause or reason of such termination. The Purchaser shall provide evidence of public liability insurance, acceptable to the Vendors' Representative acting reasonably, prior to accessing the Real Properties or any one or more of them.

Section 4.03 <u>Confidentiality of Information</u>

Each Party, Corporation or Partnership and their Representatives shall keep confidential all information and documentation obtained by such Party, Corporation or Partnership or their Representatives from the other Party pursuant to or in connection with this Agreement pursuant to the terms and conditions of the confidentiality agreement dated the 21st day of September, 2018, made between the Purchaser and Real Storage Group (the "**Confidentiality Agreement**").

Section 4.04 <u>Public Announcements</u>

No Party shall make any public statement or issue any press release concerning the Transaction except as agreed by the Purchaser and the Vendors' Representative in writing or as may be necessary, in the opinion of counsel to the Party making that disclosure, to comply with the requirements of all Applicable Law. Where such disclosure is required by Applicable Law, the Party required to make such disclosure shall use commercially reasonable efforts to obtain approval of the Purchaser or Vendors' Representative, as applicable, as to its form, nature and extent of the disclosure. Notwithstanding the foregoing provisions of this Section 4.04, from and after the expiry of the Further Conditional Period, the Purchaser shall be entitled to issue a news release substantially in the form and substance attached as Schedule 4.04 subject to prior review and approval of the Vendors' Representative in terms of compliance with requirements relating to Competition Act Approval, acting reasonably.

Section 4.05 <u>Disclosure and Consultation in Respect of the Transaction</u>

Subject to Section 4.04, no Party shall disclose this Agreement or any aspect of the Transaction to any Person other than the Execution Date Vendors, Private Trust Vendors, Woodfield LP Vendors, SNS Kitchener LP Vendors and their respective board of directors, senior management, legal, tax, accounting, financial or other professional advisors, bankers, any financial institution contacted by it with respect to approvals for the Transaction, any financial institution, dealer or other financer contacted by it with respect to any financing required in connection with the Transaction and counsel to those financial institutions, dealers or financers, or as may be required by any Applicable Law or as agreed by the Vendors' Representative and the Purchaser. The Vendors' Representative and the Purchaser shall mutually agree on the manner by which either Parties' employees, customers, suppliers and other Persons having dealings with such Party shall be informed of the Transaction.

Section 4.06 Personal Information

Each Party shall comply with Privacy Law in the course of collecting, using and disclosing Transaction Personal Information. The Purchaser shall collect Transaction Personal Information prior to Closing only for purposes related to the Transaction and as is necessary to determine whether to proceed with such Transactions in connection with its investigations of the Business, the Corporations and the Partnerships and their respective properties and assets. At any time prior to the Closing Date, the Purchaser shall not disclose Transaction Personal Information to any Person other than to its Representatives who are evaluating and advising on the transactions contemplated by this Agreement. If the Purchaser proceeds with the Transaction, the Purchaser shall not, following the Closing, without the consent of the individuals to whom such Personal Information relates or as permitted or required by Applicable Law, use or disclose Transaction Personal Information:

(a) for purposes other than those for which such Transaction Personal Information was collected by the Corporations or the Partnerships prior to the Closing; and

(b) which does not relate directly to the carrying on of the Business or to the carrying out of the purposes for which the transactions contemplated by this Agreement were implemented.

The Purchaser shall protect and safeguard the Transaction Personal Information against unauthorized collection, use or disclosure, as provided by Privacy Law. The Purchaser shall cause its Representatives to observe the terms of this Section 4.06 and to protect and safeguard Transaction Personal Information in their possession. If the Parties do not proceed with the Transaction, the Purchaser shall promptly deliver to the Vendors' Representative all Transaction Personal Information in its possession or in the possession of any of its Representatives, including all copies, reproductions, summaries or extracts thereof, including in electronic form. Notwithstanding the foregoing, the terms of the Confidentiality Agreement will continue to apply until the Confidentiality Agreement either terminates on Closing or, if the Closing does not occur, the Confidentiality Agreement will remain in effect in accordance with and subject to its terms.

ARTICLE FIVE
CONDITIONAL PERIOD AND CLOSING CONDITIONS

Section 5.01 Financial Due Diligence Conditional Period

The Purchaser's obligation to complete the Transaction provided for in this Agreement shall be conditional until the expiry of the Financial Due Diligence Conditional Period upon the Purchaser examining and being satisfied, in its sole and absolute discretion with (a) the Preliminary Documents for Inspection; (b) its review of the Financial Statements; and (c) its preliminary site visit to each Real Property.

Section 5.02 Further Conditional Period

The Purchaser's obligation to complete the Transaction provided for in this Agreement shall be conditional until the expiry of the Further Conditional Period upon:

(a) the Purchaser, acting reasonably, being satisfied that the zoning permits the use of each Real Property as a self-storage facility;

(b) the Purchaser examining and, acting reasonably, being satisfied with the state of repair of the Buildings and the condition of the Real Properties;

(c) the Purchaser having the Real Properties inspected by a qualified consultant and receiving a Phase I or Phase II Environmental Site Assessment Report or any supplemental report thereto for each Real Property satisfactory to the Purchaser in its sole discretion, acting reasonably (the "**Environmental Condition**");

(d) the Purchaser having completed its due diligence investigation into title to the Real Properties and Purchased Securities and the remaining Documents for Inspection and such investigation will not have disclosed any matter which the Purchaser, acting reasonably, considers to be materially adverse to the Business or the Purchased Securities;

(e) the Transaction being approved by the board of directors of the Purchaser, in its sole and absolute discretion; and

(f) the Transaction being approved by the board of directors of Wilmington, in its sole and absolute discretion.

The Vendors' obligations to complete the Transaction provided for in this Agreement shall be conditional upon the Transaction being approved by the board of directors of Wilmington, in its sole and absolute discretion prior to the expiry of the Further Conditional Period (the "**Wilmington Board Approval**").

The Parties hereby acknowledge and agree that the Purchaser will provide Notice to Wilmington of the date of its board of directors meeting called to consider the Transaction at least five (5) Business Days in advance of such meeting, wherein it will confirm that all of the Initial Conditions (other than Wilmington Board Approval and approval of the Transaction by the board of directors of the Purchaser) have been satisfied or waived, and that Wilmington shall hold its board of directors meeting to consider the Transaction on or prior to the date of the Purchaser's board of directors meeting, to the extent the Vendors' Representative has not already provided Notice to the Purchaser as to whether or not the Wilmington Board Approval has been obtained, as described below.

The Purchaser shall provide Notice to the Vendors' Representative prior to the expiry of the Financial Due Diligence Period (the "**First Waiver Notice**") and, if applicable, prior to the expiry of the Further Conditional Period (the "**Second Waiver Notice**") as to whether or not any or all of the Initial Conditions to be satisfied or waived during the Financial Due Diligence Period or, if applicable, during the Further Conditional Period, have been satisfied, fulfilled or waived. In the event that the Notice does not confirm that all of the Initial Conditions described in Section 5.01 are satisfied, fulfilled or waived or in the event the Second Waiver Notice does not confirm that all of the Initial Conditions described in Section 5.02 are satisfied, fulfilled or waived, or in the event the Wilmington Board Approval is not obtained prior to the expiration of the Further Conditional Period, then this Agreement shall become null and void and the Deposit shall, subject to Section 4.02, be returned promptly to the Purchaser together with all accrued interest, to the extent actually received by Vendors' Counsel, and without deduction and, subject only to the obligations of the Purchaser pursuant to Section 4.02 and the obligations of a Party to Sections 4.03, 4.04, 4.05 and 4.06 hereof which shall survive any termination, no Party shall have any further obligations to the other hereunder. The waiver of any of the Initial Conditions by the Purchaser does not in any way limit or restrict the representations and warranties of the Vendors hereunder unless otherwise indicated in this Agreement. The Vendors' Representative shall provide Notice to the Purchaser prior to the expiry of the Further Conditional Period as to whether or not the Wilmington Board Approval has been obtained. The Parties agree that the Initial Conditions have been included for the benefit of the Purchaser and the Vendors, as applicable, and, notwithstanding that any of them may be a true condition precedent, the Purchaser and the Vendors, as applicable, may waive any or all of the Initial Conditions in whole or in part at any time prior to the expiry of the Financial Due Diligence Conditional Period or Further Conditional Period, as applicable, without prejudice to any of their respective rights of termination in the event of non-performance in whole or in part of any other condition for its benefit.

Section 5.03 **Closing Conditions of the Purchaser**

The Closing of the Transaction is subject to the following conditions, which conditions are for the exclusive benefit of the Purchaser, are to be fulfilled and/or performed at or prior to the Closing Date and may be waived by the Purchaser only (the "**Purchaser's Closing Conditions**"):

(a) the representations and warranties of the Vendors contained in this Agreement and the Schedules hereto shall be, in all material respects, true and correct at Closing with the same force and effect as if such representations and warranties were made at and as of such time and the Vendors' Representative shall have delivered to the Purchaser at Closing, for and on behalf of all Vendors, a certificate of a senior officer of the Vendors' Representative to that effect; provided however, (i) if a representation and warranty is qualified by materiality or Material Adverse Change, it must be true and correct in all respects after giving effect to such qualification, and (ii) if a representation and warranty speaks only as of a specific date, it only needs to be true and correct as of that date; provided further that if the Vendors are in breach of any such representations and warranties and the subject matter thereof does not constitute a Material Adverse Change, this breach will not be deemed to cause this condition not to be satisfied by virtue of such breach;

(b) all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Vendors on or before the Closing Date shall have been complied with or performed, in all material respects, and the Vendors' Representative shall have delivered to the Purchaser at Closing, for and on behalf of all Vendors, a certificate of a senior officer of the Vendors' Representative to that effect (collectively with the certificate referred to in Section 5.03(a), the "**Vendors' Certificate**");

(c) the Vendors shall have executed and delivered all of the Closing Documents required to be delivered by them pursuant to this Agreement;

(d) the Vendors shall have delivered all the share certificates and unit certificates representing the Purchased Securities duly endorsed in favour of the Purchaser or share transfer or unit transfer forms in lieu thereof and all unit or other security certificates, as applicable, in respect of the Cancelled Securities, stamped as "cancelled";

(e) the Restrictive Covenants Agreement shall have been executed and delivered by each of the Persons to be bound thereby;

(f) the Escrow Agreement shall have been executed and delivered by the Vendors' Representative and the Vendors' Counsel;

(g) the Parties shall have obtained Competition Act Approval, subject to the provisions of Section 9.03;

(h) no temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or other legal or regulatory restraint or prohibition preventing the Parties, or any one of them, from consummating the Transaction will be in effect; nor will there be any Applicable Laws as at the time of Closing enacted, entered, enforced or deemed applicable to the Transaction which makes the consummation of such Transaction illegal; and

(i) the Vendors shall have obtained all Third Party Consents (as hereinafter defined, other than the Construction Loan Facility Consent and the *[Redacted – name of lender]* Consent) required by the Vendors to effect a complete and valid transfer of the Purchased Securities to the Purchaser;

(j) if required, the Purchaser shall have obtained the initial conditional acceptance of the TSXV with respect to the Transaction, including, without limitation, the issuance of all Payment Shares to be issued pursuant to the Transaction, subject to satisfaction by the Purchaser of customary post-Closing conditions imposed by the TSXV for transactions similar to the Transaction;

(k) if required pursuant to the policies of the TSXV or the conditional acceptance letter of the TSXV, the Purchaser shall have obtained the approval of the shareholders of the Purchaser in accordance with the policies of the TSXV;

(l) the Purchaser shall, if required, have received all regulatory approvals, including any approvals and consents from the TSXV that may be required in connection with the Closing of the Transaction;

(m) all of the Private Trust Options shall have been exercised or terminated such that there are no Private Trust Options issued or outstanding at the Closing Time pursuant to the Conditional Cancellation Agreements;

(n) either each Private Trust Vendor shall have provided a waiver of its rights as set out in sections 3.5(a)(i), 3.5(a)(ii), 5.21 and 5.23 of the Private Trust Agreement, whether by becoming party to this Agreement as a Vendor or otherwise, or the Private Trust Agreement shall have been amended in accordance with Section 6.07(e);

(o) Wilmington shall have obtained the Wilmington Shareholder Approval.

If any of the Purchaser's Closing Conditions described in this Section 5.03 shall not have been fulfilled and performed at or prior to the Closing Date to the satisfaction of the Purchaser, acting reasonably, and the Purchaser has given Notice thereof to the Vendors' Representative, the Purchaser may terminate this Agreement by Notice to the Vendors' Representative and in such event the Purchaser shall, except with respect to its obligations under Sections 4.02, 4.03, 4.04, 4.05 and 4.06 hereof which shall survive any termination, be released from all of its obligations hereunder; provided, however, that the Parties agree that the Purchaser's Closing Conditions have been included for the sole and exclusive benefit of the Purchaser and, notwithstanding that same may be a true condition precedent, the Purchaser shall be entitled to waive compliance with any such Purchaser's Closing Conditions in whole or in part if it sees fit without prejudice to any of its rights of termination in the event of non-performance in whole or in part of any other condition for its benefit.

Section 5.04 Closing Conditions of the Vendors

The Closing of the Transaction is subject to the following terms and conditions, which conditions are for the exclusive benefit of the Vendors and are to be fulfilled and/or performed at or prior to the Closing Date and may be waived by the Vendors' Representative only (the "**Vendors' Closing Conditions**"):

(a) the representations and warranties of the Purchaser contained in this Agreement and the schedules hereto shall be, in all material respects, true and correct at Closing with the same force and effect as if such representations and warranties were made at and as of such time and the Purchaser shall have delivered to the Vendors' Representative on Closing a certificate of a senior officer of the Purchaser; however, (i) if a representation and warranty is qualified by materiality or Material Adverse Change, it must be true and correct in all respects after giving effect to such qualification, and (ii) if a representation and warranty speaks only as of a specific date, it only needs to be true and correct as of that date; provided further that if the Purchaser is in breach of any such representations and warranties and the subject matter thereof does not constitute a material adverse change to the Purchaser or its ability to consummate the transactions contemplated hereby on a timely basis, this breach will not be deemed to cause this condition not to be satisfied by virtue of such breach.

(b) all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Purchaser on or before the Closing Date shall have been complied with or performed, in all material respects; and the Purchaser shall have delivered to the Vendors' Representative at Closing a certificate of a senior officer of the Purchaser to that effect (collectively with the certificate referred to in Section 5.04(a), the "**Purchaser's Certificate**");

(c) all consents of third parties necessary to effect a valid and complete transfer of the Purchased Securities to the Purchaser, including any consents required under any Material Operating Agreements or the Licences that are listed in Schedule 5.04(c) of the Vendors' Disclosure Letter (the "**Third Party Consents**") shall have been obtained by the Vendors in the form and content acceptable to the Vendors' Representative, acting reasonably, excluding any Third Party Consents in respect of which the Purchaser provides a waiver of this condition;

(d) if required, the Purchaser shall have obtained the initial conditional acceptance of the TSXV with respect to the Transaction, including, without limitation, the issuance of all Payment Shares to be issued pursuant to the Transaction, subject to satisfaction by the Purchaser of customary post-Closing conditions imposed by the TSXV for transactions similar to the Transaction;

(e) if required pursuant to the policies of the TSXV or the conditional acceptance letter of the TSXV, the Purchaser shall have obtained the approval of the shareholders of the Purchaser in accordance with the policies of the TSXV;

(f) Wilmington shall have obtained Wilmington Shareholder Approval;

(g) the Parties shall have obtained Competition Act Approval, subject to the provisions of Section 9.03;

(h) if required, the Purchaser shall have received all regulatory approvals including any approvals or consents from the TSXV, excluding Competition Act Approval, to be obtained from that may be required in connection with the Closing of the Transaction;

(i) no temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or other legal or regulatory restraint or prohibition preventing the Parties, or any one of them, from consummating the Transaction will be in effect; nor will there be any Applicable Laws as at the time of Closing enacted, entered, enforced or deemed applicable to the Transaction which makes the consummation of such Transaction illegal;

(j) the Purchaser shall have executed and delivered the Escrow Agreement; and

(k) the Purchaser shall have executed and delivered all of the Closing Documents required to be delivered by the Purchaser pursuant to this Agreement.

If any of the conditions described in this Section 5.04 shall not have been fulfilled and performed at or prior to the Closing Date to the satisfaction of the Vendors' Representative, acting reasonably, and the Vendors' Representative has given Notice thereof to the Purchaser, the Vendors' Representative may terminate this Agreement by Notice to the Purchaser and in such event the Vendors shall, except with respect to their obligations under Sections 4.03, 4.04, 4.05 and 4.06 hereof which shall survive any termination, be released from all of their obligations hereunder; provided, however, that the Parties agree that the Vendors' Closing Conditions have been included for the sole and exclusive benefit of the Vendors and, notwithstanding that same may be a true condition precedent, the Vendors' Representative shall be entitled to waive compliance with any such Vendors' Closing Conditions in whole or in part if they see fit without prejudice to any of their rights of termination in the event of non-performance in whole or in part of any other condition for their benefit.

Section 5.05 **Commercially Reasonable Efforts to Satisfy Conditions**

The Purchaser covenants and agrees that it shall utilize its commercially reasonable efforts to ensure that each of the conditions set out in Section 5.01, Section 5.02 (other than the Wilmington Board Approval) and Section 5.04 hereof are satisfied on or before the expiry of the Financial Due Diligence Period or the Further Conditional Period, or on or before the Closing Date, as applicable. Each of the Vendors covenants and agrees that it shall utilize its commercially reasonably efforts to ensure that each of the conditions set out in Section 5.03 hereof are satisfied and that the Wilmington Board Approval is obtained, on or before the expiry of the Financial Due Diligence Period or the Further Conditional Period, or on or before the Closing Date, as applicable.

ARTICLE SIX
INTERIM OPERATIONS

Section 6.01 **Insurance**

Until the Closing the Vendors agree to cause the Corporations and the Partnerships to insure all of their respective property, assets and operations against loss or destruction or liability in a manner and consistent with past practice. Should any loss or destruction occur prior to the Closing Date with respect to any Real Property, the Vendors shall, during the Interim Period following the satisfaction or waiver of the Initial Conditions, cause the applicable Corporation or the applicable Partnership to accept the proceeds of insurance arising out of such loss and the Closing shall be completed on the Closing Date, provided that any insurance proceeds received by or payable to the applicable Corporation or the applicable Partnership in respect thereof shall not be included in the calculation of Closing Date WC.

Section 6.02 **Conduct of Business Prior to Closing**

Except as otherwise contemplated hereunder, during the Interim Period following the satisfaction or waiver of the Initial Conditions:

(a) Conduct Business in the Ordinary Course: The Vendors shall use commercially reasonable efforts to cause each of the RS Entities to: (i) conduct the Business only in the ordinary and normal course consistent with past practice; and (ii) not to, without the prior written consent of the Purchaser, do or permit to be done any acts or things which would cause any of the representations and warranties contained herein to be untrue if made at the Closing Time or constitute a breach of any other provision hereof;

(b) Incurring of Obligations: Except to the extent otherwise expressly permitted herein, each of the RS Entities shall not, without the prior written consent of the Purchaser, undertake any capital expenditures, increase any salaries, wages or benefits to Employees other than salaries at their customary rates or enter into any Contracts having a term greater than twelve (12) months or an aggregate expenditure of more than $100,000.00 out of the ordinary course of business;

(c) Shareholder Loans and Related Party Debt: The Vendors shall, on or prior to Closing, cause each of the RS Entities to pay and satisfy all Debt of the RS Entities owing to the Execution Date Vendors, the Private Trust Vendors, the Woodfield LP Vendors, the SNS Kitchener LP Vendors and their Related Persons; and

(d) Dividends, Distributions etc.: Except as provided in Schedule 6.02(d) of the Vendors' Disclosure Letter, the Vendors covenant and agree that none of the RS Entities will declare, pay or distribute any dividends, bonuses or other amounts or make any other distributions, other than distributions made in accordance with customary practice of the RS Entities, to their shareholders, partners, unitholders or their Related Persons or undertake any other transaction, including any reduction in paid up capital of the Shares, Trust Units or the LP Units, that would cause a reduction in the shareholders equity or partners' capital of the RS Entities,

provided that the foregoing shall not restrict any RS Entity from (x) making any such payments or distributions as are necessary in order for each of (i) the RS Entities (other than the Woodfield LP and SNS Kitchener LP) on a consolidated basis, (ii) the Woodfield LP, and (iii) the SNS Kitchener LP, to achieve Working Capital of as close to $1.00, as possible as of the Closing Date, (y) entering into, assigning or performing its obligations under the New Parcel PSA, or (z) entering into or performing its obligations under the Construction Loan Facility. Notwithstanding the foregoing, during the Interim Period prior to the satisfaction or waiver of the Initial Conditions, the Vendors' Representative, for and on behalf of the Vendors, shall consult with the Purchaser and have reasonable regard for the views of the Purchaser with respect to the matters contemplated in this Section 6.02.

Section 6.03 Approvals of the Purchaser

From and after the satisfaction or waiver of the Initial Conditions, the Vendors covenant and agree that each of the RS Entities will not enter into any Customer Contract, Lease or Contract or renewal or amendment of any Customer Contract, Lease or Contract or amend, cancel or accept a surrender or forfeiture of any Customer Contract, Lease or Contract other than in the ordinary course of the Business and on terms and conditions consistent with the rental policy (in the case of a Customer Contract) or the purchasing policy (in the case of a Contract) of the Business existing as of the last day of the Financial Due Diligence Conditional Period. In the event that, from and after the satisfaction or waiver of the Initial Conditions, any of the Corporations or any of the Partnerships propose to enter into a Customer Contract, Lease or Contract or a renewal or amendment of any Customer Contract, Lease or Contract, or proposes to amend, cancel or accept a surrender or forfeiture of a Customer Contract, Lease or Contract other than in the ordinary course of the Business and on terms and conditions which are not consistent with the rental policy (in the case of a Customer Contract) or the purchasing policy (in the case of a Contract) of the Business existing as of the last day of the Financial Due Diligence Conditional Period ("**Non-Ordinary Course Transactions**"), the Purchaser's consent shall be required, such consent not to be unreasonably withheld. The Vendors shall promptly give Notice with full particulars to the Purchaser if any of the Corporations or any of the Partnerships propose to do any of the foregoing Non-Ordinary Course Transactions. Within three (3) Business Days after receiving such Notice, the Purchaser shall give Notice to the Vendors' Representative whether or not it is granting its approval under this Section 6.03 and if the Purchaser does not deliver such Notice to the Vendors' Representative, then it shall be deemed to have given its approval to the relevant actions specified in the Vendors' Notice. In this Agreement, "Approved Contracts", "Approved Customer Contracts" and "Approved Leases" means Contracts, Customer Contracts and Leases, respectively, entered into after the expiry of the Further Conditional Period where the Purchaser has been given the necessary Notice or has granted the necessary approval, as the case may be. Notwithstanding the foregoing, the Parties acknowledge and agree that nothing in this Agreement shall operate to restrict any RS Entity or Vendor from (a) entering into, assigning or performing its obligations under the New Parcel PSA, or (b) entering into or performing its obligations under the Construction Loan Facility.

Section 6.04 Notice of Default

From and after the expiry of the Further Conditional Period, the Vendors shall provide to the Purchaser on a timely basis a copy of any notices of default that the Corporations or the Partnerships receive in respect of any Customer Contract, Lease or Contract alleging default on the part of any Corporation or any Partnership and any notice alleging default under any Customer Contract, Lease or Contract that they send to another Person, in each case only to the extent that such default would result in a Material Adverse Change.

Section 6.05 Work Orders

In the event that any work order, deficiency notice or other claim is made by any Governmental Authority requiring any repair, renovation, or other work to be performed on any Real Property which is received by any Corporation or any Partnership prior to the Closing Date, the Vendors shall, during the Interim Period following the satisfaction or waiver of the Initial Conditions, cause the applicable Corporation or Partnership to perform the work required pursuant to such work order or notice. In the event that such work is not completed by the Closing Date, the Vendors shall undertake to complete such work expeditiously following the Closing Date at their sole cost and expense.

Section 6.06 Lender Consents

(a) Immediately following expiry of the Further Conditional Period and receipt of the Second Waiver Notice from the Purchaser, the Vendors' Representative, for and on behalf of the Vendors, shall use commercially reasonable efforts to obtain written consent from the lender under the Construction Loan Facility to the transfer of all of the SNS Kitchener Class A LP Units to the Purchaser as provided for herein including confirmation that the Construction Loan Facility will continue in full force and effect after Closing on terms substantially similar to the terms set forth in the term sheet between *[Redacted – name of lender]* and SNS Kitchener LP agreed to and accepted on July 9, 2018 (the "**Construction Loan Facility Consent**").

(b) The Purchaser shall provide Notice to Vendors' Representative prior to the expiry of the Further Conditional Period as to whether the Purchaser elects to assume the ABS

Debt. If the Purchaser delivers such Notice and elects to assume the ABS Debt, the Vendors' Representative shall, following expiry of the Further Conditional Period and receipt of the Second Waiver Notice from the Purchaser, for and on behalf of the Vendors, use commercially reasonable efforts to obtain consent from *[Redacted – name of lender]* to the transfer to the Purchaser of the Trust Units provided for herein including confirmation that the ABS Debt will continue in full force and effect after Closing on terms substantially similar to the terms currently in effect (the "*[Redacted – name of lender]* **Consent**").

Section 6.07 <u>Private Trust Vendors</u>

(a) The Execution Date Vendors shall, from and after the Execution Date, use all reasonable commercial efforts to cause the Private Trust Vendors holding, collectively with the Execution Date Vendors, not less than ninety (99%) percent of the issued and outstanding Trust Units to become party to this Agreement as Vendors no later than five (5) Business Days following the expiry of the Further Conditional Period.

(b) The Execution Date Vendors shall, from and after the date that is five (5) Business Days following the expiry of the Further Conditional Period, use reasonable commercial efforts to cause any Private Trust Vendor not made party to this Agreement as a Vendor under Section 6.07(a) to become a party to this Agreement as a Vendor prior to the Closing Date.

(c) Each Private Trust Vendor shall become a party as a Vendor hereunder by (i) executing and delivering to the Purchaser and the Vendors' Representative a counterpart signature page to this Agreement in the form annexed hereto as Schedule 6.07, pursuant to which it agrees to be bound by the terms and conditions of this Agreement, and (b) satisfying any other condition that the Vendors' Representative may reasonably request.

(d) Each of the Execution Date Vendors and each of the Private Trust Vendors that become a party to this Agreement as a Vendor severally, and not jointly and severally, represents and warrants that the provisions of section 5.25 of the Private Trust Agreement constitute legally valid and binding obligations of all of the Private Trust Vendors.

(e) Each of the Execution Date Vendors and each of the Private Trust Vendors that become a party to this Agreement hereby waive their rights as set out in sections 3.5(a)(i), 3.5(a)(ii), 5.21 and 5.23 of the Private Trust Agreement. In the event that any of the Private Trust Vendors have not become party to this Agreement or have not otherwise provided the foregoing waiver by the expiry of the Further Conditional Period, the Vendors agree to cause the Private Trust to hold a meeting of the holders of the Trust Units to amend the Private Trust Agreement to ensure that the rights provided to the holders of the Trust Units in the aforementioned provisions or any other provision of the Private Trust Agreement do not apply or otherwise operate to prevent the consummation of the Transaction, and to make any other amendments that may be required, in the reasonable judgement of, and as mutually agreed to by, the Purchaser and the Vendors' Representative.

(f) In the event that any of the Private Trust Vendors who have not executed and are not party to this Agreement fail or refuse to sell or transfer the Trust Units owned by them to the Purchaser such that collectively with the Execution Date Vendors they are unable to sell and transfer one hundred (100%) percent of the Trust Units to the Purchaser in accordance with the terms of this Agreement (whether as a result of the Execution Date Vendors and Private Trust Vendors that are a party to this Agreement holding, collectively, less than one hundred (100%) percent of the Trust Units or otherwise) and subject to the Execution Date Vendors and Private Trust Vendors that are a party to this Agreement holding, and agreeing to sell and transfer to the Purchaser, collectively, at least ninety (99%) percent of the issued and outstanding Trust Units, the following provisions shall apply:

(i) the portion of the Purchase Price attributable to the Trust Units not transferred to the Purchaser in accordance with the terms of this Agreement will be reduced on a proportionate basis;

(ii) the Purchaser shall, immediately following Closing, exercise and diligently pursue its rights under section 5.25 of the Private Trust Agreement to acquire all of the issued and outstanding Trust Units not already owned by the Purchaser; and

(iii) in the event any Private Trust Vendor that did not become a "Vendor" under this Agreement elects to complete the sale of its Trust Units to the Purchaser on the basis of their "fair value" as set out in section 5.25 of the Private Trust Agreement, the Vendors shall, upon completion of such sale, pay and remit to the Purchaser the amount by which the "fair value" of such Trust Units exceeds the portion of the Purchase Price attributable to such Trust Units pursuant to this Agreement.

Section 6.08 Drag-Along of Woodfield LP Vendors

(a) Each Execution Date Vendor severally, and not joint and severally, represents and warrants to the Purchaser that the Execution Date Vendors, their Affiliates and the Private Trust (collectively, the "**Control Group**") collectively hold more than 50% of the issued and outstanding Woodfield Class A LP Units.

(b) The Vendors covenant and agree as follows:

(i) upon waiver by the Purchaser of the Initial Conditions set out in Section 5.01 and Section 5.02 hereof, the Vendors will deliver a Required Sale Notice (as such term is defined in the Woodfield LP Agreement) to all holders of Woodfield Class A LP Units, and will otherwise comply with all of their obligations under section 11.4(c) of the Woodfield LP Agreement;

(ii) thereafter the Execution Date Vendors and the Private Trust will:

(A) cause each of the holders of Woodfield Class B LP Units to deliver a Put Election Notice (as such term is defined in the Woodfield LP Agreement) to RS GP on a date to be determined by the Vendors' Representative, acting reasonably, provided that such date will occur (1) on or before the last day of the Put Option Period (as such term is defined in the Woodfield LP Agreement), and (2) no more than 60 days prior to the Closing Date, in accordance with section 11.8 of the Woodfield LP Agreement, and will cause Woodfield LP to purchase all of such holder's Woodfield Class B LP Units for cancellation as of the Effective Time for a price per Woodfield Class B LP Unit equal to the fair market value of such Woodfield Class B LP Units on the date of delivery of the Put Election Notice, as determined by RS GP, and otherwise comply with all of their obligations under section 11.8 of the Woodfield LP Agreement; and

(B) to the extent any of the holders of the Woodfield Class B LP Units do not deliver a Put Election Notice in accordance with Section 6.08(b)(ii)(A), cause the Woodfield LP to cause a Call Event (as such term is defined in the Woodfield LP Agreement) to occur on a date to be determined by the Vendors' Representative, provided that such date will occur no more than 60 days prior to the Closing Date, and purchase all of such holder's Woodfield Class B LP Units for cancellation as of the Effective Time for a price per Woodfield Class B LP Unit equal to ninety (90%) percent of the fair market value of such Woodfield Class B LP Units on the date of the Call Event, as determined by RS GP, and otherwise comply with all of their obligations under Section 11.7 of the Woodfield LP Agreement,

provided, for certainty, that the amounts payable to purchase the Woodfield Class B LP Units for cancellation pursuant to either Section 6.08(b)(ii)(A) or Section 6.08(b)(ii)(B) shall be paid out of the proceeds received by the Vendors for the balance of the Purchase Price payable pursuant to Section 3.02(g).

Section 6.09 <u>Drag-Along of SNS Kitchener LP Vendors</u>

(a) Each Execution Date Vendor severally, and not joint and severally, represents and warrants to the Purchaser that the Control Group collectively holds more than 50% of the issued and outstanding SNS Kitchener Class A LP Units;

(b) The Vendors covenant and agree as follows:

(i) upon waiver by the Purchaser of the Initial Conditions set out in Sections 5.01 and 5.02 hereof, the Vendors will deliver a Required Sale Notice (as such term is defined in the Woodfield LP Agreement) to all holders of SNS Kitchener Class A LP Units, and will otherwise comply with all of their obligations under section 11.4(c) of the SNS Kitchener LP Agreement;

(ii) thereafter the Execution Date Vendors and the Private Trust will:

(A) cause each of the holders of SNS Kitchener Class B LP Units to deliver a Put Election Notice (as such term is defined in the SNS Kitchener LP Agreement) to 2242907 GP on a date to be determined by the Vendors' Representative, acting reasonably, provided that such date will occur (1) on or before the last day of the Put Option Period (as such term is defined in the SNS Kitchener LP Agreement), and (2) no more than 60 days prior to the Closing Date, in accordance with section 11.8 of the SNS Kitchener Agreement, and will cause SNS Kitchener LP to purchase all of such holder's SNS Kitchener Class B Units for cancellation as of the Effective Time for a price per SNS Kitchener Class B Unit equal to the fair market value of such SNS Kitchener Class B Units on the date of delivery of the Put Election Notice, as determined by 2242907 GP, and otherwise comply with all of their obligations under section 11.8 of the SNS Kitchener LP Agreement; and

(B) to the extent any of the holders of the SNS Kitchener Class B LP Units do not deliver a Put Election Notice in accordance with Section 6.09(b)(ii)(A), cause SNS Kitchener LP to cause a Call Event (as such term is defined in the SNS Kitchener Agreement) to occur on a date to be determined by the Vendors' Representative, provided that such date will occur no more than 60 days prior to the Closing Date, and purchase all of such holder's SNS Kitchener Class B LP Units for cancellation as of the Effective Time for a price per SNS Kitchener Class B LP Unit equal to ninety (90%) percent of the fair market value of such SNS Kitchener Class B LP Units on the date of the Call Event, as determined by 2242907 GP, and otherwise comply with all of their obligations under Section 11.7 of the SNS Kitchener Agreement,

provided, for certainty, that the amounts payable to purchase the SNS Kitchener Class B LP Units for cancellation pursuant to either Section 6.09(b)(ii)(A) or Section 6.09(b)(ii)(B) shall be paid out of the proceeds received by the Vendors for the balance of the Purchase Price payable pursuant to Section 3.02(g).

Section 6.10 Wilmington Shareholder Approval

Promptly following the satisfaction or waiver by the Purchaser of the Initial Conditions and Wilmington Board Approval, but subject to and in accordance with such timeframes as may be required under Applicable Laws:

(a) Wilmington shall deliver, in accordance with all applicable Securities Laws, a Notice of Special Meeting of the shareholders of Wilmington and a Management Information Circular with respect to the approval of this Agreement and the Transaction by the shareholders of Wilmington (the "**Management Circular**"), including a form of "special resolution" authorizing the entering into of this Agreement and the approval of the Transaction; provided that Wilmington shall provide the Purchaser and the Purchaser's Counsel with draft copies of such Management Circular and any other materials to be provided to the shareholders of Wilmington in connection with such approval, and reasonable opportunity to review and provide comments thereon as is practicable in the circumstances, and reasonable consideration shall be given to any comments made by the Purchaser and the Purchaser's Counsel; the passing of such special resolution by the shareholders of Wilmington holding not less than 66 2/3% of the Shares represented in person or by proxy at the special meeting called to consider such special resolution is herein referred to as the "**Wilmington Shareholder Approval**");

(b) the Management Circular will expressly confirm that the Wilmington Board has unanimously approved the entering into of this Agreement and the completion of the Transaction;

(c) the existing officers and directors of Wilmington will solicit proxies for the voting for the approval of this Agreement and the Transaction;

(d) Wilmington will cause the delivery to the Purchaser of the voting support agreements, in the form annexed hereto as Schedule 6.10, each of which were executed and delivered to the Vendors' Counsel on or prior to the Execution Date by the shareholders of Wilmington listed in Schedule 6.10(d) of the Vendors' Disclosure Letter and which are to be held in escrow and not released to the Purchaser until the satisfaction or waiver of the Initial Conditions and receipt of Wilmington Board Approval; and

(e) Wilmington will utilize on an ongoing basis, during the Interim Period following satisfaction or waiver of the Initial Conditions and the Wilmington Board Approval, reasonable commercial efforts to obtain the Wilmington Shareholder Approval, including all such additional voting support agreements from the shareholders of Wilmington not already obtained on or prior to the Execution Date. Wilmington will utilize reasonable commercial efforts to ensure that the special meeting of the Shareholders is held prior to the Closing Date as determined pursuant to any other provisions of this Agreement. Upon the obtaining of the Wilmington Shareholder Approval, Wilmington shall forthwith provide Notice thereof to the Purchaser.

Section 6.11 Notice of Untrue Representation or Warranty

(a) During the Interim Period following satisfaction or waiver of the Initial Conditions, the Purchaser shall promptly notify the Vendors' Representative if the Purchaser becomes aware that any of the Vendors' representations or warranties is untrue or inaccurate in any material respect. During the Interim Period, the Vendors' Representative shall promptly notify the Purchaser if it becomes aware that any of the Vendors' representations or warranties is untrue or inaccurate in any material respect.

(b) Following notice by the Vendors' Representative under Section 6.11(a), the Vendors' Representative may amend the Disclosure Letters to qualify the applicable representations and warranties, provided such breach does not constitute a Material Adverse Change. If any of the Purchaser's Closing Conditions in Section 5.03 would not have been satisfied without the amendment to a Disclosure Letter, the Purchaser may terminate this Agreement by notice in writing to the Vendors' Representative within 5 Business Days of receiving the revised Disclosure Letter. If the Purchaser does not terminate this Agreement in accordance with this Section 6.11, the Purchaser is deemed to have accepted and agreed to the revised Disclosure Letter and waived in full any breach or inaccuracy of the representations and warranties of the Vendors, and any corresponding closing conditions in favour of the Purchaser, addressed by the amendment to the Disclosure Letter.

(c) Notwithstanding Section 6.11(a) or Section 6.11(b) above, the Vendors' Representative may amend the Disclosure Letters at any time prior to Closing without consent of the Purchaser where it is as a result of any act or omission of the Purchaser contemplated by this Agreement.

ARTICLE SEVEN
CLOSING ARRANGEMENTS

Section 7.01 Closing Date

Subject to compliance with the terms and conditions hereof, the Closing of the purchase and sale of the Purchased Securities shall be effective on and as of the Effective Time.

Section 7.02 Closing Date

Except for matters herein specified to be completed before or after the Closing Date, the completion of all matters herein contemplated shall be effected at the offices of Vendors' Counsel, at the Closing Time, provided, however, that the Closing Time or Closing Date may be such other date or time or at such other place as may be agreed upon.

Section 7.03 Further Assurances

From time to time subsequent to the Closing Date, the Vendors and the Purchaser shall at the reasonable request and expense of the Purchaser or the Vendors', as applicable, execute and deliver such additional conveyances, transfers and other assurances and do such other acts and things as may, in the opinion of Purchaser's Counsel or Vendors' Counsel, be reasonably required to effectively carry out the intent of this Agreement and to transfer the Purchased Securities to the Purchaser.

ARTICLE EIGHT
REPRESENTATIONS AND WARRANTIES

Section 8.01 Representations and Warranties of the Vendors

Each Vendor severally, and not jointly and severally, to the extent of its Vendor's Pro Rata Interest (on the basis set forth in Section 11.02), represents and warrants (acknowledging that the Purchaser in entering into this Agreement in reliance upon the truth and accuracy of all such representations and warranties) to the Purchaser as follows:

(a) the Vendors (other than the Cancelled Securityholders) make the representations and warranties in Section 8.02 to Section 8.29;

(b) the Woodfield LP Vendors make the representations and warranties in Section 8.05(d), Section 8.05(e), Section 8.05(f), Section 8.05(g), Section 8.05(h), Section 8.26, Section 8.27 and Section 8.28;

(c) the SNS Kitchener LP Vendors make the representations and warranties in Section 8.06(d), Section 8.06(e), Section 8.06(f), Section 8.06(g), Section 8.06(h), Section 8.26, Section 8.27 and Section 8.28; and

(d) the Private Trust Optionholders make the representations and warranties in Section 8.04(b), Section 8.04(d), Section 8.04(e), Section 8.04(f), Section 8.26, Section 8.27 and Section 8.28,

it being acknowledged that any representations or warranties with respect to a Vendor or a matter affecting a Vendor (including for certainty the Purchased Securities or Cancelled Securities owned by such Vendor) are made by each Vendor on a several, and not joint and several, basis with respect to itself only).

Section 8.02 **<u>The Corporations and Shares</u>**

(a) each of the Corporations:

(i) is duly incorporated or formed and validly organized, and

(ii) is now and will on Closing be:

(A) a valid and subsisting corporation possessing full corporate power and capacity to hold its assets and properties and to carry on that portion of the Business carried on by it; and

(B) duly qualified to do business and in good standing under the laws of each jurisdiction in which the nature of its activities or the properties owned by it makes such qualification necessary;

(b) the authorized capital of each of the Corporations consists of an unlimited number of different classes of Shares as described in Schedule 8.02(b) of the Vendors' Disclosure Letter. Schedule 8.02(b) of the Vendors' Disclosure Letter also sets out, for each Corporation, the number of Shares of all classes that are now and will be on Closing issued and outstanding;

(c) the respective Shares of each of the respective Corporations have been duly issued as fully paid and non-assessable Shares of each of the Corporations, as applicable, and the respective Shares of each of the respective Corporations will now and will on Closing constitute all of the issued and outstanding Shares, as applicable, of all classes in the capital of each of the Corporations, as applicable;

(d) the Purchased GP Shares are now and will on Closing be owned by Wilmington as the registered and beneficial owner thereof, with a good and marketable title thereto, free and clear of all Encumbrances, other than those restrictions on transfer, if any, contained in the articles of such Corporation; the 1705406 Shares and the ABS Shares are now and will on Closing be owned by the Private Trust, as the registered and beneficial owner thereof, with a good and marketable title thereto, free and clear of all Encumbrances, other than those restrictions on transfer, if any, contained in the articles of such Corporation; the Grizzly Shares are now and will be on Closing be owned by 224907 GP, as the registered and beneficial owner thereof, with a good and marketable title thereto, free and clear of all Encumbrances, other than those restrictions on transfer, if any, contained in the articles of such Corporation; the SNS 2015 GP Shares are now and will be on Closing be owned by 2242907 GP, as the registered and beneficial owner thereof, with a good and marketable title thereto, free and clear of all Encumbrances, other than those restrictions on transfer, if any, contained in the articles of such Corporation;

(e) except for the Purchaser's right under this Agreement and except as otherwise disclosed in Schedule 8.02(e) of the Vendors' Disclosure Letter, no Person now has or will on Closing have any agreement or option or other right capable of becoming an agreement or option for the acquisition of any of the Shares or any issued or unissued shares or other securities (including rights, warrants, options and convertible debt instruments) in the capital of any of the Corporations.

Section 8.03 **<u>The Partnerships and the LP Units</u>**

(a) each of the Partnerships:

(i) is duly formed and validly organized, and

(ii) is now and will on Closing be:

(A) a valid and subsisting limited partnership;

(B) the general partner of each Partnership possesses full corporate power and capacity to hold the assets and property of such Partnership and to carry on that portion of the Business carried on by such Partnership; and

(C) the general partner of each Partnership is duly qualified to do business and in good standing under the laws of each jurisdiction in which the nature of such Partnership's activities or the property owned by it makes such qualification necessary;

(b) the authorized capital of each Partnership consists of different classes of partnership units as described in Schedule 8.03(b) of the Vendors' Disclosure Letter; Schedule 8.03(b) of the Vendors' Disclosure Letter sets out, for each Partnership, the number of LP Units of all classes of each Partnership that are now and will be on Closing issued and outstanding;

(c) the SNL LP Units, the RES LP Units, the RS LP Units and the SNS 2015 LP Units have been duly issued as fully paid and non-assessable LP Units of the SNS LP's and now and will on Closing constitute all of the issued and outstanding LP Units in the capital of the SNS LP's respectively;

(d) the Woodfield Class A LP Units owned by the Private Trust (the "**Private Trust Woodfield Class A LP Units**") have been duly issued as fully paid and non-assessable LP Units of Woodfield LP and now and on Closing will constitute 33.3% of all the issued and outstanding LP Units in the capital of Woodfield LP; the Woodfield Class A LP Units owned by the Woodfield LP Vendors and the Execution Date Vendors now and will on Closing constitute 66.7% of all the issued and outstanding LP Units in the capital of Woodfield LP;

(e) the SNS Kitchener Class A LP Units owned by the Private Trust (the "**Private Trust SNS Kitchener Class A LP Units**") have been duly issued as fully paid and non-assessable LP Units of SNS Kitchener LP and now and on Closing will constitute 24% of all the issued and outstanding LP Units in the capital of SNS Kitchener LP; the SNS Kitchener Class A LP Units owned by the SNS Kitchener LP Vendors and the Execution Date Vendors now and will on Closing constitute 76% of all the issued and outstanding LP Units in the capital of SNS Kitchener LP;

(f) the LP Units in the capital of the SNS LP's, the Private Trust Woodfield Class A LP Units and the Private Trust SNS Kitchener Class A LP Units are now and will on Closing be owned by the Private Trust as the registered and beneficial owner thereof, with a good and marketable title thereto, free and clear of all Encumbrances;

(g) except for the Purchaser's right under this Agreement and except as otherwise disclosed in Schedule 8.03(g) of the Vendors' Disclosure Letter, no Person now has or will on Closing have any agreement or option or other right capable of becoming an agreement or option for the acquisition of any of the LP Units in the capital of the SNS LPs, the Woodfield Class A LP Units, the SNS Kitchener Class A LP Units or any issued or unissued partnership units or other securities (including rights, warrants, options and convertible debt instruments) in the capital of the SNS LP's Woodfield LP and SNS Kitchener LP.

Section 8.04 **<u>Real Storage Private Trust</u>**

(a) the Private Trust:

(i) is duly formed or established and validly organized, and

(ii) is now and will on Closing be:

(A) a valid and subsisting trust;

(B) the trustee of the Private Trust possesses full corporate power and capacity to hold the assets and property of the Private Trust and to carry on that portion of the Business carried on by the Private Trust; and

(C) the trustee of the Private Trust is duly qualified to do business and in good standing under the laws of each jurisdiction in which the nature of the Private Trust's activities or the property owned by it makes such qualification necessary;

(b) the authorized capital of the Private Trust consists of an unlimited number of different classes of trust units as described in Schedule 8.04(b) of the Vendors' Disclosure Letter; Schedule 8.04(b) of the Vendors' Disclosure Letter also sets out the number of trust units of all classes of the Private Trust that are now and will be on Closing issued and outstanding and Schedule 8.04(e) of the Vendors' Disclosure Letter sets out the number of Private Trust Options and any other issued and outstanding securities of the Private Trust;

(c) the Trust Units have been duly issued as fully paid and non-assessable Trust Units of the Private Trust and now and will on Closing constitute all of the issued and outstanding Trust Units in the capital of the Private Trust;

(d) all of the Trust Units are now and will on Closing be collectively owned by the Execution Date Vendors and Private Trust Vendors as set out in the Schedule 8.04(b) of the Vendors' Disclosure Letter, as the registered and beneficial owners thereof, with a good and marketable title thereto, free and clear of all Encumbrances, other than those restrictions on transfer, if any, contained in the deed of trust;

(e) except for the Purchaser's right under this Agreement and except as otherwise disclosed in Schedule 8.04(e) of the Vendors' Disclosure Letter, no Person now has or will on Closing have any agreement or option or other right capable of becoming an agreement or option for the acquisition of the Trust Units or any issued or unissued units or other securities (including rights, warrants, options and convertible debt instruments) in the capital of the Private Trust;

(f) none of the Execution Date Vendors or Private Trust Vendors are now or will be on Closing non-residents of Canada for the purposes of section 116 of the *Income Tax Act*; and

(g) The Private Trust Agreement has been duly executed and delivered by each Execution Date Vendor and each of the Private Trust Vendors and constitutes a legally valid and binding obligation of each Execution Date Vendor and each of the other Private Trust Vendors in accordance with its terms.

Section 8.05 Woodfield Limited Partnership

(a) Woodfield LP:

(i) is duly formed and validly organized, and

(ii) is now and will on Closing be:

(A) a valid and subsisting limited partnership;

(B) the general partner of the Woodfield LP possesses full corporate power and capacity to hold the assets and property of the Woodfield LP and to carry on that portion of the Business carried on by Woodfield LP;

(C) the general partner of Woodfield LP is duly qualified to do business and in good standing under the laws of the Province of Ontario and the laws of Canada applicable thereto and of every other jurisdiction in which the nature of its activities or the property owned by it makes such qualification necessary;

(b) the authorized capital of Woodfield LP consists of an unlimited number of different classes of partnership units as described in Schedule 8.05(b) of the Vendors' Disclosure Letter; Schedule 8.05(b) of the Vendors' Disclosure Letter also sets out the number of LP Units of all classes of Woodfield LP that are now and will be on Closing issued and outstanding;

(c) the Woodfield Class A LP Units owned by the Execution Date Vendors and the Woodfield LP Vendors have been duly issued as fully paid and non-assessable LP Units of Woodfield LP and now and will on Closing constitute, collectively, 66.7% the issued and outstanding Woodfield Class A LP Units in the capital of Woodfield LP;

(d) the Woodfield Class B LP Units owned by the Woodfield LP Vendors have been duly issued as fully paid and non-assessable LP Units of Woodfield LP and now and will on Closing constitute, collectively, 100% of the issued and outstanding Woodfield Class B LP Units;

(e) the Woodfield LP Units are now and will on Closing be collectively owned by the Execution Date Vendors, the Woodfield LP Vendors and the Private Trust as set out in Schedule 8.05(b) of the Vendors' Disclosure Letter, as the registered and beneficial owners thereof, with a good and marketable title thereto, free and clear of all Encumbrances;

(f) except for the Purchaser's right under this Agreement and except as otherwise disclosed in Schedule 8.05(f) of the Vendors' Disclosure Letter, no Person now has or will on Closing have any agreement or option or other right capable of becoming an agreement or option for the acquisition of the Woodfield LP Units or any issued or unissued partnership units or other securities (including rights, warrants, options and convertible debt instruments) in the capital Woodfield LP;

(g) none of the Woodfield LP Vendors are now or will be on Closing non-residents of Canada for the purposes of section 116 of *The Income Tax Act*; and

(h) The Woodfield LP Agreement has been duly executed and delivered by the Private Trust and each of the other Woodfield LP Vendors and constitutes a legally valid and binding obligation of the Private Trust and each of the other Woodfield LP Vendors in accordance with its terms.

Section 8.06 <u>SNS Storage (Ontario) Limited Partnership</u>

(a) SNS Kitchener LP:

(i) is duly formed and validly organized, and

(ii) is now and will on Closing be:

(A) a valid and subsisting limited partnership;

(B) the general partner of SNS Kitchener LP possesses full corporate power and capacity to hold the assets and property of SNS Kitchener LP and to carry on that portion of the Business carried on by SNS Kitchener LP; and

(C) the general partner of SNS Kitchener LP is duly qualified to do business and in good standing under the laws of the Province of Ontario and the laws of Canada applicable thereto and of every other jurisdiction in which the nature of SNS Kitchener LP's activities or the property owned by it makes such qualification necessary;

(b) the authorized capital of SNS Kitchener LP consists of an unlimited number of different classes of partnership units as described in Schedule 8.06(b) of the Vendors' Disclosure Letter; Schedule 8.06(b) of the Vendors' Disclosure Letter also sets out the number of LP Units of all classes of SNS Kitchener LP that are now and will be on Closing issued and outstanding;

(c) the SNS Kitchener Class A LP Units owned by the Execution Date Vendors and the SNS Kitchener LP Vendors have been duly issued as fully paid and non-assessable LP Units of SNS Kitchener LP and now and will on Closing constitute, collectively, 76% of the issued and outstanding SNS Kitchener Class A LP Units in the capital of SNS Kitchener LP;

(d) the SNS Kitchener Class B LP Units owned by the SNS Kitchener LP Vendors have been duly issued as fully paid and non-assessable LP Units of SNS Kitchener LP and now and will on Closing constitute, collectively, 100% of the issued and outstanding SNS Kitchener Class B LP Units;

(e) the SNS Kitchener LP Units are now and will on Closing be collectively owned by the Execution Date Vendors, the SNS Kitchener LP Vendors and the Private Trust as set out in Schedule 8.06(b) of the Vendors' Disclosure Letter, as the registered and beneficial owners thereof, with a good and marketable title thereto, free and clear of all Encumbrances;

(f) except for the Purchaser's right under this Agreement and except as otherwise disclosed in Schedule 8.06(f) of the Vendors' Disclosure Letter, no Person now has or will on Closing have any agreement or option or other right capable of becoming an agreement or option for the acquisition of the SNS Kitchener LP Units or any issued or unissued partnership units or other securities (including rights, warrants, options and convertible debt instruments) in the capital SNS Kitchener LP;

(g) none of the SNS Kitchener LP Vendors are now or will be on Closing non-residents of Canada for the purposes of section 116 of *The Income Tax Act*; and

(h) the SNS Kitchener LP Agreement has been duly executed and delivered by the Private Trust and each of the SNS Kitchener LP Vendors and constitutes a legally valid and binding obligation of the Private Trust and each of the other SNS Kitchener LP Vendors in accordance with its terms.

Section 8.07 **Financial Matters**

(a) except as set forth in Schedule 8.07 of the Vendors' Disclosure Letter or as set forth in the Documents for Inspection or as otherwise permitted by this Agreement, none of the RS Entities has since the date of the Interim Financial Statements, declared or paid any dividends, bonuses, management fees or made any other distributions to its shareholders or partners or their Related Persons or any other Person or declared or made any other distributions in respect of any of its Shares, LP Units, Trust Units or capital and has not redeemed, purchased or otherwise acquired any of its Shares, LP Units or Trust Units or agreed to do so and all dividends, distributions and other amounts previously declared have been fully paid or will be fully paid prior to Closing;

(b) save and except for any Current Trade Debts, Assumed Debt or other obligations reflected in the Draft Working Capital Statement in respect of which the Purchase Price is adjusted pursuant to this Agreement, none of the RS Entities will, as of the Closing Date, have any Debt and none of the RS Entities will on Closing have any indebtedness or liability whatsoever to their shareholders or partners or their Related Persons howsoever arising or incurred and whether fixed, absolute, contingent or otherwise;

(c) the Financial Statements (excluding the interim statements) of each RS Entity have been prepared in accordance with ASPE applied on a basis consistent with prior years, and present fairly the assets, liabilities (whether accrued, absolute, conditional, contingent or otherwise) and financial condition of each RS Entity, as applicable, as at the respective dates of the Financial Statements and the sales, expenses, earnings and results of operations of each RS Entity, as applicable, for the respective periods covered by the Financial Statements;

(d) the Books and Records of the RS Entities fairly and correctly set out and disclose in accordance with ASPE, the financial position of the RS Entities as at the applicable date and all financial transactions of the RS Entities have been accurately recorded in such Books and Records, except where the failure to do so would not reasonably be expected to result in a Material Adverse Change;

(e) since the date of the Interim Financial Statements, there has been no Material Adverse Change in the business, operations, affairs or condition of any of the RS Entities, financial or otherwise, and to the knowledge of the Vendors, no event has occurred or circumstance exists which would reasonably be expected to result in such a Material Adverse Change.

Section 8.08 <u>Title To Assets</u>

(a) each of the RS Entities now has and will on Closing have good and marketable title to all of its assets and undertaking, including the applicable Real Properties and all other property and assets reflected in the Financial Statements of such RS Entity, free and clear of all Encumbrances, except for Permitted Encumbrances;

(b) each of ABS and Grizzly and each Partnership holds a 100% beneficial interest in and to each Real Property, as applicable, as set out in Schedule 8.08 of the Vendors' Disclosure Letter;

(c) except as set forth in Schedule 8.08 of the Vendors' Disclosure Letter, no Person has any written or oral agreement, option, understanding or commitment, or any right or privilege capable of becoming an agreement, for the purchase or rental from any of the Corporations or from any of the Partnerships of any of their property or assets, except for rental of storage units or other leasable premises to the Customers and Tenants or as otherwise would not be material.

Section 8.09 <u>Receivables</u>

Save and except for any Receivables reflected as bad debts or included in the allowance for doubtful accounts in the Financial Statements or as set forth in the Documents for Inspection, all material Receivables are bona fide.

Section 8.10 <u>Inventories</u>

All of the Inventories are of merchantable quality and fit for the purpose for which they are intended, except for Inventories that are written off or written down as reflected in the Financial Statement or as set forth in the Documents for Inspection or as would not otherwise be material.

Section 8.11 <u>Material Operating Agreements</u>

(a) Except as set forth in Schedule 8.11(a) of the Vendors' Disclosure Letter or any other schedule of the Vendors' Disclosure Letter and except as set forth in the Documents for Inspection, none of the RS Entities is a party to or otherwise bound by any of the following Contracts (collectively, the "**Material Operating Agreements**"):

(i) except for the Leases, any other lease or sublease of real property;

(ii) except for the Equipment Leases, any other material lease of any Equipment;

(iii) any Contract for capital expenditures or the purchase of goods, services, materials, supplies or equipment providing for either (A) annual payments in excess of $50,000.00 or (B) aggregate payments in excess of $100,000.00;

(iv) save and except for the LP Agreements, any Contract for any partnership, joint venture, strategic alliance or other similar arrangement;

(v) any Contract providing for the settlement of any material claim against any RS Entity pursuant to which such RS Entity has any material continuing obligations;

(vi) any Contract relating to the acquisition or divesture of any material business or material assets (whether by merger, sale of equity, sale of assets or otherwise), including any Contract pursuant to which such RS Entity is, or may become, obligated to pay any amount in respect of an "earn-out" or other form of deferred or contingent consideration;

(vii) any Contract granting any Person a right of first refusal, right of first offer or similar right to purchase or acquire any of the equity interests, assets, properties or business of any RS Entity;

(viii) any Contract requiring any RS Entity to make any advance, loan, extension of credit or capital contribution to, or other investment in, any Person;

(ix) any Contract (A) relating to the incurrence, assumption or guarantee of any indebtedness (including all loan agreements, notes, bonds, debentures, indentures or guarantees) by any RS Entity or (B) creating or granting an Encumbrance on the Purchased Securities or any assets or properties of any RS Entity;

(x) any Contract that limits or purports to limit the ability of any RS Entity (or would limit or purport to limit the ability of the Purchaser after the Closing) (A) to engage in any line of business, (B) to compete with any Person, (C) to operate in any geographic area, (D) to solicit or accept business from the clients or prospective clients of any Person or (ii) to solicit for employment or hire any Person; or

(xi) any other Contract of a type that is not covered by the foregoing clauses of this Section 8.11(a) and (A) is not terminable on not more than ninety (90) days' notice and without the payment of any penalty by any RS Entity or (B) is material to the operation of the Business or the absence of which would constitute a Material Adverse Change to the RS Entities.

(b) The Vendors have made available to the Purchaser a true, complete and correct copy of each Material Operating Agreement made in writing, along with accurate written descriptions in all material respects of each Material Operating Agreement made orally, including all amendments thereto.

(c) Except as disclosed in this Agreement or any Schedule:

(i) none of the RS Entities is in material default or in material breach of any of its material obligations under any one or more of the Material Operating Agreements and, to the knowledge of the Vendors, there exists no state of facts which, after notice or lapse of time or both, would constitute such a material default or material breach; and

(ii) none of the RS Entities has received written notice advising that such RS Entity is in material default under any of the Material Operating Agreements.

Section 8.12 Guarantees

(a) except as set forth in Schedule 8.11(a) of the Vendors' Disclosure Letter or described in Schedule 8.12 of the Vendors' Disclosure Letter:

(i) no RS Entity is a party to or bound by any agreement of guarantee, indemnification, assumption or endorsement or any other like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any other Person; and

(ii) no RS Entity is required to provide any letters of credit, bonds or other financial security arrangements in connection with its dealings with any suppliers, customers or any other Person.

Section 8.13 Taxes

(a) Each RS Entity has paid all Taxes due at or prior to the Closing Date in respect of all Pre-Closing Tax Periods. Each RS Entity will make adequate provisions in the Closing Working Capital Statement for all Taxes payable in respect of all Pre-Closing Tax Periods prior to the Closing Date but not yet due and any such accrual shall be reflected in the calculation of Closing Date WC as set out in Section 3.03. Any provision for Taxes shall be in accordance with ASPE applied on a consistent basis.

(b) Each RS Entity has filed when due all Tax Returns and such returns are true, correct and complete in all material respects and have been prepared on a consistent basis. There are no agreements, waivers or other arrangements providing for an extension of time with respect to filing of any Tax Return or the expiration of any period within which an assessment or reassessment may be made for the payment of any Taxes. There are no outstanding issues relating to Taxes which have been raised by any Governmental Authority. No RS Entity has ever applied for or received an advance income tax ruling from Canada Revenue Agency or any other similar ruling or determination from Canada Revenue Agency or any other Governmental Authority.

(c) No RS Entity has been or is currently required to file Tax Returns or elections or designations in respect of Taxes with any Governmental Authority located in any jurisdiction outside Canada or outside the Provinces of British Columbia, Alberta and Ontario.

(d) Each RS Entity has been assessed or reassessed for Tax under the Income Tax Act and each Provincial Tax Act in respect of all Pre-Closing Tax Periods up to and including the year ended December 31, 2017. The Vendors have provided to the Purchaser and Purchaser's Counsel pursuant to Section 4.01 hereof complete copies of the Provincial and Federal Tax Returns for the 2014, 2015, 2016 and 2017 Tax Periods for each RS Entity and copies of all assessments and reassessments relating to such Tax periods.

(e) Each RS Entity has properly withheld or collected all Taxes required to be withheld or collected under applicable legislation, and has remitted when due all such Taxes to the applicable Governmental Authorities.

(f) Each of the RS Entities is properly registered and licensed for the purposes of paying, collecting or remitting all applicable Taxes relating to the Business. Each Corporation and each Partnership has properly applied for and filed, or will properly apply for and file prior to the Closing Date where required to do so on or before the Closing Date, claims for all Tax refunds or rebates to which it is entitled, including, without limitation, any goods and services tax rebates.

(g) No debt or other obligation of the any RS Entity has been or will be settled or extinguished on or prior to Closing such that the provisions of section 80 of the Income Tax Act relating to debt forgiveness applies or would apply thereto. There are no circumstances existing which could result in the application of section 78 of the Income Tax Act or any equivalent provincial provision to any RS Entity.

(h) Except as set out in Schedule 8.13(h) of the Vendors' Disclosure Letter., or in the corporate minute book of any RS Entity or in the Federal and Provincial Income tax returns of the RS Entities for the fiscal years ended 2014, 2015, 2016 and 2017, none of the RS Entities has made or filed an election under section 83 or 85 of the Income Tax Act or any equivalent provincial provision. All elections made by the any RS Entities under section 83 or section 85 of the Income Tax Act were made in the manner and form, and within the time period, required or prescribed by the Income Tax Act and the regulations thereunder. No amount is or will become payable by any RS Entity under Part III of the Income Tax Act in respect of any election made by them under section 83 of the Income Tax Act in respect of any dividend paid or deemed to have been paid by any Corporation at or prior to Closing.

(i) Except as provided in Schedule 8.13(i) of the Vendors' Disclosure Letter, or in the corporate minute books of the RS Entities or in the Federal and Provincial Income tax returns of the RS Entities for the fiscal years ended 2014, 2015, 2016 and 2017, no RS Entity has claimed and will not claim any reserve under any one or more of subparagraph 40(1)(a)(iii) or paragraph 20(1)(l), 20(1)(m) or 20(1)(n) of the Income Tax Act or any equivalent provincial provision, which amount may be included in any RS Entity's income for its taxation year ended immediately before the acquisition of control by the Purchaser or in any subsequent taxation year.

Section 8.14 Legal Actions and Proceedings

Except as set out in Schedule 8.14 of the Vendors' Disclosure Letter, there is no claim, demand, suit, action, cause of action, dispute, proceeding, litigation, investigation, grievance, arbitration, governmental proceeding or other proceeding including appeals and applications for review, in progress against, by or relating to the Vendors or any RS Entity, nor to the Vendors' knowledge are any of the same pending or threatened. The Vendors are not aware of any state of facts which would provide a valid basis for any of the foregoing. To the knowledge of the Vendors, there is not at present outstanding or pending against the Vendors or any RS Entity any order of any court or regulatory body that if determined adversely to the Vendors or RS Entities, as applicable, would result in a Material Adverse Change.

Section 8.15 Insurance

Each of the RS Entities maintains all of the policies of insurance described in Schedule 8.15 of the Vendors' Disclosure Letter and all of such policies are now and will be on Closing in full force and effect in accordance with their respective terms in all material respects.

Section 8.16 Intellectual Property

(a) Schedule 8.16 of the Vendors' Disclosure Letter sets forth all Intellectual Property owned or licensed by the RS Entities that is material to the Business as presently conducted. Schedule 8.16 of the Vendors' Disclosure Letter also includes complete and accurate particulars of all registrations or applications for registration of the Intellectual Property by the RS Entities. Except as noted in Schedule 8.16 of the Vendors' Disclosure Letter, the RS Entities, collectively, are the beneficial owners of the Intellectual Property, free and clear of all Encumbrances other than Permitted Encumbrances, and is not a party to or bound by any contract, or other obligation whatsoever that limits or impairs its ability to sell, transfer, assign or convey, or that otherwise affects, the Intellectual Property in any material respect. Except as set out in Schedule 8.16 of the Vendors' Disclosure Letter, the RS Entities have not granted any Person any interest in or right to use all or any portion of the Intellectual Property. To the knowledge of the Vendors, the conduct of the Business by the Corporations and the Partnerships does not infringe upon the patents, trademarks, licenses, trade names, business names, copyright or other industrial or intellectual property rights, domestic or foreign, of any other Person in any material respect. The Vendors have provided to the Purchaser a true and complete copy of all contracts and amendments thereto that comprise or relate to the Intellectual Property;

(b) Schedule 8.16 of the Vendors' Disclosure Letter sets forth all software licences held by each RS Entity with respect to all material computer software owned and operated by any of them, and, so far as the Vendors are aware, no additional licences are required by any RS Entities with respect to any computer software owned or operated by the RS Entities that would be material to the Business.

Section 8.17 Licenses and Regulatory Compliance

(a) Schedule 8.17 of the Vendors' Disclosure Letter sets out a complete and accurate list of all material governmental and regulatory licences, permits, approvals, consents, certificates, registrations and authorizations (the "**Licences**") held by or granted to any the Corporations or any of the Partnerships by any Governmental Authority and to the knowledge of the Vendors there are no other licences, permits, approvals, consents, certificates, registrations or authorizations necessary or desirable to the operation of the Business as presently conducted, except as would not result in a Material Adverse Change. Each Licence is valid, subsisting and in good standing and the applicable Corporation or the applicable Partnership is not in material default or breach of any Licence that would result in a Material Adverse Change and no proceeding is pending or, to the knowledge of the Vendors, threatened to revoke or limit any Licence that would result in a Material Adverse Change;

(b) except as set forth in Schedule 8.17 of the Vendors' Disclosure Letter and except for Competition Act Approval, the Third Party Consents and such approvals and consents required under the LP Agreements, the entering into of this Agreement and the completion of the purchase and sale of the Purchased Securities will not (a) result in the violation of, or require any consent, licence, permit, order or approval of any nature whatsoever of any Governmental Authority having jurisdiction over the RS Entities or the Vendors, except as would not result in a Material Adverse Change, or (b) result in the violation of (A) any provision of the instrument or instruments by which the any of the RS Entities has been incorporated, continued or formed or any instrument amending any such instrument, (B) any provision of any by-law of any RS Entity, or (C) any Material Operating Agreement or License, in each case except as would not result in a Material Adverse Change;

(c) the operations of the Business and each of the Real Properties are conducted in all material respects in compliance with all Applicable Laws of each jurisdiction in which the Business has been and is carried on and with all Permitted Encumbrances, except for acts of non-compliance which would not result in a Material Adverse Change, and the RS Entities have not received any notice of any material alleged breach of any Applicable Laws or Permitted Encumbrances;

(d) to the knowledge of the Vendors, there are no outstanding inspection orders nor any pending or threatened charges made under the Occupational Health and Safety Acts relating to the Business that would result in a Material Adverse Change. Each of the RS Entities has, to the knowledge of the Vendors, complied in all material respects with any orders issued under the Occupational Health and Safety Acts. There are no appeals of any orders under the Occupational Health and Safety Acts relating to the Business which are currently outstanding and that are material;

(e) to the knowledge of the Vendors, there are no notices of assessment, provisional assessment, reassessment, supplementary assessment, penalty assessment or increased assessment (collectively "**assessments**") or any other communications related thereto which any of the Corporations or any of the Partnerships have received from any workers' compensation board or similar Governmental Authority in any jurisdictions where the Business is carried on, to the knowledge of the Vendors there are no material assessments which are unpaid on the date hereof or which will be unpaid at the Closing Time and there are, to the knowledge of the Vendors, no facts or circumstances which may result in a material increase in liability to any Corporation or any Partnership from any applicable workers' compensation legislation, regulations or rules after the Closing Time. The Corporations' and Partnerships' accident cost experience relating to the Business is such that there are no material pending assessments and there are, to the knowledge of the Vendors, no claims or potential claims which may materially adversely affect any of the Corporations' or any of Partnerships' accident cost experience.

Section 8.18 Real Properties

(a) except for the Real Properties or as set forth in Schedule 1.01(109) of the Vendors' Disclosure Letter, no RS Entity owns, occupies or leases as licensee or as a tenant any real property whatsoever;

(b) the occupation and use to which each Real Property has been put are not in breach of any Applicable Law except to the extent such breach would not result in a Material Adverse Change, which permit the same to be used for the operation of the Business in all material respects as presently conducted; (i) to the knowledge of the Vendors there are no outstanding work orders against any Corporation or any Partnership in respect of any Real Property or any part thereof or any matters under discussion with any Governmental Authority which may give rise to work orders that would result in a Material Adverse Change; and (ii) each Real Property complies in all material respects with all Applicable Laws and with all Permitted Encumbrances, except where the failure to comply would not result in a Material Adverse Change;

(c) each Real Property includes all fixtures, plumbing, heating, electrical, drainage, air conditioning and cooling, ventilating and exhaust systems erected therein or which form a part thereof are maintained in the ordinary course of business and are and will be on Closing in good working order and condition (subject to normal wear and tear and normal repairs and ongoing preventative maintenance and having regard to the age of each applicable Real property);

(d) except as disclosed in Schedule 8.18(d) of the Vendors' Disclosure Letter and the Documents for Inspection or as would not result in a Material Adverse Change:

    (i) each of the RS Entities has operated and will continue to operate the Business and has occupied and will continue to occupy each Real Property in compliance with all Environmental Laws;

    (ii) none of the Corporations nor any of the Partnerships has used or permitted to be used, except in compliance with all Environmental Laws, any of its property (including any Real Property) or facilities to generate, manufacture, process, distribute, use, treat, store, dispose of, transport or handle any Hazardous Substance;

    (iii) there are no Environmental Notices requiring any work, repairs, construction or capital expenditures with respect to the Business or any Real Property, nor have any of the Corporations or any Partnerships received notice of any of the same; and

    (iv) there has not been and will not be as of the Closing Date any discharge of any Hazardous Substances upon or under any Real Property in excess of amounts permitted pursuant to Environmental Laws and there are no Hazardous Substances situated on or under any of the Real Properties except for Hazardous Substances which are not in excess of levels permitted pursuant to Environmental Laws.

Section 8.19 <u>Equipment, Tangible Property</u>

All of the tangible property and assets of each of the RS Entities, including all Equipment, are now and will be on Closing in good operating condition, subject to normal wear and tear and having regard to the age and use of such tangible property and assets, including Equipment.

Section 8.20 <u>Customers and Tenants</u>

(a) the Real Properties are rented only to the Customers pursuant to the Customer Contracts and to the Tenants pursuant to the Leases. Except as otherwise disclosed to the Purchaser in writing prior to the end of the Further Conditional Period, there are no disputes with the Customers or the Tenants with respect to: (i) payments of fees or rents, damage to or loss of any of the assets or property of any Customer or Tenant; or (ii) any repair obligations of any of the Corporations or any of the Partnerships that would result in a Material Adverse Change; to the knowledge of the Vendors, none of the RS Entities are in material default of any Customer Contract or Lease and, to the knowledge of the Vendors, there are no defaults by Customers under the Customer Contracts or Tenants under the Leases that would result in a Material Adverse Change;

(b) to the Vendors' knowledge, there are no Customers who rent storage at any Real Property or in relation to the Business who have not signed and delivered a Customer Contract;

(c) all of the Leases are listed and described in Schedule 8.20 of the Vendors' Disclosure Letter; true and complete copies of the Leases have been or will be provided to the Purchaser pursuant to Section 4.01;

(d) to the knowledge of the Vendors, no Key Customer or Key Tenant has advised any Corporation or any Partnership that it has any intention to change its relationship or any material terms upon which it will conduct business with any Corporation or any Partnership. There has been no material interruption to or discontinuity in any Key Customer or Key Tenant arrangements or relationships referred to in this Section 8.20; and

(e) except as set out in Schedule 8.20 of the Vendors' Disclosure Letter or in the Documents for Inspection, no Customers are entitled to or customarily receive free storage space discounts, allowances or similar reductions in price or other trade terms arising from any agreements or understanding (whether written or oral) with any RS Entity that is material.

Section 8.21 Employee Matters

(a) The Vendors' Employment Matters Disclosure Letter contains a complete and accurate list of Employees specifying the length of service, age, title, rate of salary or hourly wage, bonuses, pension contributions, policies relating to personal use of motor vehicles owned by any RS Entities, commission structure for each such Employee. The Vendors' Employment Matters Disclosure Letter also contains a complete and accurate list of all individuals who are agents or independent contractors of any RS Entities engaged in the Business;

(b) except as set out in the Vendors' Employment Matters Disclosure Letter, none of the RS Entities is a party to any written employment, collective or pension agreement or commitment therefor relating to Employees, directors or officers or other individuals;

(c) no trade union, council of trade unions, employee bargaining agency or affiliated bargaining agent holds bargaining rights with respect to any of the Employees by way of certification, interim certification, voluntary recognition, or successor rights, or has to the knowledge of the Vendors applied or threatened to apply to be certified as the bargaining agent of any of the Employees;

(d) except as disclosed in the Vendors' Employment Matters Disclosure Letter, none of the Corporations nor any of the Partnerships is a party to or bound by, nor does any of them have any liability or contingent liability with respect to, any Benefit Plans that relate to the Business or that impose any binding legal obligation on any RS Entity. The Vendors' Employment Matters Disclosure Letter contains a true and complete list of each Benefit Plan. The Vendors' Employment Matters Disclosure Letter also identifies each of the Benefit Plans that is a pension plan. None of the Corporations nor any of the Partnerships has any formal plan or commitment, whether legally binding or not, to create any additional Benefit Plan or to modify or change any existing Benefit Plan that would affect any Employee or former employee of any RS Entity, except such modification or amendment as may be required to be made to secure the continued registration of any existing Benefit Plan with each applicable Governmental Authority.

Section 8.22 Related Party Transactions

Schedule 8.22 of the Vendors' Disclosure Letter sets forth a correct and complete list of all arrangements, contracts, understanding, agreements and transactions (whether written or oral) in existence between any RS Entity, on the one hand, and any of the Vendors or their Related Persons, or any business or entity in which the Vendors or any of their Related Persons, has any direct or indirect interest, on the other hand (each a "**Related Party Transaction**"). The Vendors shall terminate or cause to be terminated all such Related Party Transactions listed under the heading "Related Party Transactions to be terminated" in Schedule 8.22 of the Vendors' Disclosure Letter effective as of the Closing except as otherwise agreed by the Purchaser in writing prior to Closing. In addition, the Vendors shall ensure that all amounts owing to the RS Entities, including the Private Trust, by the Persons listed in Schedule 8.22 of the Vendors'

Disclosure Letter under the heading "Related Party Transactions to be terminated" are paid and satisfied in full on or before Closing.

Section 8.23 Bank Accounts

Schedule 8.23 of the Vendors' Disclosure Letter sets forth all bank accounts and safety deposit boxes maintained by each RS Entity and all bank signing authorities.

Section 8.24 S.116 Income Tax Act

None of the Vendors are now or will be on Closing non-residents of Canada within the meaning of the Income Tax Act.

Section 8.25 Excise Tax Act

Each of the RS Entities is and will be on Closing a "registrant" for Goods and Services Tax ("**GST**") and Harmonized Sales Tax ("**HST**") under the *Excise Tax Act* (Canada).

Section 8.26 Power and Capacity

Each of the Vendors has full power and capacity to execute and deliver this Agreement and the Closing Documents and to consummate the transactions contemplated hereby in accordance with their respective terms.

Section 8.27 No Violation

Neither the entering into nor the delivery of this Agreement nor the completion of the Transaction by a Vendor will (or would with the giving of notice, the lapse of time or the happening of any other event or condition) result in a violation of:

(a) any of the provisions of the constating documents or by-laws of any of such Vendor;

(b) any agreement or other instrument to which such Vendor is a party or by which such Vendor is bound or pursuant to which any of its assets or property may be affected; or

(c) any Applicable Law.

Section 8.28 Valid and Binding

This Agreement has been duly and validly executed and delivered by each of the Vendors and this Agreement and the performance of the obligations of the Vendors hereunder and the Closing Documents required to be delivered by the Vendors hereunder shall upon delivery to the Purchaser constitute legal, valid and binding obligations of the Vendors enforceable against the Vendors in accordance with their terms, subject, as to enforcement, to bankruptcy, insolvency and other law affecting creditors' rights generally and to general principles of equity.

Section 8.29 <u>No Brokers</u>

No RS Entity nor any of its Representatives has incurred any liability or obligation to any broker, agent, investment bank or other intermediary or obligation to any broker, agent, investment bank or other intermediary for any fee, commission or other similar payment in connection with the Transaction.

Section 8.30 <u>Purchaser's Representations and Warranties</u>

The Purchaser represents and warrants (acknowledging that the Vendors are entering into this Agreement in reliance on the truth and accuracy of such representations and warranties) to the Vendors that:

(a) the Purchaser has been duly incorporated and validly organized, and is validly subsisting and is in good standing under the laws of the Province of Alberta and is properly registered to own property and conduct business in each province or jurisdiction where it conducts business or owns any assets;

(b) the Purchaser has the necessary authority, power and capacity to enter into this Agreement and to perform its obligations under this Agreement and the agreements contemplated herein and the Purchaser has taken all necessary corporate action to authorize and permit the execution and delivery of the Agreement and the Closing Documents and the performance of its obligations thereunder;

(c) this Agreement and the performance of the obligations of the Purchaser hereunder, and the Closing Documents required to be delivered by the Purchaser hereunder shall upon delivery by the Purchaser, constitute legal, valid and binding obligations of the Purchaser enforceable against the Purchaser in accordance with their terms, subject, as to enforcement, to bankruptcy, insolvency and other law affecting creditor's rights generally and to general principles of equity;

(d) neither the entering into nor the delivery of this Agreement nor the completion of the Transaction by the Purchaser will (or would with the giving of notice, the lapse of time or the happening of any other event or condition) result in a violation of:

    (i) any of the provisions of the constating documents or by-laws of the Purchaser;

    (ii) any agreement or other instrument to which the Purchaser is a party or by which the Purchaser is bound or pursuant to which any of its assets or property may be affected; or

    (iii) any Applicable Law;

(e) the Purchaser has full power and capacity to execute and deliver this Agreement and the Closing Documents and to consummate the transactions contemplated hereby in accordance with their respective terms;

(f) other than the Competition Act Approval and ordinary course Securities Laws filings and TSXV filings in respect of the consummation of the Transaction contemplated herein (including the issuance of the Payment Shares), no action by (including any consent), or in respect of, or filing with, any Governmental Authority is required for, or in connection with, the valid and lawful (i) authorization, execution, delivery and performance by the Purchaser of this Agreement; or (ii) the consummation of the transactions contemplated by this Agreement by the Purchaser;

(g) the authorized share capital of the Purchaser consists of an unlimited number of Common Shares and an unlimited amount of preferred shares. As at the Execution Date, the Purchaser's issued share capital is 355,722,974 Common Shares, all of which have been validly issued and are outstanding as fully-paid and non-assessable. Except as disclosed in the Purchaser's Public Documents, (i) there are no options, warrants, conversion privileges, calls or other rights, shareholder rights plans, agreements, arrangements, commitments, or obligations of the Purchaser to issue or sell any shares of the Purchaser or securities or obligations of any kind convertible into, exchangeable for or otherwise carrying the right or obligation to acquire any shares of the Purchaser; and (ii) no Person is entitled to any pre-emptive or other similar right granted by the Purchaser. The Common Shares are listed on the TSXV, and are not listed or quoted on any market other than the TSXV;

(h) no order ceasing or suspending trading in securities of the Purchaser, nor prohibiting the sale of such securities has been issued and is outstanding, or to the knowledge of the Purchaser, pending or threatened against the Purchaser or to the knowledge of the Purchaser, its directors, officers or promoters;

(i) if applicable, all Payment Shares, when issued in accordance with the terms of this Agreement will be duly authorized, validly issued, fully-paid and non-assessable Common Shares, and will be listed and posted for trading on the TSXV or the Toronto Stock Exchange (with all listing fees paid thereon) subject only to the restricted period imposed by Securities Laws as further described in Sections 3.11 and 3.15 hereof;

(j) if issued to the Vendors, the Vendors will have good title to the Payment Shares, free and clear of any Encumbrances or rights of third parties, voting trusts, proxies and other interests, claims or demands of every kind or nature whatsoever, except as may have been created by or entered into by the Vendors;

(k) the Purchaser has filed with all applicable Securities Regulators true and complete copies of the Purchaser Public Documents that the Purchaser is required to file under applicable Securities Laws except where such non filing has not had and would not reasonably be expected to have a material adverse effect on the Purchaser. The Purchaser Public Documents at the time filed, (i) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein necessary to make the statements therein not misleading except that such information set forth in the Purchaser Public Documents filed or furnished on a later date (but before the date hereof) which modifies previously filed or furnished information, will be deemed to modify such previously filed or furnished information for the purposes of this subsection. The Purchaser has not filed any confidential material change report with any governmental entity which at the date hereof remains confidential;

(l) except as set out in Schedule 8.30(l) hereof, there is no claim, demand, suit, action, cause of action, dispute, proceeding, litigation, investigation, grievance, arbitration, governmental proceeding or other proceeding including appeals and applications for review, in progress against, by or relating to the Purchaser, nor to the knowledge of the Purchaser are any of the same pending or threatened. The Purchaser is not aware of any state of facts which would provide a valid basis for any of the foregoing. There is not at present outstanding or, to the knowledge of the Purchaser, pending against the Purchaser any order of any court or regulatory body that materially and adversely affects its business or any property or assets of the Purchaser or that relates to this Agreement or the transactions contemplated hereby;

(m) except in relation to the Securities Regulators, the Competition Act Approval and TSXV acceptance, the Purchaser is not under any obligation to request or obtain the approval of any Governmental Authority or any third party consent in connection with the execution, delivery or performance of this Agreement and the Transaction contemplated herein;

(n) the Purchaser is a Canadian within the meaning of the *Investment Canada Act* (Canada);

(o) the Purchaser is not a "non-resident" within the meaning of the *Income Tax Act*, nor will they be within sixty (60) days after the Closing Date;

(p) the Purchaser is not a Person or partnership described in section 100(1.1) of the Income Tax Act and will not, directly or indirectly, dispose of any interest in Woodfield LP or the SNS Kitchener LP to a person or partnership described in section 100(1.1) of the Income Tax Act as part of the series of transactions that includes the transactions contemplated herein or undertake or effect, or allow Woodfield LP or the SNS Kitchener LP to undertake or effect, any transaction whereby any such entity would contribute capital to Woodfield LP or SNS Kitchener LP for an interest in any such partnership with a corresponding distribution to Purchaser;

(q) the Purchaser Financial Statements have been, and all financial statements of the Purchaser which are publicly disseminated by the Purchaser in respect of any subsequent periods prior to the Closing Date will be, prepared in accordance with ASPE applied on a basis consistent with prior periods and present fairly, in all material respects, the assets, liabilities (whether accrued, absolute, contingent or otherwise), financial position and results of operations of the Purchaser as of the respective dates thereof and its results of operations and cash flows for the respective periods covered thereby (except as may be indicated expressly in the notes thereto);

(r) neither the Purchaser nor, to the Purchaser's knowledge, any director, officer, employee, auditor or accountant of the Purchaser, has received or otherwise had or obtained knowledge of any complaint, allegation, assertion, or claim, whether written or oral, regarding the accounting or auditing practices, procedures, methodologies or methods of the Purchaser or its internal accounting controls, including any complaint, allegation, assertion, or claim that the Purchaser has engaged in questionable accounting or auditing practices, which has not been resolved to the satisfaction of the audit committee of the Purchaser's board;

(s) the Purchaser does not have any liabilities or obligations of any nature, whether or not accrued, contingent or otherwise, except for: (i) liabilities and obligations that are specifically presented on the Purchaser Financial Statements; and (ii) liabilities and obligations incurred since the date of the Purchaser Interim Financial Statements in the ordinary course of business consistent with past practice that are not and would not, individually or in the aggregate with all other liabilities and obligations of Purchaser reasonably be expected to have a material adverse change, or have a material adverse change on the Purchaser or its business. Without limiting the foregoing, the Purchaser Annual Financial Statements reflect reasonable reserves in accordance with IFRS for contingent liabilities of the Purchaser;

(t) the Purchaser has filed when due all Tax Returns and such returns are true, correct and complete in all material respects and have been prepared on a consistent basis. There are no agreements, waivers or other arrangements providing for an extension of time with respect to filing of any Tax Return or the expiration of any period within which an assessment or reassessment may be made for the payment of any Taxes. There are no outstanding issues relating to Taxes which have been raised by any Governmental Authority;

(u) since June 30, 2018:

(i) the Purchaser has conducted its business only in the ordinary course of business and consistent with past practice, except as disclosed in the Purchaser Public Documents;

(ii) there has been no material adverse change in the business, operations, affairs or condition of any of the Purchaser, financial or otherwise, or arising as a result of any legislative or regulatory change or revocation of any licence, approval or right with respect to any of the Purchaser's property that has not been disclosed to the Vendors or the Vendors' Representative;

(iii) no liability or obligation of any nature (whether absolute, accrued, contingent or otherwise) has had or is reasonably likely to have a material adverse effect on the Purchaser;

(iv) there has not been any event, circumstance or occurrence which has had or is reasonably likely to have a material adverse effect on the Purchaser;

(v) there has not been any change in the accounting practices used by the Purchaser, except as disclosed in the Purchaser Public Documents;

(vi) except as reflected in the Purchaser's Public Documents and save and except for the normal course issuer bid of the Purchaser, there has not been any redemption, repurchase or other acquisition of Common Shares or preferred shares in the capital of the Purchaser by the Purchaser; and

(vii) there has not been any satisfaction or settlement of any material claims or material liabilities that were not reflected in the Purchaser Financial Statements, other than the settlement of claims or liabilities incurred in the ordinary course of business consistent with past practice;

(v) as of the date hereof, the Purchaser is a reporting issuer not in default (or the equivalent) under the Securities Laws of British Columbia, Alberta, Manitoba, Saskatchewan, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and, since January 1, 2017, except where such non-compliance has not had and would not reasonably be expected to have a material adverse effect on the Purchaser, the Purchaser has complied with and is in compliance with all applicable Securities Laws and has complied with and is in compliance with the rules and regulations of the TSXV;

(w) there is no ongoing or, to the knowledge of the Purchaser, threatened investigation by any securities regulatory authority or other regulatory body relating to the Purchaser, its officers or directors or its securities;

(x) there is no litigation, claim or proceeding, appeal or application for review in progress or pending or to the knowledge of the Purchaser, threatened against or affecting the Purchaser which has or could be reasonably expected to have a material adverse effect on the Purchaser;

(y) the Purchaser will on Closing have, all funds on hand, or irrevocable committed financing in place, necessary to pay the Purchase Price;

(z) neither the Purchaser nor any of its Representatives has incurred any liability or obligation to any broker, agent, investment bank or other intermediary or obligation to any broker, agent, investment bank or other intermediary for any fee, commission or other similar payment in connection with the Transaction, save and except for fees payable to any lender who provides financing to the Purchaser in connection with the Transaction to the extent such fees are payable in respect of such financing;

provided that the representations and warranties of the Purchaser set out in Section 8.30(g), (h), (i), (j), (k), (l), (m), (o), (q), (r), (s), (t), (u), (v), (w), (x) and (z), (i) shall only be operative, from and after Closing, if the Vendors receive Payment Shares as provided herein, and (ii) shall not be operative and have no legal force or effect, if the Vendors do not receive any Payment Shares.

Section 8.31 **Survival**

The representations and warranties contained in this Agreement or in any document delivered hereunder shall survive the Closing of the transaction for a period of *[Redacted - survival period]*, except that:

(a) the representations and warranties set out in Section 8.13*[Redacted – section reference]* will survive and continue in full force and effect until thirty (30) days after the expiration of the period during which any tax assessment may be issued by a Governmental Authority in respect of any taxation year to which such representations and warranties extend;

(b) the representations and warranties in *[Redacted – section references and survival period]*.

(c) there is no limitation as to time for claims against a Party based on actual and intentional fraudulent misrepresentation by that Party in this Agreement; and

(d) no Claim (except a Claim based on fraud or willful misstatement) may be asserted for breach of any representation or warranty after the expiration of any applicable time period referred to above, provided that a potential Claim shall be deemed to be a Claim asserted within the applicable time period referred to above if written notice of such potential claim is delivered to the Vendors' Representative or to the Purchaser, as applicable, prior to the expiration of any applicable time period referred to above.

ARTICLE NINE
COVENANTS AND AGREEMENTS

Section 9.01 **Covenants and Agreements of the Vendors**

The Vendors shall, on or before Closing, deliver or cause to be delivered to the Purchaser in form and substance satisfactory to the Purchaser, acting reasonably, which deliveries may be made on behalf of the Vendors by the Vendors' Representative:

(a) the Vendors' Certificate;

(b) the Books and Records, including minute books, share certificate or unit certificate books and all other corporate records of the RS Entities;

(c) all of the Documents for Inspection to the extent not delivered to the Purchaser during the Further Conditional Period;

(d) a certificate of status, compliance, good standing or like certificate with respect to the RS Entities issued by the appropriate Government Authority of the jurisdiction of such RS Entity's formation or incorporation;

(e) a statutory declaration from each of the Vendors confirming that it is not a non-resident of Canada within the meaning of the Income Tax Act (Canada);

(f) the resignation of all of the existing directors and officers of the RS Entities;

(g) the cancellation of all promissory notes of all RS Entities evidencing any outstanding indebtedness of the RS Entities to the Execution Date Vendors or the Private Trust Vendors or their Related Persons;

(h) full and final releases of any and all claims the Vendors and the existing directors and officers of any of the RS Entities may have against any RS Entities howsoever arising or incurred, except for any claims arising hereunder or under any Closing Document;

(i) satisfactory evidence that the Related Party Transactions set forth in Schedule 8.22 of the Vendors' Disclosure Letter are terminated on or prior to Closing;

(j) all Third Party Consents;

(k) keys to all locks for each Real Property;

(l) an officer's certificate of a current officer of each Corporation and each Partnership attaching an up-to-date Rent Roll for each Real Property as of the 1st day of the month in which the Closing Date occurs;

(m) any applicable releases or no interest letters in respect of the Permitted Encumbrances;

(n) all of the Closing Documents that are to be provided by the Vendors on Closing pursuant to any provisions of this Agreement; and

(o) all other conveyances and other Closing Documents which are in the reasonable opinion of the Purchaser's Counsel required to give effect to the proper transfer, assignment and conveyance of the Purchased Securities by the Vendors to the Purchaser.

In addition to the foregoing, each Vendor shall, on or before Closing, deliver or cause to be delivered to the Purchaser in form and substance satisfactory to the Purchaser, acting reasonably, which deliveries may be made on behalf each Vendor by the Vendors' Representative, the share certificates and unit certificates, as applicable, representing the Purchased Securities and the Cancelled Securities held by such Vendor, and in respect of the certificates representing the Purchased Securities, duly endorsed in favour of the Purchaser or stock transfer or unit transfer forms in lieu thereof, if acceptable to the Purchaser, acting reasonably.

Section 9.02 Purchaser's Deliveries on Closing

The Purchaser shall, on Closing, deliver or cause to be delivered to the Vendors' Representative in form and substance satisfactory to the Vendors' Representative, the following:

(a) the Purchaser's Certificate;

(b) if applicable, share certificates of the Purchaser with respect to the Payment Shares as determined pursuant to Section 3.02(f), in each case issued to and in the name of each

Vendor on the basis of its Vendor's Pro Rata Interest of the Payment Shares, or as the Vendors may otherwise direct;

(c) a certificate of status, compliance, good standing or like certificate with respect to the Purchaser issued by the appropriate Governmental Authority of the jurisdiction of the Purchaser's incorporation;

(d) a wire transfer for the sum of the balance of the Purchase Price payable pursuant to Section 3.02(g) hereof payable to or to the order of the Vendors' Counsel, in trust;

(e) resolutions of the shareholders, directors or partners of each RS Entity appointing the nominees of the Purchaser as directors and officers of each RS Entity;

(f) evidence of the filing of any amended certificates or notices of changes of registered office or directors with the applicable registries with respect to each RS Entity;

(g) full and final releases of any and all claims that the RS Entities may have against the directors and officers of the RS Entities, subject to customary exclusions applicable under corporate law;

(h) full and final releases of any and all claims that any RS Entities may have against the Vendors with respect to their obligations under the LP Agreements, excluding any such claims that are otherwise the subject of a Claim under Article 11 of this Agreement;

(i) indemnity in favour of Chris Killi for any losses or liabilities arising post-Closing in connection with the personal guarantees of the vehicle leases set forth in Schedule 8.12 of the Vendors' Disclosure Letter, to the extent these remain in place post-Closing, in a form satisfactory to Wilmington, acting reasonably;

(j) all of the Closing Documents that are to be provided by the Purchaser on Closing pursuant to any provisions of this Agreement; and

(k) all other documents which are required and which in the reasonable opinion of the Vendors' Counsel are required to give effect to the proper transfer, assignment and conveyance of the Purchased Securities by the Vendors to the Purchaser.

Section 9.03 **<u>Competition Act Approval</u>**

The Purchaser and the Vendors shall use commercially reasonable efforts to obtain and maintain Competition Act Approval. In relation to same, unless otherwise mutually agreed in writing, as promptly as reasonably practical after the expiry of the Financial Due Diligence Conditional Period the Parties shall cooperate, prepare and file (i) an application for an advance ruling certificate under section 102 of the Competition Act or, alternatively, a no-action letter, in respect of the Transaction; and (ii) the notices required under section 114 of the Competition Act with respect to the Transaction. The Parties shall use reasonable best efforts to supply as promptly as reasonably practicable any additional information and documentary materials that may be requested by any Governmental Authority in connection with obtaining Competition Act

Approval. Further to this requirement to cooperate to obtain Competition Act Approval, each Party shall, to the extent permitted by Applicable Law:

(a) provide to the other Parties such necessary information and reasonable assistance as the other Parties may request in connection with its preparation of any filing or submission which is necessary in order to obtain Competition Act Approval or otherwise required by a Governmental Authority in connection with this Agreement and the Transaction;

(b) provide the other Parties copies (or, if oral, a written summary) of all substantive filings, submissions, correspondence and communications between it and their respective representatives, on the one hand, and any Governmental Authority or members of any Governmental Authority's staff, on the other hand, with respect to this Agreement and the Transaction (including, in the case of filings, submissions, correspondence and communications by any Party, providing the other Parties with an opportunity to review such filings, submissions, correspondence and communications in advance and considering in good faith the views of the other Parties with respect thereto);

(c) not initiate or participate in any substantive meeting, telephone call or discussion with any Governmental Authority in respect of the Transaction unless it consults with the other Parties in advance and, to the extent permitted by such Governmental Authority, gives the other Parties a reasonable opportunity to participate;

(d) comply with any inquiry or information or document request from the Canadian Competition Bureau, the Canadian Commissioner of Competition or any other Governmental Authority as promptly as reasonably practicable; and

(e) notwithstanding the above, the Parties may designate any non-public, competitively-sensitive information provided to any Governmental Authority as restricted to “External Counsel Only”, and any such information shall not be shared with employees, officers or directors or their equivalents of the other Parties without approval of the Party providing the non-public information.

The Purchaser shall be responsible for fifty (50%) percent of the filing fee associated with obtaining Competition Act Approval and the Vendors shall be responsible for the remaining fifty (50%), each on the basis of its Vendor’s Pro Rata Interest; provided that, to the extent the filing fee exceeds $72,000.00, the Purchaser shall be solely responsible for one hundred (100%) percent of the excess amount.

The Purchaser shall use commercially reasonable efforts to obtain Competition Act Approval as soon as reasonably practicable. Notwithstanding anything to the contrary set forth herein, the Purchaser will offer to take, and if such offer is accepted, will, at its own expense, take all commercially reasonable actions necessary in connection with such offer to obtain Competition Act Approval and expedite obtaining such approval including negotiating and effecting by consent agreement or order, hold separate arrangement, undertaking or otherwise, the divestiture of Real Properties, or undertaking of any form of behavioral remedy, in each case conditioned upon the Closing of the Transaction; provided that, if in order to obtain Competition Act Approval it is necessary that one or more Real Properties be excluded from the Transaction (the "**Excluded Properties**"), the Purchaser shall arrange for the purchase of such Excluded Properties or the Purchased Securities relating thereto, as the case may be, by an arm's length third party (as such term is defined in the Income Tax Act) on substantially the same terms and conditions set out herein which purchase may be effected by way of an assignment by the Purchaser to such arm's length third party of the rights and obligations of the Purchaser hereunder that relate to such Excluded Properties or the Purchased Securities relating thereto, as the case may be.

ARTICLE TEN
OTHER COVENANTS OF THE PARTIES

Section 10.01 Post-Closing Access

After the Closing, upon reasonable notice, each of the Purchaser and the Vendors' Representative will give, or cause to be given, to the Representatives, employees, counsel and accountants of the other, access, during normal business hours, to the Books and Records which relate to the Business and which relate to periods prior to the Closing, and will permit such Persons to examine and copy such Books and Records to the extent reasonably requested by the other Party in connection with the preparation of Tax and financial reporting matters, audits, legal proceedings and governmental investigations. However, no Party shall be obligated to take any action pursuant to this Section 10.01 that would unreasonably disrupt the normal course of its business, violate the terms of any contract to which it is a party or to which it or any of its assets is subject or grant access to any of its proprietary, confidential or classified information. The Vendors and the Purchaser will cooperate with each other in the conduct of any Tax audit.

Section 10.02 Employees Matters

(a) **Terms and Conditions of Employees**: From and after the Effective Time, Purchaser will (i) be solely responsible for all termination and severance benefits, costs, charges and liabilities of any nature incurred with respect to the termination or the modification of any employment agreement of an Employee (other than an Employee who is a Terminated Employee) following the Effective Time; and (ii) subject to the terms and conditions of Article Eleven, indemnify and save harmless the Vendors from any Loss or Claim suffered, sustained, paid or incurred by any Vendor in respect thereof.

(b) **Terminated Employees**: Prior to the Effective Time and conditional on Closing, the Vendors shall cause each of the RS Entities, as applicable, to terminate the employment of each Terminated Employee. The Vendors shall severally, and not joint and severally, (i) assume, bear and discharge all obligations and liabilities in respect of the termination of each Terminated Employee, all of which obligations and liabilities will be paid and satisfied in full on or before Closing and (ii) subject to the terms and conditions of Article Eleven, indemnify and save harmless the Purchaser from any Loss or Claim suffered, sustained, paid or incurred by the Purchaser in respect of the Terminated Employees. Notwithstanding the foregoing, the Vendors shall use commercially reasonable efforts to ensure that following the Closing, such of the Terminated Employees who are responsible for completion of (i) Tax Returns for all Pre-Closing Tax Periods and (ii) the Draft Working Capital Statements are available to complete all of such responsibilities for and on behalf of the Vendors' Representative.

Section 10.03 Kitchener Property Conversion

The Parties acknowledge and confirm that SNS Kitchener LP is currently converting the Kitchener Property into a self-storage facility having approximately *[Redacted]* net rentable sq. ft. (the "**Conversion**"). The Purchaser acknowledges that the Conversion will not be completed prior to Closing. The SNS Kitchener LP Vendors shall obtain all occupancy permits as may be required from any Governmental Authority to permit the operation of the Business from the whole of the Kitchener Property. The SNS Kitchener LP Vendors shall complete the Conversion as soon as possible after Closing at their sole cost and expense (including, without limitation, in respect of any cost overrun), provided that the SNS Kitchener LP Vendors shall be entitled to use funds drawn under the Construction Loan Facility for such purpose, as described more fully in this Section 10.03. In addition, in such case, the SNS Kitchener LP Vendors shall provide such status reports as may be required by the Purchaser from time to time with respect to the Conversion. Notwithstanding the foregoing or any other term of this Agreement, the Vendors' obligations under this Section 10.03, including its obligation to complete the Conversion, are conditional on the Purchaser, from and after the Effective Time, either (a) causing SNS Kitchener LP, and any other RS Entity that is a party to the relevant loan documents, to comply with the terms and conditions of the construction loan credit facility obtained (or, to the extent not obtained on the date hereof, to be obtained promptly following the Execution Date and in no event later than the expiry of the Further Conditional Period) for the purposes of completing the Conversion by SNS Kitchener LP pursuant to a loan agreement among, inter alios, SNS Kitchener LP and *[Redacted – name of lender]* (the "**Construction Loan Facility**") and, at the Vendors' Representative's direction, drawing down on and remitting all funds received in respect of the Construction Loan Facility as and at such times as the Vendors' Representative may direct, or (b) in the event the Construction Loan Facility is not assumed by the Purchaser in accordance with the terms of this Agreement, causing SNS Kitchener LP, or such other RS Entity or Affiliate of the Purchaser, to obtain alternate financing and/or provide internal funding for the purposes of completing the Conversion for an amount equal to the unadvanced portion of the Construction Loan Facility as at the Closing Date (a "**Replacement Facility**") and, at the Vendors' Representative's direction, drawing down on and remitting all funds received in respect of or available under such Replacement Facility as and at such times as the Vendors' Representative may direct.

Section 10.04 Tax Returns

The Purchaser shall not, and shall not cause any RS Entity to, amend or revoke any Tax Return relating to any Pre-Closing Period, without the prior written consent of the Vendors.

Section 10.05 Restrictions on Discussions with Third Parties

The Vendors covenant and agree that for so long as this Agreement is in effect, they will not directly or indirectly solicit or entertain any proposals, offers or agreements from any third party for the sale of the Purchased Securities or the Cancelled Securities or for the sale of any one or more of the Real Properties or the Business carried on at and from any Real Property or engage or participate in any communications in any form with any third party in connection with the foregoing matters; provided that this Section 10.05 shall be of no force and effect from and after the date of Wilmington delivering Notice to the Purchaser that its board of directors has elected to not provide Wilmington Board Approval, in accordance with Section 5.02.

ARTICLE ELEVEN
INDEMNIFICATION

Section 11.01 Definitions

As used in this Article Eleven or elsewhere in this Agreement:

"Claim" means any act, omission or state of facts and any demand, action, suit, proceeding, claim, assessment, judgment or settlement or compromise relating thereto which may give rise to a right to indemnification under Section 11.02 or 11.03;

"Direct Claim" means any Claim by an Indemnified Party against any Indemnifier which does not result from a Third Party Claim;

"Indemnifier" means any Party obligated to provide indemnification under this Agreement;

"Indemnified Party" means any Person entitled to indemnification under this Agreement;

"Indemnity Payment" means any amount of Loss required to be paid pursuant to Sections 11.02 or 11.03 (other than pursuant to Section 11.02.3(d));

"*[Redacted – descriptor]* **Indemnity Payment"** means any amount of Loss required to be paid pursuant to Section 11.02.3(d);

"Loss" means any and all loss, liability, damage, cost, expense, charge, fine, penalty or assessment, resulting from or arising out of any Claim, including the costs and expenses of any action, suit, proceeding, demand, assessment, judgment, settlement or compromise relating thereto and reasonable legal fees and expenses incurred in connection therewith ; and

"Third Party Claim" means any Claim asserted against an Indemnified Party by any Person who is not a Party or an affiliate of such a Party.

Section 11.02 Indemnification by the Vendors

Section 11.02.1 Indemnification for Breach of Warranty

Subject to the limitations set out in Section 11.12 and Section 11.13, each Vendor shall severally, and not jointly and severally, and acting through the Vendors' Representative, indemnify, defend and save harmless the Purchaser and each of its directors, officers and employees from and against any and all Losses suffered or incurred by them, as a direct or indirect result of, or arising in connection with, subject to Section 8.31, any breach or inaccuracy of any representation or warranty made or given by such Vendor in this Agreement or in the Vendors' Certificate (delivered by the Vendors' Representative for and on behalf of such Vendor) for which a notice of claim has been provided to the Vendors' Representative within the applicable period specified in Section 8.31 and in accordance with this Article Eleven, as follows:

(a) on the basis of its Vendor's Pro Rata Interest that is attributable to the Purchased Securities it held, if any, on or immediately prior to Closing, to the extent such Losses were suffered or incurred in connection with a breach or inaccuracy of any representation or warranty made or given by such Vendor as referenced in Section 8.01(a);

(b) on the basis of its Vendor's Pro Rata Interest that is attributable to the Woodfield Class B LP Units it held, if any, on or immediately prior to Closing, to the extent such Losses were suffered or incurred in connection with a breach or inaccuracy of any representation or warranty made or given by such Vendor as a Woodfield LP Vendor as referenced in Section 8.01(b);

(c) on the basis of its Vendor's Pro Rata Interest that is attributable to the SNS Kitchener Class B LP Units it held, if any, on or immediately prior to Closing, to the extent such Losses were suffered or incurred in connection with a breach or inaccuracy of any representation or warranty made or given by such Vendor as a SNS Kitchener LP Vendor as referenced in Section 8.01(c); and

(d) on the basis of its Vendor's Pro Rata Interest that is attributable to the Private Trust Options it held, if any, on or immediately prior to Closing, to the extent such Losses were suffered or incurred in connection with a breach or inaccuracy of any representation or warranty made or given by such Vendor as a Private Trust Optionholder as referenced in Section 8.01(d),

provided that, the liability of the Vendors under this Section 11.02.1 shall not extend to any claim asserted after the expiry thereof under Section 8.31.

Section 11.02.2 **Indemnification for Breach of Covenant**

Subject to the limitations set out in Section 11.12 and Section 11.13, each Vendor (other than a Cancelled Securityholder, unless such Cancelled Securityholder held Purchased Securities on or immediately prior to Closing) shall (each on the basis of its Vendor's Pro Rata Interest that is attributable to the Purchased Securities it held on or immediately prior to Closing) severally, and not jointly and severally, and acting through the Vendors' Representative, indemnify, defend and save harmless the Purchaser and each of its directors, officers and employees from and against any and all Losses suffered or incurred by them, as a direct or indirect result of, or arising in connection with any failure by such Vendor to observe or perform any covenant or obligation contained in this Agreement.

Section 11.02.3 **Other Indemnities**

Subject to the limitations set out in Section 11.12 and Section 11.13, the Vendors (other than a Cancelled Securityholder, unless such Cancelled Securityholder held Purchased Securities on or immediately prior to Closing) shall (each on the basis of its Vendor's Pro Rata Interest that is attributable to the Purchased Securities it held on or immediately prior to Closing) severally, and not jointly and severally, and acting through the Vendors' Representative, indemnify, defend and save harmless the Purchaser and each of its directors, officers and employees from and against any and all Loss suffered or incurred by them, as a direct or indirect result of, or arising in connection with:

(a) any and all costs and expenses of every nature and kind whatsoever relating to the completion of the Conversion and the obtaining of occupancy permits for the whole of the Kitchener Property or completing the Conversion in excess of $4,500,000.00 after fully drawing down the Construction Loan Facility or the Replacement Facility, as applicable;

(b) any liabilities for any Taxes of any RS Entities arising pursuant to a notice of assessment or reassessment issued by any Governmental Authority and relating to any Pre-Closing Tax Period, and such indemnity shall include, without limitation, reasonable expenses of investigation and legal fees and expenses in connection with any action or proceeding against the RS Entity, the Purchaser or their respective directors, officers or employees, excluding only (i) Permitted Encumbrances; and (ii) liabilities and obligations for Taxes reflected in the Closing Working Capital Statement and included in the calculation of Closing Date WC;

(c) any and all costs, expenses and liabilities arising in respect of the termination of the Terminated Employees, as described in Section 10.02(b); and

(d) any and all costs, expenses and liabilities of every nature and kind whatsoever relating to the Disclosed *[Redacted – description]*.

Section 11.03 <u>Indemnification by the Purchaser</u>

The Purchaser shall indemnify, defend and save harmless the Vendors and each of their respective directors, officers and employees from and against any and all Losses suffered or incurred by them, as a direct or indirect result of, or arising in connection with:

(a) subject to Section 8.31, any breach or inaccuracy of any representation or warranty made or given by the Purchaser in this Agreement or in the Purchaser's Certificate for which a notice of claim has been provided to the Purchaser within the applicable period specified in Section 8.31 and in accordance with this Article Eleven;

(b) any failure by the Purchaser to observe or perform any covenant or obligation contained in this Agreement;

(c) any non-compliance by the Purchaser relating to Privacy Laws and/or the use of Personal Information and/or Transaction Personal Information either on or prior to the Closing and after Closing including with respect to disclosure, transfer or conveyance of Transaction Personal Information by the Purchaser or its Representatives;

(d) any liabilities for any Taxes, contingent or otherwise relating to any Tax Period following Closing, and such indemnity shall include, without limitation, reasonable expenses of investigation and legal fees and expenses (on a solicitor-client full indemnity basis) in connection with any action or proceeding against Vendors or their respective directors and officers; and

(e) any liabilities arising in respect of the termination or modification of any employment agreement of an Employee (other than a Terminated Employee), as described in Section 10.02(a).

For greater certainty, the liability of the Purchaser under this Section 11.03 with regard to any representation or warranty shall not extend to any claim asserted after the expiry thereof under Section 8.31.

Section 11.04 Agency

Each Indemnified Party agrees that it accepts each indemnity in favour of any of its directors, officers and employees as agent and trustee of such Person. Each Party agrees that an Indemnified Party (and in the case of a Vendor, the Vendors' Representative) may enforce an indemnity in favour of any of that Party's directors, officers or employees on behalf of such Person.

Section 11.05 Notice of Third Party Claims

If an Indemnified Party receives notice of the commencement or assertion of any Third Party Claim, the Indemnified Party shall give the Indemnifier reasonably prompt notice thereof, but in any event no later than 10 days after receipt of such notice of such Third Party Claim. Such notice to the Indemnifier shall describe the Third Party Claim in reasonable detail and shall indicate, if reasonably practicable, the estimated amount of the Loss that has been or may be sustained by the Indemnified Party to investigate, defend, remedy or address the Third Party Claim.

Section 11.06 Defence of Third Party Claims

The Indemnifier may participate in or assume the defence of any Third Party Claim by giving notice to that effect to the Indemnified Party not later than 30 days after receiving notice of that Third Party Claim (the "**Notice Period**"). The Indemnifier's right to do so shall be subject to the rights of any insurer or other party who has potential liability in respect of that Third Party Claim. The Indemnifier agrees to pay all of its own expenses of participating in or assuming such defence. The Indemnified Party shall co-operate in good faith in the defence of each Third Party Claim, even if the defence has been assumed by the Indemnifier and may participate in such defence assisted by counsel of its own choice at its own expense. The Indemnifier shall not enter into any compromise or settlement of any Third Party Claim without obtaining the prior written consent of the Indemnified Party, which consent may not be unreasonably withheld or delayed. If the Indemnified Party has not received notice within the Notice Period that the Indemnifier has elected to assume the defence of such Third Party Claim, the Indemnified Party may, at its option, elect to settle or compromise the Third Party Claim or assume such defence, assisted by counsel of its own choosing and the Indemnifier shall be liable for all reasonable costs and expenses paid or incurred in connection therewith and any Loss suffered or incurred by the Indemnified Party with respect to such Third Party Claim. If the Indemnified Party undertakes the defence of the Third Party Claim, the Indemnifier will not be bound by any determination of the Third Party Claim or any compromise or settlement of the Third Party Claim effected without the consent of the Indemnifier (which consent may not be unreasonably withheld or delayed).

Section 11.07 Assistance for Third Party Claims

The Indemnified Party and the Indemnifier agree to keep the other fully informed of the status of any Third Party Claim and any related proceedings. The Indemnifier and the Indemnified Party will use all reasonable efforts to make available to the Person which is undertaking and controlling the defence of any Third Party Claim (the "**Defending Party**"):

(a) those employees whose assistance, testimony or presence is necessary to assist the Defending Party in evaluating and in defending any Third Party Claim; and

(b) all documents, records and other materials in the possession of such Person reasonably required by the Defending Party for its use in defending any Third Party Claim, and shall otherwise cooperate with the Defending Party. The Indemnifier shall be responsible for all reasonable expenses associated with making such documents, records and materials available and for all reasonable expenses if any employees are made available by the Indemnified Party to the Indemnifier hereunder, which expense shall not exceed the actual cost to the Indemnified Party associated with such employees.

Section 11.08 Settlement of Third Party Claims

If an Indemnifier elects to assume the defence of any Third Party Claim as provided in Section 11.06, the Indemnifier shall not be liable for any legal expenses subsequently incurred by the Indemnified Party in connection with the defence of such Third Party Claim.

Section 11.09 Direct Claims

Any Direct Claim shall be asserted by giving the Indemnifier reasonably prompt written notice thereof, but in any event not later than 10 days after the Indemnified Party becomes aware of such Direct Claim. The Indemnifier shall then have a period of 60 days within which to investigate and respond in writing to such Direct Claim. For the purposes of the investigation, the Indemnified Party shall make available to the Indemnifier the information relied upon by the Indemnified Party to substantiate the Direct Claim, together with such other information as the Indemnifier may reasonably request. If the Indemnifier disputes the validity or amount of the Direct Claim, the Indemnifier shall provide written notice of the dispute to the Indemnified Party within the 60 day period. During the 30 day period immediately following receipt of a dispute notice by the Indemnified Party, the Indemnifier and the Indemnified Party shall attempt in good faith to resolve the dispute. If the Indemnifier and the Indemnified Party fail to resolve the dispute within that 30 day time period, the Indemnified Party is free to pursue all rights and remedies available to it, subject to this Agreement. If the Indemnifier does not so respond to the Direct Claim within the 60 day period specified above, the Indemnifier shall be deemed to have rejected such Direct Claim, and in such event the Indemnified Party shall be free to pursue such remedies as may be available to the Indemnified Party, subject to this Agreement.

Section 11.10 Failure to Give Timely Notice

A failure to give timely notice as provided in this Article Eleven shall not affect the rights or obligations of any Party, unless the notification occurs after the expiration of the specified period set out in Section 8.31 or, and only to the extent that, as a result of such failure, the Indemnifier who was entitled to receive such notice had its ability to exercise its right to defend provided under this Agreement materially prejudiced, was deprived of its right to recover any payment under its applicable insurance coverage or was otherwise directly and materially damaged as a result of such failure, and in such event the Party who failed to receive timely notice shall not have any further obligations under this Article Eleven. The provisions of this Section 11.10 do not in any way extend the survival periods set out in Section 8.31.

Section 11.11 Rights in Addition

The rights of indemnity set forth in this Article Eleven are in addition and supplemental to any other rights, actions, claims or causes of action which may arise in respect of this Agreement, any Closing Document and the transactions contemplated hereby.

Section 11.12 Limitations

(a) The Purchaser shall not be entitled to require payment of any amount by the Vendors with respect to the indemnities contained in this Article Eleven until the aggregate of all such amounts for which the Vendors would otherwise be required to remit payment exceeds *[Redacted – amount]* (the "**Aggregate Threshold Amount**"); provided that, once the Aggregate Threshold Amount has been exceeded, the Purchaser shall be entitled to require payment on the indemnities contained in this Article Eleven for the full amount of the Claim(s) giving rise to the right of indemnification hereunder up to a maximum amount equal to the Liability Cap (as defined below).

(b) The Purchaser shall not be entitled to require payment of any amount by (i) the Vendors with respect to the indemnities contained in this Agreement, taken in the aggregate, in excess of *[Redacted – amount]* (the "**Liability Cap**"); (ii) any Vendor, with respect to the indemnities contained in this Agreement, taken in the aggregate, in excess of its Vendor's Pro Rata Interest of the Liability Cap, on the basis set forth in Section 11.02; (iii) any Cancelled Securityholder, with respect to the indemnities contained in this Agreement with respect to a breach of the representations and warranties referenced in Section 8.01(b), Section 8.01(c) and Section 8.01(d), taken in aggregate, in excess of the amount of the proceeds received by such Cancelled Securityholder hereunder in respect of the Cancelled Securities it held on or immediately prior to Closing and, as applicable, in accordance with section 11.4(b) of the Woodfield LP Agreement and section 11.4(b) of the SNS Kitchener LP Agreement.

(c) The General Holdback will be the sole source of satisfaction for payment of any amount by the Vendors with respect to the indemnities contained in this Article Eleven (other than pursuant to Section 11.02.3(d)) unless and until the entirety of the General Holdback has been released in accordance with the terms and conditions of this Agreement and the Escrow Agreement.

(d) The *[Redacted – descriptor]* Holdback will be the sole source of satisfaction for payment of any amount by the Vendors with respect to the indemnity contained in Section 11.02.3(d) unless and until the entirety of the *[Redacted – descriptor]* Holdback has been released in accordance with the terms and conditions of this Agreement and the Escrow Agreement.

(e) The amount of any Claim required to be paid by the Vendors to the Purchaser pursuant to this Article Eleven shall be reduced to the extent of any amounts actually received by the Purchaser pursuant to the terms of insurance policies covering such Claim.

(f) Following Closing, a Party has no obligation or liability for indemnification or otherwise with respect to any breach or inaccuracy of any representation or warranty in this Agreement, or the Vendors' Certificate or Purchaser's Certificate, as applicable, or any failure to perform or fulfil any covenants or obligations, if the Party that is the indemnifier is able to establish that the Party making the Claim had Knowledge of the breach, inaccuracy or failure to perform on or prior to Closing.

(g) For the purposes of this Section 11.12, the following shall be excluded from and do not form part of the Aggregate Threshold Amount and the Liability Cap:

(i) Third Party Claims;

(ii) Claims based upon fraud or wilful misrepresentation; and

(iii) Claims arising under Section 11.02.3.

Section 11.13 <u>Limitations to Claims</u>

Notwithstanding anything herein, the obligation of each Vendor under this Article Eleven is limited to an amount equal to its Vendor's Pro Rata Interest (on the basis set forth in Section 11.02) of any Indemnity Payment or *[Redacted – descriptor]* Indemnity Payment owing and payable to the Purchaser. The Vendors acknowledge and confirm that any Indemnity Payment or *[Redacted – descriptor]* Indemnity Payment owed to the Purchaser may be set off against or deducted from the whole of the General Holdback or *[Redacted – descriptor]* Holdback, respectively.

Section 11.14 <u>One Recovery</u>

Any Indemnified Party not entitled to double recovery for any claims even though they may have resulted from the breach of more than one of the representations, warranties, covenants and obligations of the Indemnifier in this Agreement. No Party has any liability or obligation with respect to any claim for indemnification to the extent that such matter was reflected as an adjustment to the Purchase Price pursuant to adjustments pursuant Section 3.05 and Section 3.09(b) hereof or as otherwise contemplated herein.

Section 11.15 Duty to Mitigate

Nothing in this Agreement in any way restricts or limits the general obligation at Law of an Indemnified Party to mitigate any loss which it may suffer or incur by reason of the breach by an Indemnifier of any representation, warranty, covenant or obligation of the Indemnifier under this Agreement. If any claim can be reduced by any recovery, settlement or otherwise under or pursuant to any insurance coverage, or pursuant to any claim, recovery, settlement or payment by or against any other Person, the Indemnified Party shall take all appropriate steps to enforce such recovery, settlement or payment and the amount of any Damages of the Indemnified Party will be reduced by the amount of insurance proceeds actually recoverable by the Indemnified Party.

Section 11.16 Adjustment to Purchase Price

Any payment made by a Vendor as an Indemnifier pursuant to this Article Eleven will constitute a dollar-for-dollar decrease of the Purchase Price and any payment made by the Purchaser as an Indemnifier pursuant to this Article Eleven will constitute a dollar-for-dollar increase of the Purchase Price.

Section 11.17 Disclosed *[Redacted – descriptor]*

[Redacted – provision relating to confidential matter]

ARTICLE TWELVE
GENERAL MATTERS

Section 12.01 Taxes and Registration Fees

Except as otherwise provided herein, the Purchaser shall pay all provincial and federal sales and other taxes and registration fees payable upon the transfer of the Purchased Securities to the Purchaser or upon the registration of transfers and assignments evidencing such conveyance.

Section 12.02 Entire Agreement

This Agreement, including the Schedules hereto and the Disclosure Letters, and any Closing Documents contemplated by, or delivered in connection with, this Agreement constitute the entire agreement between the Parties with respect to the subject matter hereof and cancels and supersedes any prior and contemporaneous understandings and agreements between the Parties in relation to the Transaction, including any letter of intent, and there are no additional representations, warranties, undertakings or agreements between the Parties. If there is a conflict between the terms of this Agreement and the terms of any other Closing Document contemplated by, or delivered in connection with, this Agreement, the terms of this Agreement shall prevail. This Agreement may not be amended or modified in any respect except by instrument signed by the Purchaser and the Execution Date Vendors.

Section 12.03 Notice

Any notice, direction, or other communication required or permitted to be given under the provisions of this Agreement shall be in writing (herein referred to as a "**Notice**") and shall be sufficiently given if delivered personally to such party, or if sent by prepaid registered mail or if transmitted by facsimile, electronic mail or other form of recorded communication as follows:

(a) to the Vendors' Representative:

Wilmington Capital Management Inc.
Suite 700, 505 – 3rd Street S.W.
Calgary, Alberta
T2P 3E6

Attention: Mr. Chris Killi
Fax: *[Redacted]*
Email: *[Redacted]*

with a copy to: Stikeman Elliott LLP
4300 Bankers Hall West
888 - 3rd Street S.W.
Calgary, Alberta
T2P 5C5

Attention: Mr. Michael Dyck
Fax: *[Redacted]*
Email: *[Redacted]*

(b) to the Purchaser: 100 Canadian Road
Scarborough, Ontario
M1R 4Z5

Attention: Mr. Iqbal Khan
Fax No.: *[Redacted]*
Email: *[Redacted]*

with a copy to: Marrelli & Co.
100 Canadian Road
Scarborough, Ontario
M1R 4Z5

Attention: Mr. James Marrelli
Fax No.: *[Redacted]*
Email: *[Redacted]*

and with a copy to: DLA Piper
Suite 1000, Livingston Place West
250 2nd St SW
Calgary, Alberta
T2P 0C1

Attention: Mr. Derrick Auch
Fax No.: *[Redacted]*
Email: *[Redacted]*

or at such other address as the Party to whom such Notice is to be given shall have last notified the Party giving the same in the manner herein provided. Any Notice personally delivered to the Party to whom it is addressed as hereinbefore provided shall be deemed to have been given and received on the day it is so delivered at such address, provided that if such day is not a Business Day, then the Notice shall be deemed to have been given and received on the Business Day next following such day. Any Notice mailed as aforesaid shall be deemed to have been given and received on the fifth Business Day next following the date of its mailing provided no postal strike is then in effect or comes into effect within five (5) Business Days after such mailing. Any Person giving such Notice, direction or other instrument by mail, shall promptly upon mailing confirm to the addressee in person or by telephone or by telegram the date of such mailing. Any Notice transmitted by facsimile or electronic mail shall be deemed given and received on the day of its transmission if such day is a Business Day and if not on the next following Business Day.

(c) Notwithstanding any other provisions hereof, for the purpose of delivery of any Notice pursuant to any provision of this Agreement, any Notice to be delivered to the Vendors or the Vendors' Representative pursuant to any provision of this Agreement shall be sufficiently given if delivered to the Vendors' Representative and any Notice to be delivered to the Purchaser pursuant to any provisions of this Agreement shall be sufficiently given if delivered to either one of Steven Scott and Iqbal Khan.

Section 12.04 <u>Vendors' Representative</u>

(a) Each Vendor shall be deemed to have appointed Wilmington, or any successor thereto, as its representative, agent, proxy and attorney in fact (the "**Vendors' Representative**") to serve as the Vendors' Representative for and on behalf of the Vendors, to give and receive notices and communications in connection with this Agreement, any Closing Document and the Transaction, to take all actions on behalf of the Vendors pursuant to this Agreement and any Closing Document, and to take all actions necessary or appropriate in the judgment of the Vendors' Representative for the accomplishment of the foregoing. More specifically, the Vendors' Representative shall have the authority to make all decisions and determinations and to take all actions (including giving consents or agreement to any amendments to this Agreement or any Closing Document or to the termination hereof or thereof) required or permitted hereunder on behalf of each Vendor, and any such action, decision or determination so made or taken shall be deemed the action, decision or information required (other than any notice required by Applicable Law) to be given to any such Vendor hereunder or pursuant to any Closing Document shall be deemed so given if given to the Vendors' Representative. The Vendors' Representative shall be authorized to take all actions on behalf of Vendors in connection with any claims made under Article Eleven of this Agreement, to defend or settle such claims, and to make payments in respect of such claims on behalf of the Vendors. No bond shall be required of the Vendors' Representative, and the Vendors' Representative shall receive no compensation for its services. Notices or communications to or from the Vendors' Representative shall constitute notice to or from each Vendor.

(b) The Vendors' Representative hereby accepts such designation and appointment and agrees to represent and act for the Vendors under this Agreement in accordance with the terms and conditions set forth in this Section 12.04.

(c) The Vendors' Representative shall not be liable to any Vendor for any act done or omitted hereunder as the Vendors' Representative while acting in good faith and not in a manner constituting gross negligence or willful misconduct, and any act done or omitted pursuant to the advice of counsel shall be conclusive evidence of such good faith. The Vendors shall severally indemnify the Vendors' Representative and hold the Vendors' Representative harmless against any Loss incurred without gross negligence or willful misconduct on the part of the Vendors' Representative and arising out of or in connection with the acceptance and administration of the Vendors' Representative's duties hereunder.

(d) Notwithstanding any provision of the Section 12.04 which defines or limits the authority of the Vendors' Representative, a decision, act, consent or instruction of the Vendors' Representative shall constitute a decision of all Vendors and shall be final, binding and conclusive upon all Vendors. The Purchaser is hereby entitled to rely on all statements, representations and decisions of the Vendors' Representative without the necessity of investigating or determining whether or not the Vendors' Representative has acted within the scope of the powers given to the Vendors' Representative under this Agreement and the Purchaser shall have no liability to the Vendors in connection with any actions taken or not taken in reliance on such statements, representations and decisions of the Vendors' Representative.

(e) The Vendors' Representative, for itself and on behalf of each other Vendor, represents and warrants that the Vendors' Representative has the legal capacity to execute and deliver this Agreement and to perform its respective obligations hereunder, and this Agreement has been duly and validly executed and delivered by the Vendors' Representative and, assuming the due authorization, execution and delivery thereof by the other Parties, constitutes the legal and binding obligations of the Vendors' Representative and each other Vendor, enforceable against the Vendors' Representative and each other Vendor in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors generally and by the availability of equitable remedies.

(f) At the Closing, the Purchaser shall deposit a portion of the Purchase Price payable pursuant to Section 3.02(g) hereof in an amount determined in writing by the Vendors' Representative not exceeding $300,000.00 (the "**Vendors' Representative Expense Fund**") into a bank account designated by the Vendors' Representative. Each Vendor shall be deemed to have contributed to its Vendor's Pro Rata Interest of the Vendors' Representative Expense Fund. The Vendors' Representative Expense Fund shall serve as a fund for the fees and expenses of the Vendors' Representative incurred in accordance with this Section 12.04 with any balance of the Vendors' Representative Expense Fund not used for such purposes to be returned to the Vendors in accordance with their respective Vendor's Pro Rata Interest. The Vendors agree that all interest or other income earned from the investment of the Vendors' Representative Expense Fund in any Tax Period shall be reported as allocated to the Vendors in proportion to their interests in the Vendors' Representative Expense Fund.

Section 12.05 <u>Time of Essence</u>

Time is of the essence of each provision of this Agreement.

Section 12.06 <u>Governing Law</u>

This Agreement shall be governed by and interpreted and enforced in accordance with the laws of the Province of Alberta (excluding any rule or principle of the conflict of laws which might refer such interpretation to the laws of another jurisdiction). Each party irrevocably submits to the exclusive jurisdiction of the courts of Alberta with respect to any matter arising hereunder or related hereto.

Section 12.07 <u>Enurement</u>

This Agreement shall enure to the benefit of and be binding upon the Parties hereto and their respective heirs, estate trustees, successors and permitted assigns.

Section 12.08 <u>Counterparts</u>

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than one counterpart signed by each of the Parties to this Agreement. This Agreement may be executed and delivered by fax transmission or scanned email signature and each of the Parties may rely on such fax or scanned email signature as though the fax or email scanned signature were an original handwritten signature.

Section 12.09 <u>Assignment</u>

(a) The Purchaser may, without the consent of the other Parties, assign this Agreement and its rights hereunder to an Affiliate (as defined in the *Business Corporations Act* (Alberta)) on condition that the Purchaser shall remain liable to observe and perform all of its covenants and obligations hereunder;

(b) Subject to paragraph (a):

(i) no Party may assign any rights or benefits under this Agreement to any Person;

(ii) subject to Section 12.04 and except as otherwise provided hereunder, each Party agrees to perform its obligations under this Agreement itself, and not to arrange in any way for any other Person to perform those obligations; and

(iii) no assignment of benefits or, subject to Section 12.04 and except as otherwise provided hereunder, arrangement for substituted performance by one Party shall be of any effect against the other Party except to the extent that other Party has consented to it in writing;

(c) Subject to paragraphs (a) and (b) hereof, this Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors (including any successor by reason of amalgamation or statutory arrangement of any Party) and permitted assigns.

Section 12.10 Expenses

Except as otherwise expressly agreed to in this Agreement, each Party shall pay all expenses it incurs in authorizing, preparing, executing and performing this Agreement and the transactions contemplated hereunder, whether or not the Closing occurs, including all fees and expenses of its legal counsel, bankers, investment bankers, brokers or other Representatives or consultants.

Section 12.11 Waiver

Any Party hereto which is entitled to the benefits of this Agreement may, and has the right to, waive any term or condition hereof at any time on or prior to the Closing Time provided, however, that such waiver shall be evidenced by written instrument duly executed on behalf of the Purchaser or the Execution Date Vendors, as applicable.

Section 12.12 Remedies Cumulative

The rights and remedies of the Parties under this Agreement are cumulative and in addition to and not in substitution for any rights or remedies provided by law. Any single or partial exercise by any Party hereto of any right or remedy for default or breach of any term, covenant or condition of this Agreement does not waive, alter, affect or prejudice any other right or remedy to which such Party may be lawfully entitled for the same default or breach.

Section 12.13 Severability

If any term of this Agreement is or becomes illegal, invalid or unenforceable in any jurisdiction, the illegality, invalidity or unenforceability of that term shall not affect the legality, validity or enforceability of the remaining terms of this Agreement, or the legality, validity or enforceability of that term in any other jurisdiction.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above mentioned.

WILMINGTON CAPITAL MANAGEMENT INC.

By: *(signed) "Ian Cockwell"*

Name: Ian Cockwell

Title: Chairman

By: *(signed) "Chris Killi"*

Name: Chris Killi

Title: Managing Partner, Real Estate and Vice President Finance

WESTHILLS DEVELOPMENT CORPORATION

By: *(signed) "Joseph F. Killi"*

Name: Joseph F. Killi

Title: President and Director

PERRON HOLDINGS LTD.

By: *(signed) "Gary Perron"*

Name: Gary Perron

Title: President and Secretary

STORAGEVAULT CANADA INC.

By: *(signed) "Iqbal Khan"*

Name: Iqbal Khan

Title: CFO

SCHEDULE 1.01(119)

Restrictive Covenants Agreement

See attached.

[Redacted]

SCHEDULE 3.07

Escrow Agreement

See attached.

ESCROW AGREEMENT

Escrow Agreement dated ● between Wilmington Capital Management Inc. ("**Vendors' Representative**"), StorageVault Canada Inc. ("**Purchaser**") and Stikeman Elliott LLP (the "**Escrow Agent**").

RECITALS:

(a) The Vendors' Representative and the Purchaser, *inter alios*, are parties to a purchase and sale agreement dated December 11, 2018 (the "**Purchase Agreement**");

(b) Pursuant to Section 3.07 of the Purchase Agreement, the sum of $*[Redacted – sum of General Holdback Funds and [Redacted – descriptor] Holdback Funds]* (the "**Escrow Funds**") is to be delivered to the Escrow Agent; and

(c) The Escrow Agent is willing to act as escrow agent for the sole purpose of accepting, holding and releasing the Escrow Funds in accordance with this Agreement.

In consideration of the above and for other good and valuable consideration, the parties agree as follows:

Section 1 Defined Terms

Capitalized terms used in this Agreement and not otherwise defined have the meanings specified in the Purchase Agreement.

Section 2 Appointment of Escrow Agent

The Vendors' Representative, for and on behalf of the Vendors, and the Purchaser hereby appoint the Escrow Agent to act as escrow agent in accordance with this Agreement and the Escrow Agent accepts such appointment.

Section 3 Delivery, Receipt and Investment of Escrow Funds

Upon delivery of the Escrow Funds by the Purchaser to the Escrow Agent, the Escrow Agent shall acknowledge receipt of the Escrow Funds to the Purchaser and the Vendors' Representative. The Escrow Agent shall hold and deal with the Escrow Funds in accordance with this Agreement. The Escrow Agent shall deposit THREE MILLION DOLLARS ($3,000,000.00) of the Escrow Funds (the "**General Holdback Funds**") and *[Redacted – amount]* of the Escrow Funds (the "*[Redacted – descriptor]* **Holdback Funds**") into two separate interest bearing accounts (or other interest bearing instruments or deposits with a maturity of not more than ● days approved by the Vendors' Representative) of *[Redacted – name of financial institution]*. Interest earned and paid on such investments will be added to and form part of the General Holdback Funds or the *[Redacted – descriptor]* Holdback Funds, as applicable and the Escrow Agent shall invest and reinvest such interest in accordance with this Section 3. Interest earned on each of the General Holdback Funds and the *[Redacted – descriptor]* Holdback Funds, as applicable, will be for the benefit of the person to whom any such General Holdback Funds or *[Redacted – descriptor]* Holdback Funds are released, pro rata to such released amount, and in the case of a release to the Vendors, each Vendor will receive an amount equal to its Vendor's Pro Rata Interest of such release of General Holdback Funds or *[Redacted – descriptor]* Holdback Funds, as applicable.

Section 4 Payment of General Holdback Funds – Purchase Price Adjustment

(1) Within three (3) Business Days after the Draft Working Capital Statement becomes the Closing Working Capital Statement in accordance with Section 3.04(f) or Section 3.04(g) of the Purchase Agreement, as the case may be, the Vendors' Representative and the Purchaser shall sign and deliver to the Escrow Agent a certificate (the "**Escrow Certificate**") certifying the amount of the payment to be made by the Escrow Agent out of the General Holdback Funds on account of the decrease in the Purchase Price, if any, or the amount of the payment to be made by the Purchaser by wire transfer of immediately available funds on account of the increase in the Purchase Price, if any (in each case, the "**Purchase Price Adjustment**") and whether such amount is to be paid to the Vendors, as directed by the Vendors' Representative, or the Purchaser.

(2) If the Escrow Certificate specifies that payment is to be made to the Purchaser, the Escrow Agent shall pay to or to the order of the Purchaser from the General Holdback Funds an amount equal to the lesser of the Purchase Price Adjustment and the remaining balance of the General Holdback Funds, together with any accrued interest on such amount up to the date immediately preceding the date of payment, to the extent actually received by the Escrow Agent.

(3) If the Escrow Certificate specifies that payment is to be made to the Vendors, the Purchaser shall pay to or to the order of the Vendors, as directed by the Vendors' Representative, an amount equal to the Purchase Price Adjustment and the Escrow Agent shall continue to hold the remaining balance of the General Holdback Funds, if any, in accordance with the terms of this Agreement.

(4) If there is no Purchase Price Adjustment, the Escrow Agent shall continue to hold the remaining balance of the General Holdback Funds, if any, in accordance with the terms of this Agreement.

(5) The Escrow Agent shall pay any amounts payable under this Section 4 (less any applicable withholding taxes) by wire transfer of immediately available funds, on or before the date that is the later of (i) the third Business Day after it receives the Escrow Certificate, and (ii) the first Business Day after any investment of the General Holdback Funds matures without penalty unless the Escrow Certificate provides otherwise.

Section 5 Payment of General Holdback Funds – Indemnity Claims

(1) Subject to Section 6, once a Third Party Claim or Direct Claim for which the Purchaser has sought indemnification under the Purchase Agreement is finally resolved or settled, or a court of competent jurisdiction, arbitrator, tribunal or

alternative dispute resolution body issuing an order, judgment or award which is not subject to appeal or in respect of which any right to appeal has lapsed, the Purchaser and the Vendor's Representative, for an on behalf of the Vendors, shall sign and deliver a notice in writing (the "**Indemnity Notice**") to the Escrow Agent certifying the amount payable to the Purchaser from the General Holdback Funds in respect of such Third Party Claim or Direct Claim (the "**Indemnity Payment**").

(2) The Escrow Agent shall pay to or to the order of the Purchaser from the General Holdback Funds an amount equal to the lesser of the Indemnity Payment and the remaining balance of the General Holdback Funds, together with any accrued interest on such amount up to the date immediately preceding the date of payment. The Escrow Agent shall pay any amounts payable under this Section 5(2) (less any applicable withholding taxes) by wire transfer of immediately available funds, on or before the date that is the later of (i) the third Business Day after it receives the Indemnity Notice, and (ii) the first Business Day after any investment of the General Holdback Funds to be paid pursuant to the Indemnity Notice matures without penalty unless, the Indemnity Notice provides otherwise.

(3) Nothing in this Agreement or its execution, delivery or performance modifies in any respect, any of the provisions of the Purchase Agreement, including, without limitation, Article 11 of the Purchase Agreement regarding indemnification.

Section 6 Payment of General Holdback Funds on First Expiration Date and Second Expiration Date

(1) Promptly following the date that is the *[Redacted – date]* (the "**First Expiration Date**"), the Purchaser and the Vendors' Representative, for and on behalf of the Vendors, shall sign and deliver a notice in writing (the "**First Expiration Date Notice**") to the Escrow Agent certifying (a) that the First Expiration Date has occurred and (b) whether or not there are any outstanding Third Party Claims or Direct Claims for which the Purchaser has sought indemnification under the Purchase Agreement, excluding any claims in connection with the Disclosed *[Redacted – descriptor]*, and the amount of such claims, if any (the "**Expiration Claims**"). The Escrow Agent (x) shall pay to or to the order of the Vendors, as directed by the Vendors' Representative, an amount equal to *[Redacted – amount]* less the aggregate amount of the Expiration Claims as specified in the First Expiration Date Notice, if any, and less any amounts paid by the Escrow Agent to the Purchaser in accordance with Section 4, together with any accrued interest on such amount up to the date immediately preceding the date of payment, to the extent actually received by the Escrow Agent, and (y) shall continue to hold in escrow the remaining balance after making the payment(s) referred to in para (x), if any, of the General Holdback Funds.

(2) Promptly following such date that is *[Redacted – date]* (the "**Second Expiration Date**"), the Purchaser and the Vendors' Representative, for and on behalf of the Vendors, shall sign and deliver a notice in writing (the "**Second Expiration Date Notice**") to the Escrow Agent certifying (i) that the Second Expiration Date has occurred and (ii) whether or not there are any outstanding Expiration Claims. If there are any Expiration Claims, the Escrow Agent shall continue to hold in escrow

the lesser of the aggregate amount of the Expiration Claims as specified in the Second Expiration Date Notice and the remaining balance, if any of the General Holdback Funds, together with any accrued interest on such amount up to the date immediately preceding payment, to the extent actually received by the Escrow Agent. If there are no Expiration Claims included in the Second Expiration Date Notice, the Escrow Agent shall pay to or to the order of the Vendors, as directed by the Vendors' Representative, any remaining balance of the General Holdback Funds, together with any accrued interest on such amount up to the date immediately preceding the date of payment, to the extent actually received by the Escrow Agent.

(3) The Escrow Agent shall pay any amounts payable under Section 6(1) or Section 6(2) less any applicable withholding taxes) by wire transfer of immediately available funds, on or before the date that is the later of (i) the third Business Day after it receives the First Expiration Date Notice or Second Expiration Date Notice, as applicable, and (ii) the first Business Day after any investment of the General Holdback Funds to be paid pursuant to the First Expiration Date Notice or Second Expiration Date Notice, as applicable, matures without penalty, unless such notice provides otherwise.

(4) The Vendors' Representative shall deliver a notice in writing (the "**Release Notice**") to the Escrow Agent, with a copy to the Purchaser, promptly following the final resolution or settlement of an Expiration Claim, or an order, judgment or award which is not subject to appeal or in respect of which any right to appeal has lapsed from a court of competent jurisdiction, arbitrator, tribunal or alternative dispute resolution body. The Vendors' Representative, for and on behalf of the Vendors, shall certify in the Release Notice whether or not there is any amount payable to the Purchaser from the General Holdback Funds in respect of such Expiration Claim and such amount, if any. The Escrow Agent shall pay to or to the order of the Purchaser from the remaining balance of the General Holdback Funds an amount equal to the lesser of the amount, if any, payable to the Purchaser in respect of such Expiration Claim as specified in the Release Notice and the remaining General Holdback Funds, together with any accrued interest on such amounts up to the date immediately preceding the date of payment, to the extent actually received by the Escrow Agent.

(5) In the event that there are no further Expiration Claims following the Second Expiration Date, the Escrow Agent shall pay the balance, if any, of the remaining General Holdback Funds to or to the order of the Vendors, as directed by the Vendors' Representative, together with any accrued interest on such amounts up to the date immediately preceding the date of payment, to the extent actually received by the Escrow Agent.

(6) In the event that there are additional Expiration Claims, the Escrow Agent shall continue to hold the remaining balance of the General Holdback Funds, if any, pursuant to the terms of this Agreement.

(7) The Escrow Agent shall pay any amounts payable (less any applicable withholding taxes) under this Section 6 by wire transfer of immediately available funds, on or before the date that is the later of (i) the third Business Day after it receives the

Release Notice, and (ii) the first Business Day after any investment of the General Holdback Funds to be paid pursuant to the Release Notice matures without penalty, unless the Release Notice provides otherwise.

(8) The Parties agree that the process set out in this Section 6 shall apply in respect of the release of payments in respect of the resolution of each Expiration Claim until no further Expiration Claim remains or until the General Holdback Funds have been fully released and no further funds remain, whichever occurs earlier.

Section 7 *[Redacted – descriptor]* **Holdback Funds**

(1) Upon satisfaction of the requirements in Section 3.07 of the Purchase Agreement for the release of the *[Redacted – descriptor]* Holdback, the Purchaser and Vendors' Representative, for and on behalf of the Vendors, shall sign and deliver a notice in writing (the "**Disclosed** *[Redacted – descriptor]* **Indemnity Notice**") to the Escrow Agent, with a copy to the Purchaser, certifying whether or not there is any amount payable to the Purchaser from the *[Redacted – descriptor]* Holdback Funds in respect of the Disclosed *[Redacted – descriptor]* and such amount, if any.

(2) The Escrow Agent shall pay to or to the order of the Purchaser from the *[Redacted – descriptor]* Holdback Funds an amount equal to the lesser of the Disclosed *[Redacted – descriptor]* Indemnity Payment and the *[Redacted – descriptor]* Holdback Funds, together with any accrued interest on such amount up to the date immediately preceding the date of payment, to the extent actually received by the Escrow Agent, and in the event after such payment any *[Redacted – descriptor]* Holdback Funds would remain in escrow, the remainder, together with any accrued interest on such amount up to the date immediately preceding the date of payment, to the extent actually received by the Escrow Agent, shall be paid to the Vendors' Representative for and on behalf of the Vendors. The Escrow Agent shall pay any amounts payable under this Section 7(1) (less any applicable withholding taxes) by wire transfer of immediately available funds, on or before the date that is the later of (i) the third Business Day after it receives the Disclosed *[Redacted – descriptor]* Indemnity Notice, and (ii) the first Business Day after any investment of the *[Redacted – descriptor]* Holdback Funds to be paid pursuant to the Disclosed *[Redacted – descriptor]* Indemnity Notice matures without penalty unless, the Disclosed *[Redacted – descriptor]* Indemnity Notice provides otherwise.

Section 8 No Requirement for Determination or Decision

The Escrow Agent is not required to make any determination or decision with respect to the validity of any claim made by any party, or of any denial thereof (including, without limitation, the validity of any Escrow Certificate, Indemnity Notice, First Expiration Date Notice, Second Expiration Date Notice or Release Notice), but may rely conclusively on the terms of this Agreement and the documents delivered to it in connection with this Agreement.

Section 9 Duties and Liabilities of the Escrow Agent

(1) The Escrow Agent has no duties or responsibilities other than those expressly set forth in this Agreement, which the parties agree are purely administrative in nature, and no implied duties or obligations may be read into this Agreement against the Escrow Agent. For greater certainty, the Escrow Agent is not bound by any agreement, arrangement or understanding relating to or arising out of the matters provided for in this Agreement, except as expressly set forth in this Agreement.

(2) The Escrow Agent is not liable for any action it takes or omits to take in good faith and in the exercise of its own best judgment, for any error in judgment made in good faith or for any mistake of fact or law, except for its own bad faith or fraud.

(3) The Escrow Agent may rely on, and is protected in acting upon, any judgment, order, notice, demand, direction, certificate or other instrument, paper or document which it may receive in connection with its duties under this Agreement and may accept them as sufficient evidence of the facts stated in them. The Escrow Agent is in no way bound to enquire as to the veracity, accuracy or adequacy thereof or call for further evidence (whether as to due execution, validity or effectiveness, or the jurisdiction of any court, or as to the truth of any fact), and is not responsible for any loss that may be occasioned by its failing to do so.

(4) If the Escrow Agent becomes involved in any arbitration or litigation relating to this Agreement, the Escrow Agent may comply with any decision reached through such arbitration or litigation.

(5) In the following circumstances, the Escrow Agent may (i) refrain from taking any action under this Agreement until it is authorized or directed otherwise in writing by both the Vendors' Representative and the Purchaser, or by an order of a court of competent jurisdiction from which no further appeal may be taken or (ii) deposit any of the Escrow Funds with a court of competent jurisdiction in Calgary, Province of Alberta:

 (a) The Escrow Agent is uncertain as to its duties or rights under this Agreement;

 (b) The Escrow Agent receives instructions, claims or demands from any party to this Agreement or from a third Person with respect to any matter under this Agreement which, in its opinion, are in conflict with this Agreement;

 (c) There is a disagreement between any of the parties to this agreement which, in the reasonable opinion of the Escrow Agent, may result in adverse claims or demands with respect to the Escrow Funds; or

 (d) Any of the parties to this Agreement, including the Escrow Agent, disagree about the interpretation of this Agreement or about the rights and obligations of the Escrow Agent or the propriety of an action contemplated by the Escrow Agent under this Agreement.

(6) Upon the Escrow Agent depositing any of the Escrow Funds with a court in accordance with Section 9(5), the Escrow Agent will be released from its duties and obligations under this Agreement. Section 10 and Section 11 and the provisions of this Agreement relating to the protection of the Escrow Agent survive such release of the Escrow Agent.

Section 10 Escrow Agent's Fees, Costs and Expenses

The Vendors' Representative, for and on behalf of the Vendors, and the Purchaser shall jointly and severally pay the Escrow Agent's reasonable fees, expenses and disbursements in connection with the performance of its obligations under this Agreement. The Escrow Agent may withhold any Escrow Funds from release while any amounts properly owing to it remain unpaid.

Section 11 Indemnification of Escrow Agent

The Vendors' Representative, for and on behalf of the Vendors, and the Purchaser shall jointly and severally indemnify and save harmless the Escrow Agent and each of its shareholders, partners, directors, officers, employees, agents, representatives and affiliates of and from, and shall pay for, all actions, proceedings, losses, liabilities, costs, claims, damages, expenses (including legal fees and expenses on a full indemnity basis without reduction for tariff rates or similar reductions) and demands that may be made or brought against it or any of them or which it or any of them may suffer or incur as a result of, in respect of, arising out of or in connection with this Agreement, the performance or non-performance by the Escrow Agent under this Agreement or any transaction contemplated by this Agreement, except such as shall result solely and directly from its own bad faith or fraud.

Section 12 Resignation, Removal of Escrow Agent

(1) The Escrow Agent may resign and be discharged from all further duties and liabilities under this Agreement at any time on 30 Business Days' written notice to the Vendors' Representative and Purchaser or such shorter notice as the Vendor and the Purchaser may accept as sufficient. The Vendors' Representative and the Purchaser may jointly remove the Escrow Agent from its office at any time on 30 Business Days' written notice to the Escrow Agent.

(2) If the Escrow Agent resigns or is removed, the Vendors' Representative and the Purchaser have 20 Business Days to jointly appoint a successor and the Escrow Agent shall deliver the remaining Escrow Funds and all interest accrued thereon as the Vendors' Representative and Purchaser direct, except that the Escrow Agent may withhold any Escrow Funds from release in accordance with Section 10.

(3) If a successor is not appointed in accordance with Section 12(2), then the Escrow Agent shall cease its function at the expiration of the notice period and deposit the remaining Escrow Funds with a court of competent jurisdiction in Calgary, Province of Alberta.

(4) This Agreement terminates and ceases to be of any further force and effect with respect to the Escrow Agent on the date on which the Escrow Agent delivers the remaining Escrow Funds to a successor or deposits them with a court in accordance with this Section 12, except that Section 10 and Section 11 and all other provisions of this Agreement relating to the protection of the Escrow Agent survive the resignation or removal of the Escrow Agent.

(5) Upon the appointment of any successor escrow agent, the successor escrow agent will be vested with the same powers, rights, duties and responsibilities as if the successor escrow agent had been originally named as Escrow Agent under this Agreement and will be subject to removal under this Section 12. The Vendors' Representative, the Purchaser and the successor escrow agent shall execute and deliver all documents and take all such actions as may, in the reasonable opinion of the Escrow Agent, be necessary or desirable for the purpose of effectively transferring the Escrow Funds to the successor escrow agent and otherwise assuring the successor escrow agent a full estate in the premises.

Section 13 Termination of Agreement

In addition to terminating in accordance with Section 12, this Agreement terminates and ceases to be of any further force and effect on the earlier of (i) the date on which the Escrow Agent delivers all of the remaining Escrow Funds in accordance with Section 4, Section 5, Section 6 or Section 7 or deposits them with a court in accordance with Section 9 and (ii) unless otherwise agreed by the Vendors' Representative, the Purchaser and the Escrow Agent in writing, the two (2) year anniversary of the Second Expiration Date, in which case the Escrow Agent shall, within five (5) Business Days following such date, deposit the remaining Escrow Funds, together with all interest thereon, with a court of competent jurisdiction in Calgary, Province of Alberta, to be disposed of by further order of such court. Despite the previous sentence, Section 10 and Section 11 and all other provisions of this Agreement relating to the protection of the Escrow Agent which survive the termination of this Agreement.

Section 14 Right to Continue to Act

Each of the Vendors' Representative, for and on behalf of the Vendors, and the Purchaser acknowledge that the Escrow Agent has acted and will continue to act as legal counsel to the Vendors with respect to various matters, including the Purchase Agreement. Each of the Vendors' Representative, for and on behalf of the Vendors, and the Purchaser agree that, as the Escrow Agent is not acting as legal counsel to the Purchaser, the Escrow Agent will not, by virtue of acting as Escrow Agent, be disqualified from continuing to act for and represent any Vendor in connection with the Purchase Agreement and otherwise, including in matters adverse to the Purchaser and its interests.

Section 15 Residence of Vendors and Purchaser

Each of the Vendors' Representative, for and on behalf of the Vendors, and the Purchaser severally, but not jointly, represents and warrants to the Escrow Agent that they are not "non-residents" as defined in the *Income Tax Act* (Canada).

Section 16 Notices

Any notice, direction or other communication given regarding the matters contemplated by this Agreement (each, a "**Notice**") must be in writing, sent by personal delivery, courier or facsimile **[(but not by email)]** and addressed:

(a) If to the Vendors' Representative, to:

Wilmington Capital Management Inc.
Suite 700, 505 – 3rd Street S.W.
Calgary, Alberta
T2P 3E6

Attention: Mr. Chris Killi
Fax: *[Redacted]*
Email: *[Redacted]*

with a copy to:

Stikeman Elliott LLP
4300 Bankers Hall West
888 – 3rd Street S.W.
Calgary, Alberta T2P 5C5

Attention: Michael Dyck
Facsimile: *[Redacted]*
Email: *[Redacted]*

(b) If to the Escrow Agent, to:

Stikeman Elliott LLP
4300 Bankers Hall West
888 – 3rd Street S.W.
Calgary, Alberta T2P 5C5

Attention: Michael Dyck
Facsimile: *[Redacted]*
Email: *[Redacted]*

Attention: Chrysten Perry
Facsimile: *[Redacted]*
Email: *[Redacted]*

(c) If to the Purchaser, to:

100 Canadian Road
Scarborough, Ontario M1R 4Z5

Attention: Mr. Iqbal Khan

Facsimile: *[Redacted]*
Email: *[Redacted]*

with a copy to:

DLA Piper
Suite 1000, Livingstone Place West
250 – 2nd Street S.W.
Calgary, Alberta T2P 0C1

Attention: Mr. Derrick Auch
Facsimile: *[Redacted]*
Email: *[Redacted]*

A Notice is deemed to be given and received (i) if sent by personal delivery or courier, on the date of delivery if it is a Business Day and the delivery was made prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next Business Day, or (ii) if sent by facsimile, on the Business Day following the date of confirmation of transmission by the originating facsimile. A party may change its address for service from time to time by providing a Notice in accordance with the foregoing. Any subsequent Notice must be sent to the party at its changed address. Any element of a party's address that is not specifically changed in a Notice will be assumed not to be changed.

Section 17 Amendments

This Agreement may only be amended, supplemented or otherwise modified by written agreement signed by all of the parties.

Section 18 Entire Agreement

Subject to the provisions of Article 3 of the Purchase Agreement, this Agreement constitutes the entire agreement between the parties with respect to the matters contemplated in this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties with respect to such transactions. There are no representations, warranties, covenants, conditions or other agreements, express or implied, collateral, statutory or otherwise, between the parties in connection with the subject matter of this Agreement, except as specifically set forth in this Agreement and Article 3 of the Purchase Agreement. The parties have not relied and are not relying on any other information, discussion or understanding in entering into and completing the transactions contemplated by this Agreement. If there is any conflict or inconsistency between the provisions of this Agreement and the provisions of the Purchase Agreement which cannot be resolved by both provisions being complied with, the provisions of this Agreement will prevail to the extent of such conflict.

Section 19 Enurement and Assignment

This Agreement becomes effective when executed by all of the parties. After that time, it will be binding upon and enure to the benefit of the parties and their respective successors, legal representatives and permitted assigns. Neither this Agreement nor any of the rights or obligations under this Agreement, including any right to payment, may be assigned or transferred, in whole or in part, by any party without the prior written consent of the other parties.

Section 20 Severability

If any provision of this Agreement is determined to be illegal, invalid or unenforceable by an arbitrator or any court of competent jurisdiction from which no appeal exists or is taken, that provision will be severed from this Agreement and the remaining provisions will remain in full force and effect.

Section 21 Waiver

No waiver of any of the provisions of this Agreement will constitute a waiver of any other provision (whether or not similar). No waiver will be binding unless executed in writing by the party to be bound by the waiver. A party's failure or delay in exercising any right under this Agreement will not operate as a waiver of that right. A single or partial exercise of any right will not preclude a party from any other or further exercise of that right or the exercise of any other right it may have.

Section 22 Further Assurances

On or after the date of this Agreement, the Vendors' Representative and the Purchaser shall execute and deliver such documents and take all such action as the other or the Escrow Agent may request from time to time in order to carry out the intent and purpose of this Agreement and to establish and protect the rights, interests and remedies intended to be created in favour of the Escrow Agent.

Section 23 Time

Time is of the essence in this Agreement.

Section 24 Governing Law

This Agreement is governed by, and will be interpreted and construed in accordance with, the laws of the Province of Alberta and the federal laws of Canada applicable therein. Each party irrevocably attorns and submits to the exclusive jurisdiction of the Alberta courts situated in the City of Calgary, and waives objection to the venue of any proceeding in such court or that such court provides an inconvenient forum.

Section 25 Counterparts

This Agreement may be executed in any number of counterparts, each of which is deemed to be an original, and such counterparts together constitute one and the same instrument. Transmission of an executed signature page by facsimile, email or other electronic means is as effective as a manually executed counterpart of this Agreement.

[Remainder of page intentionally left blank. Signature page(s) follow.]

The parties have executed this Agreement.

WILMINGTON CAPITAL MANAGEMENT INC.

By: ______________________________
Authorized Signing Officer

By: ______________________________
Authorized Signing Officer

STORAGEVAULT CANADA INC.

By: ______________________________
Authorized Signing Officer

By: ______________________________
Authorized Signing Officer

STIKEMAN ELLIOTT LLP

By: ______________________________
Authorized Signing Officer

By: ______________________________
Authorized Signing Officer

SCHEDULE 4.04

Purchaser Press Release

See attached.

[Redacted]

SCHEDULE 6.07

Counterpart Signature Page

See attached.

[Redacted]

SCHEDULE 6.10

Wilmington Voting Support Agreement

See attached.

VOTING AND SUPPORT AGREEMENT

THIS AGREEMENT is made as of the ____ day of _____________, 2018,

BETWEEN:

____

(the “**Shareholder**”)

- and –

STORAGEVAULT CANADA INC.,
a corporation incorporated under the laws of Alberta

(“**StorageVault**”)

WHEREAS the Shareholder is the registered and/or beneficial owner of that number of issued and outstanding Class A non-voting shares (the “**Class A shares**”) and/or Class B voting shares (the “**Class B shares**", and together with the Class A Shares, the “**Shares**”) in the capital of Wilmington Capital Management Inc. (the “**Corporation**”), a corporation existing under the laws of the Province of Ontario, set forth on the Shareholder’s signature page of this Agreement;

AND WHEREAS the Shareholder is the holder of that number of options, if any, to acquire Shares (the “**Options**”) set forth on the Shareholder’s signature page attached to this Agreement;

AND WHEREAS, concurrently with the entering into of this Agreement, StorageVault and the Vendors (as defined in the Purchase Agreement, including the Corporation) have entered into a purchase and sale agreement (the “**Purchase Agreement**”) in respect of StorageVault purchasing the Purchased Securities (as defined in the Purchase Agreement) subject to the terms of the Purchase Agreement (the “**Acquisition**”);

AND WHEREAS the Shareholder acknowledges that StorageVault would not enter into the Purchase Agreement but for the execution and delivery of this Agreement by the Shareholder;

NOW THEREFORE this Agreement witnesses that, in consideration of the premises and the covenants and agreements herein contained, the parties hereto agree as follows:

ARTICLE 1
INTERPRETATION

Section 1.1 Definitions

All terms used in this Agreement that are not defined herein and that are defined in the Purchase Agreement shall have the respective meanings ascribed to them in the Purchase Agreement.

For the purposes of this Agreement:

“**Acquisition Proposal**" means, other than the Acquisition, any offer, proposal, expression of interest, or inquiry (written or oral) from any Person or group of Persons acting "jointly or in concert" after the date of this Agreement relating to:

(a) any sale, disposition, alliance or joint venture (or any lease, long-term supply agreement or other arrangement having the same economic effect as a sale), direct or indirect, in a single transaction or a series of related transactions, of assets representing 20% or more of the consolidated assets, or contributing 20% or more of the consolidated revenue of the Corporation or any of its Subsidiaries, in each case taken as a whole, or of 20% or more of any class of voting, equity or other securities or any securities exchangeable for or convertible into voting, equity or other securities of the Corporation or any of the Corporation's Subsidiaries (or rights or interests therein or thereto);

(b) any direct or indirect take-over bid, tender offer, exchange offer, treasury issuance or other transaction that, if consummated, would result in a Person or group of Persons beneficially owning 20% or more of any class of voting, equity or other securities (including securities convertible into or exercisable or exchangeable for voting, equity or other securities) of the Corporation or any of its Subsidiaries;

(c) any arrangement, merger, amalgamation, consolidation, share exchange, business combination, reorganization, recapitalization, liquidation, dissolution, winding up or exclusive license or other similar transaction involving the Corporation or any of its Subsidiaries pursuant to which any Person or group of Persons would acquire, directly or indirectly, 20% or more of the voting or equity securities of the Corporation or its Subsidiaries or the surviving entity or the resulting direct or indirect parent of the Corporation or the surviving entity;

(d) any other similar transaction or series of related transactions involving the Corporation or any of its Subsidiaries; or

(e) any public announcement of or of an intention, to do any of the foregoing;

"**Subject Options**" means that number of Options set forth on the Shareholder's signature page attached to this Agreement, being all of the Options owned legally or beneficially by the Shareholder or over which the Shareholder exercises control or direction;

"**Subject Securities**" means, collectively, the Shareholder's Subject Options and Subject Shares;

"**Subject Shares**" means that number of Shares set forth on the Shareholder's signature page attached to this Agreement, being all of the Shares owned legally or beneficially, either directly or indirectly, by the Shareholder or over which the Shareholder exercises control or direction, either directly or indirectly, and shall further include any Shares issued upon the exercise by the Shareholder of Options or otherwise acquired by the Shareholder after the date hereof;

"**Subsidiary**" shall have the meaning ascribed thereto in National Instrument 45-106 - "*Prospectus Exemptions*" of the Canadian Securities Administrators, as amended or replaced; and

"**Wilmington Meeting**" means the special meeting, including any adjournments or postponements thereof, of the holders of Shares to be held to consider and to approve, among other things, the resolution of such holders in respect of the Acquisition.

ARTICLE 2
COVENANTS

Section 2.1 General Covenants of the Shareholder

The Shareholder hereby covenants and agrees in favour of StorageVault that, from the date hereof until the termination of this Agreement in accordance with Article 4, except as permitted by this Agreement:

(a) at any meeting of securityholders of the Corporation called to vote upon the Purchase Agreement or the transactions contemplated by the Purchase Agreement, or at any adjournment or postponement thereof or in any other circumstances upon which a vote, consent or other approval (including by written consent in lieu of a meeting) with respect to the Purchase Agreement or the transactions contemplated by the Purchase Agreement is sought, the Shareholder shall cause its Subject Shares (which have a right to vote at such meeting) to be counted as present for purposes of establishing quorum and shall vote (or cause to be voted) its Subject Shares (which have a right to vote at such meeting) in favour of the approval of the Acquisition and any other matter necessary for the consummation of the Acquisition;

(b) at any meeting of securityholders of the Corporation or at any adjournment or postponement thereof or in any other circumstances upon which a vote, consent or other approval of all or some of the shareholders, optionholders or other securityholders of the Corporation is sought (including by written consent in lieu of a meeting), the Shareholder shall cause its Subject Securities (which have a right to vote at such meeting) to be counted as present for purposes of establishing quorum and shall vote (or cause to be voted) its Subject Securities (which have a right to vote at such meeting) against any Acquisition Proposal and/or any matter that could reasonably be expected to delay, prevent, impede or frustrate the successful completion of the Acquisition and each of the transactions contemplated by the Purchase Agreement;

(c) the Shareholder shall not, directly or indirectly, through any representative, agent or otherwise, and shall not permit any such person to:

(i) make, initiate, solicit, promote, entertain or encourage (including by way of furnishing or affording access to information or any site visit), or take any other action that facilitates, directly or indirectly, any inquiries or the making of any proposal or offer with respect to an Acquisition Proposal or could reasonably be expected to constitute or lead to an Acquisition Proposal;

(ii) participate directly or indirectly in any discussions or negotiations with, furnish information to, or otherwise co-operate in any way with, any person (other than StorageVault or any of its subsidiaries) regarding an Acquisition Proposal or could reasonably be expected to constitute or lead to an Acquisition Proposal;

(iii) agree to, approve or recommend, or propose publicly to agree, approve or recommend any Acquisition Proposal;

(iv) withdraw, amend, modify or qualify, or publicly propose or state an intention to withdraw, amend, modify or qualify support for the transactions contemplated by the Purchase Agreement;

(v) accept, approve, endorse or recommend, or publicly propose to accept, approve, endorse or recommend any publicly disclosed Acquisition Proposal; or

(vi) accept or enter into or publicly propose to accept or enter into any agreement, understanding or arrangement related to any Acquisition Proposal or potential Acquisition Proposal;

(d) the Shareholder will immediately cease and cause to be terminated any existing solicitation, discussion or negotiation commenced prior to the date of this Agreement with any person (other than StorageVault or any of its Subsidiaries) by such Shareholder or, if applicable, any of its officers, directors, employees, representatives or agents with respect to any potential Acquisition Proposal, whether or not initiated by the Shareholder or any of its officers, directors, employees, representatives or agents;

(e) the Shareholder agrees not to directly or indirectly: (i) sell, transfer, assign, grant a participation interest in, option, pledge, hypothecate, grant a security interest in or otherwise convey or encumber (each, a "**Transfer**"), or enter into any agreement, option or other arrangement with respect to the Transfer of, any of its Subject Securities to any person; or (ii) grant any proxies or power of attorney, deposit any of its Subject Securities into any voting trust or enter into any voting arrangement, whether by proxy, voting agreement or otherwise, with respect to its Subject Securities, other than pursuant to this Agreement; provided that, the Shareholder may exercise or surrender and terminate the Subject Options in accordance with the terms and subject to the conditions of the Purchase Agreement and the Shareholder may authorize the Corporation to (i) withhold Shares otherwise due to the Shareholder pursuant to the exercise of the Subject Options; and (ii) sell those Shares to fund employee withholding taxes which must be remitted by the Corporation with respect the exercise of the Subject Options; provided further that the Shareholder may sell, assign, convey or otherwise transfer or dispose of any or all of the Subject Securities to a Related Person provided that such Related Person enters into an agreement with StorageVault on the same terms as this Agreement, or otherwise agrees with StorageVault to be bound by the provisions hereof or as otherwise consented to by StorageVault. For the purposes hereof, "**Related Person**" means: (i) a spouse, parent, grandparent, brother, sister or child of the Shareholder; (ii) a company or family trust if all of the voting securities of such company are held by, or all the beneficiaries of such trust are, one or more of the persons referred to in clause (i); (iii) an "associate" or "affiliate" within the meaning of the *Securities Act* (Ontario); or (iv) a person whose securities are beneficially owned or controlled by substantially similar persons that beneficially own or control the securities of the Shareholder;

(f) the Shareholder shall as a holder of Subject Securities cooperate with the Corporation and StorageVault to successfully complete the Acquisition and the other transactions contemplated by the Purchase Agreement and this Agreement;

(g) the Shareholder shall not exercise any rights of appraisal or rights of dissent as a result of the Acquisition or any of the other transactions contemplated by the Purchase Agreement that the Shareholder may have;

(h) make any statements against the Acquisition or any aspect thereof and to not bring, or threaten to bring, any suits or proceeding for the purpose of, or which has the effect of, directly or indirectly, frustrating, stopping, preventing, impeding, delaying or varying the Acquisition;

(i) the Shareholder shall not do indirectly what it/he/she is prohibited from doing directly by the terms of this Agreement;

(j) without limiting the generality of Section 5.1, no later than five (5) Business Days prior to the date of the Wilmington Meeting: (i) with respect to any Shares (and any other Subject Securities entitled to vote) that are registered in the name of the Shareholder, the Shareholder shall deliver or cause to be delivered, in accordance with the instructions set out in the Management Circular and with a copy to StorageVault concurrently with such delivery, a duly executed proxy or proxies directing the holder of such proxy or proxies to vote in favour of the Acquisition; and (ii) with respect to any Shares (and any other Subject Securities entitled to vote) that are beneficially owned by the Shareholder but not registered in the name of the Shareholder, the Shareholder shall deliver a duly executed voting instruction form to the intermediary through which the Shareholder holds its beneficial interest in the Shareholder's Subject Securities, with a copy to StorageVault concurrently, instructing that the Shareholder's Subject Securities be voted at the Wilmington Meeting in favour of the Acquisition. Such proxy or proxies shall name those individuals as may be designated by the Corporation in the Management Circular and such proxy or proxies or voting instructions shall not be revoked without the written consent of StorageVault; and

(k) the Shareholder: (i) will promptly to notify StorageVault of any new Shares or Subject Securities acquired by the Shareholder after the execution of this Agreement; and (ii) acknowledges that any such new Shares or Subject Securities will be subject to the terms of this Agreement as though owned by the Shareholder on the date of this Agreement.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

Section 3.1 Representations and Warranties of the Shareholder

The Shareholder hereby represents and warrants to and covenants, as applicable, with StorageVault as follows, and acknowledges that StorageVault is relying upon such representations, warranties and covenants in entering into this Agreement and the Purchase Agreement:

(a) **Incorporation; Capacity; Authorization.** Where the Shareholder is a corporation, it is a corporation duly incorporated and validly existing under the laws of its jurisdiction of incorporation; it has the requisite corporate power and capacity and has received all requisite approvals to execute and deliver this Agreement and to perform its obligations hereunder. Where the Shareholder is not a corporation, he, she or it has the power and capacity and has received all requisite approvals to execute and deliver this Agreement and to perform its obligations hereunder.

(b) **Enforceable.** This Agreement has been duly executed and delivered by the Shareholder and constitutes a legal, valid and binding obligation, enforceable against the Shareholder in accordance with its terms, subject to bankruptcy, insolvency and other similar Applicable Laws affecting creditors' rights generally, and to general principles of equity.

(c) **Ownership of Shares and Other Securities.** The Shareholder is the sole registered and/or beneficial owner of its Subject Securities. The Shareholder does not directly or indirectly control or direct, or own or have any registered or beneficial interest in, any other securities of the Corporation. The Shareholder is and will be immediately prior to the Effective Date, the registered and/or beneficial owner of the Subject Securities, with good and marketable title thereto, free and clear of any and all mortgages, liens, charges, restrictions, security interests, adverse claims, pledges, encumbrances and demands or rights of others of any nature or kind whatsoever.

(d) **No Breach.** Neither the execution and delivery of this Agreement by the Shareholder, the consummation by the Shareholder of the transactions contemplated hereby nor the compliance by the Shareholder with any of the provisions hereof will:

(i) result in any breach of, or constitute a default (or an event which with notice or lapse of time or both would become a default) (or give rise to any third party right of termination, cancellation, material modification, acceleration, purchase or right of first refusal) under any provision of the certificate of incorporation, articles, by-laws or any other constating document of the Shareholder (if the Shareholder is not an individual);

(ii) require on the part of the Shareholder any filing with (other than pursuant to the requirements of applicable securities legislation (which filings the Shareholder will undertake)) or permit, authorization, consent or approval of, any Governmental Authority or any other person; or

(iii) violate or conflict with any judgement, order, notice, decree, statute, law, ordinance, rule or regulation applicable to the Shareholder or any of its properties or assets, in each case other than as would not be reasonably expected to have a materially adverse effect on the Shareholder's ability to perform its obligations hereunder.

(e) **No Proceedings.** There is no private or governmental action, suit, proceeding, claim or arbitration pending before any Governmental Authority, or, to the knowledge of the Shareholder, threatened against the Shareholder that, individually or in the aggregate, could reasonably be expected to have an adverse effect on the Shareholder's ability to fulfil its obligations under this Agreement. There is no order of any Governmental Authority against the Shareholder that could prevent or enjoin the Shareholder from fulfilling its obligations under this Agreement.

(f) **No Agreements.** No person has any agreement or option, or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option, for the purchase, acquisition or Transfer of any of the Subject Securities, or any interest therein or right thereto, except pursuant to this Agreement.

(g) **Voting.** The Shareholder has the sole and exclusive right to enter into this Agreement and to vote the Subject Securities as contemplated herein. None of the Subject Securities is subject to any proxy, power of attorney, attorney-in-fact, voting trust, vote pooling or other agreement with respect to the right to vote, call meetings of shareholders or give consents or approvals of any kind.

(h) **Consents.** No consent, approval, order or authorization of, or declaration or filing with, any Governmental Authority or other person is required to be obtained by the Shareholder in connection with the execution, delivery or performance of this Agreement.

Section 3.2 Representations and Warranties of StorageVault

StorageVault hereby represents and warrants to, and covenants, as applicable, with the Shareholder, acknowledging that the Shareholder is relying upon such representations, warranties and covenants in entering into this Agreement:

(a) **Capacity.** StorageVault validly subsists under the laws of its jurisdiction of incorporation and has all necessary requisite corporate power and capacity to execute and deliver this Agreement and to perform its obligations hereunder.

(b) **Authorization.** The execution, delivery and performance of this Agreement by StorageVault have been duly authorized and no other internal proceedings on the part of StorageVault is necessary to authorize this Agreement or the transactions contemplated hereunder.

(c) **Enforceable.** This Agreement has been duly executed and delivered by StorageVault and constitutes legal, valid and binding obligations, enforceable against StorageVault in accordance with its terms, subject to bankruptcy, insolvency and other similar Applicable Laws affecting creditors' rights generally, and to general principles of equity.

ARTICLE 4
TERMINATION

Section 4.1 Automatic Termination

This Agreement shall automatically terminate upon the valid termination of the Purchase Agreement in accordance with its terms.

Section 4.2 Termination by StorageVault or the Shareholder

This Agreement may be terminated:

(a) at any time upon the written agreement of StorageVault and the Shareholder;

(b) by StorageVault if: (i) any of the representations and warranties of the Shareholder in this Agreement shall not be true and correct in all material respects; or (ii) the Shareholder shall not have complied with, breaches or is in default of any of, in any material respect, the Shareholder's covenants or obligations contained in this Agreement; or

(c) by the Shareholder if: (i) any of the representations or warranties of StorageVault in this Agreement shall not be true and correct in all material respects; (ii) the Wilmington Board Approval (as defined in the Purchase Agreement) is not obtained by deadline in the Purchase Agreement or (iii) StorageVault shall not have complied with, breaches or is in default of any of, in any material respect, StorageVault's covenants or obligations contained in this Agreement.

Section 4.3 Effect of Termination

If this Agreement is terminated in accordance with this Article 4, the provisions of this Agreement will become void and no party shall have liability to any other party, except in respect of a breach of this Agreement which occurred prior to such termination and the Shareholder shall be entitled to withdraw any form of proxy or power of attorney which it may have given with respect of the Subject Securities or, if applicable, to withdraw any deposited Subject Securities to any take-over bid.

ARTICLE 5
GENERAL

Section 5.1 Fiduciary Obligations

Notwithstanding any other provision of this Agreement, if the Holder is also a director and/or officer of the Corporation, StorageVault hereby agrees and acknowledges that the Holder is bound hereunder solely in his or her capacity as a securityholder of the Corporation and that the provisions hereof shall not be deemed or interpreted to bind the Holder in his or her capacity as a director or officer of the Corporation or to restrict the Holder from fulfilling his or her fiduciary duties to the Corporation.

Section 5.2 Further Assurances

Each of the Shareholder and StorageVault will, from time to time, execute and deliver all such further documents and instruments and do all such acts and things as the other party may reasonably require and at the requesting party's cost to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

Section 5.3 Disclosure

Each of the Shareholder and StorageVault hereby consents to the disclosure of the substance of this Agreement in any press release relating to the Transaction or the Management Circular relating to the Wilmington Meeting and the filing of a copy of such press release or Management Circular by the Corporation or StorageVault at www.sedar.com. StorageVault and the Vendors' Representative shall coordinate in the making and dissemination of any other public announcement relating to the subject matter of this Agreement.

Except as set forth above or as required by Applicable Laws or regulations or by any Governmental Authority or in accordance with the requirements of any stock exchange, the Shareholder shall not make any public announcement or statement with respect to this Agreement without the approval of StorageVault, which shall not be unreasonably withheld or delayed. The Shareholder agrees to consult with StorageVault prior to issuing each public announcement or statement with respect to this Agreement, subject to the overriding obligations of Applicable Laws.

The Shareholder acknowledges and agrees that a summary of the negotiations leading to the execution and delivery of this Agreement may appear in the Management Circular and in any other public disclosure document required by any Applicable Laws.

Section 5.4 Time

Time shall be of the essence in this Agreement.

Section 5.5 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and of Canada applicable therein.

Each of the parties hereto irrevocably attorns and submits to the non-exclusive jurisdiction of the courts of Alberta in respect of all matters arising under and in relation to this Agreement and waives, to the fullest extent possible, the defence of an inconvenient forum or any similar defence to the maintenance of proceedings in such courts.

Section 5.6 Entire Agreement

This Agreement constitutes the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes any prior agreement, representation or understanding with respect thereto.

Section 5.7 Amendments

This Agreement may not be modified, amended, altered or supplemented, except upon the execution and delivery of a written agreement executed by each of the parties hereto.

Section 5.8 Severability

If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the terms of this Agreement remain as originally contemplated to the fullest extent possible.

Section 5.9 Assignment

The provisions of this Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns, provided that neither party may assign, delegate or otherwise transfer any of its rights, interests or obligations under this Agreement without the prior written consent of the other party hereto.

Section 5.10 Survival

If this Agreement is terminated, this Agreement shall become void and of no further force or effect without liability of any party (or any shareholder, director, officer, employee, agent, consultant or representative of such party) to any other party to this Agreement.

Section 5.11 Notices

Any notice, request, consent, agreement or approval which may or is required to be given pursuant to this Agreement shall be in writing and shall be sufficiently given or made if delivered, or sent by facsimile, in the case of:

(a) StorageVault, addressed as follows:

StorageVault Canada Inc.
100 Canadian Road
Scarborough, Ontario
M1R 4Z5
Attention: Mr. Iqbal Khan, Chief Financial Officer
Email: *[Redacted]*

with a copy (which shall not constitute notice) to:

DLA Piper (Canada) LLP
Suite 1000, Livingston Place West
250 2nd St SW
Calgary, Alberta
T2P 0C1
Attention: Mr. Derrick Auch
Email: *[Redacted]*

(b) the Shareholder, as set forth on the signature page to this Agreement,

or to such other address as the relevant person may from time to time advise by notice in writing given pursuant to this Section. The date of receipt of any such notice, request, consent, agreement or approval shall be deemed to be the date of delivery or sending thereof if sent or delivered during normal business hours on a Business Day at the place of receipt and, otherwise, on the next following Business Day.

Section 5.12 Specific Performance and other Equitable Rights

It is recognized and acknowledged that a breach by any party of any material obligations contained in this Agreement will cause the other party to sustain irreparable harm for which it would not have an adequate remedy at law for money damages. Accordingly, in the event of any such breach, any aggrieved party shall be entitled to the remedy of specific performance of such obligations and interlocutory, preliminary and permanent injunctive and other equitable relief in addition to any other remedy to which it may be entitled, at law or in equity, without any requirement for the securing or posting of any bond in connection with the obtaining of any such injunctive or other equitable relief. These remedies are cumulative and in addition to any other rights or remedies available at law or in equity.

Section 5.13 Expenses

Each of the parties shall pay its respective legal, financial advisory and accounting costs and expenses incurred in connection with the preparation, execution and delivery of this Agreement and all documents and instruments executed or prepared pursuant hereto and any other costs and expenses whatsoever and howsoever incurred.

Section 5.14 Independent Legal Advice

Each of the parties hereby acknowledges that it has been afforded the opportunity to obtain independent legal advice and confirms by the execution and delivery of this Agreement that they have either done so or waived their right to do so in connection with the entering into of this Agreement.

Section 5.15 Counterparts

This Agreement may be executed in any number of counterparts (including counterparts by facsimile) and all such counterparts taken together shall be deemed to constitute one and the same instrument. The parties shall be entitled to rely upon delivery of an executed facsimile or similar executed electronic copy of this Agreement, and such facsimile or similar executed electronic copy shall be legally effective to create a valid and binding agreement between the parties.

Remainder of page intentionally left blank.

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first written above.

STORAGEVAULT CANADA INC.

By: ______________________________

Name:

Title:

____
(Print Name of Shareholder)

____
(Signature of Shareholder or Authorized Signatory)

____
(Place of Residency)

____
(Print Name and Title, if applicable)

Address: ______________________________

____

____

Telephone: ______________________________

Facsimile: ______________________________

____
(Number of Class A Shares Held)

____
(Number of Class B Shares Held)

____
(Number of Options Held)