



## Certificate of Arrangement

*Canada Business Corporations Act*

## Certificat d'arrangement

*Loi canadienne sur les sociétés par actions*

**KILLAM PROPERTIES INC.**

**376661-6**

Corporate name(s) of CBCA applicants / Dénomination(s)  
sociale(s) de la ou des sociétés LCSA requérantes

Corporation number(s) / Numéro(s) de la ou  
des sociétés

I HEREBY CERTIFY that the arrangement set out in the attached articles of arrangement has been effected under section 192 of the *Canada Business Corporations Act*.

JE CERTIFIE que l'arrangement mentionné dans les clauses d'arrangement annexées a pris effet en vertu de l'article 192 de la *Loi canadienne sur les sociétés par actions*.

Virginie Ethier

Director / Directeur

2016-01-01

Date of Arrangement (YYYY-MM-DD)  
Date de l'arrangement (AAAA-MM-JJ)

**Canada Business Corporations Act (CBCA)  
FORM 14.1  
ARTICLES OF ARRANGEMENT  
(Section 192)**

<b>1 - Name of the applicant corporation(s)</b>	<b>Corporation number</b>
KILLAM PROPERTIES INC.	376661-6

<b>2 - Name of the corporation(s) the articles of which are amended, if applicable</b>	<b>Corporation number</b>
N/A	

<b>3 - Name of the corporation(s) created by amalgamation, if applicable</b>	<b>Corporation number</b>
KILLAM PROPERTIES INC. KILLAM PROPERTIES INC.	8914141 8914184

<b>4 - Name of the dissolved corporation(s), if applicable</b>	<b>Corporation number</b>
N/A	

<b>5 - Name of the other bodies corporate involved, if applicable</b>	<b>Corporation number or jurisdiction</b>
Redwood Cable Corp., Killam KFH (1355 Silver Spear Road) Inc., Killam KFH (Kanata Lakes) Inc., Killam KFH (180 Mill St.) Inc. and 9542574 Canada Inc.	950508-3, 951588-7, 818006-7, 772676-7, 954257-4

**6 - In accordance with the order approving the arrangement, the plan of arrangement attached hereto, involving the above named body(ies) corporate, is hereby effected.**

In accordance with the plan of arrangement,

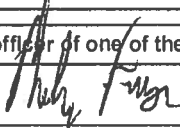
- a. the articles of the corporation(s) indicated in Item 2, are amended.  
If the amendment includes a name change, indicate the change below:

- b. the following bodies corporate and/or corporations are amalgamated (for CBCA corporations include the corporation number):

Amalgamation #1: See Schedule 1  
 Amalgamation #2: See Schedule 2

- c. the corporation(s) indicated in item 4 is(are) liquidated and dissolved:

**7 - I hereby certify that I am a director or an authorized officer of one of the applicant corporations.**

Signature  \_\_\_\_\_  
 Print name Philip Fraser

**Note:** Misrepresentation constitutes an offence and, on summary conviction, a person is liable to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding six months or to both (subsection 250(1) of the CBCA).

SCHEDULE 1 TO ARTICLES OF ARRANGEMENT FOR

KILLAM PROPERTIES INC.

<b>1 -- Corporate name of the Amalgamated Corporation</b>	
<b>KILLAM PROPERTIES INC.</b>	
<b>2 -- The province or territory in Canada where the registered office is situated</b>	
Nova Scotia	
<b>3 -- The classes and any maximum number of shares that the corporation is authorized to issue</b>	
The attached Schedule of Share Capital is incorporated into and forms part of this form.	
<b>4 -- Restrictions, if any, on share transfers</b>	
None.	
<b>5 -- Minimum and maximum number of directors (for a fixed number of directors, please indicate the same number in both boxes)</b>	
Minimum: <input type="text" value="3"/>	Maximum: <input type="text" value="11"/>
<b>6 -- Restrictions, if any, on business the corporation may carry on</b>	
None.	
<b>7 -- Other provisions, if any</b>	
The attached Schedule of Other Provisions is incorporated into and forms part of this form.	
<b>8 -- Amalgamating Corporation Information:</b>	
Name of the amalgamating corporations	Corporation Number.
Killam Properties Inc.	376661-6
Redwood Cable Corp.	950508-3
Killam KFH (1355 Silver Spear Road) Inc.	951588-7
Killam KFH (Kanata Lakes) Inc.	818006-7
Killam KFH (180 Mill St.) Inc.	772676-7
<b>9. -- Information regarding Registered Office and Board of Directors:</b>	
Registered Office Address: 2571 Windsor Street, Halifax, Nova Scotia B3K 5C4	
Names and Addresses of the Board of Directors, all of which are Resident Canadians:	
Arthur G. Lloyd - 167 Hamptons Terrace N.W., Calgary, Alberta T3A 5S3	
Timothy R. Banks - 50 King Street, Charlottetown, Prince Edward Island C1A 1B3	
G. Wayne Watson - 9 Rosewood Court, Dartmouth, Nova Scotia B2W 6K3	
Philip Donald Fraser - 6457 Jubilee Road, Halifax, Nova Scotia B3H 2J2	
Robert Glenn Richardson - 44 Guy Street, Dartmouth, Nova Scotia B3K 4X8	
James Charles Lawley - 1069 Beaufort Avenue, Halifax, Nova Scotia B3H 3Y2	
Robert G. Kay - 125 Boundary Drive, Moncton, New Brunswick E1G 5C6	
Manfred J. Walt - 92 Old Colony Road, Toronto, Ontario M2L 2K2	
Karine MacIndoe - 196 Inglewood Drive, Toronto, Ontario M4T 1H9	

## SCHEDULE OF SHARE CAPITAL

The Corporation is authorized to issue:

- (a) One class of shares, to be designated as "Common Shares", in an unlimited number; and
- (b) One class of shares, to be designated as "Preferred Shares", issuable in series, in an unlimited number;

such shares having attached thereto the following rights, privileges, restrictions and conditions:

### **A. Common Shares**

The Common Shares shall have attached thereto the following rights, privileges, restrictions and conditions:

- (i) the right to one vote at all meetings of shareholders of the Corporation, except meetings at which only holders of a specified class of shares are entitled to vote;
- (ii) subject to the prior rights and privileges attaching to any other class of shares of the Corporation, the right to receive any dividend declared by the Corporation; and
- (iii) subject to the prior rights and privileges attaching to any other class of shares of the Corporation, the right to receive the remaining property and assets of the Corporation upon dissolution.

### **B. Preferred Shares**

The Preferred Shares shall have attached thereto the following rights, privileges, restrictions and conditions:

- (i) the Preferred Shares may at any time and from time to time be issued in one or more series, each series to consist of such number of shares as may, before the issue thereof, be determined by resolution of the directors of the Corporation; and
- (ii) subject to the provisions of the *Canada Business Corporations Act*, the directors of the Corporation may by resolution fix from time to time before the issue thereof the designation, rights, privileges, restrictions and conditions attaching to each series of the Preferred Shares.

## **SCHEDULE OF OTHER PROVISIONS**

The directors may, between annual meetings of shareholders, appoint one or more additional directors of the Corporation to serve until the next annual meeting of shareholders, but the number of additional directors shall not at any time exceed 1/3 of the number of directors who held office at the expiration of the last meeting of shareholders of the Corporation.

SCHEDULE 2 TO ARTICLES OF ARRANGEMENT FOR

KILLAM PROPERTIES INC.

<b>1 --Corporate name of the Amalgamated Corporation</b>	
KILLAM PROPERTIES INC.	
<b>2 -- The province or territory in Canada where the registered office is situated</b>	
Nova Scotia	
<b>3 -- The classes and any maximum number of shares that the corporation is authorized to issue</b>	
See Schedule of Description of Share Classes.	
<b>4 -- Restrictions, if any, on share transfers</b>	
See attached Schedule of Restrictions on Share Transfers.	
<b>5 -- Minimum and maximum number of directors (for a fixed number of directors, please indicate the same number in both boxes)</b>	
Minimum: <input type="text" value="1"/>	Maximum: <input type="text" value="10"/>
<b>6 -- Restrictions, if any, on business the corporation may carry on</b>	
None.	
<b>7 -- Other provisions, if any</b>	
See attached Schedule of Other Provisions.	
<b>8. -- Amalgamating Corporation Information:</b>	
Name of the amalgamating corporations	Corporation Number.
Killam Properties Inc.	As assigned from Amalgamation # 1 : 8914/4-1
9542574 Canada Inc.	954257-4
<b>9. -- Information regarding Registered Office and Board of Directors:</b>	
Registered Office Address: 2571 Windsor Street, Halifax, Nova Scotia B3K 5C4	
Names and Addresses of the Board of Directors, all of which are Resident Canadians:	
Arthur G. Lloyd - 167 Hamptons Terrace N.W., Calgary, Alberta T3A 5S3	
Timothy R. Banks - 50 King Street, Charlottetown, Prince Edward Island C1A 1B3	
G. Wayne Watson - 9 Rosewood Court, Dartmouth, Nova Scotia B2W 6K3	
Philip Donald Fraser - 6457 Jubilee Road, Halifax, Nova Scotia B3H 2J2	
Robert Glenn Richardson - 44 Guy Street, Dartmouth, Nova Scotia B3K 4X8	
James Charles Lawley - 1069 Beaufort Avenue, Halifax, Nova Scotia B3H 3Y2	
Robert G. Kay - 125 Boundary Drive, Moncton, New Brunswick E1G 5C6	
Manfred J. Walt - 92 Old Colony Road, Toronto, Ontario M2L 2K2	
Karine MacIndoe - 196 Inglewood Drive, Toronto, Ontario M4T 1H9	

**SCHEDULE**  
**Description of Classes of Shares**

The Corporation is authorized to issue:

- (a) One class of shares, to be designated as "Common Shares", in an unlimited number; and
- (b) One class of shares, to be designated as "Preferred Shares", issuable in series, in an unlimited number;

such shares having attached thereto the following rights, privileges, restrictions and conditions:

**A. Common Shares**

The Common Shares shall have attached thereto the following rights, privileges, restrictions and conditions:

- (i) the right to one vote at all meetings of shareholders of the Corporation, except meetings at which only holders of a specified class of shares are entitled to vote;
- (ii) subject to the prior rights and privileges attaching to any other class of shares of the Corporation, the right to receive any dividend declared by the Corporation; and
- (iii) subject to the prior rights and privileges attaching to any other class of shares of the Corporation, the right to receive the remaining property and assets of the Corporation upon dissolution.

**B. Preferred Shares**

The Preferred Shares shall have attached thereto the following rights, privileges, restrictions and conditions:

- (i) the Preferred Shares may at any time and from time to time be issued in one or more series, each series to consist of such number of shares as may, before the issue thereof, be determined by resolution of the directors of the Corporation; and
- (ii) subject to the provisions of the *Canada Business Corporations Act*, the directors of the Corporation may by resolution fix from time to time before the issue thereof the designation, rights, privileges, restrictions and conditions attaching to each series of the Preferred Shares.

**SCHEDULE**  
**Restrictions on Share Transfers**

The right to transfer shares of the Corporation shall be restricted in that no holder of such shares shall be entitled to transfer any shares without either:

- (a) if the transfer of such shares is restricted by any shareholders' agreement, complying with such restrictions in such agreement; or
- (b) if there are no such restrictions, either:
  - (i) the approval of the directors of the Corporation expressed by a resolution passed at a meeting of the board of directors or by a resolution in writing signed by all of the directors of the Corporation; or
  - (ii) the approval of the holders of at least a majority of the shares of the Corporation entitling the holders thereof to vote in all circumstances (other than a separate class vote of the holders of another class of shares of the Corporation) for the time being outstanding expressed by a resolution passed at a meeting of the holders of such shares or by a resolution in writing signed by all of the shareholders of the Corporation entitled to vote on that resolution (other than a separate class vote of the holders of another class of shares of the Corporation).

**SCHEDULE**  
**Other Provisions**

1. The number of beneficial owners of securities of the Corporation, other than owners of non-convertible debt securities, will be limited to not more than 50, not including employees and former employees of the Corporation or any of its affiliates, provided that each person is counted as one beneficial owner unless the person is created or used solely to purchase or hold securities of the Corporation, in which case each beneficial owner or each beneficiary of the person, as the case may be, shall be counted as a separate beneficial owner.
2. Any invitation to the public to subscribe for securities of the Corporation is prohibited.
3. The right to transfer securities of the Corporation (other than debt securities that are not convertible into securities of the Corporation) shall be restricted in that no holder of such securities shall be entitled to transfer any securities without either:
  - (a) if the transfer of such securities is restricted by any security holders' agreement, complying with such restrictions in such agreement; or
  - (b) if there are no such restrictions, either:
    - (i) the approval of the directors of the Corporation expressed by a resolution passed at a meeting of the board of directors or by a resolution in writing signed by all of the directors of the Corporation; or
    - (ii) the approval of the holders of at least a majority of the securities of the Corporation entitling the holders thereof to vote in all circumstances (other than a separate class vote of the holders of another class of securities of the Corporation) for the time being outstanding expressed by a resolution passed at a meeting of the holders of such securities or by a resolution in writing signed by all of the security holders of the Corporation entitled to vote on that resolution (other than a separate class vote of the holders of another class of securities of the Corporation).
4. The directors may, between annual meetings of shareholders, appoint one or more additional directors of the Corporation to serve until the next annual meeting of shareholders, but the number of additional directors shall not at any time exceed one-third of the number of directors who held office at the expiration of the last meeting of the shareholders of the Corporation.

**PLAN OF ARRANGEMENT  
UNDER THE PROVISIONS OF SECTION 192  
OF THE CANADA BUSINESS CORPORATIONS ACT**

**ARTICLE I  
INTERPRETATION**

**1.1 Definitions.**

In this Plan of Arrangement, the following terms have the following meanings:

**"adjusted cost base"** means adjusted cost base as computed pursuant to the rules in the Tax Act;

**"Ancillary Rights"** means, in respect of an Exchangeable LP Unit, the Support Rights and related Special Voting Units, collectively;

**"Aggregate Cost Amount"** has the meaning given thereto in the Asset Conveyance Agreement;

**"Arrangement"**, **"herein"**, **"hereof"**, **"hereto"**, **"hereunder"** and similar expressions mean and refer to the proposed arrangement under Section 192 of the CBCA on the terms and conditions set forth in this Plan of Arrangement, subject to any amendments or variations thereto made in accordance with the Arrangement Agreement and this Plan of Arrangement, respectively, together with those which may be made at the discretion of the Court in the Final Order;

**"Arrangement Agreement"** means the arrangement agreement dated October 28, 2015 among Killam REIT, Killam, the Limited Partnership and the Limited Partnership GP, pursuant to which such parties have proposed to implement the Arrangement, as amended, supplemented or modified from time to time in accordance with the terms thereof;

**"Arrangement Filings"** means a certified copy of the Final Order, together with this Plan of Arrangement, Articles of Arrangement and Notice of Registered Officers and Directors to be filed pursuant to the CBCA;

**"Arrangement Resolution"** means the special resolution in respect of the Arrangement in substantially the form attached as Appendix A to the Circular;

**"Asset Conveyance Agreement"** means the conveyance agreement respecting the Subject Assets between Killam Amalco 2 and SLP dated as of the Effective Date;

**"Assumed Liabilities"** has the meaning given thereto in the Asset Conveyance Agreement;

**"Assumption Agreement(s)"** means one or more assumption agreements with the Convertible Debenture Trustee(s), in accordance with the applicable requirements of the Convertible Debenture Indenture(s), pursuant to which Killam REIT shall assume the obligations under the Convertible Debentures from Killam Amalco 2;

"**Assumption Note**" means subordinated promissory notes issued by Killam Amalco 2 with aggregate principal amounts equal to the principal amount of the Convertible Debentures on the Effective Date and having such other terms and conditions as agreed to between Killam Amalco 2 and Killam REIT;

"**Business Day**" means a day, other than a Saturday, Sunday or statutory or civic holiday, when banks are generally open for the transaction of business in Toronto, Ontario;

"**CBCA**" means the *Canada Business Corporations Act*, R.S.C. 1985 c. C-44, as amended, including the regulations promulgated thereunder;

"**Certificate**" means the certificate or certificates or other confirmation of filing to be issued by the Director pursuant to subsection 192(7) of the CBCA, in order to give effect to the Arrangement;

"**Circular**" means the management proxy circular of Killam relating to the Arrangement sent to Shareholders in connection with the Meeting;

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

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

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

"**Closing**" means the completion of the transactions contemplated by the Arrangement Agreement;

"**Common Share**" means, as the context requires, a common share in the share capital of Killam, Killam Amalco and Killam Amalco 2;

"**Convertible Debentures**" means, together, the outstanding convertible debentures bearing interest at a rate of 5.65% issued by Killam on November 30, 2010 and the outstanding convertible debentures bearing interest at a rate of 5.45% issued by Killam on June 2, 2011, each issued pursuant to the Convertible Debenture Indenture;

"**Convertible Debenture Indenture**" means the trust indenture dated as of November 30, 2010 between Killam and the Convertible Debenture Trustee, as supplemented on June 2, 2011;

"**Convertible Debenture Trustee(s)**" means Computershare Trust Company of Canada and its successors, or any other trustee appointed pursuant to the Convertible Debenture Indenture;

"**cost amount**" means cost amount as computed pursuant to the Tax Act;

"**Court**" means the Ontario Superior Court of Justice;

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

"**Deed of Trust**" means the deed of trust dated October 28, 2015 governing Killam REIT, as amended, supplemented or modified from time to time in accordance with the terms thereof;

**"Depository"** means Computershare Trust Company of Canada at its offices referred to in the Letter of Transmittal and Election Form;

**"Director"** means the Director appointed under Section 260 of the CBCA;

**"Dissent Procedure"** means the procedure under Section 190 of the CBCA, as modified by the Interim Order, by which a Dissenting Shareholder exercises his, her or its Dissent Rights;

**"Dissent Rights"** means the right of a Shareholder, pursuant to the Interim Order and Section 190 of the CBCA, to dissent to the Arrangement Resolution and to be paid the fair value of the Common Shares in respect of which the Shareholder dissents, all in accordance with Section 190 of the CBCA, subject to and as modified by the Interim Order and Section 4.1 of this Plan of Arrangement;

**"Dissenting Shareholders"** means registered holders of Common Shares who validly exercise their Dissent Rights in accordance with the Dissent Procedure and **"Dissenting Shareholder"** means any one of them;

**"Effective Date"** means the date on which the Arrangement is effective under the CBCA as shown on the Certificate;

**"Effective Time"** means 12:01 a.m. (Eastern time) on the Effective Date, regardless of the time of Closing on that date;

**"Elected Number"** means, in respect of an Electing Shareholder, the number of Common Shares the Electing Shareholder has specified to be transferred to the Limited Partnership in exchange for Exchangeable LP Units in the applicable Letter of Transmittal and Election Form delivered by such Electing Shareholder to the Depository on or before the Election Deadline, subject to the Electing Shareholder's Maximum Pro-Rata Share;

**"Electing Shareholder"** means a Shareholder (other than an Excluded Shareholder) that validly elects on or before the Election Deadline in accordance with the Letter of Transmittal and Election Form to transfer Common Shares to the Limited Partnership in exchange for Exchangeable LP Units pursuant to, and in accordance with, the terms of the Arrangement;

**"Electing Shareholder's Maximum Pro-Rata Share"** means the lesser of (a) the Electing Shareholder's Elected Number (prior to any adjustments), and (b) the product obtained when (i) the Maximum Number of Exchangeable LP Units, is multiplied by (ii) the fraction the numerator of which is the Elected Number for the particular Electing Shareholder (prior to any adjustments), and the denominator of which is the aggregate Elected Numbers for all Electing Shareholders (prior to any adjustments);

**"Election Deadline"** means 5:00 p.m. (Toronto time) on the third Business Day immediately preceding the date of the Meeting or, if the Meeting is adjourned or postponed, such time on the second Business Day immediately preceding the date of such adjourned or postponed Meeting;

**"Exchange and Support Agreement"** means the exchange and support agreement to be entered into on the Effective Date among Killam REIT, the Limited Partnership GP, the Limited

Partnership and each person who, from time to time, executes such agreement or is deemed to be a party thereto, as the same may be amended, supplemented or modified from time to time in accordance with the terms thereof;

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

**"Excluded Shareholder"** means a Shareholder: (i) that is a Non-Resident; (ii) that is a Tax Exempt Shareholder; (iii) that would acquire Exchangeable LP Units as a "tax shelter investment" for the purposes of the Tax Act; (iv) an interest in which is a "tax shelter investment" for the purposes of the Tax Act; or (v) that is not: (a) a "taxable Canadian corporation", (b) a "real estate investment trust", (c) a "SIFT trust", (d) a "SIFT partnership", or (e) an "excluded subsidiary entity" (as all such expressions are defined in the Tax Act);

**"Final Order"** means the order of the Court approving the Arrangement to be applied for following the Meeting and to be granted pursuant to the provisions of Section 192 of the CBCA as such order may be affirmed, amended or modified by any court of competent jurisdiction;

**"Initial Unitholder"** means Killam;

**"Interim Order"** means the interim order of the Court dated November 3, 2015 under Section 192 of the CBCA containing declarations and directions with respect to the Arrangement and the Meeting and issued pursuant to the application of Killam, a copy of which is attached as Appendix B to the Circular, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

**"Killam"** means Killam Properties Inc., a corporation subsisting pursuant to the CBCA;

**"Killam Amalco"** means, as the context requires, the corporation formed on the amalgamation of Killam, Killam KFH (180 Mill St.) Inc., Killam KFH (Kanata Lakes) Inc., Killam KFH (1355 Silver Spear Road) Inc., 661047 N.B. Inc. and Redwood Cable Corp.;

**"Killam Amalco 2"** means, as the context requires, the corporation formed on the amalgamation of Killam Amalco and Newco;

**"Killam REIT"** means Killam Apartment Real Estate Investment Trust, an unincorporated open-ended limited purpose trust established under the laws of the Province of Ontario pursuant to the Deed of Trust;

**"Killam REIT Unit"** means a trust unit of Killam REIT (other than a Special Voting Unit) authorized and issued under the Deed of Trust for the time being outstanding and entitled to the benefits and subject to the limitations set forth in the Deed of Trust;

**"Letter of Transmittal and Election Form"** means the letter of transmittal and election form enclosed with the Circular applicable to a holder of Common Shares pursuant to which such holder is required to deliver certificates representing Common Shares and may elect to receive, pursuant to the Arrangement, REIT Units or, unless such Shareholder is an Excluded Shareholder, Exchangeable LP Units or a combination of REIT Units and Exchangeable LP

Units, for his, her or its Common Shares, subject to the Electing Shareholder's Maximum Pro-Rata Share;

**"Limited Partnership"** means Killam Apartment Limited Partnership, a limited partnership formed by the Limited Partnership Agreement;

**"Limited Partnership Agreement"** means the limited partnership agreement in respect of the Limited Partnership dated October 28, 2015 between the Limited Partnership GP, Killam REIT and each person who is admitted to the Limited Partnership as a limited partner in accordance with the terms of such limited partnership agreement;

**"Limited Partnership GP"** means Killam Apartment General Partner Ltd., a corporation subsisting under the CBCA that is the general partner of the Limited Partnership;

**"Maximum Number of Exchangeable LP Units"** means the maximum number of Exchangeable LP Units that may be issued by the Limited Partnership pursuant to the Arrangement, as determined by the Limited Partnership GP in its sole and absolute discretion, provided that the Maximum Number of Exchangeable LP Units shall in no event exceed 20% of the number of outstanding Common Shares immediately prior to the Effective Time;

**"Meeting"** means the special meeting of Shareholders, and any adjournment(s) or postponement(s) thereof, to be held for the purpose of considering and, if thought advisable, approving the Arrangement Resolution and other matters set out in the Notice of Meeting accompanying the Circular;

**"Newco"** means Killam SLP Acquisition Inc., a corporation subsisting under the CBCA;

**"Newco Note 1"** means a subordinated, non-interest bearing, demand promissory note issued by Newco to the Limited Partnership with a principal amount equal to the principal amount of the SLP Note;

**"Newco Note 2"** means an interest bearing, subordinated, promissory note issued by Newco with a maturity date of 10 years from the date of its issue, with a principal amount equal to the amount obtained when the principal amount of Newco Note 1 is subtracted from the adjusted cost base of the Common Shares held by the Limited Partnership immediately prior to the time referred to in Section 3.1(i);

**"Newco Shares"** means the common shares in the capital of Newco;

**"Newco Share Consideration"** means the Newco Shares issued to the Limited Partnership as partial consideration for the Common Shares transferred from the Limited Partnership to Newco pursuant to the Plan of Arrangement, provided that each Newco Share shall be issued for one dollar (\$1.00);

**"Non-Resident"** means a Person who is not resident in Canada within the meaning of the Tax Act;

"**Person**" means any individual, partnership, association, body corporate, trust, trustee, executor, administrator, legal representative, government, regulatory authority or any other entity;

"**Plan of Arrangement**" means this plan of arrangement, as amended, supplemented or modified from time to time in accordance with the terms hereof;

"**RSU**" means a restricted share unit of Killam;

"**Restricted Share Unit Plan**" means the restricted share unit plan of Killam;

"**Shareholders**" means the holders of Common Shares from time to time, and "**Shareholder**" means any one of them;

"**SLP**" means Killam Apartment Subsidiary Limited Partnership, a limited partnership formed by the limited partnership agreement, dated November 3, 2015 between Killam, as limited partner, and SLP GP;

"**SLP GP**" means Killam Apartment Subsidiary General Partner Ltd., a corporation subsisting under the CBCA that is the general partner of SLP;

"**SLP Note**" means a subordinated, non-interest bearing, demand promissory note issued by SLP to Killam with a principal amount equal to the amount obtained (if positive) when the aggregate principal amount of the Assumed Liabilities in the Asset Conveyance Agreement is deducted from the Aggregate Cost Amount of the Subject Assets;

"**Special Voting Units**" means the special voting units of Killam REIT authorized and issued to the holders of Exchangeable LP Units (other than Killam REIT and the Limited Partnership) under the Deed of Trust for the time being outstanding and entitled to the benefits and subject to the limitations set forth in the Deed of Trust;

"**Subject Assets**" means the assets of Killam Amalco 2 that will be transferred to SLP, all as more particularly described in the Asset Conveyance Agreement;

"**Subsidiary**" has the meaning given to that term in National Instrument 45-106 - *Prospectus and Registration Exemptions* on the date hereof;

"**Support Rights**" means the embedded right granted to the holders of the Exchangeable LP Units to cause the Limited Partnership to exchange each Exchangeable LP Unit for one Killam REIT Unit as supported by the Exchange and Support Agreement;

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

"**Tax Exempt Shareholder**" means a Shareholder that is generally exempt from tax under Part I of the Tax Act; and

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

**1.2** In this Plan of Arrangement, unless otherwise expressly stated or the context otherwise requires:

- (a) references to "herein", "hereby", "hereunder", "hereof" and similar expressions are references to this Plan of Arrangement and not to any particular Article, Section or Schedule;
- (b) references to an "Article", "Section", "paragraph" or "Schedule" are references to an Article, Section, paragraph or Schedule of or to this Plan of Arrangement;
- (c) words importing the singular shall include the plural and vice versa, words importing gender shall include the masculine, feminine and neuter genders;
- (d) the use of headings is for convenience of reference only and shall not affect the construction or interpretation hereof;
- (e) the word "including", when following any general term or statement, is not to be construed as limiting the general term or statement to the specific items or matters set forth or to similar items or matters, but rather as referring to all other items or matters that could reasonably fall within the broadest possible scope of the general term or statement; and
- (f) a reference to a statute or code includes every regulation made pursuant thereto, all amendments to the statute or code or to any such regulation in force from time to time, and any statute, code or regulation which supplements or supersedes such statute, code or regulation.

**1.3** This Plan of Arrangement shall not be personally binding upon any of the trustees of Killam REIT or any registered or beneficial holder of REIT Units, or any beneficiary under a plan of which a holder of such units acts as a trustee or carrier, and that resort shall not be had to, nor shall recourse be sought from, any of the foregoing or the private property of any of the foregoing in respect of any indebtedness, obligation or liability of the REIT arising hereunder or arising in connection herewith or from the matters to which this Plan of Arrangement relates, if any, including without limitation, claims based on negligence or otherwise tortious behavior, and recourse shall be limited to, and satisfied only out of, the assets of Killam REIT.

**1.4** In the event that the date on which any action is required to be taken hereunder by any of the parties is not a Business Day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a Business Day in such place.

## **ARTICLE II**

### **ARRANGEMENT AGREEMENT**

**2.1** This Plan of Arrangement is made pursuant and subject to the provisions of the Arrangement Agreement.

**2.2** This Plan of Arrangement, upon the filing of the Arrangement Filings in accordance with the CBCA and the Final Order, will, subject to Section 4.1, become effective on, and be binding

on and after the Effective Time on: Killam, the Shareholders, Killam REIT, the Limited Partnership, SLP, the Limited Partnership GP, Newco and all other Persons.

**2.3** The filing of the Arrangement Filings shall be conclusive evidence that the Arrangement has become effective and that each of the provisions of Article 3 has become effective in the sequence set out therein.

### **ARTICLE III ARRANGEMENT**

**3.1** On the Effective Date, commencing at the Effective Time, each of the events set out below shall be deemed to occur in the order set forth below without further act or formality:

#### **Amalgamation 1**

- (a) the stated capital of Killam KFH (180 Mill St.) Inc., Killam KFH (Kanata Lakes) Inc., Killam KFH (1355 Silver Spear Road) Inc. and Redwood Cable Corp. shall in each case be reduced to \$1.00 in the aggregate without any payment of cash or property;
- (b) each of Killam, Killam KFH (180 Mill St.) Inc., Killam KFH (Kanata Lakes) Inc., Killam KFH (1355 Silver Spear Road) Inc. and Redwood Cable Corp. shall be amalgamated under the CBCA to form Killam Amalco and:
  - (i) all of the property of the predecessor corporations held immediately before the amalgamation (except any amounts receivable from any predecessor corporation or shares of any predecessor corporation) shall become the property of Killam Amalco;
  - (ii) all of the liabilities of the predecessor corporations immediately before the amalgamation (except any amounts payable to any predecessor corporation) shall become liabilities of Killam Amalco;
  - (iii) all of the issued and outstanding securities of Killam KFH (180 Mill St.) Inc., Killam KFH (Kanata Lakes) Inc., Killam KFH (1355 Silver Spear Road) Inc. and Redwood Cable Corp. immediately before the amalgamation shall be cancelled without repayment of capital;
  - (iv) any existing cause of action, claim or liability to prosecution of either of the predecessor corporations shall be unaffected;
  - (v) any civil, criminal or administrative action or proceeding pending by or against either of the predecessor corporations may be continued to be prosecuted by or against Killam Amalco;
  - (vi) a conviction against, or ruling, order or judgment in favour of or against, either of the predecessor corporations may be enforced by or against Killam Amalco;

- (vii) the articles and by-laws of Killam Amalco shall be the same as the articles and by-laws of Killam;
- (viii) the first directors and officers of Killam Amalco shall be the directors and officers of Killam;
- (ix) the registered office of Killam Amalco shall be the registered office of Killam; and
- (x) the name of Killam Amalco shall be Killam Properties Inc.

#### **Dissenting Shareholders**

- (c) each Common Share held by a Dissenting Shareholder who has validly exercised Dissent Rights will be deemed to have been transferred to Killam Amalco (free and clear of all liens, claims and encumbrances) and such Dissenting Shareholder shall cease to have any rights as a Shareholder other than the right to be paid the fair value of such Common Share in accordance with Section 4.1;

#### **Exchange of Common Shares**

- (d) each Common Share held by an Electing Shareholder who has validly elected to receive Exchangeable LP Units in accordance with the Letter of Transmittal and Election Form (subject to the Electing Shareholder's Maximum Pro-Rata Share) will be transferred to the Limited Partnership (free and clear of all liens, claims and encumbrances) in consideration for (i) one (1.0) Exchangeable LP Unit, and (ii) the Ancillary Rights attached to such Exchangeable LP Unit;
- (e) each Common Share held by a Shareholder (except for Dissenting Shareholders and Shareholders who have validly elected to receive Exchangeable LP Units, subject to the Electing Shareholder's Maximum Pro-Rata Share in accordance with Section 3.1(d)) will be deemed to be transferred to Killam REIT (free and clear of all liens, claims and encumbrances) in consideration for one (1.0) Killam REIT Unit;
- (f) the Exchange and Support Agreement will become effective;
- (g) the Killam REIT Unit held by the Initial Unitholder shall be cancelled in consideration for the payment of ten dollars (\$10);

#### **Share Transfers**

- (h) each Common Share held by Killam REIT will be transferred to the Limited Partnership in consideration for Class A LP Units on the basis that each Class A LP Unit will have a purchase price of one dollar (\$1.00);

- (i) each Common Share held by the Limited Partnership will be transferred to Newco in consideration for (i) the Newco Note 1, (ii) the Newco Note 2 and (iii) the Newco Share Consideration;

### **Amalgamation 2**

- (j) the stated capital of Killam Amalco shall be reduced to \$1.00 in the aggregate without any payment of cash or property;
- (k) Killam Amalco and Newco shall be amalgamated under the CBCA and:
  - (i) all of the property of the predecessor corporations held immediately before the amalgamation (except any amounts receivable from any predecessor corporation or shares of any predecessor corporation) shall become the property of Killam Amalco 2;
  - (ii) all of the liabilities of the predecessor corporations immediately before the amalgamation (except any amounts payable to any predecessor corporation) shall become liabilities of Killam Amalco 2;
  - (iii) all of the issued and outstanding Common Shares held by Newco immediately before the amalgamation shall be cancelled without repayment of capital;
  - (iv) any existing cause of action, claim or liability to prosecution of either of the predecessor corporations shall be unaffected;
  - (v) any civil, criminal or administrative action or proceeding pending by or against either of the predecessor corporations may be continued to be prosecuted by or against Killam Amalco 2;
  - (vi) a conviction against, or ruling, order or judgment in favour of or against, either of the predecessor corporations may be enforced by or against Killam Amalco 2;
  - (vii) the articles and by-laws of Killam Amalco 2 shall be the same as the articles and by-laws of Newco;
  - (viii) the first directors and officers of Killam Amalco 2 shall be the directors and officers of Killam Amalco;
  - (ix) the registered office of Killam Amalco 2 shall be the registered office of Killam Amalco;
  - (x) the name of Killam Amalco 2 shall be Killam Properties Inc.,

### **Asset Transfers to SLP**

- (l) the Asset Conveyance Agreement will become effective and Killam Amalco 2 will transfer the Subject Assets to SLP in consideration for (i) Class A SLP Units on the basis that each Class A SLP Unit will have a purchase price of one dollar (\$1); (ii) the SLP Note and (iii) the assumption of the Assumed Liabilities;
- (m) the Limited Partnership shall subscribe for Class B SLP Units issued on the basis that each Class B SLP Unit shall have a purchase price of one dollar (\$1), and in satisfaction of the aggregate subscription price, Limited Partnership shall contribute the Newco Note 1 to SLP;
- (n) the initial Class A SLP Unit that was issued to Killam, and became property of Killam Amalco 2, shall be redeemed by SLP for \$1.00 and cancelled;
- (o) SLP and Killam Amalco 2 shall set-off the Newco Note 1 and the SLP Note and such notes shall be repaid in full and cancelled,

#### **Convertible Debentures**

- (p) the Assumption Agreement(s) shall become effective and Killam REIT shall assume all of the obligations of the Convertible Debentures in accordance with the Convertible Debenture Indenture(s) and, as payment for assuming such obligations, Killam Amalco 2 will issue to Killam REIT the Assumption Note(s); and

#### **Equity Compensation Plans**

- (q) each RSU (whether vested or unvested) outstanding at the Effective Time shall be continued on the same terms and conditions as were applicable immediately prior to the Effective Time, except that the Restricted Share Unit Plan shall be amended and the references in such plan to "Share", "Shareholder" and "dividends" shall be amended and substituted with Killam REIT Units, Unitholder and distributions, respectively.

**3.2** Subject to Section 3.5, with respect to the elections required to be made in order to dispose of Common Shares pursuant to Section 3.1(d):

- (a) each such Shareholder will make such election by depositing with the Depository a duly completed Letter of Transmittal and Election Form prior to the Election Deadline, indicating such Shareholder's election, together with certificates representing such Shareholder's Common Shares, if any; and
- (b) any Shareholder who does not deposit with the Depository a completed Letter of Transmittal and Election form prior to the Election Deadline or otherwise fails to comply with the requirements of Section 3.1(d) and the Letter of Transmittal and Election Form shall be deemed to have elected to dispose of the Common Shares to Killam REIT pursuant to 3.1(e).

**3.3** With respect to each Shareholder (other than Dissenting Shareholders), on the Effective Date:

- (a) Upon the transfer of Common Shares to the Limited Partnership in consideration for Exchangeable LP Units and related Ancillary Rights pursuant to Section 3.1(d):
  - (i) such former Shareholder will be added to the registers of holders of Exchangeable LP Units and Special Voting Units, added as a party to the Limited Partnership Agreement and the Exchange and Support Agreement and the name of such holder will be removed from the register of holders of Common Shares as it relates to Common Shares so transferred; and
  - (ii) the Limited Partnership will become the holder of the Common Shares so transferred and will be added to the register of holders of Common Shares;
- (b) upon the transfer of Common Shares to the Limited Partnership in consideration for Killam REIT Units and an obligation of Killam REIT to issue and deliver one Killam REIT Unit for each Common Share so transferred pursuant to Section 3.1(e):
  - (i) such former Shareholder will be added to the register of holders of Killam REIT Units and the name of such holder will be removed from the register of holders of Common Shares as it relates to the Common Shares so transferred; and
  - (ii) the Limited Partnership will become the holder of Common Shares so transferred and will be added to the register of holders of the Common Shares. An Electing Shareholder may elect to transfer Common Shares to the Limited Partnership pursuant to Section 3.1(d).

**3.4** An Electing Shareholder shall be entitled to make an income tax election pursuant to subsection 97(2) of the Tax Act (and the analogous provisions of provincial income tax law) with respect thereto by providing two signed copies of the necessary election forms to the Limited Partnership by the Election Deadline, duly completed with the details of the number of Common Shares transferred and the applicable agreed amounts for the purposes of such elections. Thereafter, subject to the election forms complying with the provisions of the Tax Act (and applicable provincial tax law), the election forms will be signed by the Limited Partnership GP on behalf of the Limited Partnership and one copy thereof shall be forwarded by mail to such Electing Shareholder within 30 days after the receipt thereof by the Limited Partnership, on behalf of the Limited Partnership for filing by such Electing Shareholder with the CRA (and/or the applicable provincial taxing authority). The Limited Partnership will not be responsible for the proper completion and filing of any election form and, except for the obligation of the Limited Partnership to so sign and return properly completed election forms which are received by the Limited Partnership by the Election Deadline, the Limited Partnership will not be responsible for any taxes, interest or penalties resulting from the failure by a Electing

Shareholder to properly complete or file the election forms in the form and manner and within the time prescribed by the Tax Act (and any applicable provincial legislation).

**3.5** If the aggregate number of Exchangeable LP Units requested pursuant to Section 3.2 exceeds the Maximum Number of Exchangeable LP Units, then each Electing Shareholder agrees that, with respect to the election forms, the number of Common Shares, Exchangeable LP Units and elected amounts (and other analogous amounts) shall be reduced proportionately in accordance with the Electing Shareholder's Maximum Pro Rata Share and each Electing Shareholder grants the Limited Partnership GP the limited power of attorney to amend such amounts on the election forms. Prior to returning the election forms to the Electing Shareholder, the Limited Partnership GP may at its discretion consider further amendments if made in writing to the Limited Partnership GP by the Electing Shareholder.

**3.6** For greater certainty, Killam REIT, Killam and any of their direct or indirect subsidiaries shall, in addition to any other specific tax elections referred to in this Plan of Arrangement, be entitled to file any tax election(s) in relation to the transactions that are contemplated pursuant to this Plan of Arrangement, that any such party, in their sole discretion, shall choose.

#### **ARTICLE IV** **DISSENTING SHAREHOLDERS**

**4.1** Each registered Shareholder shall have the right to dissent with respect to the Arrangement. The right of dissent will be effected in accordance with Section 190 of the CBCA, as modified by the Interim Order, provided that a Dissenting Shareholder who for any reason is not entitled to be paid the fair value of the holder's Common Shares shall be treated as if the holder had participated in the Arrangement on the same basis as a non-dissenting Shareholder pursuant to Section 3.1(e). The fair value of the Common Shares of a Dissenting Shareholder shall be determined as of the point in time immediately prior to the approval of the Arrangement Resolution by the Shareholders in accordance with Section 190 of the CBCA, but in no event shall Killam (or its successors) be required to recognize such Dissenting Shareholders as shareholders of Killam (or its successors) after the Effective Date, and the names of such holders shall be removed from the applicable register of shareholders. For greater certainty, in addition to any other restrictions in Section 190 of the CBCA, no Shareholder who has voted in favour of the Arrangement shall be entitled to dissent with respect to the Arrangement.

#### **ARTICLE V** **OUTSTANDING CERTIFICATES AND FRACTIONAL SECURITIES**

**5.1** From and after the Effective Time, certificates formerly representing Common Shares under the Arrangement shall represent only the right to receive the consideration to which the holders are entitled under the Arrangement, or as to those held by Dissenting Shareholders, other than those Dissenting Shareholders deemed to have participated in the Arrangement pursuant to Section 4.1, to receive the fair value of the Common Shares represented by such certificates.

**5.2** Killam REIT shall, as soon as practicable following the later of the Effective Date and the date of deposit by a former Shareholder of a duly completed Letter of Transmittal and Election

Form, and certificates representing such Common Shares and such additional documents as the Depository may reasonably require, either:

- (a) forward or cause to be forwarded by first class mail (postage prepaid) to such former Shareholder at the address specified in the Letter of Transmittal and Election Form; or
- (b) if requested by such Shareholder in the Letter of Transmittal and Election Form, make available or cause to be made available at the Depository for pickup by such Shareholder,

certificates representing the number of Killam REIT Units and/or Exchangeable LP Units issued to such holder or to which such holder is entitled pursuant to the Arrangement.

**5.3** If any certificate which immediately prior to the Effective Time represented an interest in outstanding Common Shares that were exchanged pursuant to Section 3.1 has been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to have been lost, stolen or destroyed, the Depository will issue and deliver in exchange for such lost, stolen or destroyed certificate the consideration to which the Person is entitled pursuant to the Arrangement (and any distributions with respect thereto) as determined in accordance with the Arrangement. The Person who is entitled to receive such consideration shall, as a condition precedent to the receipt thereof, give a bond to each of the REIT, the Limited Partnership and their respective transfer agents, which bond is in form and substance satisfactory to each of Killam REIT, the Limited Partnership and their respective transfer agents, or shall otherwise indemnify Killam REIT, the Limited Partnership and their respective transfer agents against any claim that may be made against any of them with respect to the certificate alleged to have been lost, stolen or destroyed.

**5.4** All distributions made with respect to any Killam REIT Units, Exchangeable LP Units allotted and issued or transferred pursuant to this Arrangement but for which a certificate has not been issued shall be paid or delivered to the Depository to be held by the Depository for the registered holder thereof. All monies received by the Depository shall be held by it upon such terms as the Depository may reasonably deem appropriate. The Depository shall pay and deliver to any such registered holder, as soon as reasonably practicable after application therefor is made by the registered holder to the Depository in such form as the Depository may reasonably require, such distributions to which such holder is entitled, net of applicable withholding and other taxes, upon delivery of the certificates representing Killam REIT Units and Exchangeable LP Units issued to such holder in accordance with section 5.2 of this Plan of Arrangement.

**5.5** Subject to any applicable escheat laws, any certificate formerly representing Common Shares that is not deposited with all other documents as required by this Plan of Arrangement on or before the day prior to the fifth anniversary of the Effective Date shall cease to represent a right or claim of any kind or nature, including the right of the holder of such Common Shares to receive Killam REIT Units and/or Exchangeable LP Units together with Ancillary Rights contemplated by Sections 3.1(d) and/or 3.1(e). Killam REIT Units, Exchangeable LP Units and Ancillary Rights issued or made pursuant to the Arrangement shall be deemed to be surrendered to Killam REIT (in the case of the REIT Units contemplated by Section 3.1(e)) and to the

Limited Partnership and Killam REIT (in the case of the Exchangeable LP Units and Special Voting Units contemplated by Section 3.1(d)), together with all distributions thereon held for such holder.

**5.6** No fractional Killam REIT Units or Exchangeable LP Units shall be issued pursuant to the Arrangement. In the event that any exchange ratio referred to herein would in any case result in a former holder of Common Shares being entitled to a fractional Killam REIT Unit or Exchangeable LP Unit, such Killam REIT Units or Exchangeable LP Units shall be rounded to the nearest whole number, provided that each beneficial former holder of Common Shares shall be entitled to the benefit of only one adjustment in respect of each of such holder's Killam REIT Units or Exchangeable LP Units.

#### **ARTICLE VI WITHHOLDING RIGHTS**

**6.1** Killam REIT, the Limited Partnership and the Depository shall be entitled to deduct and withhold from any consideration or distribution otherwise payable to any former holder of Common Shares, such amounts as Killam REIT, the Limited Partnership and the Depository is required to deduct and withhold with respect to such payment under the Tax Act or any provision of any federal, provincial, territorial, state, local or foreign tax law. Amounts so withheld shall be treated for all purposes as having been paid to the former holder of the Common Shares in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority. Killam REIT, the Limited Partnership and the Depository, on behalf of the Shareholder, shall be entitled to sell or otherwise dispose of such portion of the consideration as is necessary to provide sufficient funds, after expenses, to enable it to comply with such deduction or withholding requirements and shall notify the former holder thereof and remit to the former holder any unapplied balance of the net proceeds of such sale.

#### **ARTICLE VII AMENDMENTS**

**7.1** The parties to the Arrangement Agreement may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment, modification and/or supplement must be: (i) set out in writing; (ii) filed with the Court and, if made following the Meeting, approved by the Court; and (iii) communicated to holders of Common Shares, if and as required by the Court.

**7.2** Any amendment of, modification or supplement to this Plan of Arrangement may be proposed by Killam at any time prior to or at the Meeting with or without any other prior notice or communication, and if so proposed and accepted by the Shareholders at the Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

**7.3** Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Time but shall only be effective if it is consented to by each of Killam REIT and Killam, provided that it concerns a matter which, in the reasonable opinion of Killam

REIT and Killam, is of an administrative nature or required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of Killam REIT, or any former Shareholder.

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

THE HONOURABLE ) FRIDAY, THE 11<sup>th</sup>  
JUSTICE CONWAY ) DAY OF DECEMBER, 2015

IN THE MATTER OF an application under section 192 of the  
*Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended;

AND IN THE MATTER OF Rule 14.05(2) and Rule 14.05(3) of the  
*Rules of Civil Procedure*, R.R.O. 1990, Reg. 194

AND IN THE MATTER OF a proposed arrangement involving  
Killam Properties Inc.



**ORDER**

**THIS APPLICATION** made by the Applicant, Killam Properties Inc. ("**Killam**"), pursuant to section 192 of the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended (the "**CBCA**"), was heard this day at 330 University Avenue, Toronto, Ontario.

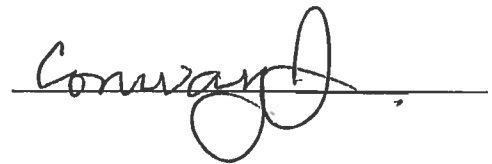
**ON READING** the Notice of Application issued on October 27, 2015, the affidavit of Philip D. Fraser sworn October 28, 2015, the supplementary affidavit of Philip D. Fraser sworn December 8, 2015, together with the exhibits thereto, and the Interim Order of the Honourable Justice Penny dated November 3, 2015,

**AND ON HEARING** the submissions of counsel for Killam, and on being advised that the Director appointed under the CBCA does not consider it necessary to appear on this application, no-one appearing for any other person, including any securityholder of Killam, and

having determined that the Arrangement, as described in the Plan of Arrangement attached as Schedule "A" to this order is an arrangement for the purposes of section 192 of the CBCA and is fair and reasonable in accordance with the requirements of that section,

**AND UPON BEING ADVISED** that this order will serve as the basis to rely on the exemption from registration provided by Section 3(a)(10) of the *U.S. Securities Act of 1933*, as amended, in connection with the issuance or distribution of securities to shareholders of Killam in the United States pursuant to the Plan of Arrangement,

1. **THIS COURT ORDERS** that the Arrangement, as described in the Plan of Arrangement attached as Schedule "A" to this order, shall be and is hereby approved.
  
2. **THIS COURT ORDERS** that the Applicant shall be entitled to seek leave to vary this order upon such terms upon giving such notice as this court may direct, to seek the advice and directions of this court as to the implementation of this order, and to apply for such further order or orders as may be appropriate.



ENTERED AT / INSCRIT A TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO.:



DEC 11 2015

**IN THE MATTER OF AN APPLICATION** under section 192 of the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended, involving Killam Properties Inc.

Court File No. CV-15-11153-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

**ORDER**

**BENNETT JONES LLP**  
1 First Canadian Place  
Suite 3400, P.O. Box 130  
Toronto, ON M5X 1A4

**Derek J. Bell (LSUC No. 43420J)**  
Tel: 416-777-4638  
belldd@bennettjones.com

**Joseph Marcus (LSUC No. 65619S)**  
Tel: 416-777-6234  
Fax: 416-863-1716  
marcusj@bennettjones.com

Lawyers for the applicant,  
Killam Properties Inc.