AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT OF PURCHASE AND SALE is made as of the 27th day of May, 2005.

B E T W E E N:

RETROCOM LIMITED PARTNERSHIP

(the "Purchaser") of the First Part,

- and -

RETROCOM MID-MARKET REAL ESTATE INVESTMENT TRUST

("Retrocom REIT") of the Second Part.

- and –

RIOCAN REAL ESTATE INVESTMENT TRUST

(the "Vendor") of the Third Part

Whereas:

a. the defined terms which are set out in this Agreement of Purchase and Sale have the respective meanings ascribed thereto in Section 1.1; and

b. the Purchaser has agreed to purchase and the Vendor has agreed to sell all of the Vendor's right, title and interest in and to Elgin Mall, Mountainview Mall, Orangeville Mall, Plaza La Sarre, South Hill Mall, Southland Mall and Town 'N' Country Mall, both for the Purchase Price and upon, in accordance with and subject to the terms, covenants and conditions hereinafter set out in this Agreement.

c. Title to each property is registered in the name of a Nominee as set out in Schedule "E".

NOW THEREFORE in consideration of the sum of Ten Dollars ($10.00), other good and valuable consideration and the respective covenants, agreements, representations, warranties and payments of the parties which are provided in this Agreement of Purchase and Sale, the parties hereto covenant and agree as follows:

ARTICLE 1 - INTERPRETATION AND DEFINITION

1.1 Definitions

(a) In this Agreement, including the Schedules attached hereto, the words, phrases and expressions defined in this Section 1.1 have the meanings hereinafter set forth:

(b) "Acceptance Date" means the date on which this Agreement of Purchase and Sale is fully executed and delivered by the Vendor and the Purchaser;

(c) "Adjustment Date" means the first day of the month in which Closing occurs;

(d) "Adjustments" means the adjustments set out and in accordance with Section 2.4 of this Agreement);

(e) "Agreement" means this agreement of purchase and sale and the use of the words "hereto", "hereof", "herein", "hereunder" or other similar expressions as used with reference to this Agreement mean or refer to this Agreement and all schedules and appendices attached;

(f) "Applicable Law" means any statute, law ordinance, rule, regulation, by-law (zoning or otherwise), order, approval, permit, judgment or decree of any Authority;

(g) "Approved Lease" means a lease approved by the Purchaser pursuant to Section 6.5;

(h) "Assets" means the assets or interests therein, to be held directly or indirectly by the Purchaser Entities on a Closing Date and, where the context requires, the businesses carried on or to be carried on directly or indirectly by the Purchaser Entities in connection therewith, together with related contracts, agreements and liabilities;

(i) "Assumed First Mortgages" means the mortgages to be assumed by the Purchaser as set out in Schedule "D";

(j) "Authority" means any governmental authority, body, agency, department, bureau, commissioner, tribunal, whether federal, provincial, municipal and any board of fire underwriters having or claiming jurisdiction in respect of the Properties;

(k) "Building(s)" means:

(i) in respect of Elgin Mall, the buildings and structures presently situate on the Elgin Mall Lands consisting of a building containing approximately 264,849 square feet of gross leasable area including all fixtures, parking areas and similar improvements to the Elgin Mall Lands (the "Elgin Mall Building");

(ii) in respect of Mountainview Mall, the buildings and structures presently situate on the Mountainview Mall Lands consisting of a building containing approximately 292,637 square feet of gross leasable area including all fixtures, parking areas and similar improvements to the Mountainview Mall Lands (the "Mountainview Mall Building");

(iii) in respect of Orangeville Mall, the buildings and structures presently situate on the Orangeville Mall Lands consisting of a building containing approximately 183,406 square feet of gross leasable area including all fixtures, parking areas and similar improvements to the Orangeville Mall Lands (the "Orangeville Mall Building");

(iv) in respect of Plaza La Sarre, the buildings and structures presently situate on the Plaza La Sarre Lands consisting of a building containing approximately 81,602 square feet of gross leasable area including all fixtures, parking areas and similar improvements to the Plaza La Sarre Lands (the "Plaza La Sarre Building");

(v) in respect of South Hill Mall, the buildings and structures presently situate on the South Hill Mall Lands consisting of a building containing approximately 194,158 square feet of gross leasable area including all fixtures, parking areas and similar improvements to the South Hill Mall Lands (the "South Hill Mall Building");

(vi) in respect of Southland Mall, the buildings and structures presently situate on the Southland Mall Lands consisting of a building containing approximately 438,996 square feet of gross leasable area including all fixtures, parking areas and similar improvements to the Southland Mall Lands (the "Southland Mall Building");

(vii) in respect of Town 'N' Country Mall, the buildings and structures presently situate on the Town 'N' Country Mall Lands consisting of a building containing approximately 340,208 square feet of gross leasable area including all fixtures, parking areas and similar improvements to the Town 'N' Country Mall Lands (the "Town 'N' Country Mall Building");

(l) "Business Day" means any day other than a Saturday, Sunday, statutory, civic or bank holiday in the City of Toronto;

(m) "Chattels" means all chattels and equipment owned by the Vendor located on, incorporated or situated in, on or upon or used in connection with the Elgin Mall Building, Mountainview Mall Building, Orangeville Mall Building, Plaza La Sarre Building, South Hill Mall Building, Southland Mall Building and Town 'N' Country Mall Building. "Chattels" shall exclude any and all chattels and equipment owned by any persons, other than the Vendor, including the Tenants under their respective Leases, and shall also exclude all computer hardware and software that does not relate to the operation of any systems located in and around the Elgin Mall Building, Mountainview Mall Building, Orangeville Mall Building, Plaza La Sarre Building, South Hill Mall Building, Southland Mall Building and Town 'N' Country Mall Building as the case may be;

(n) "Closing Date"," Date of Closing" or "Closing" means no later than the twentieth day after the satisfaction of the Purchaser's Unitholder Approval Condition or, if such day is not a Business Day, then the next Business Day thereafter;

(o) "Confidentiality Agreement" means a letter agreement on the letterhead of Retrocom REIT dated January 27th, 2005 executed by Retrocom REIT and on February 4th, 2005 by the Vendor relating, inter alia, to the confidential nature of the transaction;

(p) "Contracts" means, if any, the agreements, contracts and other commitments (other than the Leases, property management contracts, asset management contracts or contracts relating to the leasing of premises and other contracts and agreements entered into by RioCan Property Services Trust, the manager for the Vendor) relating to the servicing, maintenance, repair or cleaning of the

Properties or the Chattels, or the furnishing of supplies or services thereto from time to time existing as of the date of this Agreement;

(q) "Convertible Debenture" shall have the meaning ascribed to it in Section 8.1;

(r) "Declaration of Trust" means the amended and restated declaration of trust dated March 22nd, 2004 pursuant to which Retrocom REIT is established;

(s) "Deposit" shall have the meaning ascribed to it in Section 2.2(a);

(t) "Disclosure Documents" means (i) the annual information form of Retrocom REIT dated March 31, 2005, (ii) the audited financial statements of Retrocom REIT as at and for the year ended December 31, 2004 and the unaudited interim financial statements of Retrocom REIT for any financial periods thereafter, (iii) management's discussion and analysis of financial condition and results of operation for the year ended December 31, 2004 and for any financial periods thereafter and (iv) all material change reports of Retrocom REIT publicly filed on or after the date hereof;

(u) "Elgin Mall" means the Elgin Mall Building and the Elgin Mall Lands;

(v) "Estoppel Certificate" means the certificate substantially in the form attached hereto as Schedule "B";

(w) "Financial Statements" means the unaudited operating statements for the Properties for the full fiscal years expiring December 31, 2004, 2003 and 2002 and the 2005 year to date operating statements if available;

(x) "GST" means Canada's federal goods and services tax imposed under Part IX of Canada's *Excise Tax Act*;

(y) "Hazardous Material" means any contaminant, pollutant, waste, subject waste, hazardous waste, deleterious substance, industrial waste, toxic matter or any other substance including breakdown products or related substances that when released into the natural environment is likely to cause, at some immediate or future time, material harm or degradation to the natural environment or material risk to human health and, without restricting the generality of the foregoing, includes any contaminant, pollutant, waste, subject waste, deleterious substance, industrial waste, toxic matter, hazardous waste or dangerous goods as defined by applicable federal, provincial or municipal laws or regulations enacted for the protection of the natural environment or human health;

(z) "Interest Rate Subsidy Agreement" shall have the meaning ascribed to it in Section 8.3;

(aa) "Interim Period" means the period between the Acceptance Date and the Closing Date;

(bb) "Lands" means:

(i) in respect of Elgin Mall, the property described in Schedule "A1" attached hereto being municipally known as 417 Wellington Street, St. Thomas, Ontario, comprising the lands on which the Elgin Mall Building is located (the "Elgin Mall Lands");

(ii) in respect of Mountainview Mall, the property described in Schedule "A2" attached hereto being municipally known as 9226 Highway 93, Midland, Ontario, comprising the lands on which the Mountainview Mall Building is located (the "Mountainview Mall Lands");

(iii) in respect of Orangeville Mall, the property described in Schedule "A3" attached hereto being municipally known as 150 First Street, Orangeville, Ontario, comprising the lands on which the Orangeville Mall Building is located (the "Orangeville Mall Lands");

(iv) in respect of Plaza La Sarre, the property described in Schedule "A4" attached hereto being municipally known as 77 2 Rue Est, La Sarre, Quebec, comprising the lands on which the Plaza La Sarre Building is located (the Plaza La Sarre Lands");

(v) in respect of South Hill Mall, the property described in Schedule "A5" attached hereto being municipally known as 2995 2nd Avenue West, Prince Albert, Saskatchewan, comprising the lands on which the South Hill Mall Building is located (the "South Hill Mall Lands");

(vi) in respect of Southland Mall, the property described in Schedule "A6" attached hereto being municipally known as 2965 Gordon Road, Regina, Saskatchewan, comprising the lands on which the Southland Mall Building is located (the "Southland Mall Lands");

(vii) in respect of Town 'N' Country Mall, the property described in Schedule "A7" attached hereto being municipally known as 1235 Main Street North, Moose Jaw, Saskatchewan, comprising the lands on which the Town 'N' Country Mall Building is located (the "Town 'N' Country Mall Lands");

(cc) "Leases" means all leases, subleases, offers or agreements to lease or sublease in respect of the Properties, any modifications or extensions to such leases or offers or agreements to lease and all assignments in respect of any such leases or offers or agreements to lease, including all leases or offers or agreements to lease entered into pursuant to Section 6.5 of this Agreement, and any and all collateral agreements relating to such leases or offers or agreements to lease referred to herein;

(dd) "Leasing Costs" shall have the meaning set out in subsection 2.4(a);

(ee) "Mountainview Mall" means the Mountainview Mall Building and the Mountainview Mall Lands";

(ff) "Nominees" mean the holders of registered title to the Property as set out in Schedule "E";

(gg) "Orangeville Mall" means the Orangeville Mall Building and the Orangeville Mall Lands;

(hh) "Plaza La Sarre" means the Plaza La Sarre Building and the Plaza La Sarre Lands;

(ii) "Project Documents" means originals or copies of the following, to the extent that they are in the Vendor's possession:

(i) All Leases;

(ii) As-built drawings and all other plans and specifications for the Properties;

(iii) A rent roll for the Properties;

(iv) All environmental, roof, structural or other consultants reports related to the physical condition of the Lands and Buildings;

(v) Unaudited operating statements for the Properties for the full fiscal year expiring December 31, 2004, 2003 and 2002;

(vi) 2005 year to date operating statements for the Properties;

(vii) 2005 operating budget for the Properties;

(viii) Leasing plans for the Properties;

(ix) An aged receivables report for the Properties;

(x) Tenant sales reports for the last three fiscal years and year to date for all tenants reporting sales;

(xi) Existing surveys for the Properties;

(xii) A list of Chattels;

(xiii) Realty tax assessments, notices and tax bills relating to the Properties and copies of any notices of any outstanding realty tax appeals and correspondence relating thereto, including copies of any working papers issued by the applicable assessment authorities used in calculating a notional allocation of the assessment;

(xiv) Copies of all Contracts;

(xv) A schedule of all unpaid Leasing Costs;

(xvi) Copies of Assumed First Mortgages and documentation ancillary thereto;

(xvii) Copies of all Warranties.

(jj) "Properties" means Elgin Mall, Mountainview Mall, Orangeville Mall, Plaza La Sarre, South Hill Mall, Southland Mall and Town 'N' Country Mall and "Property" means any one of them;

(kk) "Property Management Agreement" means the agreement to be entered into by the Purchaser and RioCan Property Services Trust in the form attached hereto as Schedule "F";

(ll) "Purchase Price" means One Hundred and Eighty Two Million Dollars ($182,000,000.00) in Canadian funds;

(mm) "Purchased Assets" means the Lands, the Buildings, the Leases, the Contracts, the Chattels, the Warranties and the right, title and interest, if any, in the tradename, trademark or other intellectual property associated with each Property including without limitation the tradenames and/or trademarks "Elgin Mall", "Mountainview Mall", "Orangeville Mall", "Plaza La Sarre", "South Hill Mall", "Southland Mall" and "Town 'N' Country Mall" and any websites associated therewith;

(nn) "Purchaser" means Retrocom Limited Partnership;

(oo) "Purchaser Entities" means the Purchaser, Retrocom REIT and each of the corporations, partnerships and trusts directly or indirectly controlled by Retrocom REIT;

(pp) "Purchaser's Agent" means CIBC World Markets Inc.;

(qq) "Purchaser's Solicitor" means Fasken Martineau DuMoulin LLP as counsel for the Purchaser and Retrocom REIT;

(rr) "Purchaser's Unitholder Approval Condition" means the condition described in Section 4.2;

(ss) "Retrocom REIT" means Retrocom *Mid-Market Real Estate Investment Trust*;

(tt) "South Hill Mall" means the South Hill Mall Building and South Hill Mall Lands;

(uu) "Southland Mall" means the Southland Mall Building and Southland Mall Lands;

(vv) "Subordinated Charge(s)" means mortgages or deeds of hypothec, where applicable, in favour of the Vendor or nominee thereof securing for principal the sum of Thirty Million Dollars ($30,000,000.00), having a term of three years, bearing interest at the rate of 4.5% per annum with interest calculated, compounded semi-annually and payable monthly which will be registered against title to the Properties or such of same as the Vendor shall in its sole discretion determine. The Subordinated Charge shall be subordinate to the Assumed First Mortgages and to any renewals or replacements thereof provided that such renewals or replacements have been approved by the Vendor, acting reasonably, and provided further that in the event any renewal or replacement is for a principal amount greater than the principal balance of the Assumed First Mortgages as of the date hereof, there shall be a mandatory repayment of principal of the Subordinated Charge in the amount of such excess. In the event the approval of the Vendor is not given to any such renewal or replacement and the Purchaser wishes to proceed with same, the Purchaser shall be required to repay an amount on account of principal determined by multiplying the principal amount of the Subordinated Charge by a fraction, the numerator of which is the allocated value of the Property for which such renewal or replacement has been obtained, as set out in Schedule "G" and the denominator of which is $182,000,000.00, together with all accrued and unpaid interest to the date of such require repayment. The Subordinated Charge will further provide that to the extent there is a conversion or exchange by the Vendor pursuant to the Convertible Debenture, the Purchaser shall be entitled to a full discharge against title to those Properties against which the Subordinated Charge has been registered. The Subordinated Charge will further provide that in no event will any financing ranking pari passu or subsequent to the Subordinated Charge be permitted.

(ww) "Tenants" means the Tenants of the Properties under the Leases, as shown on Schedule "C" attached hereto and "Tenant" means any one of the Tenants";

(xx) "Tenancy Schedules" means the rent roll included in the Project Documents;

(yy) "Town 'N' Country Mall" means the Town 'N' Country Mall Building and Town 'N' Country Mall Lands;

(zz) "Vendor" means RioCan Real Estate Investment Trust;

(aaa) "Vendor's Agent" means RBC Capital Markets Real Estate Group;

(bbb) "Vendor's Solicitor" means Fogler, Rubinoff LLP;

(ccc) "Warranties"; means the existing warranties and guarantees, if any, for the construction and the existing operation of the Buildings.

1.2 **Extended Meanings**

Grammatical variations of any terms defined in this Agreement have similar meanings to such defined terms; words imparting number include the singular and the plural; words imparting gender include the feminine, neuter and masculine genders.

1.3 **Headings**

The division of this Agreement into separate Articles, Sections and Schedules and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.4 **Entire Agreement**

This Agreement constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and, except as herein otherwise expressly stated and in the instruments or documents to be executed and delivered pursuant to this Agreement, contains all of the representations, warranties and agreements of the respective parties with respect to the Properties. There are no written or verbal representations, undertakings, conditions or agreements of any kind between the parties, other than as specifically expressed in writing in this Agreement.

1.5 **Currency**

All references to currency herein are references to lawful money of Canada.

1.6 **Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.

1.7 **Schedules**

The following schedules are attached to this Agreement and form an integral part hereof:

Schedule "A" - Legal Descriptions
Schedule "B" - Form of Estoppel Certificate
Schedule "C" - List of Tenants
Schedule "D" - Assumed First Mortgages
Schedule "E" - Nominees

Schedule "F" - Property Management Agreement
Schedule "G" - Allocation of Purchase Price Among the Properties
Schedule "H" - Convertible Debenture
Schedule "I" - Interest Rate Subsidy Agreement
Schedule "J" – List of Contracts
Schedule "K" – Anchor Tenants

ARTICLE 2 - PURCHASE AND SALE

2.1 Purchase and Sale

The Purchaser agrees to purchase from the Vendor and the Vendor agrees to sell to the Purchaser the Purchased Assets for the Purchase Price, upon and subject to the terms and conditions hereinafter contained in this Agreement including, without limitation, subject to the Adjustments provided for in this Agreement.

2.2 Payment of Purchase Price

(a) The Purchaser and Retrocom REIT jointly and severally covenant and agree to satisfy the Purchase Price as follows:

(i) the sum of $250,000.00 shall be paid by cheque or bank draft to the Vendor's Solicitor, in trust, representing the initial deposit (the "Initial Deposit") within two (2) Business Days of the execution by the Vendor, Purchaser and Retrocom REIT of this Agreement. The Deposit shall be held by the Vendor's Solicitor in trust in accordance with the terms of this Agreement;

(ii) the sum of $2,500,000.00 shall be paid by cheque or bank draft to the Vendor's Solicitor, in trust, representing the second deposit (the "Second Deposit") within two (2) Business Days after satisfaction of the Purchaser's Unitholder Approval Condition. The further Deposit shall be held by the Vendor's Solicitor in trust in accordance with the terms of this Agreement;

(iii) by assumption of the Assumed First Mortgages;

(iv) by delivery to the Vendor by the Purchaser of the Subordinated Charge(s) and by delivery to the Vendor by Retrocom REIT of the Convertible Debenture;

(v) the balance of the Purchase Price shall be paid by bank draft or certified cheque or wire transfer, subject only to the Adjustments as set out in Section 2.4;

with all cheques and bank drafts to be drawn on a Schedule "I" Canadian chartered bank. For the purposes of this Agreement, the expression "Deposit" means the Initial Deposit together with the Second Deposit upon the Second Deposit having been provided and all interest earned thereon and interest on such interest;

(b) The Vendor's Solicitor is hereby irrevocably authorized and shall invest the Deposit as directed by the Purchaser in a daily interest bank account or an interest bearing term certificate of a Schedule I Canadian bank pending the Date of Closing or sooner termination of this Agreement and to hold the Deposit in accordance with the provisions of this Agreement;

(c) The Deposit shall be held by the Vendor's Solicitor pending completion of this transaction or earlier termination of the Agreement, and shall be credited against the Purchase Price and paid to the Vendor on Closing. If the transaction of purchase and sale contemplated by this Agreement is not completed for any reason, other than as a result of a wilful default by the Purchaser or Retrocom REIT, the Deposit shall be returned to the Purchaser. If the transaction of purchase and sale contemplated by this Agreement is not completed solely as a result of wilful default by the Purchaser or Retrocom REIT, the Deposit, shall be forfeited to and forthwith paid to the Vendor as liquidated damages and the Purchaser shall have no further obligations or liability to the Vendor and the Vendor shall not have any recourse to the Purchaser. The parties agree that the Vendor's Solicitor shall be a mere stakeholder of the Deposit and in the event of a dispute arising between the Vendor on the one hand and the Purchaser and Retrocom REIT as to the manner in which the Deposit is to be disbursed, the Vendor's Solicitor shall be entitled to bring an application to Court to pay the Deposit into Court.

2.3 Allocation of Purchase Price

The Purchase Price shall be allocated among the Properties as set out in Schedule "G" annexed hereto. The Vendor and the Purchaser shall treat such allocation as binding for all purposes, including the filing of all tax and other returns and the preparation of all financial statements and other documents and records legally required by the respective parties.

2.4 Adjustments

(a) The transaction contemplated by this Agreement shall be completed on the Closing Date provided that from and including the Adjustment Date, the Purchaser shall be entitled to receive all rents and profits and shall bear all expenses in respect of or pertaining to the Purchased Assets. The Vendor shall be entitled to receive all rents and profits and shall bear all expenses in respect of or pertaining to the Purchased Assets up to and including the day prior to the Adjustment Date. Realty taxes, water and sewer rates and charges or deposits on account thereof, prepaid or unpaid expenses, current rents and recoveries collected from Tenants, security deposits and prepaid rents and interest thereon, principal and interest due under the Assumed First Mortgages together with accounts or deposits related thereto, utilities, fuel, unfunded liability or credits or prepayments in a promotion fund and all other amounts, matters or items usually adjusted in transactions similar to that contemplated by the terms hereof shall be adjusted provided however, that no adjustment shall be made for rental arrears payments pursuant to any Leases which are in arrears as of the Adjustment Date nor shall there be any adjustment for insurance. To the extent any adjustment cannot be determined on the Closing Date, or in the event an error or omission is made, the parties will adjust or readjust as between themselves forthwith after such adjustments can be determined and in any event, on or before May 31, 2006. As part of the Adjustments, pursuant to this Section, an amount equal to the aggregate of any free rent, future rent concessions, allowances, unpaid leasing commissions and unfulfilled obligations for Tenants' improvements (collectively "Leasing Costs"), if any, existing as of the Acceptance Date will be paid by the Vendor prior to Closing or deducted from the Purchase Price at Closing. The Purchaser agrees that it shall be responsible for all Leasing Costs for Approved Leases. There shall be credited to the Vendor interest at the rate of 17% per annum on the balance due on closing pursuant to Section 2.2(a)(v) hereof (prior to the adjustment for said interest) to compensate the Vendor for its loss resulting from the Adjustment Date being the first day of the month in which Closing occurs;

(b) Rental arrears under the Leases at Closing shall remain the property of the Vendor. All funds received by the Purchaser from a Tenant after Closing designated as payment of rental arrears for a period prior to the Adjustment Date, shall be remitted to the Vendor by the Purchaser. The Purchaser shall have no obligation, other than as aforesaid, to collect or pursue rental arrears on behalf of the Vendor. After Closing, the Vendor shall have the right to recover from Tenants, by way of an action in debt only, any arrears of rent and other charges relating to the period prior to the Adjustment Date;

(c) The Vendor shall prepare and deliver to the Purchaser at least 7 days prior to Closing a statement of the Adjustments (the "Statement of Adjustments") for the Properties to be made on Closing with all Adjustments made as of the Adjustment Date. The Statement of Adjustments shall have annexed to it complete details of the calculations used by the Vendor to arrive at all debits and credits on the Statement of Adjustments and shall include a list of unpaid Leasing Costs to be adjusted pursuant to this Section. The Vendor shall give the Purchaser access to the Vendor's working papers and back up materials in order to confirm the Statement of Adjustments;

(d) The Purchaser shall be given credit on the Statement of Adjustments for all Tenant deposits held by or on behalf of the Vendor. In addition on Closing, in the event there are any letters of credit and the same are not assignable, then the Vendor will deliver same to the Purchaser and will execute an agreement wherein it agrees to continue to hold any such letters of credit as trustee and nominee for the Purchaser and to act on same at the Purchaser's direction until such time as the Purchaser may have such letters of credit reissued in the Purchaser's name alone.

2.5 Taxes

All amounts payable by the Purchaser pursuant to this Agreement do not include any taxes or fees payable on the transfer of the Purchased Assets or in respect of registration of the Closing Documents (other than fees for the registration of discharges or other registrations which are the responsibility of the Vendor in order to comply with its obligations under this Agreement), and subject to this Section 2.5, the Purchaser shall be responsible for and shall pay to the Vendor all applicable GST and all applicable Quebec Sales Tax ("QST") in connection with the conveyance or transfer of the Purchased Assets, but shall not be responsible for or pay any income taxes payable by the Vendor upon or in connection with the Transaction.

The Purchaser covenants to assess and remit to the proper authorities any other applicable provincial retail sales taxes exigible on the transfer of the Purchased Assets. With respect to any GST or QST applicable to the sale and conveyance of the Properties, the Vendor shall not charge or collect any GST or QST and the Purchaser hereby represents and warrants to and covenants with the Vendor that:

(a) the Purchaser will be registered for the purpose of the GST and QST at the Closing Date;

(b) the Purchaser will provide the Vendor with a declaration of a senior officer of the Purchaser confirming GST and QST registration numbers and that such registrations are in good standing and have not been varied or revoked (the "Purchaser's GST Declaration");

(c) the Purchaser will indemnify and save harmless the Vendor from any GST or QST, penalty, interest or other amounts which may be payable by or be assessed against the Vendor under the *Excise Tax Act* as a result of or in connection with the Vendor's failure to charge and collect any GST or QST applicable on the sale and conveyance of the Properties to the Purchaser by the Vendor; and

(d) the representations, warranties and indemnity contained herein shall survive the Closing Date and the indemnity shall be embodied in an indemnity agreement (the "Purchaser's GST Indemnity") to be delivered on Closing.

2.6 **Realty Tax Assessments**

In the event the Vendor has appealed the municipal realty tax assessment relating to any Property, or any part thereof, with respect to any period prior to the Adjustment Date, the parties shall cause such appeal to be continued and the Vendor, subject to the entitlement of Tenants, shall be entitled to receive any realty tax rebates, credits, refunds, or payments resulting therefrom or from any other statutory or legislative change, or for any other reason, with respect to such period, provided that the Vendor shall pay the costs for such appeals except for the year 2005 which shall be pro-rated based on period of ownership. In the event that any such rebates, credits, refunds or payments or any portion thereof are paid to the Purchaser or otherwise credited to the Purchaser, the Purchaser agrees to forthwith pay or cause such amounts to be paid to the Vendor, including any such amounts credited directly to the tax roll for any portion of the Property subject to entitlements of Tenants. The Purchaser agrees to co-operate fully with the Vendor in collecting any such rebates, credits, refunds or payments relating to the period prior to the Adjustment Date at the cost and expense of the Vendor except for the year 2005, which costs and expenses shall be pro-rated between Vendor and Purchaser based on the period of ownership. Similarly, if the applicable Authority reassesses any Property or any portion thereof for any period prior to the Adjustment Date the Vendor shall be responsible for any supplementary or omitted tax bills relating to such reassessment. Any realty tax rebates, credits, reductions, refunds or omitted realty taxes referable to the calendar year in which Closing occurs shall be readjusted between the Vendor and Purchaser based on their respective periods of ownership of the Property for such calendar year subject to the entitlements of Tenants. The

Vendor shall remit any amounts it receives to Tenants in accordance with their Leases and to former Tenants thereto.

ARTICLE 3 - DELIVERY OF DOCUMENTS

3.1 Delivery of Project Documents

The Purchaser acknowledges having received or having had the opportunity, at the Vendor's offices, to examine, inspect and review the Project Documents prior to execution of this Agreement. If for any reason, the transaction contemplated by this Agreement is not completed, the Purchaser and Retrocom REIT shall forthwith return all of the Project Documents to the Vendor, including any photocopies.

3.2 Inspection

The Purchaser shall be entitled to conduct reasonable investigations, tests and inspections in respect of the Properties during normal business hours, upon reasonable notice to the Vendor, and subject to the rights of or restrictions in favour of the Tenants, as may be contained in their respective Leases and in connection therewith, the Purchaser may enter upon the Properties at its own risk and expense. All inspections, investigations and testing carried out by the Purchaser or its representative shall be carried out as expeditiously as possible at the Purchaser's sole cost, expense and risk and in accordance with the inspection rights and notice provisions contained in the respective Leases for each of the Tenants of the Properties and so as to cause the minimum amount of interference and disruption to Tenants, their employees, suppliers and customers. Any damage caused to the Properties as a result of the Purchaser's entry upon the Properties, or any part thereof, or any activities carried out by the Purchaser or its representatives in respect of the Properties, or any part thereof, shall be promptly repaired by the Purchaser, at its sole cost, to the Vendor's reasonable satisfaction. The Purchaser agrees to indemnify and save harmless the Vendor from all actions, costs, liabilities and damages resulting from the Purchaser's entry and the activities carried out by the Purchaser or its representatives relating to its inspection of the Properties pursuant to this Section or elsewhere provided in this Agreement.

3.3 Access

The Purchaser and its agents shall have access, during normal business hours, at the offices of the Vendor upon reasonable prior notice, to the plans and specifications and as-built drawings for the Properties, all books, files and records of the Vendor relating directly to the ownership, leasing, operation, management or development of the Properties and shall have the right to make photocopies of any and all documents and materials being examined, at the Purchaser's sole cost.

3.4 Contracts

On Closing, the Vendor shall assign all of the Contracts to the Purchaser, unless the Purchaser advises the Vendor in writing prior to Closing that it does not wish to assume any such Contract, and the Purchaser, to the extent each is assignable, shall assume obligations under such Contracts following the Closing. The Vendor shall indemnify and save harmless the Purchaser from and against all obligations and liabilities arising out of or in connection with such assumed Contracts prior to Closing and the Purchaser shall indemnify the Vendor from and against all obligations and liabilities arising out of or in connection with such assumed Contracts following

Closing. The Vendor shall, at its expense, terminate any Contracts that are not assumed hereunder by the Purchaser on or before Closing.

3.5 Authorizations

The Purchaser and its authorized agents are authorized to correspond with the appropriate Authorities having jurisdiction in respect of the Properties for the purposes of this transaction including, without limitation, to obtain confirmation of the compliance of the Properties with any by-laws, laws, regulations or assessments. For this purpose, the Vendor will promptly, at the Purchaser's request, execute and deliver any authorizations reasonably required by the Purchaser in connection with the foregoing provided no inspections are to be requested from such Authorities.

3.6 Confidentiality

Subject to Section 9.11, Retrocom REIT and the Vendor hereby acknowledge and confirm that the terms of the Confidentiality Agreement remain in full force and effect and will continue in accordance with its terms notwithstanding the completion or termination of this Agreement. The Purchaser acknowledges having reviewed the Confidentiality Agreement and hereby covenants and agrees to be bound by the provisions thereof as if it had been originally named as a party thereto.

ARTICLE 4 - CONDITIONS AND COVENANTS

4.1 Conditions in favour of the Vendor

The Vendor's obligation to complete this transaction is subject to the fulfilment of each of the following conditions on or before the Closing Date (unless otherwise specified, or unless otherwise waived by the Vendor in its sole discretion):

(a) Representations and Warranties: The representations and warranties set forth in Section 5.1 shall be true and accurate in all respects with the same effect as if made on and as of the Closing Date and each of the Purchaser and Retrocom REIT shall deliver to the Vendor a certificate of a senior officer of the Purchaser or Retrocom REIT, as the case may be, dated as of the Closing Date, to this effect;

(b) Delivery of Documents: All documents required to be executed or delivered, or both, to the Vendor by the Purchaser pursuant to the terms of this Agreement shall have been executed or delivered or both, as the case may be;

(c) Performance of Terms, Covenants and Conditions: All of the terms, covenants and conditions of this Agreement to be complied with or performed by the Purchaser, on or prior to the Closing Date, shall have been complied with or performed, in all respects, by the Purchaser on or before the Closing Date.

The conditions as set out in this Section 4.1 are for the sole and exclusive benefit of the Vendor and may be waived, in whole or in part, by the Vendor at any time on or before Closing.

4.2 Purchaser's Unitholder Approval Condition

The within Agreement is conditional on Retrocom REIT obtaining approval for the within transaction at a meeting of its unitholders to be held on June 24, 2005. In the event

Retrocom REIT's unitholder approval is not obtained on or before June 24, 2005, the Purchaser shall give notice to the Vendor that the within Agreement shall be terminated and, upon such notice, the Deposit shall be returned to the Purchaser.

Notwithstanding the foregoing, the Purchaser and Retrocom REIT jointly and severally covenant and agree to pay to the Vendor, as a break fee, the sum of $1,500,000.00, plus any applicable GST in the event Retrocom REIT's unitholders reject the within transaction in favour of an alternative transaction approved by the unitholders on June 24, 2005 which was mutually exclusive to the within transaction.

4.3 Additional Conditions on Closing in Favour of the Purchaser

The Purchaser's obligation to complete this transaction is subject to the fulfilment of each of the following conditions on or before the Closing Date (unless otherwise specified or unless otherwise waived by the Purchaser):

(a) Representations and Warranties: The representations and warranties set forth in Section 5.2 shall be true and accurate with the same effect as if made on and as of the Closing Date and the Vendor shall have delivered to the Purchaser a certificate of a senior officer of the Vendor dated as of the Closing Date to this effect;

(b) Delivery of Documents: All documents required to be executed or delivered, or both, to the Purchaser by the Vendor pursuant to the terms of this Agreement shall have been executed or delivered or both, as the case may be;

(c) Performance of Terms, Covenants and Conditions: All of the terms, covenants and conditions of this Agreement to be complied with or performed by the Vendor on or prior to the Closing Date shall have been complied with or performed, in all material respects, by the Vendor on or before the Closing Date;

(d) State of Title: On or before Closing, the Purchaser is satisfied that there have been no adverse registrations (other than leases or charges of leases) against title to the Properties registered after the date of execution of this Agreement. In the event the Purchaser is aware of adverse registrations, the Purchaser shall notify the Vendor and the Vendor shall have the option of:

   (i) removing the same on or before the Date of Closing;

   (ii) providing its undertaking to remove the same as soon as reasonably possible after the Date of Closing, and if such registration is financial in nature, the amounts required to discharge same are directed from the closing proceeds, held back by the Purchaser or paid into court; or

   (iii) terminating the within Agreement in the event it is unable or unwilling to remove such adverse registration and the Purchaser is not willing to waive such removal;

(e) Assumed First Mortgage and Convertible Debenture Approvals: Approvals shall have been received for the assumption by the Purchaser of the Assumed First Mortgages and for registration against title to the Properties of the subordinate charges securing the Convertible Debenture. In that regard, the Vendor shall use its reasonable best efforts to secure such approvals and the Purchaser will be responsible for the first $125,000.00 in costs related thereto, including legal fees payable to the mortgagees' solicitors in connection therewith. The Purchaser covenants and agrees to provide such information as may be reasonably required by any of the mortgagees to facilitate the approval. Notwithstanding that the within condition is a condition to be satisfied on or before Closing, in the event that the approval of the Purchaser for assumption of the Assumed First Mortgages has not been obtained for any of same and no consent has been specifically refused, the transaction will be completed and the Vendor will continue to use its reasonable best efforts to secure any such approval subject to the Purchaser's responsibility to continue to pay the costs thereof up to a maximum, in aggregate, of $125,000.00 and the Purchaser will continue to co-operate and execute any and all documents as may be required to facilitate such approvals, whether before or after Closing;

(f) No Action to Restrain: No action or proceeding shall be pending or threatened by any person to restrain or prohibit the purchase and sale of the Properties upon the terms and conditions hereunder or to prevent or restrict the use or enjoyment of any of the Properties by the Purchaser;

(g) Mountainview Mall Discharge of Mortgage: The Vendor has obtained and registered a discharge of mortgage 01368293 held by United Mortgage Corporation and registered against the title to Mountainview Mall.

The conditions on Closing set out in this Section 4.3 are for the sole and exclusive benefit of the Purchaser and may be waived in whole or in part by the Purchaser at any time or times on or before the Closing Date.

4.4 Competition Act

For the purposes of this Section, the capitalized terms set out herein shall have the following meanings:

"Commissioner" means the Commissioner of Competition appointed under the Competition Act and any person duly authorized to exercise the powers and perform the duties of the Commissioner of Competition;

"Competition Act" means the *Competition Act* (Canada), as amended;

"Competition Act Clearance" means any one of the following:

(i) the issuance of an advance ruling certificate (an "ARC") by the Commissioner pursuant to section 102 of the Competition Act in form and substance satisfactory to the Purchaser and Vendor, acting reasonably, and which shall remain in force and unamended in any material respect at Closing;

(ii) the applicable waiting period(s) under section 123 of the Competition Act shall have expired or have been waived and the Commissioner shall have advised the Purchaser, in form and substance satisfactory to the Purchaser and Vendor acting reasonably, that the Commissioner is of the view that there are not sufficient grounds at that time to initiate proceedings before the Competition Tribunal under the merger provisions of the Competition Act in respect of the transactions contemplated under this Agreement, which advice shall remain in force and unamended in any material respect at Closing; or

(iii) at the option of the Purchaser, in lieu of (i) and (ii) above, the applicable waiting period(s) under section 123 of the Competition Act shall have expired or have been waived and neither the Purchaser nor the Vendor shall have been advised in writing by the Commissioner that the Commissioner has determined to make an application for an order under sections 92 or 100 of the Competition Act in respect of the transactions contemplated under this Agreement.

The obligations of the Purchaser and the Vendor to complete this transaction is subject to the Competition Act Clearance having been obtained by Closing. To the extent that the Competition Act Clearance has not been obtained by Closing, the Closing is automatically extended until forty-eight (48) hours after the Competition Act Clearance is obtained, but not to exceed, in the aggregate, sixty five (65) days after the Closing Date. The Purchaser and the Vendor covenant and agree to proceed diligently, in a co-ordinated fashion, to obtain the Competition Act Clearance and shall keep each other apprised from time to time and forthwith upon request of the status thereof. In particular, the Purchaser and the Vendor covenant and agree that, subject to and in compliance with Applicable Laws:

(a) the Purchaser shall prepare and file an application for an ARC under Section 102 of the Competition Act (together with a request that if an ARC is not issued, a no-action letter be issued together with a waiver under Section 113(c) of the Competition Act) and submit any additional information reasonably requested by the Competition Bureau in connection therewith. In the event that neither an ARC nor a waiver under Section 113(c) of the Competition Act is issued by June 24, 2005 the Purchaser and Vendor shall, no later than July 5, 2005, unless the parties otherwise agree, file a short form notification under Part IX of the Competition Act. If the Commissioner requests a long form notification, the parties shall diligently proceed to prepare and file same in an expeditious fashion in an effort to obtain Competition Act Clearance prior to Closing;

(b) the Vendor shall provide the Purchaser with such information within the Vendor's possession and control so as to assist the Purchaser in preparing any filings or submissions;

(c) all out of pocket fees charged by any Authority pertaining to the Competition Act Clearance shall be paid by the Purchaser.

4.5 **Listing of Units**

The units of Retrocom REIT issuable on the conversion of the Convertible Debenture shall have been approved for listing on the Toronto Stock Exchange and posted for trading subject only to the filing of usual documents.

4.6 **Environmental**

The within Agreement is condition until June 14th, 2005 upon the Purchaser being satisfied in its sole and absolute discretion with the environmental condition of the Properties.

4.7 **Waiver**

If any of the Vendor's Conditions set out in Section 4.1 or the Purchaser's Conditions set out in Section 4.3 or 4.6 respectively, or the condition set out in Section 4.4 have not been satisfied on or before Closing (or such earlier date as may be specified or for the purposes of Section 4.4, such extended dated referred to therein), the party for whose benefit the conditions have been included shall be entitled to terminate this Agreement by notice in writing to the other in accordance with and subject to the terms of this Agreement and the Deposit will be returned to the Purchaser (unless such non-satisfaction is as a result of wilful default by the Purchaser) without deduction and the parties shall be released from all further obligations hereunder unless such non-satisfaction is as a result of wilful default by the Purchaser or the Vendor, as the case may be. The Closing of the transaction of purchase and sale contemplated by this Agreement by any party shall be deemed to be a waiver by that party of compliance with any of the conditions inserted in this Agreement for its benefit and not satisfied as of the Closing Date.

ARTICLE 5 - REPRESENTATIONS AND WARRANTIES

5.1 **Representations of the Purchaser**

Each of the Purchaser and Retrocom jointly and severally represents and warrants that as of the date of this Agreement:

(a) it has the full authority and capacity to enter into this Agreement and to carry out and complete the transaction contemplated by this Agreement and Retrocom REIT is a trust validly subsisting under the laws of the Province of Ontario, and has all requisite power and authority under the Declaration of Trust to carry on its business as presently conducted and to own, lease and operate all Assets including the Properties and to execute, deliver and carry out and complete the transactions contemplated by this Agreement;

(b) it is not a non-Canadian for the purposes of the *Investment Canada Act* (Canada);

(c) each of the Purchaser Entities has conducted and is conducting its business in compliance in all material respects with all applicable laws, rules, environmental legislation, regulations, licences and permits and is licensed, registered or qualified and has all necessary licences and permits in all jurisdictions in which it carries on business to enable its business as now conducted to be carried on except where the failure to be so licensed, registered or qualified would not have a material adverse effect on the Purchaser, and all such licences, registrations, qualifications and permits are valid and existing and in good standing in all material respects and none of them contains any term, provision, condition or limitation that has a material adverse effect on the Purchaser or the Assets. The Purchaser is not aware of any legislation, regulation, by-law or other lawful requirement currently in force or proposed to be brought into force by any governmental authority with which the Purchaser will be unable to comply and/or that would materially adversely affect the Assets, the Purchaser, or its operations or financial condition;

(d) Retrocom REIT has conducted and is conducting its business in compliance in all material respects with the terms and provisions of the Declaration of Trust;

(e) no Purchaser Entity is in default of any of the provisions of any agreements pursuant to which the Purchaser holds any interests in the Assets, which default may be material to the Purchaser's ability to maintain beneficial ownership of its Assets or its interests therein or which may have a material adverse effect upon any such Assets or upon the operation of the business of the Purchaser as now conducted or proposed to be conducted in respect of such Assets, nor, to the best of the Purchaser's knowledge and belief has any such default been alleged and such Assets are in good standing under the applicable statutes and regulations of the jurisdictions in which they are situate in all material respects; all leases pursuant to which the Purchaser Entity derives or will derive its interests in such properties are in good standing and there has been no material default under any such leases (except for minor and temporary arrears and other similar temporary defaults which occur in the ordinary course of business) and all realty or other property taxes required to be paid with respect to such Assets to the date hereof have been paid;

(f) none of the Purchaser Entities is in default or in breach of and all documents executed and/or delivered, or to be executed and/or delivered (including without limitation documents entered into in furtherance of the transfer of the Properties to the Purchaser, personal and real property security registrations, the Convertible Debenture, applications and filings to be made and consents to be obtained) pursuant hereto or thereto (collectively, the "Transaction Documents"), the performance and compliance with the terms of this Agreement and the other Transaction Documents, the issuance of the Convertible Debenture or the units issuable on conversion thereof will not result in any breach of, or be in conflict with or constitute a default under, any term or provision of the Declaration of Trust, any resolution of the trustees or unitholders of the Purchaser or any mortgage, note, indenture, contract, agreement, written or oral, instrument, lease or other document to which any of the Purchaser Entities is or will at the Closing Time be a party or by which any of the Purchaser Entities or their property is or will be bound or any judgment, decree, order, statute, rule or regulation applicable to any of the Purchaser Entities, except in each case, any breach or default which is immaterial;

(g) Retrocom REIT and the Purchaser have all requisite power and authority: (i) to enter into this Agreement; (ii) to issue and deliver the Convertible Debenture and the Retrocom Guarantee in accordance with the provisions of this Agreement; (iii) to issue and deliver the units issuable on conversion of the Convertible Debenture; and (iv) to carry out all acts and things as are required or contemplated under this Agreement and the Convertible Debenture to be done, observed or performed by it;

(h) the representations and warranties of the Purchaser Entities contained in the Transaction Documents to which any Purchaser Entity is a party shall be true and correct in all material respects:

(i) as of the date hereof, in the case of Transaction Documents executed on or before the date hereof; or

(ii) as of the date of execution, in the case of Transaction Documents executed after the date hereof;

provided that in the case of subparagraph i(ii), all such Transaction Documents shall be executed in a form agreed to between the Purchaser and the Vendor and the respective counsel, each acting reasonably, on or before the Closing Date;

(i) subject to Section 4.2, this Agreement and the other Transaction Documents to which any of the Purchaser Entities is a party and the transaction contemplated thereby, have been or, as the case may be, will at the Closing Time be, duly authorized, executed and delivered by the relevant Purchaser Entities and constitute or, as the case may be, will constitute when so executed and delivered legal, valid and binding obligations of the relevant Purchaser Entities, enforceable in accordance with their respective terms, except where enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity where equitable remedies are sought and except as rights to indemnity and contribution may be limited by applicable laws;

(j) Retrocom REIT is authorized to issue an unlimited number of units of which, as of the date hereof, 12,176,000 units are issued and outstanding as fully-paid units of Retrocom REIT;

(k) the units of Retrocom REIT are and upon their issuance the units of Retrocom REIT issuable on the conversion of the Convertible Debenture will be listed and posted for trading on the Toronto Stock Exchange;

(l) except as more particularly described or referred to in the Disclosure Documents, no person has any option on or right to subscribe for any of the unissued units of Retrocom REIT;

(m) the audited consolidated financial statements of the Retrocom REIT for the year ended December 31, 2004 have been (and any financial statement publicly disseminated by or on behalf of Retrocom REIT prior to the Closing Date will be) prepared in accordance with generally accepted accounting principles applied on a consistent basis (except as disclosed in such financial statements), and present fairly (or will present fairly) in all material respects the consolidated financial position and results of operations of Retrocom REIT on a consolidated basis as at their respective dates and for the respective periods covered;

(n) neither the Purchaser nor Retrocom REIT nor its agents acting on its behalf, have approved or entered into any agreement in respect of:

(i) the purchase of any property or the sale, transfer or other disposition of any property currently owned or to be owned, directly or indirectly, by the Purchaser, whether by asset sale, transfer of shares, or otherwise which would be material to the Purchaser other than in the ordinary course of business; or

(ii) the sale of all or substantially all of the Assets;

(o) other than as may be required under applicable securities laws and the rules and by-laws of the Toronto Stock Exchange, no consent, approval, authorization, order, registration or qualification of or with any court or governmental agency or body is required for the creation, issue and sale by Retrocom REIT of the Convertible Debenture or the units issuable on conversion thereof;

(p) there is no legal or governmental action, proceeding or investigation pending or, to the knowledge of the Purchaser threatened, that would question the validity of the creation, issuance or sale of the Convertible Debenture or the units issuable on conversion thereof or the validity of any action taken or to be taken by the Purchaser in connection with this Agreement or the terms of the Convertible Debenture;

(q) on or before the Closing Date, all actions required to be taken by or on behalf of Retrocom REIT, including the passing of all requisite resolutions of the trustees of Retrocom REIT shall have occurred so as to validly authorize the issue and sale of the Convertible Debenture and the units issuable on conversion thereof;

(r) there are no actions, suits, proceedings, inquiries or investigations pending or, to the knowledge of the Purchaser threatened against or affecting the Assets or the Purchaser Entities at law or in equity or before or by any federal, provincial, municipal or other bureau, agency or instrumentality, domestic or foreign, that may in any way materially and adversely affect the Assets taken as a whole;

(s) insurance coverage against such risks in such amounts as are reasonable for prudent owners of similar businesses is maintained by the Purchaser and the Purchaser Entities in respect of the Assets or is arranged by the trustees and the directors of the Purchaser and the Purchaser Entities, as the case may be, with responsible insurers and that coverage is in full force and effect; buildings constructed on the properties in which the Purchaser has an interest were constructed in accordance with building permits properly issued therefor, if required, and in material compliance with all applicable building and zoning by-laws; and there are no material defects in such buildings; except as disclosed to the Vendor, the Purchaser has received no notice of any outstanding work orders or deficiency notices relating to such buildings from or required by any police or fire department, sanitation, health authorities or from any other federal, provincial or municipal authority and there is no matter under discussion with any such departments or authorities relating to work orders; such buildings and all chattels required for the effective operation of such buildings are in good operating condition and are in a state of good repair and maintenance;

(t) all of the Assets and the buildings constructed and operations thereon are in material compliance with all applicable federal, provincial and municipal environmental, health and safety laws, statutes, regulations by-laws, permits and common law requirements;

(u) other than as disclosed in the Disclosure Documents or as disclosed to the Vendor, none of the Assets or the buildings constructed and operations thereon, to the knowledge of the Purchaser after due inquiry, subject to any judicial or administrative proceeding alleging the violation of any federal, provincial or municipal environmental, health or safety law, statute, regulation permit, by-law or common law requirements or is subject to any investigation, by or on behalf of a Purchaser Entity, evaluating whether any action is needed to respond to the presence or a release of any Hazardous Material at, under, in, through or into the environment;

(v) other than as disclosed in the Disclosure Documents or as disclosed to the Vendor, no Purchaser Entity nor, to the best of the Purchaser's knowledge, after due inquiry, any tenant of a Purchaser Entity has filed or received any notice required under any federal, provincial or municipal law indicating past or present treatment, storage or disposal of a Hazardous Material or reporting a spill or other release of a Hazardous Material into the environment involving any of the Assets other than those which have been remedied;

(w) none of the Assets has at any time been used as a waste storage site or waste disposal site or has been used to operate a waste management business and, to the best of the Purchaser's knowledge, after due inquiry, no such use was made of any of the properties prior to the purchase of such properties by or on behalf of the Purchaser;

(x) other than as disclosed in the Disclosure Documents or as disclosed to the Vendor, no Purchaser Entity has any contingent liability of which the Purchaser has knowledge or reasonably should have knowledge in connection with any release or the presence of any Hazardous Material on, at, under, through or into the environment from any of Assets or the buildings and operations thereon which are materially adverse in nature;

(y) neither the Purchaser nor any tenant in any property in which the Purchaser has a direct or indirect interest, generates, transports, treats, stores, handles, processes or disposes of any Hazardous Material, including any waste, subject waste, hazardous waste, deleterious substance or industrial waste (as defined in applicable federal, provincial or municipal legislation) on, at, under or from any of the Assets in contravention of applicable federal, provincial or municipal laws, statutes, regulations, by-laws, permits, or common law requirements enacted for the protection of the natural environment or human health;

(z) other than as disclosed to the Vendor, to the knowledge of the Purchaser, after due inquiry, no underground storage tanks, vessels, sumps or surface impoundments containing a petroleum product or other Hazardous Material are located on or under any of the Assets in contravention of applicable federal, provincial or municipal laws, statutes, regulations, by-laws, permits, or common law requirements enacted for the protection of the natural environment or human health;

(aa) other than as disclosed in the Disclosure Documents, none of the trustees, directors, officers or employees of any of the Purchaser Entities, any person who owns, directly or indirectly, more than 10% of any class of securities of the Purchaser, or any associate or affiliate of any of the foregoing, has any material interest, direct or indirect, in any material transaction or any proposed material transaction with the Purchaser Entities;

(bb) no document filed by Retrocom REIT on, and available as of the date hereof on the System for Electronic Delivery and Retrieval (SEDAR), as at the date of such document, contains a misrepresentation (as such term is deferred in the *Securities Act* (Ontario)). None of such documents or information, if originally so filed on a confidential basis, remains confidential;

(cc) Retrocom REIT is a reporting issuer or equivalent under applicable securities legislation in each of the provinces of Canada;

(dd) no order ceasing or suspending trading in the securities of the Retrocom REIT or prohibiting the sale of securities by Retrocom REIT is outstanding and no proceedings for this purpose have been instituted or, to the Purchaser's knowledge, after due inquiry, are pending, contemplated or threatened; and

(ee) Retrocom REIT owns, directly or indirectly, 100% of the equity of the Purchaser.

5.2 **Representations of the Vendor**

The Vendor represents and warrants that as of the date of this Agreement:

(a) the Vendor is a trust duly subsisting under the laws of Ontario and has the power, authority, right and capacity to own the Properties and to enter into, execute and deliver this Agreement and to carry out the transaction contemplated by this Agreement in the manner contemplated by this Agreement;

(b) the transactions contemplated by this Agreement have been duly and validly authorized by all requisite proceedings of the Vendor and this Agreement constitutes, and all other documents and agreements to be delivered by the Vendor pursuant to this Agreement shall constitute, legal, valid and binding obligations of the Vendor enforceable against the Vendor in accordance with their terms, subject only to equitable remedies being available only at the discretion of the courts;

(c) neither the execution of this Agreement nor its performance by the Vendor will result in a breach of any term or provision or constitute a default under the constating documents or by-laws of the Vendor, or any agreement to which the Vendor is a party or by which it is bound. No approval or other documentation is necessary to enable the Vendor to complete the transaction pursuant to this Agreement in compliance with all existing obligations of the Vendor and in compliance with all obligations or agreements which affect the Properties;

(d) to the best of the Vendor's knowledge and belief, there are no collective agreements, certifications, organizing drives by a union, certification applications or similar proceedings affecting or relating to any Property and there are no employees with respect to the Purchased Assets except those that are in the employ or RioCan Property Services Trust, the manager;

(e) the Vendor is not a non-resident of Canada within the meaning of Section 116 of the Income Tax Act (Canada);

(f) the Vendor is the beneficial owner of the Properties and there are no other persons, other than the Vendor, that have any beneficial right, title or interest in the said interest;

(g) the Properties do not constitute all or substantially all of the assets of the Vendor;

(h) the Vendor does not have any liability to any real estate broker or agent in respect of this Agreement or the transaction other than the Vendor's Agent;

(i) there are no unpaid Leasing Costs except as will be set out in the Project Documents and adjusted in the Purchaser's favour on Closing;

(j) no person has any right of first refusal or option to purchase or any other right of participation in the Properties, or any part thereof, and there are no consents necessary to the sale of the Properties;

(k) except for those accounts that are to be adjusted in accordance with section 2.4(a) or that arise pursuant to an Approved Lease, all accounts for work and services performed or materials placed or furnished upon or in respect of any construction on or in respect of the Properties, or any part thereof by the Vendor, will either have been fully paid by the Closing Date or will be paid after Closing by the Vendor;

(l) the representations and warranties of the Vendor contained in the Transaction Documents to which the Vendor is a party shall be true and correct in all material respects:

   (i) as of the date hereof, in the case of Transaction Documents executed on or before the date hereof; or

   (ii) as of the date of execution, in the case of Transaction Documents executed after the date hereof;

   provided that in the case of subparagraph i(ii), all such Transaction Documents shall be executed in a form agreed to between the Purchaser and the Vendor and the respective counsel, each acting reasonably, on or before the Closing Date;

(m) each of the Nominees is a corporation validly existing under the laws of its jurisdiction of incorporation and has the capacity to hold title to and transfer the Property to which it holds title and to enter into, execute and deliver the agreements and other instruments contemplated by this Agreement

(n) to the knowledge of the Vendor, other than disclosed in the Project Documents or in the information otherwise made available for review, there are no actions, suits or proceedings pending, threatened against or affecting the Vendor or any Property at law or in equity, or before any federal, provincial, municipal or other governmental department, commission, board, bureau, agency or agencies and there exists no order, judgement or decree issued by, any federal, provincial, municipal or other governmental department, commission, board, bureau, agency or agencies which could have a material adverse affect on any Property;

(o) there are no Contracts other than those listed on Schedule "J";

(p) there are no expropriation or similar proceedings actual or threatened against the Properties or any part thereof of which the Vendor has received notice;

(q) the Vendor is an "accredited investor" within the meaning of Ontario Securities Commission Rule 45-501 and will acquire the Convertible Debenture hereunder as principal for its own account. The Vendor understands that neither the Convertible Debenture nor the Units of Retrocom REIT into which such debenture is convertible have been registered or qualified pursuant to a prospectus filed under Canadian Securities laws and may be sold only if so qualified or if an exemption from registration or qualification is available, except under circumstances where neither such registration or qualification nor such an exemption is required by Applicable Law, and that Retrocom REIT is not required to register or qualify the Convertible Debenture or the Units of Retrocom REIT into which such debenture is convertible.

(r) the Vendor acknowledges that Retrocom REIT is relying on exemptions from registration or qualification under applicable Canadian securities laws in order to complete the trade and distribution of the Convertible Debenture or the units of Retrocom REIT issuable on the conversion thereof;

(s) the Vendor acknowledges that because its acquisition of the Convertible Debenture or the units of Retrocom REIT issuable on the conversion thereof is being made pursuant to exemptions from registration or qualification under applicable Canadian securities laws:

(i) the Vendor is restricted from using certain of the civil remedies available under Applicable Laws;

(ii) the Vendor may not receive information that might otherwise be required to be provided to the Vendor under applicable securities laws if such exemptions were not being used; and

(iii) Retrocom REIT is relieved from obligations under Section 130 of The Securities Act (Ontario);

(t) the Convertible Debenture is not being acquired by the Vendor as a result of any material information about Retrocom REIT's affairs that has not been publicly disclosed;

(u) the offer and sale of the Convertible Debenture was not accompanied by an advertisement and the Vendor was not induced to purchase the Convertible Debenture as a result of any advertisement made by Retrocom REIT;

(v) the Vendor has not received an offering memorandum (as such term is defined under applicable securities laws) or similar document in connection with its acquisition of the Convertible Debenture;

(w) the Vendor is not a "U.S. Person" as defined in Regulation S under the United States *Securities Act of 1933*, as amended; and

(x) All material information concerning Leases and the Properties of which the Vendor has knowledge have been provided to or made available for review by the Purchaser and is complete and accurate in all material respects and there have been no material adverse changes to such information that have not been disclosed to the Purchaser.

5.3 **Survival of Representations and Warranties**

The representations and warranties contained in Sections 5.1 and 5.2 shall survive the Closing Date and shall continue in full force and effect for the benefit of the Purchaser and the Vendor, as the case may be, for a period of twelve (12) months immediately following the Closing Date. Any claim for any breach of any representation or warranty contained in Section 5.1 or 5.2 shall be made by either party in writing to be delivered to the other within such twelve (12) month period immediately following the Closing Date.

5.4 **Purchase on an "As Is Basis "**

The Purchaser acknowledges and confirms that it is buying the Properties, Chattels and Leases on an "As Is, Where Is Basis" and solely in reliance upon its own due diligence searches, investigations and inspections and without any express or implied representations or warranties by the Vendor, except as expressly set forth in Section 5.2 and any certificates of the Vendor delivered pursuant to Section 7.2 or in any of the Transaction Documents executed by the Vendor. The Purchaser shall be responsible to satisfy itself as to the Purchased Assets and the results of all of its due diligence searches, investigations and inspections without reliance, of any kind, upon any express or implied representations or warranties by or on behalf of the Vendor, except as otherwise expressly set forth herein and by completion of the transaction contemplated by this Agreement, the Purchaser agrees and confirms that it is so satisfied. The sole and exclusive remedy of the Purchaser for any inaccuracy in any of the Vendor's representations and warranties contained herein or in any certificate, assignment agreement or other document delivered pursuant hereto, or for any breach of the Vendor's covenants herein to the extent that the Purchaser had knowledge of such inaccuracy or breach on or before the Closing shall be to terminate this Agreement and the Vendor shall have no liability, either before or on or after Closing therefor and the Purchaser hereby irrevocably releases the Vendor from any liability arising in connection with such matters to the extent that the Purchaser had knowledge of such inaccuracy or breach on or before Closing. Subject to the foregoing, all representations, warranties and covenants of the Vendor contained in this Agreement or in any certificate, assignment agreement or other document delivered by the Vendor pursuant hereto shall be subject to the provisions of Section 5.3 hereof.

ARTICLE 6 - INTERIM PERIOD

6.1 **Management**

During the Interim Period, the Vendor shall continue to manage and operate (or cause to be managed and operated) the Properties in the same manner in which the Properties has been managed and operated in the past, as would a prudent owner. During the Interim Period, the Vendor shall advise the Purchaser, as soon as reasonably possible after it becomes aware of same, of any material change in respect of any of the matters relating to any of the representations or warranties made by the Vendor pursuant to Section 5.2 of this Agreement or in respect of the Purchased Assets.

6.2 **No Further Encumbrances**

The Vendor shall not further encumber the Properties during the Interim Period.

6.3 **No Marketing or Offering for Sale**

The Vendor shall not market, advertise, offer for sale, agree to sell or sell the Properties or any part thereof up to the Closing Date or the date of any earlier termination of this Agreement.

6.4 **Insurance**

During the Interim Period, the Vendor will maintain, in respect of the Properties, in full force and effect "all risk" insurance coverage, including fire, boiler, public liability, property damage and rental insurance, as would a prudent owner.

6.5 **Future Leases**

During the Interim Period, the Vendor will not enter into any agreements, obligations, commitments or contracts, including without limitation in respect of any capital expenditures that will not be paid in full by the Vendor prior to the Adjustment Date, relating to the Properties or any agreements to lease or leases or subleases or any modifications, revisions, surrenders or terminations of any of the Leases, Contracts or Permitted Encumbrances (collectively, for the purposes of this Section 6.5, the "Specified Agreements") without first obtaining the prior written approval of the Purchaser. Provided however, for the purposes of this Section 6.5 the Purchaser's approval shall be deemed to have been given unless, within five (5) Business Days immediately following the delivery to the Purchaser of the Vendor's request for the Purchaser's consent, the Vendor receives written notice from the Purchaser that the Purchaser does not give its approval to any such Specified Agreements. For the purposes of this Section 6.5, the Vendor will promptly deliver to the Purchaser a copy of all agreements, obligations, commitments, leases, offers to lease and other Contracts affecting the Properties as are from time to time proposed to be executed and all correspondence relating thereto, including sufficient financial information relating to any proposed expenditure or proposed tenant to enable the Purchaser to make an informed consent decision. Where any Specified Agreement is approved or deemed to be approved as aforesaid and is entered into and is a Lease, the same herein is referred to as an "Approved Lease".

6.6 **Construction Liens**

If any construction or builder's lien is registered against the title to the Properties after Closing which related specifically to any work done or services performed by or on behalf of the Vendor, the Vendor covenants and agrees to pay to the party the costs of providing such work or performing such services and shall take all steps as are necessary and appropriate, at its sole cost and expense, to discharge or remove from title to the Properties such construction lien, unless and to the extent that the Vendor is bona fide disputing any such claim or construction lien as aforesaid, and in the case of any such bona fide dispute by the Vendor, the Vendor will act expeditiously and, if necessary, at the request of the Purchaser, shall pay into court the amount of any such construction lien in dispute or post security in respect thereof in order to remove from title to the Properties the registration of any such construction lien.

ARTICLE 7 - CLOSING ARRANGEMENTS

7.1 Closing

The Closing shall commence at 10:00 a.m. (Toronto time) on the Closing Date at the office of the Purchaser's Solicitors in Toronto, Ontario, or at such other time or place as the parties shall mutually agree upon in writing. The parties shall cause all registration documents to be pre-approved by the appropriate registration offices that will pre-approve such documents prior to the Closing Date. The Closing shall not be completed until all documents which are required to be registered on title in any land registration office have been registered. If any registration documents submitted for registration in the Quebec registry system or Saskatchewan registry system are not fully and completely registered in accordance with the provisions of applicable land registration legislation or if, upon such registrations being completed, any mortgage, charge, pledge, hypothec, assignment, licence, easement, lien notice of action, certificate of lis pendens, caveat or other instrument, document or encumbrance (an "Intervening Registration") has been registered against title to the relevant lands on or after the Closing Date, whether in priority to or subordinate to the Registration Documents which has not been agreed to or approved by the Purchaser in writing the Vendor, at its sole cost and expense, shall forthwith take or cause to be taken all actions necessary to rectify the cause of such non-registration or to have all such Intervening Registrations fully discharged, released and deleted from the title for the relevant Lands as the case may be and the Purchase Price shall only be released from escrow as soon as all necessary registrations have been completed in the Registry Office without any Intervening Registration. It is understood and agreed that until such release from escrow, the Purchaser's Solicitors may deposit the balance of the Purchase Price due on Closing into an interest bearing account with all interest to accrue and to be for the benefit of the Vendor provided however, that in the event the transaction is terminated as a result of an inability to complete registration in accordance with the provisions of this Agreement, the interest accruing thereon shall be returned with the balance of the Purchase Price to the Purchaser.

7.2 Documents of the Vendor

On or before the Closing Date, or any other time period provided herein, the Vendor shall deliver to the Purchaser the following:

(a) A duly executed transfer in registrable form with the Planning Act statements completed with respect to each of Elgin Mall, Mountainview Mall and Orangeville Mall;

(b) A duly executed and registrable deed of sale together with certified resolution of RioCan Holdings (Quebec) Inc. with respect to Plaza La Sarre;

(c) A duly signed and sealed transfer authorization for each of South Hill Mall, Southland Mall and Town 'N' Country Mall (the "Transfer Authorization") in registrable form sufficient, when registered in a packet to be prepared by the Purchaser (the "Packet") to authorize the transfer of title to South Hill Mall, Southland Mall and Town 'N' Country Mall;

(d) The certificate referred to in Section 4.3(a);

(e) Statement of Adjustments itemized for each Property

(f) A Bill of Sale in respect of the Chattels in favour of the Purchaser;

(g) Assignment of Leases duly executed by the Vendor together with a full indemnity from the Vendor for pre-closing matters and a full indemnity from the Purchaser for post-closing matters;

(h) Assignment of Contracts (for those Contracts which the Purchaser has agreed to assume) duly executed by the Vendor;

(i) Notice to Tenants;

(j) On or before Closing, Estoppel Certificates from Tenants occupying sixty percent (60%) of the gross leasable area of each property but specifically including not less than seventy-five percent (75%) of the anchor tenants listed on Schedule "K". In that regard, the Vendor covenants to forward Estoppel Certificates for execution to all Tenants and use reasonable efforts to obtain executed copies thereof prior to Closing. To the extent the Vendor has not received an Estoppel Certificate from any such Tenant, subject to the minimum threshold set out above, the Purchaser shall complete the transaction based on a certificate of the Vendor confirming the tenancy terms of such Tenant which has not provided an Estoppel Certificate;

(k) All master keys (and duplicate keys, if any) to all locks in the Buildings and which are in the Vendor's possession;

(l) Original executed copies of the Leases, if in the Vendor's possession, and the Vendor's lease files relating to the Leases, Contracts that the Purchaser has agreed to assume, operating records, books of account, building location surveys, and other documents in the Vendor's control which the Purchaser may require and directly relating the Properties [The Purchaser acknowledges that the foregoing will be retained by RioCan Property Services Trust and will not be formally delivered in Closing];

(m) An assignment of all Warranties, to the extent assignable;

(n) A statutory declaration by an authorized officer of the Vendor that the Vendor is not a non-resident of Canada for the purposes of the Income Tax Act;

(o) Any post-dated cheques duly endorsed issued by the Tenants;

(p) Undertaking to readjust all of the items contained in the Adjustments, if necessary;

(q) Interest Rate Subsidy Agreement;

(r) Property Management Agreement executed by RioCan Property Services Trust;

(s) Letter of credit agreement as referred to in Section 2.4(d);

(t) The Assumed First Mortgage and Vendor Take Back approvals referred to in Section 4.3(e);

(u) A certificate of an senior officer of the Vendor confirming that there are no Personal Property Security Act or like registrations outstanding affecting the

Purchased Assets except in connection or relating to the Assumed First Mortgages;

(v) An opinion of the Vendor's Solicitor dated the Closing Date in form and substance satisfactory to the Purchaser and its solicitors, acting reasonably, as to the due authorization, execution and delivery of the documents to be executed and delivered by the Vendor or Nominees hereunder; and

(w) Such further documentation relative to the completion of this transaction as may reasonably be required by the Purchaser or its solicitors.

7.3 **Documents of the Purchaser**

On or before the Closing Date, the Purchaser shall deliver to the Vendor the following:

(a) A certified cheque or bank draft from a Schedule "I" Canadian chartered bank or wired funds payable to the Vendor (or as the Vendor may in writing otherwise direct) in the amount of the balance of the Purchase Price, as adjusted;

(b) Assignment of Leases duly executed by the Purchaser together with a full indemnity from the Vendor for pre-closing matters and a full indemnity from the Purchaser for post-closing matters;

(c) Assignment of Contracts (for those contracts which the Purchaser has agreed to assume) duly executed by the Purchaser together with a full indemnity from the Vendor for pre-closing matters and a full indemnity from the Purchaser for post-closing matters;

(d) The certificate referred to in section 4.1(a);

(e) An undertaking to readjust all of the items contained in the Adjustments, where necessary;

(f) The Purchaser's GST Declaration and the Purchaser's GST Indemnity;

(g) The Subordinated Charge(s);

(h) A general assignment of rents and general security agreement or such like security in the Provinces of Quebec and Saskatchewan;

(i) The Convertible Debenture and all documents required to effect registration thereof in all applicable government offices;

(j) An opinion of the Purchaser's Solicitor with respect to securities matters relating to the creation, issuance and delivery of the Convertible Debenture and the units of Retrocom REIT issuable on conversion thereof, in form and substance satisfactory to the Vendor and its counsel, acting reasonably;

(k) Charge and hypothec, where applicable, for registration purposes of the Convertible Debenture;

(l) the Property Management Agreement executed by the Purchaser and accompanied by a written acknowledgment thereof of Retrocom Investment Management Inc.;

(m) An indemnity wherein the Purchaser and Retrocom REIT jointly and severally indemnify the Vendor or Nominees, or both, in connection with any and all payments to be made by the Purchaser pursuant to the Assumed First Mortgages for such mortgages on which and for so long as the Vendor's covenant or guarantee remains outstanding and until the Subordinated Charge is repaid in full and with respect thereto, and if required by the Vendor, shall execute and deliver an appropriate charge against the Purchaser's interest in the Properties, in registrable form, to secure such indemnity;

(n) A copy of the Packet to be registered by the Purchaser;

(o) An opinion of counsel to the Purchaser dated the Closing Date in form and substance satisfactory to the Vendor and its solicitors, acting reasonably, as to the due authorization, execution and delivery of the documents to be executed and delivered by the Purchaser and Retrocom REIT hereunder; and

(p) Such further documentation relative to the completion of this transaction as may reasonably be required by the Vendor or its solicitors.

7.4 **Taxes and Fees**

The Purchaser shall be responsible for all registration fees and Land Transfer Taxes and Retail Sales Taxes payable in connection with this transaction, except for registration fees relating to the discharge or release of encumbrances which are not Permitted Encumbrances. Each party shall pay its own legal fees with respect to this transaction.

ARTICLE 8 – ADDITIONAL PROVISIONS

8.1 **Convertible Debenture**

On Closing, Retrocom REIT will deliver a non-callable debenture in the form attached hereto as Schedule "H" in the sum of Thirty Million Dollars ($30,000,000.00), having a term of three (3) years, bearing interest at the rate of 4.5% per annum which Convertible Debenture will be convertible, in whole or in part, at the option of the holder for units of Retrocom REIT at a price equivalent to Ten Dollars and Twenty Five Cents ($10.25) per unit. On the maturity of the Convertible Debenture, the same shall be repaid in cash.

In addition to the execution and delivery of the Convertible Debenture and the documents referred to in section 7.3, the Purchaser will deliver the following:

(a) evidence satisfactory to the Vendor that the Purchaser has obtained all necessary approvals for the listing on the Toronto Stock Exchange of the units issuable on conversion of the Convertible Debenture;

(b) a certificate of a senior officer of the Retrocom REIT, dated as of the Closing Date, that no order, ruling or determination having the effect of ceasing or suspending, trading in the securities of Retrocom REIT has been issued and no proceedings for such purpose are pending or, to the best of the knowledge, information and belief of the person signing such certificate, after due inquiry, are contemplated or threatened;

(c) not later than ten (10) days after the Closing Date, file or cause to be filed such private placement reports and pay or cause to be paid such filing fees as are required to be filed or paid pursuant to applicable securities laws in connection with the issuance of the Convertible Debenture.

8.2 **Property Management Agreement**

On Closing, the Purchaser will enter into an agreement with RioCan Property Services Trust, in the form of the agreement attached hereto as Schedule "F" wherein it retains RioCan Property Services Trust as its property manager for a period of three (3) years at a management fee equal to 4% of gross revenue plus additional charges as set out in the schedule to the Property Management Agreement. The Purchaser hereby confirms that the Property Management Agreement in the form attached hereto as Schedule "F" will be executed by the Purchaser on Closing.

8.3 **Interest Rate Subsidy Agreement**

The Vendor has agreed that it will subsidize the Purchaser in an amount equal to the excess of any interest rate cost over 5.4% per annum for the first two (2) years following Closing and over 6% per annum on any of the Assumed Mortgages after the first two (2) years following Closing until the current maturity date of each such Assumed Mortgage. The subsidy contemplated herein shall be made monthly by the Vendor to the Purchaser provided however, that with respect to any Assumed Mortgage having a remaining term of greater than five (5) years, the Vendor shall have the option, at any time following the fifth anniversary of the Closing Date, to make a one time payment to the Purchaser in an amount determined to be the present value of the amount to be subsidized during the remaining term of those Assumed Mortgages with a term of greater than five (5) years from Closing calculated at a discount rate of 6%. The provisions of this paragraph are to be included in an Interest Rate Subsidy Agreement substantially in the form attached hereto as Schedule "I".

ARTICLE 9 - MISCELLANEOUS

9.1 **Time**

Time shall be deemed to be of the essence of this Agreement and every part hereof, and of the transaction contemplated by this Agreement.

9.2 **Tender**

Any tender of documents or money may be made upon the party being tendered or upon its solicitors as designated by the party being tendered to the party making the tender, and any money may be tendered by certified cheque (or bank draft) of any Canadian chartered bank.

9.3 **Notice**

Any notice, request, consent, acceptance, waiver or other document required or permitted to be given hereunder shall be in writing and shall be effective upon personal delivery or facsimile transmission and shall be deemed to have been made on the date of delivery or date of facsimile transmission:

to the Vendor:

130 King Street West

Suite 700
Toronto, Ontario
M5X 1E2

Attention: Katy Ritcey, Vice-President, Investments

Telephone: (416) 866-8292
Fax: (416) 866-3020

with a copy to the Vendor's solicitors (which shall not constitute notice):

Fogler, Rubinoff LLP
95 Wellington Street West
Suite 1200
Toronto, Ontario
M5J 2Z9

Attention: Raymond Gelgoot

Telephone: (416) 941-8812
Fax: (416) 941-8852

with a copy to the Vendor's corporate solicitors (which shall not constitute notice):

Goodmans LLP
250 Yonge Street
Suite 2400
Toronto, Ontario
M5B 2M6

Attention: Sheldon N. Freeman

Telephone: (416) 597-6256
Fax: (416) 979-1234

To the Purchaser:

c/o Retrocom Mid-Market Real Estate Investment Trust
135 Queens Plate Drive
Suite 400
Toronto, Ontario
M9W 6V1

Attention: Michael Steplock, President and Chief Executive Officer

Telephone: (416) 745-5775
Fax: (416) 745-5766

with a copy to the Purchaser's solicitors (which shall not constitute notice):

Fasken Martineau DuMoulin LLP
TD Bank Tower, P.O. Box 20
Toronto-Dominion Centre

Toronto, Ontario
M5K 1N6

Attention: Anil Aggarwal

Telephone: (416) 366-8381
Fax: (416) 364-7813

Provided that any party shall be entitled to designate another address by giving written notice thereof to the other party.

9.4 **Further Assurances**

Each of the parties hereto shall execute and deliver all such further documents and do such other things as the other party may reasonably request in order to give full effect to this Agreement.

9.5 **Assignment**

Neither the Purchaser nor Vendor shall be permitted to assign its rights or obligations under this Agreement without the prior written consent of the other party, other than to its affiliate or subsidiary and in the event of such assignment, each shall continue to bear full responsibility for the performance of all obligations under the Agreement and any documents called for hereunder, whether such obligations arise before or after the Closing Date.

9.6 **Successors and Assigns**

This Agreement shall enure to the benefit of and shall be binding upon the parties hereto and their respective successors and permitted assigns.

9.7 **Damage or Destruction**

The Properties shall be at the risk of the Vendor until Closing. If any loss or damage to any Property in excess of $750,000.00 occurs before that time then the Purchaser, within five (5) Business Days after disclosure to the Purchaser by the Vendor of the loss or damage and the extent thereof, at its option shall either terminate this Agreement by notice in writing to the Vendor in which case, this Agreement shall be terminated, null and void and of no further force or effect whatsoever and the Deposit (or such portion thereof as has been delivered) shall be returned to the Purchaser or elect to complete this Agreement in which event, the Purchaser shall be entitled to the proceeds of insurance to which the Vendor is entitled in respect of the loss or damage and a reduction in the Purchase Price equal to the amount of the deductible applicable to the insurance payable in respect of the loss or damage. If loss or damage to any Property of less than $750,000.00 occurs, the Purchaser shall have no right to terminate this Agreement and the Purchaser shall be entitled to the proceeds of insurance to which the Vendor is entitled in respect of the loss or damage and a reduction in the Purchase Price equal to the amount of the deductible applicable to the insurance payable in respect of the loss or damage.

9.8 **Bulk Sales Act and Retail Sales Act**

The Purchaser waives compliance by the Vendor with the *Bulk Sales Act* (Ontario) and with applicable bulk sales legislation of the other jurisdictions where the Purchased Assets are located. To the extent that the Purchaser thereby suffers any loss or damage as a result of such waiver, the Vendor agrees to indemnify and hold the Purchaser harmless.

The Purchaser hereby waives compliance by the Vendor of its obligations under Section 6 of the *Retail Sales Tax Act* (Ontario), and any equivalent or corresponding provisions contained in any similar legislation of any province in which the Vendor carries on business or has a fixed place of business, in connection with the completion of the transactions provided in this Agreement. The Vendor shall indemnify and save the Purchaser harmless from any and all claims, costs and expenses arising out of any claims made against the Purchaser due to any non-compliance with such statutes.

9.9 Counterparts

This Agreement may be executed in counterparts and when each party has executed a counterpart, each of such counterparts shall be deemed to be an original and all of such counterparts, when taken together, shall constitute one and the same agreement. This Agreement may also be executed by facsimile and in counterparts as hereinbefore provided in this Section 9.8. Notwithstanding the execution of this Agreement by facsimile copies, both parties shall thereafter proceed in a diligent manner to execute and deliver to the other original copies of this Agreement which, upon execution and delivery to the other, shall constitute a binding agreement of purchase and sale between the parties and shall supersede any previously executed facsimile copies.

9.10 Construction

This Agreement, once accepted, shall constitute a binding contract of purchase and sale, shall be construed in accordance with the laws of the Province of Ontario and shall be read with all changes of gender and number required by the context.

9.11 Remedies

No remedy conferred upon or reserved to any of the parties is intended to be exclusive of any other remedy herein or at law, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder, or now existing, or hereafter to exist, by law or by statute.

9.12 Press Release

Retrocom REIT or the Vendor shall be permitted to issue a press release or other public announcement or release information with respect to this transaction to the press or the public provided the form and content of such press release or announcement receives the prior written approval of the other, acting reasonably, and without undue delay.

9.13 Planning Act

This Agreement is conditional upon compliance with the subdivision and part lot control provisions of the Planning Act of Ontario with respect to Elgin Mall, Mountainview Mall and Orangeville Mall, if applicable, and other similar applicable legislation in the other jurisdictions where the Properties are located.

9.14 Commission

The Vendor acknowledges that it is responsible for any and all commissions and advisory fees payable in connection with the transaction to the Vendor's Agent and the Purchaser is responsible for any and all commissions and advisory fees payable in connection with this transaction to the Purchaser's Agent.

9.15 Non-Recourse

The Purchaser and Vendor acknowledge and agree that the obligations and liabilities under this Agreement, or in any document delivered in connection therewith, are not personally binding upon and resort shall not be had to, nor shall recourse or satisfaction be sought from the private property of any of:

(a) the unitholders of Retrocom Mid-Market Real Estate Investment Trust or RioCan Real Estate Investment Trust (the "Trusts");

(b) annuitants under a plan of which a unitholder of the Trusts acts as a trustee or carrier; and

(c) the officers, trustees, employees or agents of the Trusts.

IN WITNESS WHEREOF the parties have duly executed this Agreement as of the date first above written.

RETROCOM LIMITED PARTNERSHIP, by GP TRUST, its general partner, by its trustee 1606906 Ontario Inc.

Per:
Name: R. Michael Steplock
Title: President

RETROCOM MID-MARKET REAL ESTATE INVESTMENT TRUST, by its authorized signatory

Per:
Name: R. Michael Steplock
Title: Chief Executive Officer

RIOCAN REAL ESTATE INVESTMENT TRUST, by its authorized signatories

Per: ______________________
Name:
Title:

Per: ______________________
Name:
Title:

K:\RGELGOOT\WpData\RIOCAN\PROJECT STEPSON 05 2383\agreement of purchase and sale VERSION 8 May 26 2005.DOC

SCHEDULE "A"

Elgin Mall, St. Thomas, Ontario

FIRSTLY: PIN 35203-0229 (LT)

Parcel 115-3, Section 209, being Part of Lot 115, Plan 209 and Part of Lot 9, Concession 8, in the original Township of Yarmouth, now in the City of St. Thomas, County of Elgin designated as Parts 2 and 5 on Plan 11R-115.

Subject to an easement in favour of Union Gas Limited as set out in Instrument Number 3280.

Subject to an easement in favour of Union Gas Limited as set out in Instrument Number 3281.

SECONDLY: Pin 35203-0055 (LT)

Parts of Lots 197, 198, 199, 201 and 216, Plan 270, designated as Parts 19, 20, 21, 22 and 23 on Plan 11R-107, City of St. Thomas, in the County of Elgin.

Mountainview Mall PIN 58404-0028 (LT)

Part of the east half of Lot 106, Concession 1, WPR Tiny, as in RO1377819, except Part 1 and Parts 12 to 16, Plan 51R10292 and Part 1, Plan 51R27550, subject to RO1376051, RO1376053, RO1376054, RO1376055, RO1376056, together with RO1376050, subject to RO1292900, RO655485, subject to an easement over Parts 1, 2 and 3, Plan 51R-31555 as in SC119335, subject to RO290126, Midland.

Orangeville Mall PIN 34033-0084 (LT)

Part of the east half of Lot 3, Concession 2, West of Hurontario Street designated as Part 1 on Reference Plan 7R-1497 and Parts 3 and 6 on Reference Plan deposited as 7R-2432, save and except for that part of the said Lot 3 designated as Part 1 on Reference Plan 7R-2431 in the Town of Orangeville, in the County of Dufferin being PIN 34033-0084 LT.

Plaza La Sarre

An immovable property fronting on 2nd Street East in the City of La Sarre, Province of Quebec, known and designated as being a part of Lot Eighty-Eight of the subdivision of original Lot Twenty-Nine (29-Pt. 88), of Range Seven, of the Official Cadastre of the Township of La Sarre, Registration Division of Abitibi, bounded to the north by part of Lot 29, measuring one hundred and sixty-seven metres and sixty-four centimetres (167,64 m) along this limit, to the east by part of Lot 29, measuring two hundred and twenty-four metres and sixty-four centimetres (224,64 m) along this limit, to the south by Lot 29-88-1, measuring one hundred and sixty-seven metres and sixty-four centimetres (167,64 m) along this limit, to the west by part of Lot 29 composing 2nd Street East, measuring two hundred and twenty-four metres and sixty-four centimetres (224,64 m) along this limit, containing an area of thirty-seven thousand six hundred and fifty-eight square metres and two tenths of a square metre) (37 658, 2 m^2)

With the commercial building thereon erected known as Plaza La Sarre bearing civic number 77 2nd Street East, in the City of La Sarre.

South Hill Mall

Parcel B, Prince Albert, Saskatchewan, Plan 71PA14807, except all that portion on Plan 91PAO7403, Mines and Minerals excepted by 71PA14807

Block 42, Prince Albert, Saskatchewan, Plan C 200(S1), except all that portion on Plan 71PA14807, Minerals included

Southland Mall

FIRSTLY:

Title Numbers 106651874-106651919-106651942, Block M, Regina, Saskatchewan, Plan 66R13992, except the most southerly 344 feet in perpendicular width throughout, Mines and Minerals excepted.

SECONDLY:

Title Numbers 106651807-106651852-106651829, the most southerly 344 feet in perpendicular width throughout of Block M, Regina, Saskatchewan, Plan 66R-13992, except Block Q on Plan 78R20752, Mines and Minerals excepted.

THIRDLY:

Title Numbers 106651706-106651683-106651649, Block Q, Regina, Saskatchewan, Plan 78R20752, Mines and Minerals excepted.

Town 'N' Country Mall

Parcel "F", Moose Jaw, Saskatchewan, Plan 73MJ08205

SCHEDULE "B"

TENANT'S ACKNOWLEDGMENT AND ESTOPPEL CERTIFICATE

(TENANT'S NAME)

TO: ("Purchaser") and its assignee ("the Assignee")

RE: , Store # ,
Tenant's trade name, (the "Premises")

We confirm and acknowledge to the Purchaser, any Assignee and to any Mortgagee that with respect to the lease to us for the Premises:

1. The lease to us dated the day of , 19 , as the same may have been amended (the "Lease") has been validly executed and delivered by the undersigned as Tenant pursuant to due corporate action properly taken by our Corporation.

2. The Lease is in full force and effect and there have been no modifications, assignments or changes in the Lease, other than those listed below:

3. We have accepted and are in possession of the Premises demised to us and such Premises are fully operational.

4. All of the work to our Premises which is the responsibility of the landlord (if any), has been completed to our satisfaction in accordance with the Landlord's obligations. There are no tenant inducements and tenant allowances payable by the landlord which are outstanding, except as follows:

5. We are satisfied with the physical condition and state of repair of the Premises leased to us pursuant to the Lease and the building or structure in which the Premises are located.

6. The term of the Lease commenced on the day of , , and will expire on the day of , , in accordance with the provisions of the Lease, subject to the rights of renewal, if any, as listed below:

7. The annual minimum or basic rent currently being paid for the Premises is $. Such minimum or basic rent and additional rent has been paid in full to . The annual or basic rent is subject to adjustment during the term of the Lease on the following basis:

8. The said annual minimum or basic rent is paid in equal monthly instalments of $. The additional rent is being paid in equal monthly instalments of $.

9. We occupy approximately square feet at the annual rent described in the Lease.

10. There is no prepayment of rent or security deposit standing to our credit, except as follows:

11. There is no default in respect of the Lease by us and we are not claiming any deduction, abatement or set-off of any rent due and payable under the Lease nor any counterclaim or defence against the enforcement of our obligations to be performed by us under the Lease.

12. There is no litigation or governmental or municipal proceedings commenced or pending or threatened against us with respect to the Premises demised to us.

13. There is no existing default in the Lease on the part of the landlord.

14. There are no agreements between us and the landlord other than that contained in the said Lease pertaining to the obligations of the landlord and the rights of the Tenant relating to the use and occupation by the Tenant of the Premises demised to us.

15. We are paying, in addition to minimum annual rent, all other charges including, without limitation, our proportionate share of operating costs, all utilities, realty and business taxes, all insurance premiums, all as provided for in the Lease, all of which payments are up to date and without default.

16. The undersigned represents that the above statements, including any additions or exceptions which have been added thereto are correct, accurate, full and complete and are being relied on by the Purchaser, any Assignee and the Mortgagee.

Dated at Toronto this * day of *, 2005.

(Name of Tenant)

Per:

#20238
(DC)

Schedule "C"

TOWN N' COUNTRY MALL
1235 Main Street North
Moose Jaw, Saskatchewan
S6H 6M4

UNIT #	TENANT NAME	AREA (sq.ft.)
19/20	A&W	1,026 c
37/38	Bentley	1,489 c
17	Calico Junction	883 c
35	Chatters Salon	1,255 c
55A	Claire's	1,144 c
21	Conexus Credit Union	90 c
54	CD Plus	1,188 c
11	Dollarama	10,160
15A	Electronic Boutique	1,200
42	Evan's Florist	418 c
22	Galaxy Theatre	39,453
4	GNC	1,286 c
41	Hallmark/Happy Hour	1,528 c
12	Inessence	730 c
K1	Island Ink Jet	120
2A	Jump.ca Wireless	651 c
8, 9	La Senza	2,436 c
3	Lewiscraft	1,804 c
701K	M & H Lotteries	50 c
59A	M & M Meatshops	1,200
40A/45	M & R Clinic	2,240
34	Off Balance Clothing	1,533 c
25A	Pennington's (short term occupancy)	3,461
53	People's Jewellers	1,782 c
39	Quark Shoes	3,064 c
31	Radio Shack	2,428 c
48	Royal Bank of Canada	4,533 c
28	Sears	60,355 c
44	Shefield Gourmet	447 c
50A/51/52	Smitty's Pancake House	5,605
36	Soul Mates Home Decor	1,309 c
13/14	Sport Chek	16,971
5	Suzy Shier	2,881 c
10	Tan Jay / Alia	1,560 c
18	Taste of Home	462 c
23	The Shop	2,408 c
6, 7	Thrifty's	3,282
2	Ultracuts	850 c
47/47A	Warehouse One	2,850
55	Winners	23,248 c
43	Zeke's	1,560 c
1	Zellers	95,644

#20357
(DC)

SOUTHLAND MALL
2965 Gordon Road
Regina, Saskatchewan

UNIT #	TENANT NAME	AREA (sq.ft.)
42	A & W	380
65A	Aldo	1,406
71	Alia	1,430
57	Ardene **(relocation effective July 1st/05 - pull un#54)**	1,744
Y4	Bank of Montreal	10,397
11	Ben Moss Jewellers	1,000
64	Bentley	1,009
56	Boes	747
38	Booster Juice	300
6	Bootlegger *(new deal)*	3,104 c
50	Carlton Cards	1,890
Y6	Chapters	25,172
3	Charm Diamonds	1,341
69	Chippers Salon	1,017
9	CIBC	3,627
Y5	Cineplex Odeon	36,165
48	Claire's Boutique	685
35	Cotton Ginny Plus	3,034
36	Dollar 'N' More Plus	2,815 c
1B	Dr. Kelly Rustejka	1,732
65B	Dr. Randy Gilewich (Fashion Smiles)	1,264
60	EB Games	1,071
45	Edo Japan	380
1F	Edward Jones	675
2	Games Workshop	936
12	Garage Clothing	1,179
52	GNC *(General Nutrition)*	915
46	Gourmet Cup	307
61	Hallmark	2,453
51	Hawthorne & Spencer	1,350
33	HMV	3,030
K1	InkJet Refill	1
Y8	Kelsey's	4,999
65	La Senza	1,835
46A	Laura Secord	666
32	Le Chateau	3,238
18	Leather Ranch	693
1	Lewiscraft	2,493
37	Louie's Submarine	271
1A	M & M Meat Shop	1,201
43	Manchu Wok	380
26	Marler Shoes	1,548
13A	Marlin Travel	450
2A	Master Cuts	1,170
Z3K	Metalsmiths Architect	143
Y7	Montana's	5,233
28	Motherhood Maternity	2,121
44	Mrs. Vanelli's	380
68	Naturalizer	1,083

#20357
(DC)

SOUTHLAND MALL
2965 Gordon Road
Regina, Saskatchewan

UNIT #	TENANT NAME	AREA (sq.ft.)
40	New York Fries	272
66B	North Shore Outfitter	1,646 c
70	Oliver's Menswear	1,010
37A	Orange Julius	225
20	Paris Jewelers	971
7	Payless Shoesource	2,408
58	Personally Yours	494
67B	Please Mum	1,591
49	Quarks	1,135 c
29	Radio Shack	2,038
72	Regina Public Library	13,865
55	Regis Hairstylists	1,013
21-23	Ricki's/Cleo/Stich It	6,926
Z6K	Rogers	170 c
Y1	Safeway	47,447
13	Sangster's Health Centre	478
Z1K	Saskatchewan Sports	50
16	Savannah	2,050
47	Shefield & Sons	239
10	Shopper's Optical	2,052
25	Silver Sense	811
14	Smitty's Family Restaurant	4,670
T1	Southland Mall Administration	1,129
Y9	Sport Chek	16,545
24	Stitches	2,452
5	Suzanne's	2,155 c
63	Tabi	1,212
41	Taco Time	380
17	Tan Jay	938
Z2K	Telus Mobility (The Phone Masters)	140 c
19	The Body Shop	746
Z4K	The DOT.COM Store	93
4	Thrifty's	2,502
27	Tip Top	3,700
Y3	Turbo Resources	11,670
17A	Urban Trail	1,515 c
Y2	Wal-Mart	147,356

#20222
(DC)

SOUTH HILL MALL
2995 2nd Avenue West
Prince Albert, Saskatchewan
S6V 5V5

UNIT #	TENANT NAME	AREA (sq.ft.)
29	CAA Saskatchewan Motor Club	1,328 c
8, 9	Dee Jaez Coiffures	1,082 c
31, 32	Dr. Arpin Dental (South Hill Dental Ctr.)	2,322 c
1	Galaxy Cinema	21,961 c
26A	Island Ink Jet	609 c
10, 11	Lea's Diner	810 c
17	Lewiscraft	1,500 c
603F	Liquor Board of Saskatchewan	7,872
K4	Lottery Kiosk	50
12	Magic Cleaners	1,170 c
11A	Management Office	1,776 c
18	Peoples Jewellers	1,811 c
604F	Petro Canada **(Land Lease)**	819
3	Radio Shack	2,590 c
5B	Red Apple Clearance Centre	14,091 c
19	Safeway	72,129
33	Sangster's Health	816 c
25A	Shaw Cable Systems	387
1A	Shoppers Drug Mart	14,016 c
28	Shoppers Optical	1,200 c
20	Smitty's Restaurant	5,023 c
24	The $1 Plus Store	2,018 c
6, 7	The Bank of Nova Scotia	4,101 c
33A	Ultracuts	806 c
606F	Wendy's	3,500
1B	Winners	25,036 c

#20396
(DC)

PLAZA LASARRE
(Iberville)
Lasarre, Quebec

UNIT #	TENANT NAME	AREA (sq.ft.)
11	Au coin du Chef	860
14	Bentley Leathers	1,100
16	Brasserie Grecques	3,315
2	Dollarama	10,540
10	Fermina	690
1	L'Aubainerie	11,554
5	Le Jean Bleu	2,000
6	Le Naturiste	850
3	Maxi Son	350
9	Metro Richelieu	23,305
13	Reitman's	3,390
8	Restaurant Roger & Mena	1,379
4	SAAQ ***(Societe de l'Assurance Automobile du Que)***	2,539
7A	Salon Esthetique Soni	1,450
2A	SAQ	2,539
2B	SIQ ***(Societe Immobiliere du Quebec)***	4,280
17	Yellow Shoes	2,727

#20296
(DC)

ORANGEVILLE MALL
150 First Street
Orangeville, Ontario

UNIT #	TENANT NAME	AREA (sq.ft.)
1	99 Cent Depot	4,230
40	A&P	30,087
12	Ardene	2,000
12A/B	Bentley Leathers	1,254
15	Claire's	1,500
23	Cleo	3,567
18	Coles ***(MTM)***	2,500
36A	Dr. Lasko	1,200
13A	F. Stop Camera	3,636
27	Gentleman's Choice	687
8	Griffin Jewellery	980
28	Hair in Motion	1,006
25	Happy Hour Cards (ref. Hallmark Cards)	2,463
16	Jack Fraser	2,313
24	Jigsaw	1,225
33	Lil Miss Muffin	625
K1	Lottery Kiosk	32
1A	Next Step Shoe	623
17	Northern Getaway	1,700
21	Northern Reflections	1,710
8A/9A	Orangeville Opticians	899
4	Panhandler Shoppes	1,295
32	Perfect Shoe ***(MTM)***	576
20	Radio Shack	2,218
13	Reitmans	4,152
37	Scrapbook Den	1,416
34/36	Sears Catalogue/Floor & Appliance	7,562
31A	Sears Storage	1
5	Shoppers Drug Mart	7,270
6B	Society	722
6/6A	Tabi	2,000
P1	TD Canada Trust	4,484
41	Zellers	86,484

#20168
(DNC)

MOUNTAINVIEW MALL
Hwy 93 RR#2 Box 2
Midland, Ontario
L4R 4K4

UNIT #	TENANT NAME	AREA (sq.ft.)
21A	A & M Nails	513
M1	A&P - Food Basics	38,173
8	AVE Entertainment	1,443
32	B.P. Sportswear **(mtm)**	732
25	Bell World	1,151
42	Bentley Leather	1,319
49	Bon Repast Restaurant	2,760
P1	Burger King	4,000
P2	Canadian Tire - Gas Bar	1,500
18	Carlton Card Shop	1,600
9C	Cathy's Country Kitchen	321 c
38	Claire's	824
4/5A	Coles the Book People	3,059
43	Cotton Ginny	1,503
6A/7	Easyhome	3,362
14/15	Fabricland	5,796
M3	Galaxy Cinema	26,153 c
9D	Gourmet House	310 c
50A	H & R Block	1,687 c
3	Hallmark	2,320 c
28	Heads Up	852
34	Jack Fraser's	2,440
13	Jay Set	3,800
45	Keys & Gift Shop	1,436
39	Lindor	2,495
K1	Lotto Booth	60 c
M2A	Medical Clinic (Walk-in Clinic)	1,076 c
51	Midland Physiotherapy	1,960 c
22	Mountainview Mall Florist	786
5B/6	National Bank of Canada	3,127
49A	Naturalizer	1,203
44	Next Step Shoes	1,435 c
10A	Northern Reflections	2,285
36	Panhandler	1,298
47	Peoples	1,639
20A/B	Royal Lepage Midland Real Estate Services Ltd.	2,065
52	Shoppers Drug Mart	10,216 c
48	Shorney's Optical	988
1/2/3A	Sport Mart	5,921 c
46A/46B	Stitches	3,016 c
40/41	Suzy Shier	3,134
K2	TD Canada Trust ABM	13
9A	Teddy's Burger Pit	400
11, 12	Warehouse One	3,650
K3	Wine Rack	1,102 c
M2	Zellers	86,483

#20252
(DNC)

ELGIN MALL
417 Wellington Street
St. Thomas, Ontario
N5R 5J5

UNIT #	TENANT NAME	AREA (sq.ft.)
58	A&P Properties Limited	35,578
F2	A&W Foods	350
S1	A&W Foods	102
4,5	Ardene/Miss Teen	2,802
34	Bentley	1,499
32	Buck or Two	11,051
8	Cameo Salon	985
44	CD Plus	1,633
Kiosk	Century 21	120
6	Charm Diamond Centre	1,860
54	CitiFinancial	1,100
46, 47	Cotton Ginny	2,127
7	Dorlene	1,441
53	Dr. Carey Sesto	1,816
3	Elgin Optical	2,006
54B	Elgin Travel Mart	863
23B	Environtrends	966
43B	Express Tailoring	301 c
2	Flair Fashion	1,006
33	Galaxy Theatres	21,326
51, 52	Gamble Insurance	1,992
49	GNC	1,232
11, 12	Hallmark	4,485
K1	Infoplace	42
43A	K&K Locksmiths	668
PAD1	Kelsey's	6,500
25	La Senza	1,480 c
16	Magic Nails	800
14A	Mags, Smokes & More	425
F1	Mrs. Vanelli's Pizza	341
S2	Mrs. Vanelli's Pizza (storage)	164
9, 10	Next Step Shoes (temp)	2,041
48	Northern Reflections	1,388
1	Payless Shoes	2,553
55A	Petals of Love	1,786
37	Radio Shack	1,638
21	Shoppers Drug Mart	7,620
35, 36	Smithbooks	2,774
28, 29	Sport Mart	10,601 c
17, 18	St. Thomas Realty - Century 21	1,285
30/31	Stefi Lara	2,132
20, 20A	Stitches	4,398 c
F5	Subway	217
26, 27	Suzy Shier	2,443
45	Tan Jay	1,300
50	TD Canada Trust	4,333
7A	The Brandy Tree	2,041
3A	The Framery	1,050
42	The Second Cup	555

#20252
(DNC)

ELGIN MALL
417 Wellington Street
St. Thomas, Ontario
N5R 5J5

UNIT #	TENANT NAME	AREA (sq.ft.)
22, 23A	The Trendy Shoppe	4,213
F3	Wok Express	347
55	Zacks Fashions	1,765 c
13	Zellers	86,853

SCHEDULE "D"
ASSUMED MORTGAGES

Property	Mortgagee	Approx. Balance @ May, 2005	Interest Rate	Maturity Date	Monthly Pmt.
South Hill Mall	Cucorp	$ 7,411,482.06	8.340%	01-Feb-07	$ 72,152.01
Southland Mall	CMO (TD Canada Trust)	$ 45,500,000.00	5.285%	01-May-15	$272,060.30
Town N Country	CMO	$ 12,714,557.84	6.200%	01-Feb-14	$ 84,731.96
Elgin Mall	GWL	$ 7,133,152.54	8.250%	01-Mar-10	$ 89,116.00
Elgin Mall	GWL	$ 1,757,288.29	8.250%	01-Mar-10	$ 21,954.00
Mountainview Mall	Maritime Life	$ 8,190,235.79	7.000%	01-Dec-07	$ 81,298.96
Orangeville Mall	CIBC	$ 7,455,732.23	7.750%	01-Oct-09	$ 71,174.50

SCHEDULE "E"

Nominees

Elgin Mall	RioCan Holdings Inc.
Mountainview Mall	RioCan Holdings Inc.
Orangeville Mall	RioCan Holdings Inc.
Plaza La Sarre	RioCan Holdings (Quebec) Inc.
South Hill Mall	RioCan Holdings Inc.
Southland Mall	RioCan Holdings Inc.
Town 'N' Country Mall	RioCan Holdings Inc.

SCHEDULE "F"

RETROCOM LIMITED PARTNERSHIP by its General Partner
GP Trust by its Trustee 1606906 Ontario Inc.

- and -

RIOCAN PROPERTY SERVICES TRUST

PROPERTY MANAGEMENT AGREEMENT

July <*>, 2005

TABLE OF CONTENTS

[Add list of Schedules]

PROPERTY MANAGEMENT AGREEMENT

THIS AGREEMENT made the ___ day of July, 2005.

BETWEEN:

RETROCOM LIMITED PARTNERSHIP by its General Partner GP Trust by its Trustee **1606906 Ontario Inc.**

("**RLP**")

- and -

RIOCAN PROPERTY SERVICES TRUST

(the "**Manager**")

RECITALS:

A. Retrocom Mid-Market Real Estate Investment Trust (the "**REIT**") indirectly owns all of the partnership units of RLP.

B. RLP is the beneficial owner of the Buildings and Lands as to an undivided one-hundred percent (100%) interest (through a bare trustee and nominee or otherwise).

C. RLP and the REIT wish to retain the services of the Manager to supervise, manage, administer and direct the leasing and operation of the Buildings and Lands in accordance with the provisions of this Agreement.

NOW THEREFORE in consideration of the mutual covenants, agreements and *conditions* contained in this Agreement, the parties hereby covenant and agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions.

In this Agreement, unless there is something in the subject matter or context inconsistent therewith:

(a) "**Affiliate**" means, with respect to the Manager, a corporation or trust the sole beneficial owners of the shares or units of which or the sole beneficiary of which is RioCan REIT, or with respect to any other entity shall mean an affiliate within the meaning of the *Securities Act* (Ontario);

(b) "**Agreement**", "this Agreement", "the Agreement", "hereto", "hereof", "herein", "hereby", "hereunder", and similar expressions refer to this agreement and all schedules attached to this agreement;

(c) "**Approved**" or "**Approval**" means approved or the approval pursuant to Section 1.2 hereof;

(d) "**Approved Budget**" means the annual operating and capital budget and any amendments or revisions thereto including the leasing plan and any amendments thereto, in each case approved by the Owner from time to time;

(e) "**Auditor**" means the auditor or the accountant, as the case may be, with respect to the Buildings appointed by the Owner;

(f) "**Authorized Improvements**" means all Improvements requested by the Owner, from time to time, in connection with the Buildings;

(g) "**Buildings**" means the buildings, structures and improvements located on the Lands and known municipally as set out in Schedule "C" attached hereto, as the same may be altered from time to time;

(h) "**Business Day**" means every day except a Saturday, Sunday or a day which is a statutory holiday under the laws of Canada or Ontario;

(i) **"Cause of Complaint" means:**

(i) the continuing failure and/or the failure, in a material respect, of the Manager to perform its duties and discharge its obligations under this Agreement;

(ii) the malfeasance or misfeasance of the Manager in the performance of its duties as specified in this Agreement; or

(iii) a breach by the Manager of any trust or fiduciary duty created by this Agreement for funds received by it or the Manager's refusal to account for such funds;

(j) "**Contracts**" means all contracts and agreements (other than Leases and employment contracts of the Manager) entered into with third parties or administered by the Manager within the scope of its authority granted under and pursuant to Article 3 and renewals thereof and amendments thereto;

(k) "**Emergency**" means a condition or circumstance occurring in or about any Property which, if not remedied immediately, would result, with reasonable certainty, in damage to such Property or damage to other property or in physical injury or death.

(l) "**Event of Insolvency**" means, with respect to the Manager, the occurrence of any one of the following events:

(i) if the Manager: (A) is wound up, dissolved, liquidated, or has its existence terminated unless such existence is immediately reinstated or has any resolution passed to effect such winding up, dissolution, liquidation or termination; or (B) makes a general assignment for the benefit of its creditors or a proposal under the *Bankruptcy and Insolvency Act* (Canada) as amended or re enacted from time to time, or is adjudged bankrupt or insolvent; or (C) proposes a compromise or arrangement under the *Companies' Creditors Arrangement Act* (Canada), as amended or re enacted from time to time; or (D) institutes proceedings to be adjudicated a voluntary bankrupt or consents to or files any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, or similar relief for itself under any present or future law relating to bankruptcy, insolvency or other relief for or against debtors generally; or

(ii) if a court of competent jurisdiction enters an order, judgment or decree against such party seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, winding up, termination of existence, declaration of bankruptcy or insolvency or similar relief under any present or future law relating to bankruptcy, insolvency or other relief for or against debtors generally, and the Manager acquiesces in the entry of such order, judgment or decree or such order, judgment or decree remains unvacated or unstayed for an aggregate of 30 days (whether or not consecutive) from the date of entry thereof; or if a trustee in bankruptcy, receiver, receiver and manager, liquidator or any other officer with similar powers is appointed for the Manager with the consent or acquiescence of the Manager and such appointment remains unvacated or unstayed for an aggregate of 30 days (whether or not consecutive);

(m) "**Fiscal Year**" means the period of 12 months ending on **[December 31]** in each year or such other period as may be designated from time to time by the Owner, provided that the first and last Fiscal Years of the Term may be for a period of less than 12 months;

(n) "**GAAP**" means generally accepted accounting principles which are in effect from time to time in Canada;

(o) "**Gross Revenue**" means all revenues due and payable and collected under the Leases and any amendments thereto, including, without limitation, parking revenues (less any amounts paid to a third party parking lot manager) and all amounts of minimum rental and percentage rental and all other payments made by or on behalf of all Tenants or other occupants of the Buildings, (including any payments made by or on behalf of the Tenants on account of common area maintenance, utilities, insurance, HVAC or any other type of payment made by a Tenant which is intended as a reimbursement to the Owner for occupancy costs or expenses borne by the Owner but excluding amounts (if any) collected from Tenants as a reimbursement to the Owner of management fees and excluding indemnity payments for loss or damage (other than for loss of rent or other occupancy costs) and does not include security deposits (except to the extent that such deposits are applied as a rental payment upon termination of a Lease) and advance rental payments until the reporting period in which such payments are to apply as rental payments or until such advance payments are forfeited. GST or QST exigible and paid in connection with any of the foregoing will not be included in the calculation of Gross Revenue.

(p) "**Improvements**" means all buildings, erections, structures, fixtures, parking facilities and other improvements hereafter constructed on the Lands and includes, for greater certainty, all improvements of a capital nature;

(q) "**Lands**" means the lands and premises legally described in Schedule "B" hereto on which the Buildings are located;

(r) "**Leases**" means all present and future leases, agreements to lease and subleases of any part of the Buildings or Lands and all present or future licenses and concessions affording any person a right (other than an easement or a right in the nature of an easement) to use or occupy any part of the Buildings or Lands, in each case for the time being in effect, and all revisions, alterations, modifications, amendments, changes, extensions, renewals, replacements or substitutions thereto or therefor which may be entered into;

(s) "**Net Cash Flow**" means all revenue and receipts from the operations of the Buildings or on account of capital received by the Manager on behalf of the Owner less Operating Expenditures, calculated on a cash basis;

(t) "**Operating Expenditures**" means all expenditures incurred by the Manager on behalf of the Owner in accordance with the Approved Budget, or otherwise Approved by the Owner, in the operation and management of the Buildings determined on a cash basis including, without limitation, the following:

(i) expenditures in the ordinary course paid for the operating, maintaining, repairing and managing of the Buildings and expenditures for repairs or replacements of an operational or capital nature;

(ii) real property taxes and assessments chargeable to the Buildings or the Lands and paid by or on behalf of the Owner;

(iii) Merchants' Association or promotion fund dues established pursuant to the Leases or otherwise paid by or on behalf of the Owner;

(iv) insurance premiums paid;

(v) all fees, including those paid to the Manager;

(vi) the deductible portion of any insured loss;

(vii) tenants' inducements and other such capital costs;

(viii) fees paid to the Auditor;

(ix) reasonable legal fees and disbursements paid in respect of the Properties; and

(x) ground lease rental, if any;

but excluding debt service payments of the Owner which shall remain the sole responsibility of the Owner, as applicable;

(u) **"Owner"** means RLP and its permitted successors and assigns, and references to the Owner shall be deemed to include reference to the REIT and its representatives to the extent necessary in the context;

(v) **"Prime Rate"** means the floating annual rate of interest established from time to time by [Royal Bank of Canada] as the reference rate used to determine rates of interest payable by its borrowers on Canadian dollar commercial loans made by such Bank and designated by such Bank as its "prime rate";

(w) **"Properties"** means collectively the Buildings and the Lands;

(x) **"Rental Year"** means the period of 12 months ending on the last day of December in each year or such other financial period designated from time to time by the Owner;

(y) **"RioCan REIT"** means RioCan Real Estate Investment Trust;

(z) **"Standard Lease"** means the standard form of offer to lease, lease, renewal and amending agreements for office and retail Tenants currently in use with respect to the Properties, as amended, replaced or superseded from time to time with the prior written approval of the Owner;

(aa) **"Securities Acts"** means, collectively, the *Securities Act* (Ontario) and all similar legislation applicable to the distribution of any units of the REIT or other securities of the REIT from time to time, in force in the other Provinces and Territories of Canada;

(bb) **"Tenant"** means a tenant or licensee or prospective tenant or licensee in any of the Buildings or on the Lands; and

(cc) **"Term"** means Term as defined in Section 2.2.

1.2 Approvals.

Wherever the provisions of this Agreement require an approval, consent or agreement by the Owner to any action or expenditure not contemplated within an Approved Budget unless the contrary is expressly provided, no such action or expenditure shall be taken or made with respect to the matter until such approval, consent or agreement has been given by the Owner. Any dispute as to whether or not an approval, consent or agreement is being unreasonably withheld in such circumstances where, in this Agreement, it is provided that such consent or approval shall not be unreasonably withheld shall be resolved by arbitration hereunder.

1.3 Construction.

In this Agreement:

(a) words denoting singular include the plural and vice versa and words denoting any gender include all genders;

(b) any reference to a statute shall mean the statute in force as of the date hereof, as the same may be revised from time to time unless otherwise expressly provided;

(c) the use of headings is for convenience of reference only and shall not affect the construction of this Agreement;

(d) when calculating the period of time within which or following which any act is to be done or step taken, the date which is a reference date in calculating such period shall be excluded. If the last day of such period is not a Business Day, the period shall end on the next Business Day; and

(e) all dollar amounts are expressed in Canadian funds.

ARTICLE 2
APPOINTMENT OF MANAGER AND TERM

2.1 Appointment of Manager.

The Owner hereby appoints the Manager as the exclusive manager to provide property management, leasing, development, construction management and administrative services to the Owner including, without limitation, monitoring and reporting on the performance of the Buildings, and preparing annual budgets for the Buildings all on the terms and conditions and for the Term and remuneration provided for in this Agreement. The Manager accepts the appointment in accordance with the terms of this Agreement and covenants and agrees to perform the services and functions to be performed by it hereunder in an expeditious, honest and businesslike manner in keeping with the standards for buildings comparable in size, type, age, class and location to the Buildings. The Manager shall act at all times in the best interest of the Owner and the Properties.

The Manager represents and warrants that it has, as at the date of this Agreement and will have throughout the Term of this Agreement, all of the requisite skills and experience to carry out the Manager's obligations and duties under this Agreement. The Manager also represents and warrants that it is fully qualified and licensed to the extent required by law to manage real estate and perform all obligations of the Manager hereunder in the jurisdictions in which the Properties are located and agrees to comply with all such laws now or hereinafter in effect.

2.2 Term.

The term of this Agreement, (the "**Term**"), shall commence as of the date hereof and, unless otherwise terminated in accordance with the provisions of sections 2.3 and 2.4, shall be fully completed on ●, such date being three years from the commencement of this Agreement.

2.3 Termination by the Manager.

If at any time the Owner has failed to make any payment to which the Manager shall be entitled under this Agreement or the Owner shall have failed to give directions as may properly be requested or required by the Manager for the performance of the covenants, obligations and agreements contained in this Agreement, the Manager may give written notice (in this Section 2.3 called a "**Notice of Default**") to the Owner specifying in reasonable detail the matter complained of. If within 30 days of receipt of any Notice of Default the Owner fails to cure the matter complained of in a reasonable manner, or fails to take reasonable steps to cure and give reasonable assurances to the Manager that such matter will be cured or rectified or removed within a reasonable period of time, the Manager may deliver a written notice (in this Section 2.3 called a "**Notice of Termination**") to the Owner stating that this Agreement is terminated. Such termination shall be effective 90 days after the date on which the Notice of Termination was given to the Owner.

2.4 Termination by the Owner During the Normal Course.

(a) At any time if there occurs an Event of Insolvency, the Owner may give written notice to the Manager stating that this Agreement is terminated as a result of such Event of Insolvency.

(b) The Owner may also terminate this Agreement by notice in writing to the Manager (the "**Notice of Default**") in the event that a Cause of Complaint has occurred and such Cause of Complaint is continuing and not cured by the Manager within thirty (30) days of receipt of the Notice of Default, or if the Manager has not disputed, in writing with reasons, the validity of such Notice of Default within such thirty (30) day period. In the event that the Manager has disputed the validity of the Notice of Default, the matters in dispute shall be submitted to arbitration in accordance with the provisions of Article 8 of this Agreement. If the Manager fails to cure in accordance with the decision of the arbitrator within such reasonable time frame as the arbitrator sets for such Cause of Complaint to be cured, the Owner may terminate this Agreement by giving written notice (in this Section 2.4(b) called a "**Notice of Termination**") to the Manager stating that this Agreement is terminated and the reasons therefor. Such termination shall be effective 30 days after the date on which the Notice of Termination is given to the Manager.

2.5 Termination by the Owner Upon the Sale of any of the Buildings.

Upon the sale by the Owner to an arm's length third party of any of the Buildings, the Owner may terminate this Agreement in respect of the Buildings being sold upon the payment by the Owner to the Manager of an amount equal to fifty percent of the management fees that would have otherwise been paid to the Manager for the unexpired portion of the term of this Agreement in respect of the Buildings being sold.

ARTICLE 3
MANAGER'S DUTIES

3.1 **3.1 Scope of Authority**

In connection with the performance by the Manager of its duties under this Agreement, the Manager shall have the authority and the obligation:

(a) to negotiate, settle and execute, as agent for the Owner, without personal liability, all Contracts provided that:

(i) the expenses to be incurred thereunder are provided for in the then current Approved Budget or have otherwise been Approved by the Owner;

(ii) each such Contract has a term of not more than three years unless previously Approved by the Owner and, notwithstanding its stated term, is terminable without penalty on not more than three months' prior notice; and

(iii) if in doing so, the Manager retains the services of any consultant, contractor or other party to undertake any work or activity, the cost of which exceeds $100,000, the Manager (unless otherwise provided in the then current Approved Budget or Approved by the Owner) will call for at least two competitive tenders and use reasonable efforts to obtain the most competitive prices, provided that the Manager shall be entitled to award the Contract to the party who, in the opinion of the Manager acting reasonably, provides the most beneficial Contract taken as a whole provided that any Contract with a non-arm's length party will be subject, in any event, to the Owner's prior written approval;

(b) in the event of an Emergency when the representatives of the Owner cannot, after reasonable efforts in the circumstances, be reasonably located for the purpose of giving its Approval to proceed, the Manager is hereby authorized and instructed to proceed with such steps as in its discretion are deemed necessary for the protection or preservation of any of the Properties, the Owner or the Manager, as the case may be, or from any penalty or other liability and, upon the happening of any such event, the Manager shall promptly give notice thereof to the Owner.

3.2 Services.

(a) In furtherance of its obligation to supervise the leasing, operation and management of all aspects of the operation of the Buildings, the Manager shall cause to be provided, at its own expense except as otherwise expressly provided herein or in an Approved Budget, all services necessary and incidental in respect of the operation of the Buildings in accordance with the Approved Budgets. Without limiting the foregoing, the Manager shall:

(i) <u>Locate Tenants</u> - develop and implement plans (acceptable to the Owner, acting reasonably) concerning the installation and removal of all Tenants of premises in the Properties, and supervise the same so as to minimize disturbance to the operation of the Properties and all Tenants therein;

(ii) Initial Leasing and Re-leasing - use its reasonable best efforts, during the Term, to obtain Tenants which will lease premises in the Properties, or to cause such premises to be leased, including preparation of a merchandising plan and tenant mix plan (if not included in the Approved Budget) all of which shall be acceptable to the Owner acting reasonably and the supervision and negotiation, finalization and execution, as agent of the Owner, of Leases and agreements to lease and renewals thereof from time to time. The Manager may arrange for real estate brokers or other agents to obtain Tenants for the Properties and the Owner shall pay the fees and commissions agreed to by the Owner with respect to such arrangements. It is understood and agreed, for greater clarity, that the Manager shall have authority to lease any vacant space in the Properties, or renew any leases with any tenants without the Owner's prior approval in accordance with an Approved Budget. For further clarity, the Manager shall have authority to execute any leases, offers to lease, renewal agreements, licenses or the like on the Owner's behalf. The Manager shall provide copies of all leases, offers to lease, renewal agreements, licenses or the like in an electronic format to the Owner within a reasonable period of time after each such document has been executed by the tenant and on behalf of the landlord;

(iii) Tenant Liaison - supervise the establishment and maintenance for and on behalf of the Owner of a suitable scheme of liaison between each of the Tenants and the Owner;

(iv) Notices to Tenants - be responsible for giving all notices and statements required to be given to Tenants under the terms of the respective Tenants' Leases, and the giving of all other notices necessary to accomplish efficient management of the Buildings and the Lands;

(v) Receive Rents - for and on behalf of and for the account of the Owner, receive all rents and other amounts paid by Tenants pursuant to their respective Leases, and obtain, in accordance with the provisions of such Leases, tenant sales figures, and calculate percentage rent to be derived therefrom, and if the Manager deems it necessary, cause inspection of Tenants' books to be made, and at the expense of the Owner, cause audits of Tenants' books to be made if deemed necessary by the Manager;

(vi) Timely Payment - use all reasonable best efforts to collect all rent and additional charges and other amounts from time to time payable by Tenants in respect of their Leases, including without limitation, percentage rent, additional rent and incidental charges, amounts in respect of real estate taxes, maintenance and operating costs, insurance premiums, special charges, and other like payments regularly received by the Manager for the account of the Owner in accordance with the terms of the respective Tenants' Leases;

(vii) Collection of Arrears - endeavour, by issuing demand for payment, to collect any amounts in arrears from any of the Tenants with all possible dispatch, and use its reasonable best efforts to obtain payment of such amounts which are due without suit or resort to an action or any other legal or equitable remedies available to the Owner, and (in accordance with the provisions of Section 3.2(a)(viii)) institute suit or take advantage of such remedies at the Owner's expense only if, in the opinion of the Manager, it is desirable to do so and other reasonable steps have failed to or will not achieve satisfactory results.

(viii) Instituting Legal Proceedings - on behalf of and in the name and expense of the Owner, commence and prosecute and/or defend, as appropriate, any action and proceedings or take any legal action, including attachments before judgement, which are available by law to the Owner for the protection of the Owner's rights and which in the Manager's opinion should be taken, and for the recovery of any amounts owing and unpaid. The Manager shall have the right to settle or discontinue any such proceedings within the scope of any Approved Budget. The Manager shall give prior written notice to and obtain the Owner's prior written Approval for all actions and proceedings and settlements relating to an amount in excess of $20,000.00. The Owner at all times shall have the right to direct the course of any action, proceedings, or remedies taken under this Section 3.1(a)(viii), including the choice of legal counsel, provided that in such event the Manager shall have no responsibility for any prejudicial effect of such directions on the Owner or the Manager. The Owner shall be responsible for the payment of all legal fees, costs, and other monies payable by reason of the exercise of the responsibilities of the Manager arising under this Section 3.1(a)(viii);

(ix) Dealings with Tenants - supervise all dealings with Tenants on behalf of the Owner;

(x) Owner's Rights and Obligations - use reasonable efforts to ensure compliance in all material respects by the Owner and the Tenants with all of the terms and conditions of all restrictions, agreements, and obligations, statutory, municipal, or otherwise with respect to the Owner, the Buildings or the Lands, and entered into or imposed upon the Owner or for which the Owner may be liable by law, including without limitation all Leases with Tenants and all mortgages and other loan documents, and in so doing may call upon the Owner to provide any payments necessary in connection therewith, and the Owner shall forthwith cause such payments to be made provided that all expenses are contemplated within an Approved Budget or are otherwise Approved by the Owner;

(xi) <u>Standard Lease Documentation</u> - submit for approval by the Owner, within 30 days after the date hereof, the Standard Lease and forms of agreements to lease for approval by the Owner and, following approval by the Owner, submit for approval by the Owner such changes thereto as the Manager may deem necessary or advisable from time to time to keep them current with industry standards;

(xii) <u>Rules and Regulations</u> - consider and advise the Owner from time to time as to rules and regulations or any additional rules and regulations required to be made under the Leases with Tenants for the better or more efficient operation of the Properties;

(xiii) <u>Promotion Fund</u> - at the Owner's option and with the Owner's Approval and at the Owner's expense, incorporate (if applicable), organize, supervise, and co-ordinate the activities of a promotion fund or merchants' association of the Properties (any legal fees in connection with the administration of such fund or association to be paid by the promotion fund or merchants' association), and collect all dues and assessments from members of such association or fund, and at the Owner's expense, cause all the Owner's contributions to be made to such promotion fund or merchants' association in accordance with the terms of the Leases or the bylaws of the merchants' association (if any);

(xiv) <u>Pay Bills, etc.</u> - in accordance with the Approved Budget or as otherwise Approved by the Owner, at the expense of the Owner, pay all carrying charges and other expenses relating to the operation of the Buildings, including without limitation realty taxes, water rates, light and power rates, promotion fund or merchants' association dues, wages, fuel costs, and insurance premiums as they become due, and any other expenses, provided that the Manager shall also pay debt service payments of the Owner from the designated segregated trust account maintained by the Manager pursuant to Section 4.1;

(xv) <u>Review Taxes</u> - review property taxes and assessments, and if desirable in the opinion of the Manager, take steps to contest or appeal such taxes, at the Owner's expense;

(xvi) <u>Environmental Policy and Security</u> - The Manager shall take those steps necessary to effect compliance with all applicable environmental laws and regulations applicable to the Properties, all at the Owner's expense.

(xvii) <u>Off Site Office - On-Site Office</u> - in the event any off site management office is used by the Manager as an office of the Manager or for its employees engaged in the management of the Buildings together with other properties or buildings other than those of the Owner, the cost of such office and off-site employees to the extent attributable to management of the Buildings shall be reimbursed by the Owner to the

Manager based on criteria satisfactory to both the Owner and the Manager each acting reasonably. It is understood and agreed that the foregoing does not apply to the Manager's head office expenses which shall be for the Manager's account only.

In the event that any on-site management office is used by the Manager as an office of the Manager or for its employees engaged in the management of properties other than the Buildings and other than those of the Owner, the cost of such office and on-site employees, to the extent attributable to management of property other than the Buildings or other than property of the Owner, shall be reimbursed by the Manager to the Owner based on criteria satisfactory to both the Owner and Manager each acting reasonably.

(xviii) Collecting and Remitting GST and QST - maintain separate GST and QST accounts on behalf of the Owner and calculate, prepare and file on behalf of the Owner (if permitted by Canada Revenue Agency or such other similar governmental authority which has jurisdiction to do so) in the prescribed manner and within the time prescribed, all GST, and/or QST returns relating to the Buildings and the Lands and remit with such returns any net tax (as determined in accordance with the applicable legislation, from time to time) owing by the Owner on such returns. If the Manager is not permitted to sign any such return(s), the Owner will sign it or them forthwith in order to enable the Manager to comply with its obligations hereunder; and the Manager shall deposit any net tax refund(s) received in the accounts maintained pursuant to the terms of this Agreement;

(xix) Books of Account - at all times, maintain appropriate and proper books of account and records with respect to the Buildings, the Authorized Improvements and all transactions entered into in performance of its obligations under this Agreement. The Owner shall have the right at reasonable times and intervals and upon reasonable notice, to cause such inspection of the books and records so maintained by the Manager to be made as may be reasonable in the circumstances. At reasonable times and after reasonable notice, the Manager shall make available to the Auditor such information and material as may be required by the Auditor for the purposes of its audit and otherwise give such co-operation as may be necessary for the Auditor to carry out its duties on behalf of the Owner;

(xx) Inspections: cause to be carried out property visits at least once in each Fiscal Year for the purpose of preparing the annual budget;

(xxi) Budgets, Financial Statements - prepare and submit to the Owner, for its approval, not later than 45 days prior to the commencement of each and every Rental Year, the following budgets:

(A) a profit and loss budget, which shall be on an accrual basis, setting forth anticipated revenues and expenses of the Buildings including, without limitation, capital expenditures, with reasonable details with respect to the purposes for which such expenditures are to be made and all such other forms of budgets as may be requested by the Owner, acting reasonably, which budgets shall come into effect upon approval by the Owner; for greater certainty and without limitation the budget to be provided shall also include a cash flow projection including projected distributions to each of the Owners, a leasing budget for the upcoming year. Until the budget is approved by the Owner, the last Approved Budget shall remain in full force and effect;

prepare and submit to the Owner the following:

(B) within 20 days after the end of each quarter of each Rental Year, a report summarizing the status of the activities of the Buildings as at the end of the quarter, which shall include a property manager operational report summary, leasing activity report, lease expiry for future calendar years and status of legal matters, insurance, environmental matters and building improvements.

(C) within 15 days of the end of each of each quarter of each Rental Year, combined unaudited income statement, variance analysis and balance sheet, system generated, for the Buildings for such quarter prepared in accordance with GAAP. The Manager will confirm with the Owner the GAAP policies to be employed and will group accounts in the same manner as the Owner directs. The Owner will provide the EIC 140 acquisition component analysis (with tenant market rent differential analysis and acquired leasing cost analysis) and amortization periods. Additionally, the Owner will provide any market interest rate differentials and information pertaining to the interest rate subsidies.

(D) monthly, on or before the twentieth (20^{th}) day of the month, property management reports including rent roll, tenant sales figures, if available, an aged arrears report and unaudited balance sheet and income statement and variance report, leasing overview, occupancy status and expiry analysis for the Buildings. A sample of such monthly reporting package is attached hereto as Schedule "D". In addition, a property manager operational report summary which may include the status of legal matters, insurance, environmental matters and building improvements.

(E) Monthly, on or before the twentieth (20^{th}) day of the month, the following Supplementary Financial Information:

(1) Bank Reconciliations;

(2) Income Producing Property system generated continuity schedule;

(3) Deferred Leasing Costs system generated continuity schedule;

(4) Prepaids and Intangible Assets and Liabilities system generated continuity schedule(s);

(5) Accounts Payable and Accrued Liabilities general ledger detailed and accounts payable control aging report;

(6) Mortgage amortization Schedule;

(7) Base Rent;

(8) Percentage Rent Schedule;

(9) Recoveries Schedules;

(10) Recovery Reconciliation Schedule;

(11) Fee Schedule.

The preparation and submission of the profit and loss budget and any other schedule, budget or report prepared and submitted by the Manager shall not be construed as a guarantee by the Manager of the final cost of the work and services required to be performed or obtained in connection with the supervision, management or operation of the Buildings. The Manager shall not be liable for any expenditures incurred in excess of the amount contained in the profit and loss budget or other schedule, budget or report prepared and submitted by the Manager.

The Manager acknowledges that the Owner's auditors may require access to the books and records for the Buildings for the purpose of the Owner's annual audit.

(xxii) Heating, Air-Conditioning - cause the Buildings to be heated or cooled to reasonable temperatures according to the season and in accordance with the obligations contained in the Leases, and cause the heating and air conditioning equipment to be operated and maintained and kept in repair in conformity with the Owner's obligations as landlord, all at the expense of the Owner and in accordance with Approved Budgets or as otherwise Approved by the Owner;

(xxiii) Cleaning - arrange for, supervise and be responsible for the operation of the maintenance and cleaning services within the Buildings, at the expense of the Owner and in accordance with Approved Budgets or as otherwise Approved by the Owner, provided that the Manager shall not be liable to the Owner for any negligence or misconduct of the cleaning contractor;

(xxiv) Common Area Maintenance - cause all interior and exterior common areas of the Buildings to be kept clean and, where the same are open to the elements, reasonably free from snow and ice, cause any landscaping to be maintained and rubbish to be removed, all of the expenses incurred therefor to be at the expense of the Owner and in accordance with Approved Budgets or as otherwise Approved by the Owner;

(xxv) Insurance - supervise and place or cause to be placed, at the expense of the Owner, all insurance required for the Owner and naming the Manager as an additional insured with respect to the Properties, which supervision shall include, without limitation, determining the amount and type of insurance coverage required, settling of insurance contracts, renewing the existing insurance coverage, filing claims, liaison with insurance adjusters, compliance (to the extent, that the Manager shall be so empowered hereunder) with all statutory conditions and the various policies of insurance. All placements of insurance shall comply with the requirements of any agreements and any mortgages of the Properties to which the Owner may from time to time be a party, which are known to the Manager and which call for specific requirements as to insurance coverage, amounts, and payment of proceeds thereunder. The Owner hereby acknowledges and consent to the fact that the Manager may arrange insurance on a blanket coverage basis. The Manager shall be entitled to charge the Owner the proportionate cost of such insurance as it related to the Owner and the Properties, which allocation will be determined by the Manager, acting reasonably and fairly. All insurance policies are to include the Owner as named insured. In addition, the Manager shall use all reasonable efforts to place or cause to be placed all insurance with respect to the Property required (a) by the Owner, or (b) in connection with any Project Financing of the Properties, in each case to the extent such insurance is available at a cost acceptable to the Owner. The Manager shall provide certificates of insurance to the Owner. The Manager shall endeavour to ensure that all Tenants have placed insurance required pursuant to the Leases;

(xxvi) Notification - promptly give notice to the Owner of any material damage to the Buildings and copies of any notices given by the Manager to any insurer of the property with respect to any material claim against the property, the Owner or any circumstances which might give rise to any such material claim;

(xxvii) Repairs and Alterations - supervise and direct the making of all repairs to the Buildings and alterations and redecoration which may become necessary or desirable in keeping with the policies from time to time established by the Owner and the Approved Budgets at the Owner's expense (provided such expenses are within the Approved Budget or otherwise approved by the Owner), cause all things to be done with respect to the Buildings that the Manager shall deem necessary to comply with any and all regulations of any governmental authority having jurisdiction over the Buildings;

(xxviii) Security - at the expense of the Owner and in accordance with the Approved Budgets or as otherwise approved by the Owner, arrange for and supervise adequate security personnel for the physical protection of the Buildings, and to maintain order in the Buildings for the benefit and quiet enjoyment of the premises by Tenants and their customers, and, when necessary, for the control of vehicular and pedestrian walkways and sidewalks;

(xxix) Personnel - to the extent, if any, that the Manager has not retained the services of arm's length third party contractors and subject to reimbursement by the Owner, pursuant to Section 3.6, the Manager shall be responsible for making available such of its employees as shall be necessary and desirable for the Manager to perform its obligations hereunder, including those for the provision of heating, ventilating and air-conditioning, the performance of security functions for the Buildings and all on-site personnel (including, without limitation, building managers and staff, mechanical and electrical staff, tenant liaison staff, merchandise receiving and delivery staff, maintenance, cleaning and housekeeping staff and clerical and secretarial staff). The parties acknowledge and agree that such personnel of the Manager are employees of the Manager only but the cost for which (other than leasing personnel) is for the account of the Owner and in accordance with the Approved Budgets or otherwise approved by the Owner. To the extent, if any, that such personnel devote any of their working time other than, in connection with the Buildings, then the Owner shall be responsible only for that portion of the Manager's expenses with respect to such personnel as is applicable to time spent working in connection with the Buildings. To the extent that any employees of the Manager were employed at the Buildings and were terminated, any severance or other termination payments required to be paid by the Manager shall be prorated and the proportion applicable to the period of time that such employee provided services to the Buildings shall be reimbursed to the Manager by the Owner, provided that the Owner shall not be responsible for severance or other termination expenses relating to any period of employment with the Manager at any Building prior to the Owner acquiring its interest in the Building and in no event shall the Owner be obliged to pay any severance or other termination expenses with respect to employees engaged primarily in leasing activities. The Manager shall provide evidence satisfactory to the Owner, acting reasonably, to support the employee expenses and the termination expenses that the Owner is obliged to pay;

(xxx) Services, Materials and Supplies - contract for or purchase all services, materials, supplies required by the Manager in the performance of its duties and responsibilities under this Agreement, which services, materials and supplies shall be provided for in the Approved Budget or otherwise approved, by the Owner and paid for the Owner;

(xxxi) Compliance with laws: - take such action as would be customarily taken by a property manager to assure that the Properties remain materially in compliance with all municipal, provincial or federal statutes, regulations, by-laws, rules and order throughout the Term.

(b) In furtherance of its obligation to co-ordinate, carry-out, supervise and direct all Authorized Improvements, the Manager shall cause to be provided, at the expense of the Owner, all services necessary and incidental in respect of such Authorized Improvements in accordance with a budget for same which has been Approved by the Owner and which will, when approved, form part of the Approved Budget. Without limiting the foregoing, the Manager shall:

(i) Construction - as requested by the Owner from time to time, prepare and deliver to the Owner, in a timely manner, and revise as necessary, from time to time, a schedule of construction and a proposed concept, design and phasing of construction and the preliminary designs, drawings and specifications for an Authorized Improvement;

(ii) Materials, Tools and Equipment - purchase or rent, for the account of and on behalf of the Owner, materials, tools and equipment necessary for the work relating to construction of the Authorized Improvements provided that the expenditure of any amount not specifically permitted under an Approved Budget in accordance with Section 3.3 shall not be made without the prior approval of the Owner;

(iii) Inspection of Authorized Improvements - supervise and inspect all work done in connection with the Authorized Improvements and ensure that all work in connection therewith is done properly;

(iv) Correction of Work - supervise and arrange for correction, completion or replacement of incomplete, deficient or substandard work, materials or equipment by any contractor or subcontractor responsible therefor, and attempt to have any such work done at no cost to the Owner;

(v) Tenders - prepare, where in the opinion of the Manager it is desirable to do so, invitations to tender for the various sections of the work on the Authorized Improvements, select qualified firms for submission of tenders, issue on behalf of the Owner invitations to tender, receive questions and provide answers and documentation as required during the tender period, inspect tenders when received and, without the approval of the Owner, negotiate with the tenderer, prepare draft contracts related thereto and award contracts, all without the prior approval of the Owner if in accordance with the Approved Budget;

(vi) Governmental Authorities - direct and conduct activities and negotiations with and, as required, enter into agreements with governmental or other public authorities respecting all matters of interest with respect to, and obtain all necessary zoning, official plan, site plan and other governmental and third party approvals and permits pertaining to, each Authorized Improvement;

(vii) Owner's Rights and Obligations - use reasonable efforts to ensure compliance by the Owner with all of the terms and conditions of all restrictions, agreements, and obligations, statutory, municipal, or otherwise with respect to the Authorized Improvements, and entered into or imposed upon the Owner or for which the Owner may be liable by law, and in so doing may call upon the Owner to provide any payments necessary in connection therewith, and the Owner shall forthwith cause such payments to be made; and

(viii) Budgets - the Manager shall prepare a budget and report with respect to Authorized Improvements. Budgets shall come into effect upon approval by the Owner.

3.3 Contracts.

(a) Subject to Section 3.3(b), the Manager shall be required to operate and manage the Buildings and to co-ordinate, carry-out, supervise and direct the completion of each Authorized Improvement in accordance with any budgets, plans and proposals Approved by the Owner, and once so Approved, the same will be deemed to be part of the Approved Budget (including the incurring of all expenses and liabilities and the execution of all contracts contemplated therein) and shall be free to operate within such Approved Budget without requiring separate approvals to implement any matters addressed therein provided that if the Manager shall determine, acting reasonably, that the implementation of any item within an Approved Budget will result in an expense or liability to the Owner that is not more than the greater of $50,000 and 115% of the amount in respect of such expense or liability set out in such Approved Budget, if such item is recoverable, subject to an overall cap of 110% for all recoverable items and with respect to non-recoverable items, the greater of $25,000 and 105%, subject to an overall cap of 105% for all non-recoverable items, the Manager will have the right to incur such expense or liability without requiring any additional approvals hereunder.

(b) Notwithstanding any other provision hereof, should any event occur or matter arise that is not contemplated within any Approved Budget and the Manager shall determine, acting reasonably, that it would be impractical to seek prior approval from the Owner, the Manager shall be free to take such actions on behalf of the Owner as the Manager considers reasonable and in the best interests of the Owner in the circumstances; provided that it shall only incur expenses or liabilities on behalf of the Owner to preserve and protect the Buildings and the Authorized Improvements, to comply with applicable laws and to prevent civil or criminal liabilities (and all expenditures pursuant hereto shall be reimbursed by the Owner) and further provided that where such events or matters, or the actions of the Manager in response thereto, result in an expense or liability to the Owner, the Manager shall, as soon as is reasonably practicable, notify the Owner thereof.

3.4 Limitation of Liability.

The Manager shall not have any liability whatsoever with respect to arrears in rent or other payments payable or to be paid by any of the Tenants, nor shall the Manager have any liability with respect to any costs or liabilities associated with (a) the operation or ownership of the Buildings or (b) the Authorized Improvements, except where such costs or liabilities arise or result from, but only to the extent they arise or result from any negligent or unlawful act or omission or wilful misconduct of the Manager or any of its employees, servants, agents, or persons for whom it is in law responsible, or any breach by the Manager, its employees, servants, agents or other persons for whom it is legally responsible of any of the terms and provisions of this Agreement and this exclusion of Liability shall not extend to any action taken by the Manager outside the scope of authority set forth in this Agreement or any part thereof or any applicable laws, and shall not extend to any debt, cost, expense, claim or demand for which insurance proceeds are recoverable by the Manager.

3.5 Concessions.

The Manager shall not accept for its own account in the execution of its duties hereunder, any commissions, reductions, finder's fees or other concessions from tradesmen, suppliers, contractors, insurers, or Tenants. If such concessions are received by the Manager, they shall be remitted to or credited to the Owner forthwith after receipt.

3.6 Extra Services.

If the Manager is called upon by the Owner to perform work or provide services concerning the administration and supervision of the management of all aspects of the operation of the Buildings or the administration, supervision and direction of the redevelopment of the Buildings or the disposition of same by the Owner not contemplated by this Agreement and for which it is entitled to special remuneration, the amount of such remuneration must be approved by the Owner prior to the commencement of such work or services. The Manager shall not be obliged under the provisions of this Agreement to perform any work or provide any services not contemplated by this Agreement.

ARTICLE 4
CONTROL BY THE OWNER

4.1

The Owner may in its sole discretion establish and provide to the Manager from time to time, written policies, limitations, instructions (including changes to the dollar amounts set forth herein) and procedures governing the operation, maintenance, repair and management of the Properties and, in carrying out its obligations and duties under this Agreement, the Manager shall at all times act in accordance with the same.

The Owner shall meet with the authorized representative of the Manager at least once in each quarter or more often, but not more often than monthly, as may be requested by the Owner or the authorized representative of the Manager at the principal office of the Manager in Toronto, or another mutually agreed upon location.

ARTICLE 5
RECEIPT AND DISBURSEMENT OF FUNDS

5.1 Banking.

The Manager shall handle all banking necessary for the due performance of the Manager's accounting and administrative functions under the provisions of this Agreement and for the receipt and disbursement of all monies of the Owner pertaining to the operations of the Buildings, required to be attended to by the Manager under the provisions of this Agreement. The Manager shall maintain a designated segregated trust account in the name of the Manager in trust for the Owner, if requested by the Owner. The Manager acknowledges that all monies received by the Manager pursuant to any of the obligations provided for in this Agreement for or on account of the Owner shall be received by the Manager as fiduciary for the beneficial interest of the Owner and held by the Manager in trust for the beneficial interest of the Owner. The Manager shall provide such control over accounting and financial transactions as is reasonably required to protect the Owner's assets from theft, negligence or fraudulent activity on the part of the Manager or the Manager's employees. Losses arising from such instances are to be borne by the Manager to the extent not covered by insurance. The Manager shall not be permitted to deposit any receipts to the said trust account except those received pursuant to the terms of this Agreement. The Manager shall deal with any cash maintained by it in accordance with sound management practices so that the Owner is adequately protected.

5.2 Disbursement of Funds.

(a) The Manager shall be entitled to pay all authorised expenditures (including without limitation, Emergency expenditures) to third parties properly chargeable to the Owner hereunder, including those mentioned in Section 3.1, on behalf of the Owner out of the funds provided from revenues from the Buildings or from the Owner.

(b) be entitled on the first day of each calendar month, to withdraw its Manager's fees and expenses payable under this Agreement for such month.

5.3 Remittances to Owner.

(a) The Manager shall remit to the Owner or as otherwise directed the Net Cash Flow for each month during the term of this Agreement on the fifteenth day of each month. Any overpayments or underpayments of Net Cash Flow for any rental year shall be paid or repaid by the adjustment of future cash contributions or paid or repaid within 45 days after the end of any Rental Year.

(b) Notwithstanding Section 4.3(a), the Manager may hold back from time to time or at any time from the Net Cash Flow a sum sufficient to enable the Manager to pay any costs and expenses shown as a reserve in the Approved Budget or required as a reserve and subsequently Approved by the Owner (collectively a "Reserve").

5.4 Owner to Provide Funds.

(a) The Owner shall be obligated to provide the Manager with sufficient funds to enable the Manager to make expenditures related to the Authorized Improvements and authorized to be made pursuant to this Agreement. If the Owner fails to furnish funds as required under this Section 4.4(a), the Manager shall not be required, in its capacity as Manager, to expend its own funds, and shall have no other liability whatsoever for any consequences arising from such failure by the Owner and the Owner hereby indemnifies the Manager and agrees to save the Manager harmless, in its capacity as Manager, for any and all actions by third parties arising from the failure to make any expenditures by reason of the failure to so provide funds.

(b) If the amount of the expenditures authorized to be made pursuant to this Agreement exceeds at any time the monies of the Owner in the Manager's bank account, the Owner shall be under an obligation on five (5) days prior notice to provide the Manager with sufficient funds to enable the Manager to make such expenditures. If the Owner fails to furnish funds as required under this Section 4.4(b), the Manager shall not be required, in its capacity as Manager, to expend its own funds, and shall have no other liability whatsoever for any consequences arising from such failure by the Owner and the Owner hereby indemnifies the Manager and agrees to save the Manager harmless, in its capacity as Manager, for any and all actions by third parties arising from the failure to make any expenditures by reason of the failure to so provide funds.

5.5 Reimbursement.

If the Manager advances out of its own funds voluntarily for the Owner's account any sum or sums for the payment of any authorised obligation or necessary expense connected with the maintenance or operation of the Buildings, including Emergency expenditures, or with the Authorized Improvements which are properly chargeable to the Owner hereunder, the Owner shall reimburse the Manager on demand therefor, failing which the Manager may apply against such advances an equal amount of Gross Revenue received in satisfaction thereof. If the Owner has failed to provide funds after notice from the Manager as provided in Section 5.4(b), all such unpaid advances shall bear interest at the Prime Rate plus one percent (1%) from the date of such expenditure to the date such amounts are recovered by the Manager.

ARTICLE 6
FEES AND EXPENSES OF THE MANAGER

6.1 Management Fee.

In consideration of the services of the Manager under this Agreement, the Owner shall pay to the Manager during the Term a management fee (the "Management Fee") each year calculated in the manner set out in Schedule "A". Such fee shall be estimated in advance based upon Approved Budgets and shall be payable in equal monthly instalments, on the first day of each month commencing on the first full month of the Term. Such fee shall be subject to retroactive adjustment within 30 days of the end of each quarter year based on actual Gross Revenue and other applicable measurements for the preceding quarterly period.

6.2 Expenses.

Notwithstanding anything else herein contained, the Owner shall pay the Manager for all bona fide out-of-pocket expenses incurred by the Manager in carrying out its duties under this Agreement provided that the Owner shall be entitled to recover all such amounts from Tenants (for greater certainty, the Owner shall remain liable to the Manager in respect of all such amounts whether or not they are recovered from Tenants).. Such expenses include, without limitation, all salaries, wages, training expenses and expenses in respect of fringe benefits, pensions, and premiums for statutory benefit programmes and other expenses incurred by the Manager or its Affiliates in accordance with the Approved Budgets in connection with employing the employees, including supervisory employees, that are determined by the Manager as being necessary and desirable for the Manager to perform its duties under this Agreement, provided that in the case of any employee of the Manager or its affiliates who spends only part of his or her working hours providing services to the Buildings, the Owner shall pay the Manager only that portion of the employment costs for such employee which is allocated by the Manager, acting reasonably, to the Buildings. The Manager's out-of-pocket expenses also include, without limitation, all legal fees, accounting fees, costs of brochures, surveys, advertising, travel and entertainment expenses and promotion costs incurred by the Manager in respect of the Buildings and all amounts paid or payable to contractors and professionals for any services provided in connection with the maintenance, repair, operation, administration or management of the Buildings or any part thereof in accordance with Approved Budgets. No charge other than the fees reserved in this Agreement shall be made by the Manager nor shall there be any reimbursement to the Manager for any administrative or overhead costs of the Manager except as otherwise provided herein or the Approved Budget or both.

ARTICLE 7
EFFECT OF TERMINATION

7.1 Fees.

The Owner shall pay to the Manager all unpaid and earned fees hereunder up to the date of termination of this Agreement. In the event of termination of this Agreement other than at a month end, a pro rata portion of the Management Fee shall be either payable to the Manager or repayable to the Owner to the date of termination of this Agreement as the case may be. Should the Owner and the Manager not agree on any such amounts, the amounts shall be established by arbitration in accordance with the provisions of Article 7. The Owner shall, however, be under no obligation to pay to the Manager any amount whatsoever for services performed by the Manager after the date of termination unless such performance has been requested or acquiesced in by the Owner and in that event the Manager shall be entitled to be paid on a quantum meruit basis.

7.2 Manager's Duties.

Upon termination of this Agreement, the Manager agrees to co-operate following such termination with any successor Manager selected by the Owner with respect to transitional matters and, the Manager shall vacate any premises at any of the Buildings and shall forthwith deliver to the Owner:

(a) original records, documents and computer disks, including, without limitation, all Leases and other agreements with Tenants, contracts, operating records and books of account and any other documents maintained in accordance with the provisions of this Agreement;

(b) materials and supplies for which the Manager has been paid by the Owner and which were purchased in accordance with the provisions of this Agreement, and which are in possession or control of the Manager and relate directly or indirectly to the Owner or to the leasing, tenant co-ordination or supervision of the management of the Buildings, as the case may be;

(c) Notwithstanding the foregoing, the Manager may elect to retain notarial or other copies of such records, documents and books of account at the Manager's expense and the Owner shall produce at its offices the originals of such records, documents and books of account whenever reasonably required to do so by the Manager, for the purpose of legal proceedings or dealings with any governmental authorities for a period of six (6) years after termination of this Agreement;

(d) In addition, upon termination of this Agreement, the Manager shall forthwith deliver to the Owner a final accounting (except for amounts in dispute) and payover any balance of the Owner's funds held by the Manager relating to the Buildings, if any, less any amounts owing to the Manager pursuant to this Agreement and any amounts necessary to satisfy commitments made by the Manager to others pursuant to this Agreement prior to the date of termination; and

7.3 Owner's Duties.

Upon termination of this Agreement, the Owner shall:

(a) assume all Leases and Contracts entered into by the Manager relating to the management of the Buildings or the Authorized Improvements if such Leases and Contracts have been entered into in accordance with the provisions of this Agreement, and indemnify the Manager against any liability by reason of anything done or required to be done by the Owner under any such Leases and contracts after the effective date of termination of this Agreement; and

(b) pay for and indemnify the Manager against the costs of all services, material and supplies, if any, which may have been ordered by the Manager as a result of its obligations arising from this Agreement but which may not have been charged to and paid by the Manager and reimbursed under this Agreement at the time of termination if such services, materials and supplies have been ordered in accordance with the provisions of this Agreement.

7.4 Rights on Termination.

Any termination of this Agreement shall terminate all rights and obligations of this Agreement except rights and obligations in respect to amounts owing under this Agreement, or obligations pursuant to Sections 7.2 and 7.3 and Article 9.

ARTICLE 8
ARTICLE 8 ARBITRATION

8.1 Initiation of Arbitration Proceedings.

Whenever a dispute arises between the parties under this Agreement, the matter shall be determined by arbitration, which shall be initiated and processed as follows:

(a) The party desiring arbitration shall give notice thereof (a "Notice of Arbitration"), with reasonable details of the matter to be arbitrated, to the other party. The parties shall mutually agree on one arbitrator who shall be a disinterested person of recognized competence in the area of dispute to be arbitrated.

(b) If the parties fail to agree upon the selection of an arbitrator within 15 days after the Notice of Arbitration has been given, either of the parties, upon written notice to the other party, may apply to the Ontario Court of Justice (General Division) or to any other court having jurisdiction for the appointment of an arbitrator (who shall have the qualifications referred to in Section 7.1(a)).

(c) Each party shall be entitled to present evidence and argument to the arbitrator. The arbitrator shall have the right only to interpret and apply the terms, covenants, agreements, provisions, conditions and limitations of this Agreement, and may not change any terms, covenants, provisions, conditions or limitation, or deprive any party to this Agreement to any right or remedy expressly provided in this Agreement.

(d) The arbitrator shall hear the submissions of the parties and shall render a decision within 30 days after the appointment of the arbitrator.

(e) The determination of the arbitrator shall be conclusive and binding upon the parties and judgement upon the same may be entered in any Court having jurisdiction thereof the arbitrator shall give written notice to the parties stating his determination, and shall furnish to each Owner a copy of such determination signed by him.

(f) In the event of the failure, refusal or inability of any arbitrator to act, a new arbitrator shall be appointed in his stead, which appointment shall be made in the same manner as hereinbefore provided for the appointment of the arbitrator so failing, refusing or unable to act.

(g) The expenses of resolving the disputes described in this Section 7.1 shall be borne by the parties equally unless the arbitrator awards otherwise. Each party shall, however, be responsible for its own legal fees and disbursements and the fees and expenses of its witnesses, if any, unless otherwise awarded by the arbitrator.

ARTICLE 9
INDEMNITIES

9.1 Owner to Save Manager Harmless.

The Owner does hereby indemnify and save the Manager completely harmless from any actions, causes of action, suits, debts, costs, damages, expenses, claims, and demands whatsoever, at law or in equity, arising directly or indirectly in whole or in part out of any action taken (during the currency of this Agreement) by the Manager within the scope of its duties or authority hereunder, including but not limited to any damage or injury whatsoever to any employee or other person or property arising out of the performance of any acts in connection with the Authorized Improvements or the use, administration, or control of the Buildings or other assets of the Owner or any part or parts thereof, during the currency of this Agreement. The indemnity provided under this Section 9.1 shall not extend to any negligent or unlawful act or omission or wilful misconduct of the Manager or any of its employees, servants, agents, or persons for whom it is in law responsible, or any breach by the Manager, its employees, servants, agents or other persons for whom it is legally responsible of any of the terms and provisions of this Agreement and shall not extend to any action taken by the Manager outside the scope of authority set forth in this Agreement or any part thereof or any applicable laws, and shall not extend to any debt, cost, expense, claim or demand for which insurance proceeds are recoverable by the Manager. This indemnity shall survive the termination of this Agreement.

9.2 Manager's Obligation.

The Manager hereby indemnifies and saves the Owner completely harmless in respect of any actions, causes of action, suits, debts costs, damages, expenses, claims, and demands, or liability, and all damages, costs, and expenses arising by reason of any breach (during the currency of this Agreement) of this Agreement or any part or parts hereof by the Manager, its employees, servants or persons for whom it is in law responsible or by reason of any negligent or unlawful act or omission or wilful misconduct of the Manager, its employees, servants or persons for whom it is in law responsible. The indemnity provided under this Section 9.2 shall not extend to any negligent or unlawful act or omission or wilful misconduct of the Owner or any of its respective employees, servants, agents, or persons for whom either of them is responsible, nor shall it extend to acts or omissions of agents of the Owner except to the extent that the Owner has failed to meet the required standard of performance under this Agreement, nor shall it extend to those matters in which the Owner, knowing of a breach, accepts the benefits arising under such contract or commitment, nor shall it extend to any debt, cost, expense, claim or demand for which insurance proceeds are recoverable by the Owner. This indemnity shall survive the termination of this Agreement.

ARTICLE 10
GENERAL

10.1 Notices.

All notices required or permitted by this Agreement shall be in writing and delivered by hand or sent by telecopier to:

(i) the Owner

Retrocom Limited Partnership
135 Queens Plate Drive, Suite 400
Toronto, Ontario
M9W 6V1

ATTENTION: Michael Steplock

Fax Number: 416.745-5766

(ii) the Manager:

RioCan Property Services Trust
The Exchange Tower
130 King Street West
Suite 700, P.O. Box 378
Toronto, Ontario M5X 1 E2

ATTENTION: President

Fax Number: 416.866.3020

or at such other address or fax number of which the addressee may from time to time have notified the addressor. A notice shall be deemed to have been sent and received on the day it is delivered by hand or on the day on which transmission is confirmed, if telecopied If such day is not a Business Day or if the notice is received after ordinary office hours (time of place of receipt), the notice shall be deemed to have been sent and received on the next Business Day.

10.2 Waiver.

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

10.3 Further Assurances.

The parties hereto agree that they will from time to time at the reasonable request of either of them execute and deliver such instruments and take such further action as may be required to accomplish the purpose of this Agreement.

10.4 Entire Agreement.

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

10.5 No Assignment.

Neither this Agreement nor any of the rights, entitlements, duties and obligations arising from it shall be assignable in whole or in part by either party, except with the prior approval of the other party or in connection with the sale of any of the Buildings in accordance with section 2.5 hereof.

Notwithstanding the foregoing, the Manager, without the written consent of the Owner, may assign this Agreement to the purchaser or an Affiliate in conjunction with a sale of all or substantially all of the assets of RioCan REIT to an entity that has property management capability either directly or indirectly through an Affiliate, provided that the parties hereto and such new Manager have first entered into an agreement in writing that:

(i) the previous Manager (assignee) remains responsible for the obligations of the Manager hereunder;

(ii) such new Manager, if an Affiliate of such entity, shall remain an Affiliate of such entity so long as such Affiliate acts as the Manager hereunder; and

(iii) the new Manager (assignor) assumes all of the obligations, responsibilities and duties of the Manager hereunder.

In addition, the Manager may assign this Agreement to an Affiliate at any time without the consent of the Owner provided that the parties hereto and the Affiliate have first entered into an agreement in writing that:

(iv) the Manager remains responsible for the obligations of such Affiliate hereunder;

(v) such Affiliate shall remain an Affiliate of the Manager so long as such Affiliate acts as the Manager hereunder; and

(vi) the Affiliate assumes all of the obligations, responsibilities and duties of the Manager hereunder.

10.6 Successors and Assigns.

All of the terms and provisions of this Agreement shall be binding upon the parties hereto and their respective successors and assigns, but shall enure to the benefit of and be enforceable by the successors and assigns of the parties hereto only to the extent that they are permitted successors and assigns pursuant to the terms of this Agreement.

10.7 No Partnership.

Nothing in this Agreement shall be construed as or shall constitute a partnership between the Manager and the Owner. The duties to be performed and the obligations assumed by the Manager under this Agreement shall be performed and assumed by the Manager solely as agent on behalf of the Owner and not on its own behalf. The Owner acknowledges that the Manager manages or owns, or both, other buildings similar to the Buildings and agrees that it shall not declare or claim the Manager to be in conflict with its duties pursuant to this Agreement, its duties pursuant to its management or ownership, or both, of any other buildings.

10.8 Claims.

The Manager shall notify the Owner of any claim demand, right or cause of action asserted threatened or instituted against it (other than by the Owner) or against the Owner which involves the performance of this Agreement or the Buildings or the Lands.

10.9 Plans, Surveys.

The Owner shall make available to the Manager all existing plans and specifications, surveys, soil tests reports, research data, agreements and correspondence with all relevant government entities and copies of all of the written or printed matter in its possession, in each case which are or which may be useful in connection with the management of the Buildings.

10.10 Confidentiality.

All information received by the Manager pursuant to this Agreement shall be used only in the course of performing its duties hereunder and may not be disclosed by the Manager to any other person except with the prior written Approval of the Owner. The foregoing covenant shall not apply to the extent the Manager is required to disclose such information in legal proceedings among the parties or to the extent such information is in the public domain and not through a breach of this covenant by the Manager.

10.11 Time of the Essence.

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

10.12 Amendments.

This Agreement may not be modified or amended except with the written consent of the parties.

10.13 Severability.

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

10.14 Remedies Not Exclusive.

The rights available to the parties under this Agreement and at law shall be deemed to be several and not dependent on each other and each such right shall be accordingly construed as complete in itself and not by reference to any ether such right. Any one or more and/or any combination of any such rights may be exercised by a party from time to time and no such exercise shall exhaust the right or preclude the other party from exercising any one or more such rights or combination thereof from time to time thereafter or simultaneously.

10.15 Governing Law.

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

10.16 Non-Recourse.

The parties acknowledge and agree that the obligations created under this Agreement are not personally binding upon, nor shall resort be had, nor shall recourse or satisfaction be sought from the private property of any of the shareholders, constituent members, limited partners, trustees, unit holders, annuitants under a plan of which a unit holder acts as a trustee or carrier, or officers, employees or agents of a party hereto, but only the property of the parties hereto shall be bound.

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

RETROCOM LIMITED PARTNERSHIP by its General Partner, GP Trust, by its Trustee 1606906 Ontario Inc.

1606906 Ontario Inc.

Per: ______________________________
Name:
Title:

Per: ______________________________
Name:
Title:

We have authority to bind the Trust.

RIOCAN PROPERTY SERVICES TRUST

Per: ______________________________
Name:
Title:

I have authority to bind the Trust.

SCHEDULE "A"
MANAGEMENT FEES

Base Fee

A fee equal to 4.00% of the Gross Revenue generated by the Properties during each Fiscal Year.

Leasing Fee:

For any lease entered into provided that if any lease is for a term less than five years, the fee set out below is to be pro-rated based on the number of years in the lease term divided by five:.

(a) for any Tenant occupying 5,000 square foot or more, $2.00 per square foot;

(b) for any Tenant occupying 4,999 square foot or less, $3.00 per square foot;

(c) for all renewals 50% of the fee which would have been charged for such tenancy if it had been a new lease;

(d) for any land leases 25% of the net rent (less unrecovered operating costs and taxes) for the first year of the lease.

In the event that the leasing of premises at the Properties is done in conjunction with a co-broker or sub-agent, the Manager shall not be entitled to the commissions as aforesaid but shall be entitled to a commission of $1.00 per square foot for any space so leased. In the event that any land leases are done in conjunction with a co-broker or sub-agent, the Manager shall only be entitled to 50% of the amount otherwise payable in (d) above.

Lease Administration (i.e. documentation preparation)

Lease (new)	$750.00
Renewals and Extensions	$350.00
Lease Assignments	$350.00
Consents	$150.00

Construction Management Fee:

5% of the dollar value, as approved by the Owner, of the construction contract.

Administration Cost Recovery

$0.03 per square foot of Gross Leasable Area per annum. This cost recovery does not include any costs allocated to the Properties which are fully recoverable from the Owner such as property management salaries.

All of the above amounts are subject to GST.

All leasing fees shall be payable as to 50% upon execution and delivery of the relevant offer to lease, agreement to lease or lease, whichever first occurs and as to the remaining 50% upon the tenant thereunder commencing to pay rent. Lease administration and construction management fee costs set out above shall be payable upon receipt of proper invoices.

SCHEDULE "B"

[Insert legal description of Lands]

SCHEDULE "C"

1. South Hill Mall, Prince Albert, Saskatchewan

2. Southland Mall, Regina, Saskatchewan

3. Town N' Country, Moose Jaw, Saskatchewan

4. Elgin Mall, St. Thomas, Ontario

5. Mountainview Mall, Midland, Ontario

6. Orangeville Mall, Orangeville, Ontario

7. Plaza LaSarre, LaSarre, Quebec

K:\RGELGOOT\WpData\RIOCAN\PROJECT STEPSON 05 2383\PROPERTY MANAGEMENT AGREEMENT VERSION 2 05 27 05.doc

Schedule "D"

PLAZA LASARRE

Lasarre, Quebec

MANAGEMENT REPORT - April 2005

Prepared For:

Retrocom Mid-Market Real Estate Investment Trust

RIOCAN
PROPERTY SERVICES
700 Lawrence Avenue West
Suite 315
Toronto, Ontario
M5C 1C4

TABLE OF CONTENTS

Plaza Lasarre
Operations Report - April 2005

There were no significant operational issues at the property in the month of April.

Minor roof repairs above Metro Richelieu are scheduled to occur in May.

Fire panel installation is scheduled to be completed in May.

There were no receivable issues in the month of April.

Commentary on receivables in excess of $2,000 will be provided on a monthly basis.

R553B413A3 Manager: Louise Gagnon
RIOCAN001 Property: 20396
PLAZA LASARRE

RIOCAN PROPERTY SERVICES
Accounts Receivable - Summary
Open A/R Summary

05/26/200513:56:28
Page - 1
As Of 04/30/2005

Lease	Unit	Tenant	Vacated	1 - 30	31 - 60	61 - 90	91 - 120	Over 120	Total	Lease Deposit
8460	0011	Au Coin du Chef		.00	.00	.00	.00	.00	.00	.00
8462	0014	Bentley		.00	.00	.00	.00	.00	.00	.00
8468	0016	Lauriguy	Sep 04 2004	.00	.00	.00	.00	.00	.00	.00
8469	0004	Societe de l'Assurance Automob		41.83-	7.28	.00	.00	2,000.00	1,965.45	.00
8470	0015	Boutique Un Reve Un Decor	Oct 31 2004	.00	.00	.00	.00	.00	.00	.00
8471	007A	Salon d'Esthetique Sonia		.00	.00	.00	.00	.00	.00	1,811.65-
8472	0005	Jean Bleu		.00	.00	.00	.00	.00	.00	.00
8473	002A	SAQ		.00	.00	.00	.00	33.44-	33.44-	.00
8474	0006	Naturiste, Le		.00	.00	.00	.00	.00	.00	1,361.13-
8475	0017	Yellow		.00	.00	.00	.00	.00	.00	.00
8476	0003	Maxi-Son		25.50-	.00	.00	.00	.00	25.50-	575.13-
8477	0009	Metro Richelieu		.00	.00	.00	.00	.00	.00	.00
8478	0008	Restaurant Roger & Mena		.00	28.73-	.00	.00	.00	28.73-	.00
8480	0013	Reitmans		.00	.00	.00	.00	.00	.00	.00
8523	0001	L'Aubainerie		.00	.00	.00	.00	.00	.00	6,800.04-
8524	0002	Dollarama		.00	.00	.00	.00	.00	.00	.00
8553	002B	Societe Immobiliere du Quebec		70.57-	.00	.00	.00	.00	70.57-	.00
8744	0010	Femina		.00	.00	.00	.00	.00	.00	1,974.92-
8985	0016	Brasserie Grecquo		.00	.00	.00	.00	.00	.00	4,111.77-
				137.90-	21.45-	.00	.00	1,966.56	1,807.21	16,634.64-

PLAZA LASARRE
Leasing Summary - April 2005

VACANT UNITS

Existing Vacancies:	*unit 7*	*6,173*
	unit 12	*2,000*
	unit 15	*700*
		8,873

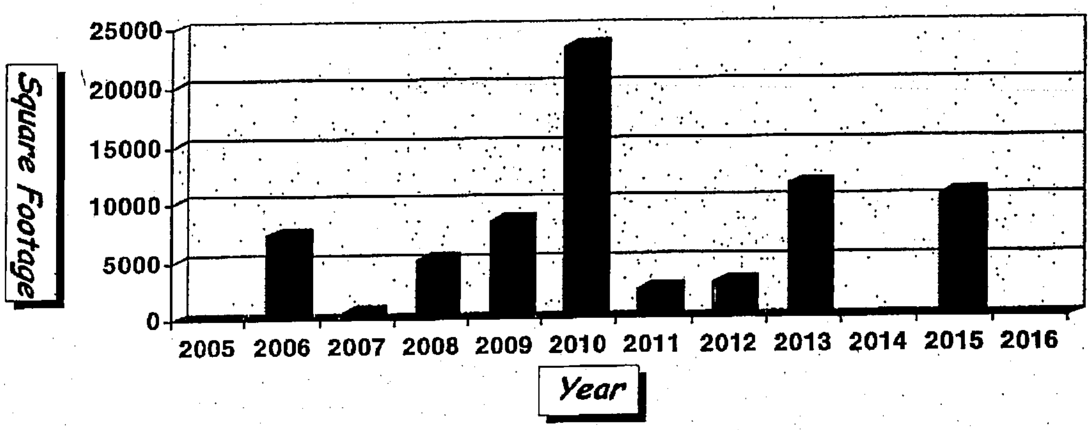
- Interest from Societe Immobiliere du Quebec to expand premises

SUMMARY OF 12 MONTH EXPIRIES

Unit	Tenant	Expiry	Option	Area	Existing Rent psf	Comment
0006	Le Naturiste	Jan-06	nil	850	$15.00	
0008	Restaurant Roger & Mena	Jan-06	nil	1,379	$17.19	
				2,229		

Plaza Lasarre

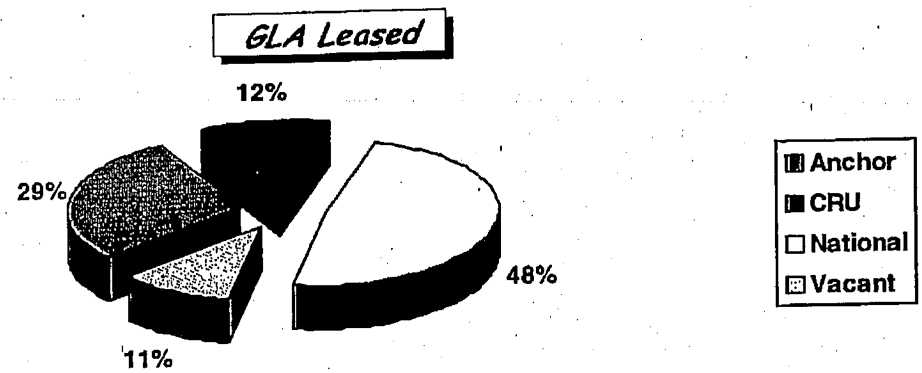
Expiry Analysis - April 2005



Year	*Total Area*	*% of GLA*	*# of Units*
Occupied Units			
2005	0	0.00%	0
2006	7,369	9.03%	4
2007	690	0.85%	1
2008	5,190	6.36%	3
2009	8,452	10.36%	3
2010	23,305	28.56%	1
2011	2,539	3.11%	1
2012	3,100	3.80%	2
2013	11,554	14.16%	1
2014	0	0.00%	0
2015	10,540	12.91%	1
2016	0	0.00%	0
Vacant			
	8,873	10.87%	3
Total GLA	81,612	100.00%	20

Plaza Lasarre

Occupancy Status - April 2005



Type	*Area*	*% of GLA*
Anchor	23,305	28.56%
CRU	10,044	12.31%
National	39,390	48.26%
Vacant	8,873	10.87%
Total GL	**81,612**	**100.00%**

PLAZA LASARRE
Variance Analysis - April 2005

Earnings From Operations:

	Y-to-D Actual	Y-to-D Budget	Y-to-D Variance	FASB 13	Actual Y-to-D Variance	Comment
Total Revenue	191,000	191,597	(597)	(39)	**(636)**	
Operating Costs	(122,738)	(104,573)	(18,165)	-	**(18,165)**	*1.*
Operating Recoveries	102,468	87,303	15,165	-	**15,165**	*1.*
Realty Tax Expense	(28,596)	(28,992)	396	-	**396**	
Realty Tax Recoveries	19,000	19,264	(264)	-	**(264)**	
Non-Recoverable Costs	(7,513)	(5,741)	(1,772)	(5)	**(1,777)**	
Earnings From Operations	**153,621**	**158,858**	**(5,237)**	**(44)**	**(5,281)**	

Comments:

1. The year-to-date negative variance in operating cost recoveries is primarily due to significantly higher than budgeted hydro expenses caused by an unusually cold winter combined with a budgeted recovery ratio of 83.49%. Providing that annual expenses do not exceed budgeted amounts this variance will reduce to zero by the end of the year.

05/04/2005 17:02:15
VER001 (CO)
TONY

RIOCAN PROPERTY SERVICES
20396 PLAZA LASARRE
Balance Sheet
As of April 30, 2005

	CURRENT BALANCE	PRIOR MONTH	CHANGE DURING MONTH	BALANCE PRIOR YEAR END
ASSETS				
PROPERTIES HELD FOR RE-SALE	6,167,459.37	6,168,615.71	1,156.34-	6,166,060.39
RENTS RECEIVABLE	20,448.32	37,718.84	17,270.52-	21,718.25
DEFERRED RENTS RECEIVABLE	2,399.84	2,459.00	59.16-	2,575.13
PPD EXPENSES & OTHER ASSETS	67,763.88	75,636.98	7,873.10-	40,611.98
TOTAL ASSETS	6,258,071.41	6,284,430.53	26,359.12-	6,230,965.75
LIABILITIES & EQUITY				
A/P & ACCRUED LIABILITIES	62,332.51-	71,907.48-	9,574.97	67,685.11-
TOTAL LIABILITIES	62,332.51-	71,907.48-	9,574.97	67,685.11-
PARTICIPANTS' EQUITY	6,195,738.90-	6,212,523.05-	16,784.15	6,163,280.64-
TOTAL LIABILITIES & EQUITY	6,258,071.41-	6,284,430.53-	26,359.12	6,230,965.75-

RIOCAN PROPERTY SERVICES
20396 PLAZA LASARRE
Balance Sheet
As of April 30, 2005

			CURRENT BALANCE	PRIOR MONTH	CHANGE DURING MONTH	BALANCE PRIOR YEAR END
		ASSETS				
		INCOME PROPERTIES				
		PROPERTIES HELD FOR RE-SALE				
123820	120110	HFRS - Land	1,540,398.84	1,540,398.84		1,539,760.00
123820	120210	HFRS - Building	4,621,196.47	4,621,196.47		4,619,279.99
123820	121302	HFRS - Def leasing charges	4,489.25	4,520.40	31.15-	4,520.40
123820	121309	HFRS - Def lease acc amort	547.98-		547.98-	
123820	121322	HFRS - TA's	2,500.00	2,500.00		2,500.00
123820	121329	HFRS - TA's acc amort	577.21-		577.21-	
			6,167,459.37	6,168,615.71	1,156.34-	6,166,060.39
		RENTS RECEIVABLE				
161100		A/R control	1,781.71	15,284.33	13,502.62-	2,018.64
161250		Percent rent-curr year	3,100.00	2,325.00	775.00	5,956.68
161251		Percent rent-prior year	5,956.68	5,956.68		
161300		Property tax rec-cur yr	6,319.00-	7,628.00-	1,309.00	13,742.93
161301		Property tax rec-pr yr	13,742.93	13,742.93		
161350		Operating rec-curr year	2,186.00	8,022.00	5,836.00-	
161850		A/R miscellaneous		15.90	15.90-	
			20,448.32	37,718.84	17,270.52-	21,718.25
		DEFERRED RENTS RECEIVABLE				
165005		Deferred rents FASB13	2,666.50	2,732.23	65.73-	2,861.26
165007		A/R allowance-FASB13	266.66-	273.23-	6.57	286.13-
			2,399.84	2,459.00	59.16-	2,575.13
		PPD EXPENSES & OTHER ASSETS				
170200		Ppd property taxes	13,194.51	20,343.14	7,148.63-	5,213.78
170250		Ppd expenses	21,405.00	21,405.00		
170300		Ppd insurance	1,931.87	2,656.34	724.47-	4,165.70
170550		Recoverable Def. CAM	31,232.50	31,232.50		31,232.50
			67,763.88	75,636.98	7,873.10-	40,611.98

RIOCAN PROPERTY SERVICES
20396 PLAZA LASARRE
Balance Sheet
As of April 30, 2005

			CURRENT BALANCE	PRIOR MONTH	CHANGE DURING MONTH	BALANCE PRIOR YEAR END
		TOTAL ASSETS	6,258,071.41	6,284,430.53	26,359.12-	6,230,965.75
		LIABILITIES & EQUITY				
		A/P & ACCRUED LIABILITIES				
240150		Tenant rental deposits	16,634.64-	16,634.64-		20,746.41-
250100		A/P control	172.54-	417.54-	245.00	966.21-
253900	RECPAY	I/P-Recoverable payroll	15,088.40-	16,686.60-	1,598.20	9,412.31-
255100		GST-Payable	9,806.59-	4,863.92-	4,942.67-	4,830.92-
255150		GST-ITC 100%	4,652.37	1,857.13	2,795.24	3,710.59
256200		QST-Receivable	2,603.32	1,000.41	1,602.91	3,206.55
256250		QST-Payable	11,242.48-	5,576.10-	5,666.38-	10,954.68-
260200	MISC	Accrd liab. - Misc				272.49-
260200	OPCOSTS	Accrd liab. - Op costs	2,400.00-	1,200.67-	1,199.33-	11,454.89-
260200	UTIL	Accrd liab. - Utilities	14,243.55-	29,385.55-	15,142.00	15,964.34-
			62,332.51-	71,907.48-	9,574.97	67,685.11-
		DEFERRED REVENUE				
		TOTAL LIABILITIES	62,332.51-	71,907.48-	9,574.97	67,685.11-
		PARTICIPANTS' EQUITY				
		Automated Intercompany	5,664,684.95-	5,720,423.69-	55,738.74	5,784,722.54-
		Retained Earnings	378,558.10-	378,558.10-		378,558.10-
		Current Earnings	152,495.85-	113,541.26-	38,954.59-	
			6,195,738.90-	6,212,523.05-	16,784.15	6,163,280.64-
		TOTAL LIABILITIES & EQUITY	6,258,071.41-	6,284,430.53-	26,359.12	6,230,965.75-

RIOCAN PROPERTY SERVICES
20396 PLAZA LASARRE
Income Statement
For the Four Months Ending April 30, 2005

05/04/2005 17:02:31
VER001 (CO)
TONY

LAST MONTH	CURRENT MONTH				CURRENT YEAR TO DATE			LAST YEAR TO DATE		ANNUAL
ACTUAL (AA)	ACTUAL (AA)	BUDGET (BA)	VARIANCE		ACTUAL (AA)	BUDGET (BA)	VARIANCE	ACTUAL (AA)	VARIANCE	BUDGET (BA)
				REVENUE						
47,109	47,109	47,734	(626)	RENTAL REVENUE	188,478	190,937	(2,460)	0	188,478	583,855
162	1,287	165	1,122	MISC REVENUE	2,523	660	1,863	0	2,523	1,980
23,810	19,234	24,794	(5,560)	OPERATING RECOVERIES	102,468	87,303	15,165	0	102,468	265,636
4,908	4,750	4,816	(66)	REALTY TAX RECOVERIES	19,000	19,264	(264)	0	19,000	60,604
75,989	**72,380**	**77,509**	**(5,129)**	**TOTAL RENTAL REVENUE**	**312,468**	**298,164**	**14,304**	**0**	**312,468**	**912,075**
75,989	**72,380**	**77,509**	**(5,129)**	**TOTAL REVENUE**	**312,468**	**298,164**	**14,304**	**0**	**312,468**	**912,075**
				EXPENSES						
28,424	23,265	29,868	6,603	OPERATING COSTS	122,738	104,573	(18,165)	0	(122,738)	306,671
7,388	7,149	7,248	99	REALTY TAX EXPENSE	28,596	28,992	396	0	(28,596)	86,975
1,853	1,887	1,435	(452)	NON RECOVERABLE COSTS	7,513	5,741	(1,772)	0	(7,513)	17,549
37,665	**32,300**	**38,551**	**6,251**	**TOTAL OPERATING EXPENSES**	**158,847**	**139,306**	**(19,541)**	**0**	**(158,847)**	**411,195**
38,324	**40,080**	**38,958**	**1,122**	**EARNINGS FROM OPERATIONS**	**153,621**	**158,858**	**(5,237)**	**0**	**153,621**	**500,880**
0	1,125	0	(1,125)	AMORT DEF LEASE -TANGIBLE	1,125	0	(1,125)	0	(1,125)	0
38,324	**38,955**	**38,958**	**(3)**	**NET EARNINGS**	**152,496**	**158,858**	**(6,362)**	**0**	**152,496**	**500,880**

RIOCAN PROPERTY SERVICES
20396 PLAZA LASARRE
Income Statement
For the Four Months Ending April 30, 2005

LAST MONTH ACTUAL (AA)	CURRENT MONTH ACTUAL (AA)	CURRENT MONTH BUDGET (BA)	CURRENT MONTH VARIANCE			CURRENT YEAR TO DATE ACTUAL (AA)	CURRENT YEAR TO DATE BUDGET (BA)	CURRENT YEAR TO DATE VARIANCE	LAST YEAR TO DATE ACTUAL (AA)	LAST YEAR TO DATE VARIANCE	ANNUAL BUDGET (BA)
					REVENUE						
51,792	51,792	51,792	0	500100	Rental revenue	207,143	207,142	2	0	207,143	620,609
(66)	(66)	(65)	(1)	500115	Rental Revenue - FASB 13	(195)	(234)	39	0	(195)	(752)
775	775	775	0	500120	Percentage rent	3,100	3,100	0	0	3,100	9,305
(5,392)	(5,392)	(4,768)	(625)	500160	Vacancy expense - Rent	(21,571)	(19,070)	(2,500)	0	(21,571)	(45,306)
47,109	47,109	47,734	(626)		RENTAL REVENUE	188,478	190,937	(2,460)	0	188,478	583,855
0	1,125	0	1,125	500250	Other rental revenue	1,875	0	1,875	0	1,875	0
162	162	165	(3)	500280	Sign rental revenue	648	660	(12)	0	648	1,980
162	1,287	165	1,122		MISC REVENUE	2,523	660	1,863	0	2,523	1,980
23,484	23,484	24,794	(1,310)	510110	CAM Recov Exterior	93,935	87,303	6,632	0	93,935	265,636
(1,260)	(5,836)	0	(5,836)	510110 ACCRUAL	CAM Recov Exterior Accrual	2,186	0	2,186	0	2,186	0
644	644	0	644	510200	CAM Recov Hydro	2,576	0	2,576	0	2,576	0
863	863	0	863	510220	CAM Recov HVAC	3,451	0	3,451	0	3,451	0
80	80	0	80	510366	Garbage - Recoveries	320	0	320	0	320	0
23,810	19,234	24,794	(5,560)		OPERATING RECOVERIES	102,468	87,303	15,165	0	102,468	265,636
3,441	3,441	4,816	(1,375)	510510	Realty Tax Recov	25,319	19,264	6,055	0	25,319	60,604
1,467	1,309	0	1,309	510510 ACCRUAL	Realty Tax Recov Accrual	(6,319)	0	(6,319)	0	(6,319)	0
4,908	4,750	4,816	(66)		REALTY TAX RECOVERIES	19,000	19,264	(264)	0	19,000	60,604
75,989	72,380	77,509	(5,129)		**TOTAL RENTAL REVENUE**	312,468	298,164	14,304	0	312,468	912,075
75,989	72,380	77,509	(5,129)		**TOTAL REVENUE**	312,468	298,164	14,304	0	312,468	912,075
					EXPENSES						
0	0	0	0	600700	Telephone expenses	0	0	0	0	0	0
0	0	0	0		INTERIOR COSTS	0	0	0	0	0	0

RIOCAN PROPERTY SERVICES

20396 PLAZA LASARRE

Income Statement

For the Four Months Ending April 30, 2005

LAST MONTH	CURRENT MONTH					CURRENT YEAR TO DATE			LAST YEAR TO DATE		ANNUAL
ACTUAL (AA)	ACTUAL (AA)	BUDGET (BA)	VARIANCE			ACTUAL (AA)	BUDGET (BA)	VARIANCE	ACTUAL (AA)	VARIANCE	BUDGET (BA)
2,247	2,996	2,247	(749)	610100	Payroll - Mngmnt/Admin	9,963	8,989	(974)	0	(9,963)	26,967
650	1,459	650	(809)	610110	Payroll - Accounting	3,409	2,600	(809)	0	(3,409)	7,800
17,195	6,418	12,500	6,082	610130	Hydro	67,096	50,000	(17,096)	0	(67,096)	150,000
0	150	0	(150)	610200	Security system	150	0	(150)	0	(150)	350
363	0	0	0	610230	Contract - Cleaning	363	0	(363)	0	(363)	0
0	375	375	0	610260	Garbage removal	750	750	0	0	(750)	1,500
2,147	2,296	2,147	(149)	610290	Payroll - Maintenance	9,412	8,588	(824)	0	(9,412)	25,766
569	5,026	0	(5,026)	610300	Contract - Maintenance	8,499	0	(8,499)	0	(8,499)	0
0	0	167	167	610310	Doors, locks & keys	2,066	668	(1,398)	0	(2,066)	2,000
0	0	167	167	610330	Floors	0	668	668	0	0	2,000
0	30	625	595	610340	Roof	30	2,500	2,470	0	(30)	10,719
116	371	167	(204)	610350	General repairs	1,582	668	(914)	0	(1,582)	2,000
0	309	0	(309)	610400	Music system	611	0	(611)	0	(611)	0
0	0	250	250	610410	Lamp	1,033	1,000	(33)	0	(1,033)	3,000
0	0	385	385	610420	Fire & emergency	0	1,540	1,540	0	0	4,621
215	174	250	76	610430	Electrical	390	1,000	610	0	(390)	3,000
856	60	5,000	4,940	610440	Plumbing	1,424	5,000	3,576	0	(1,424)	5,000
0	0	250	250	610450	Painting	0	1,000	1,000	0	0	3,000
0	154	0	(154)	610460	Signs	154	0	(154)	0	(154)	0
662	10	500	490	610530	Maintenance supplies	672	2,000	1,328	0	(672)	6,000
0	0	75	75	610590	Pest control	0	150	150	0	0	300
0	95	0	(95)	610680	Office supplies/expense	95	0	(95)	0	(95)	0
24	92	208	116	610700	Telephone expenses	371	832	461	0	(371)	2,500
0	0	17	17	610720	Courier	0	68	68	0	0	200
0	0	0	0	610740	Travel expense	0	1,000	1,000	0	0	4,000
130	0	417	417	610770	HVAC R&M	1,646	1,668	22	0	(1,646)	5,000
2,400	2,400	2,600	200	610810	Snow removal	9,600	10,400	800	0	(9,600)	13,000
0	0	0	0	610830	Asphalt	0	0	0	0	0	6,496
0	0	0	0	610840	Striping & sweeping	0	0	0	0	0	8,000
0	0	0	0	610850	Catch basin	0	0	0	0	0	3,000
724	724	746	22	610880	Insurance premium	2,922	2,984	62	0	(2,922)	8,952

RIOCAN PROPERTY SERVICES
20396 PLAZA LASARRE
Income Statement
For the Four Months Ending April 30, 2005

LAST MONTH	CURRENT MONTH					CURRENT YEAR TO DATE			LAST YEAR TO DATE		ANNUAL
ACTUAL (AA)	ACTUAL (AA)	BUDGET (BA)	VARIANCE			ACTUAL (AA)	BUDGET (BA)	VARIANCE	ACTUAL (AA)	VARIANCE	BUDGET (BA)
125	125	125	0	610920	Realty tax appeal	500	500	0	0	(500)	1,500
28,424	23,265	29,868	6,603		EXTERIOR COSTS	122,738	104,573	(18,165)	0	(122,738)	306,671
28,424	23,265	29,868	6,603		**OPERATING COSTS**	122,738	104,573	(18,165)	0	(122,738)	306,671
7,388	7,149	7,248	99	700600	Realty tax expense	28,596	28,992	396	0	(28,596)	86,975
7,388	7,149	7,248	99		REALTY TAX EXPENSE	28,596	28,992	396	0	(28,596)	86,975
1,443	1,444	1,439	(5)	710100 RC100	Prop.mgmt.fee-100% ownd	5,726	5,755	29	0	(5,726)	17,598
418	418	0	(418)	710120	Promotion contribution	1,671	0	(1,671)	0	(1,671)	0
0	0	0	0	710140	Repairs & Maintenance	175	0	(175)	0	(175)	0
(1)	1	0	(1)	710180	Bad debt exp-contractual	(1)	0	1	0	1	0
(7)	(7)	(4)	3	710182	Bad debt exp-FASB13	(19)	(14)	5	0	19	(49)
0	0	0	0	710210	Legal & audit	(69)	0	69	0	69	0
0	31	0	(31)	710350	Leasing expenses	31	0	(31)	0	(31)	0
1,853	1,887	1,435	(452)		NON RECOVERABLE COSTS	7,513	5,741	(1,772)	0	(7,513)	17,549
37,665	32,300	38,551	6,251		**TOTAL OPERATING EXPENSES**	158,847	139,306	(19,541)	0	(158,847)	411,195
38,324	40,080	38,958	1,122		**EARNINGS FROM OPERATIONS**	153,621	158,858	(5,237)	0	153,621	500,880
0	1,125	0	(1,125)	710320	Leasing exp amortization	1,125	0	(1,125)	0	(1,125)	0
0	1,125	0	(1,125)		AMORT DEF LEASE -TANGIBLE	1,125	0	(1,125)	0	(1,125)	0
38,324	38,955	38,958	(3)		**NET EARNINGS**	152,496	158,858	(6,362)	0	152,496	500,880

R5515421

User ID TONY
Manager Louise Gagnon
Business Unit 20396
PLAZA LASARRE

RIOCAN REIT
Tenant Rent Roll
Rent Roll (Specific Properties)
As of - Apr 30 2005

Period Gross Amts.

Unit	Tenant Name	Lease Term	Area	Annual Rate	Basic Rent	CAM - Exteri	Realty Tax	Promotion	HVAC	Hydro	Other Renta	Other	GST/QST	Total Rent	Lease Number
0001	L'Aubainerie	Apr 15 2003 Mar 31 2013	11,544	4.00	3,851.33	759.67	1,096.68					76.96	869.14	6,653.78	8523
0002	Dollarama	Apr 01 1998 Mar 31 2015	10,540			7,404.35	70.27					80.00	1,135.08	8,689.70	8524
0003	Maxi-Son	Sep 01 2003 Jan 31 2008	350	17.14	500.00		22.17						78.46	600.63	8476
0004	Societe de l'Assurance Automobile du Que	Mar 01 1999 Feb 28 2009	2,410	4.94	991.51	1,219.73	255.39							2,466.63	8469
0005	Jean Bleu	Jan 01 1992 Dec 31 2012	2,000	11.40	1,900.00	1,778.49	210.50	194.38				35.00	618.79	4,737.16	8472
0006	Naturiste, Le	Jul 01 1997 Jan 31 2006	850	15.00	1,062.50	834.42	118.12	204.71					333.52	2,553.27	8474
0007	*** Vacant Unit ***		6,173	7.00	3,600.92										
0008	Restaurant Roger & Mena	Feb 01 1984 Jan 31 2006	1,379	17.19	1,975.00								296.74	2,271.74	8478
0009	Metro Richelieu	Jan 01 1996 Nov 30 2010	23,305	11.00	21,362.92	3,456.91		485.52					3,802.13	29,107.48	8477
0010	Femina	Sep 12 2004 Jun 30 2007	690	7.00	402.50	331.78	95.45	28.75					128.99	987.47	8744
0011	Au Coin du Chef	Nov 01 1999 Oct 31 2006	860	15.35	1,100.00			77.40					176.90	1,354.30	8460
0012	*** Vacant Unit ***		2,000	7.00	1,166.67										
0013	Reitmans	Mar 21 1979 Jan 31 2008	3,390	10.00	2,825.00	963.33	304.70	339.00	862.63	644.10		92.37	906.18	6,937.31	8480
0014	Bentley	Nov 01 2001 Jul 31 2012	1,100	10.00	916.67	1,081.67	110.00	113.67					333.86	2,555.87	8462
0015	*** Vacant Unit ***		700	10.71	624.75										
0016	Brasserie Grecquo	Nov 04 2004 Sep 04 2009	3,315	5.00	1,381.25	1,795.63	397.80						537.10	4,111.78	8985
0017	Yellow	Nov 01 1984 Feb 28 2009	2,727	10.40	2,363.40	1,818.00	327.40	152.26					700.32	5,361.38	8475
002A	SAQ	Sep 02 2001 Sep 01 2011	2,539	9.00	1,904.50								286.15	2,190.65	8473
002B	Societe Immobiliere du Quebec	Oct 12 2001 Oct 11 2006	4,280	6.62	2,362.80	1,997.33	432.40							4,792.53	8553

R5515421

User ID TONY
Manager Louise Gagnon
Business Unit 20396
PLAZA LASARRE

RIOCAN REIT
Tenant Rent Roll
Rent Roll (Specific Properties)
As of - Apr 30 2005

05/26/2005 13:58:02

Period Gross Amts.

Unit	Tenant Name	Lease Term	Area	Annual Rate	Basic Rent	CAM - Exteri	Realty Tax	Promotion	HVAC	Hydro	Other Renta	Other	GST/QST	Total Rent	Lease Number
007A	Salon d'Esthetique Sonia	Apr 01 2003 Mar 31 2008	1,450	12.41	1,500.00			75.00					236.64	1,811.64	8471
	Building Totals		81,602		51,791.72	23,441.31	3,440.88	1,670.69	862.63	644.10		284.33	10,440.00	87,183.32	
	Vacancy Total		8,873		5,392.34										

SCHEDULE "G"

Allocation of Purchase Price Among the Properties

Elgin Mall	$25,600,000.00
Mountainview Mall	$28,000,000.00
Orangeville Mall	$18,800,000.00
Plaza La Sarre	$ 6,200,000.00
South Hill Mall	$12,900,000.00
Southland Mall	$66,500,000.00
Town 'N' Country Mall	$24,000,000.00

SCHEDULE H

RETROCOM MID-MARKET REAL ESTATE INVESTMENT TRUST
4.50% Convertible Debenture
Due ●, 2008

Issued to: **RIOCAN REAL ESTATE INVESTMENT TRUST**
The Exchange Tower
P.O. Box 37
Suite 700
130 King Street West
Toronto, Ontario M5X 1E2

Issued by: **RETROCOM MID-MARKET REAL ESTATE INVESTMENT TRUST**
135 Queen's Plate Drive
Suite 400
Toronto, Ontario M9W 6V1

$30,000,000.00
(Principal Amount)

Date: ●, 2005

ARTICLE I
PROMISE TO PAY

1.1 Promise to Pay

RETROCOM MID-MARKET REAL ESTATE INVESTMENT TRUST (the "**Trust**"), a trust created under the laws of Ontario and having its principal office at 135 Queen's Plate Drive, Suite 400, Toronto, Ontario, M9W 6V1, for value received, hereby promises to pay to or to the order of RIOCAN REAL ESTATE INVESTMENT TRUST, its successors and assigns (the "**Holder**"), at The Exchange Tower, P.O. Box 37, Suite 700, 130 King Street West, Toronto, Ontario M5X 1E2 or at such other place as the Holder may direct at any time and from time to time, the principal amount of $30,000,000 (the "**Principal Amount**") together with interest at the rate specified in, and in accordance with, Section 3.1 hereof (the Principal Amount owing from time to time, any interest payable thereon and all other amounts now or hereafter payable hereunder, and at any time outstanding hereunder, shall be referred to herein as the "**Obligations**"). Unless the Holder exercises all conversion rights attached to this Debenture and contained in Article V hereof, the Obligations shall be due and payable on ●, 2008 (the "**Maturity Date**") or such earlier date as the Obligations may become due and payable in accordance with the terms and provisions hereof.

1.2 Transferability

The Debenture and all obligations associated herewith shall not be transferable by the Trust without the express written consent of the Holder, such consent to be in the sole discretion of the Holder and which may be unreasonably withheld. Unless prohibited by applicable securities laws, the Holder may, without the consent of the Trust, assign all or any part of this Debenture to any Person (each an "**Assignee**"); provided that no such assignment shall be made to a Person who is a non-resident of Canada (for the purposes of the *Income Tax Act* (Canada)) without the consent of the Trust. The Holder may deliver to any prospective Assignee a copy of any material in its possession relating to the Trust, in order to permit such prospective Assignee to assess its investment; provided that each such delivery is made on the understanding that the information contained therein is confidential in nature. Without limiting its obligations hereunder, the Trust shall, at its sole cost and expense, give such certificates, acknowledgements and other further assurances in respect of its business and affairs and this Debenture, as the Holder may reasonably require in connection with any assignment pursuant to this section.

ARTICLE II
INTERPRETATION

2.1 Definitions

In this Debenture :

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

"**Affiliate**" has the meaning ascribed thereto in the Act;

"**Arm's Length**" has the meaning ascribed thereto in the *Income Tax Act* (Canada) and the related jurisprudence;

Assumed First Mortgages" means the mortgages to be assumed by the Purchaser as set out in Schedule "D" hereto;

"**Board of Trustees**" means the Trust's board of trustees;

"**Business**" means the business of acquiring, selling and holding the Real Properties;

"**Business Day**" means a day other than a Saturday, Sunday or any other day on which the principal commercial banks located at the City of Toronto, Ontario are not open for business during normal banking hours;

"**Closing Date**" means ●, 2005;

"**Conversion Rate**" means the dollar amount for which each Unit may be issued upon the exercise of the Conversion Right in accordance with the provisions of Article V.

"**Conversion Right**" means the right attached to the Debenture that permits the Holder to convert it into Units in accordance with the provisions of Article V;

"**Current Market Price Per Unit**" means, on any date, the weighted average price per unit at which the Units are traded for the 20 consecutive trading days immediately preceding such date on The Toronto Stock Exchange, or, if the Units are not listed on the Toronto Stock Exchange, on such stock exchange on which the Units are listed as may be selected for such purpose by the Board of Trustees or, if the Units are not listed on any stock exchange, then on the over-the-counter market. The weighted average price shall be determined by dividing the aggregate sale price of all Units sold on the said exchange or market, as the case may be, during the said 20 consecutive trading days by the total number of Units sold;

"**Debenture**", "**hereto**", "**herein**", "**hereof**", "**hereby**", "**hereunder**", and any similar expressions refer to this debenture and the schedules attached hereto and not to any particular article, Section or other portion hereof, and include any and every instrument supplemental hereto or amending any part hereof;

"**Event of Default**" has the meaning attributed to such term in Section 6.1;

"**Fiscal Year**" means the current fiscal year of the Trust commencing on January 1 in any calendar year and ending on the last day of December in such calendar year;

"**Interest Payment Date**" means, the last Business Day of each calendar month of each year beginning on ●, 2005, until the earlier of the date the Debenture is converted and the Maturity Date;

"**Issue Date**" has the meaning attributed thereto in Section 4.2;

"**Leases**" means all present and future leases and sub-leases of, and agreements to lease or sub-lease, the whole or any part of the Real Properties and all licenses whereby the Purchaser gives any other Person the right to use or occupy the whole or any part of the Real Properties, in each case whether oral or written and for the time being in effect, and all supplements, amendments, renewals or replacements thereof or therefor which may now or hereafter be effected or entered into, but does not include registered easements or rights in the nature of an easement;

"**Maturity Date**" means ●, 2008;

"**Obligations**" has the meaning ascribed thereto in Section 1.1;

"**Officers' Certificate**" means a certificate signed by the Chief Executive Officer or the Chief of Financial Officer of the Trust;

"**Permitted Encumbrances**" means those mortgages, pledges, charges, assignments, security interests, hypothecs, liens, leases, licences, title defects, adverse claims or encumbrances (including, without limitation, the mortgages listed in Schedule "B") expressly consented to in writing by the Holder from time to time, such consent to be in the sole and absolute discretion of the Holder;

"**Permitted Refinancing**" means a permitted refinancing of an Assumed First Mortgage in accordance with the terms of the Subordinated Charge;

"**Person**" means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or entity however designated or constituted;

"**Purchaser**" means Retrocom Limited Partnership;

"**Real Properties**" means all of the real property described on Schedule "A" hereto, together with any replacement properties as contemplated by Section 5.1(g), all of which real property shall be subject to the mortgages, pledges, charges, assignments, security interests and hypothecs created by the Subordinated Charge;

"**Receiver**" means any of a receiver, manager, receiver-manager and receiver and manager;

"**Secured Property**" means all of the undertaking, property and assets of the Purchaser subject to, or intended to be subject to, the Subordinated Charge;

"**Subordinated Charge**" means a mortgage or deed of hypothec, where applicable, in the principal sum of Thirty Million Dollars ($30,000,000), having a term of three (3) years, bearing interest at the rate of 4.50% per annum with interest compounded semi-annually and calculated and payable monthly, to be granted by the Purchaser to the Holder and registered against title to the Real Properties;

"**Trust**" means Retrocom Mid-Market Real Estate Investment Trust and its successors;

"**Units**" means units of the Trust from time to time authorized, issued and outstanding, and includes any securities of the Trust issued on a combination, merger, amalgamation or other reorganization of or including the Trust that are issued in exchange for or in replacement of the units of the Trust;

2.2 Headings

The inclusion of headings in this Debenture is for convenience of reference only and shall not affect the construction or interpretation hereof.

2.3 References to Sections

Whenever in this Debenture a particular article, section or other portion thereof is referred to, such reference pertains to the particular article, section or portion thereof contained herein, unless otherwise indicated.

2.4 Currency

Except where otherwise expressly provided, all amounts in this Debenture are stated and shall be paid in Canadian currency.

2.5 Gender and Number

In this Debenture, unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders.

2.6 Invalidity of Provisions

Each of the provisions contained in this Debenture is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof.

2.7 Amendment or Waiver

No amendment or waiver of this Debenture shall be binding unless executed in writing by the party to be bound thereby. No waiver of any provision of this Debenture shall constitute a waiver of any other provision nor shall any waiver of any provision of this Debenture constitute a continuing waiver unless otherwise expressly provided.

2.8 Governing Law and Attornment

This Debenture shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and the parties hereby irrevocably attorn to the jurisdiction of the courts of Ontario.

ARTICLE III
INTEREST

3.1 Calculation and Payment of Interest

The outstanding Principal Amount shall bear interest at the rate of 4.50% per annum. Interest shall accrue daily both before and after default, demand, maturity and judgement, and shall be calculated on the basis of the actual number of days elapsed and on the basis of a year of 365 days (366 days in a leap year). Interest will be compounded semi-annually and payable monthly in arrears on each Interest Payment Date. Interest shall also be calculated and payable on overdue interest at the same rate as aforesaid. On each Interest Payment Date, the Trust shall pay and deliver to the Holder the interest payment then due and owing, in cash, by certified cheque, bank draft or wire transfer.

Any sum, (whether principal, interest or other amount) payable under this Debenture and not paid to the Holder by the Maturity Date shall bear interest at an additional 2% per annum over the 4.50% per annum rate payable hereunder, accrued on a daily basis and compounded monthly from the due date to the date of actual payment, and the Trust shall pay all such interest accordingly.

ARTICLE IV
CONVERSION

4.1 Conversion Right

Upon and subject to the terms and conditions hereinafter set forth, the Holder shall have the right (the "**Conversion Right**"), but not the obligation, at any time up to and including the Maturity Date, to notify the Trust that it wishes to exchange or convert all or any part of this Debenture, including all or any part of the Obligations hereunder, subject to conversions in a minimum amount of $1,000.00, into fully paid non-assessable Units at the Conversion Rate in effect on the Issue Date.

The Conversion Rate shall be $10.25 per Unit to be issued upon conversion of the Debenture. The Conversion Rate is subject to adjustment as provided in Section 4.4.

The Conversion Right shall extend only to the maximum number of whole Units into which the Obligations or any part thereof may be converted in accordance with this Section 4.1. Fractional interests in Units shall be adjusted for in the manner provided in Section 4.5.

4.2 Conversion Procedure

The Conversion Right may be exercised by the Holder by completing and executing the notice of conversion (the "**Conversion Notice**") attached hereto as Schedule "C" and delivering the same to the Trust at its address on the first page of this Debenture. The Conversion Notice shall provide that the Conversion Right is being exercised, shall include the portion of the Obligations in respect of which the Conversion Right is being exercised, and shall set out the date (the "**Issue Date**") on which Units are to be issued upon the exercise of the Conversion Right (such date to be no later than 10 Business Days after the date on which the Conversion Notice is issued), and the name of the party (which must be the Holder and/or one or more Assignees) who shall be the beneficial holder of the Units. On the Issue Date, the required number of Units shall be issued to the Holder (and/or such Assignee(s) if applicable) as fully paid and non-assessable Units of the Trust and an appropriate notation evidencing such ownership shall be made in the book entry system in which the Units are registered. If less than all the Obligations are the subject of the Conversion Right, then on the Issue Date the Trust shall deliver to the Holder a replacement Debenture for the amount of the Obligations that remain outstanding following the partial exercise of the Conversion Right and the issuance of Units in connection therewith. If the Conversion Right is being exercised in respect of all Obligations, the Debenture shall be surrendered to the Trust for cancellation.

4.3 Accrued and Unpaid Interest

If the Debenture is surrendered for conversion in accordance with Section 4.2, on an Issue Date that is between Interest Payment Dates, the Holder shall be entitled to receive accrued and unpaid interest in respect of the principal amount of the Debenture from the immediately preceding Interest Payment Date up to but excluding the Issue Date, and such interest shall form part of the Obligations in respect of which the Conversion Right is exercised. For greater certainty, to the extent any accrued and unpaid interest is added to the Obligations in accordance with the provisions of this Section 4.3, any such additional amounts shall be treated as if the principal amount of this Debenture had been increased by such additional amounts and the Holder, upon exercise of the Conversion Right, shall be entitled to receive a proportionately (on a dollar-for-dollar basis) greater amount of Units upon exercise of the Conversion Right.

4.4 Adjustment of Conversion Rate

The Conversion Rate in effect at any date shall be subject to adjustment from time to time as follows:

(a) If and whenever at any time prior to the Issue Date (as defined in Section 4.2), the Trust shall:

(i) subdivide the outstanding Units into a greater number of Units;

(ii) reduce, combine or consolidate the outstanding Units into a smaller number of Units; or

(iii) make a distribution on its outstanding Units to the holders of all or substantially all of the outstanding Units payable in Units or securities convertible into or exchangeable for Units (other than an issuance of Units) to holders of Units pursuant to a right granted to such holders to receive such Units in lieu of a distribution paid in the ordinary course;

the Conversion Rate in effect on the effective date of such subdivision, redivision, reduction, combination or consolidation or on the record date for such issue of Units (or securities convertible into or exchangeable for Units) by way of a unit distribution, as the case may be, shall in the case of the events referred to in clauses (i) and (iii) above, be decreased in proportion to the increase in the number of outstanding Units resulting from such subdivision or distribution (including, in the case where securities convertible into or exchangeable for Units are issued, the number of Units that would have been outstanding had such securities been converted into or exchanged for Units on such effective or record date) or shall, in the case of the events referred to in clause (ii) above, shall be increased in proportion to the decrease in the number of outstanding Units resulting from such reduction, combination or consolidation on such effective or record date. Such adjustment shall be made successively whenever any event referred to in this subsection 4.4(a) shall occur. Any such issue of Units (or securities convertible into or exchangeable for Units) by way of a unit distribution shall be deemed to have been made on the record date for the unit distribution for the purpose of calculating the number of outstanding Units under subsection 4.4(b) and 4.4(c) of this Section 4.4. To the extent that any such securities converted into or exchanged for Units prior to the expiration of the conversion or exchange right, the Conversion Rate shall be readjusted effective as at the date of such expiration to the Conversion Rate that would then be in effect based upon the number of Units actually issued on the exercise of such conversion or exchange right.

(b) If and whenever at any time prior to the Issue Date the Trust shall fix a record date for the issuance of rights, options or warrants to all or substantially all the holders of its outstanding Units entitling them, for a period expiring not more than 45 days after such record date, to subscribe for or purchase Units (or securities convertible into or exchangeable for Units) at a price per Unit (or having a conversion or exchange price per security) less than 95% of the closing market price per Unit on such record date, the Conversion Rate shall be adjusted immediately after such record date so that it shall equal the rate determined by multiplying the Conversion Rate in effect on such record date by a fraction, of which the numerator shall be the total number of Units outstanding on such record date plus a number of Units equal to the number arrived at by dividing the aggregate price of the total number of additional Units offered for subscription or purchase (or the aggregate conversion or exchange price of the securities convertible into or exchangeable for Units so offered) by such Current Market Price per Unit, and of which the denominator shall be the total number of Units outstanding on such record date plus the total number of additional Units offered for subscription or purchase (or into which the securities convertible into or exchangeable for Units so offered are convertible or exchangeable). Any Units owned by or held for the account of the Trust shall be deemed not to be outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed. To the extent that any such rights, options or warrants are not so issued or any such rights, options or warrants are not exercised prior to the expiration thereof, the Conversion Rate shall be readjusted to the Conversion Rate that would then be in effect if such record date had not been fixed or, effective as of the date of such expiration, to the Conversion Rate that would then be in effect based upon the number of Units (or securities convertible into or exchangeable for Units) actually issued upon the exercise of such rights, options or warrants, as the case may be.

(c) If and whenever at any time prior to the Issue Date the Trust shall fix a record date for the making of a distribution to all or substantially all the holders of its outstanding Units of (i) securities of any class other than Units (or other than securities convertible into or exchangeable for Units) and other than units distributed to holders of Units pursuant to their exercise of options to receive distributions in the form of such units in lieu of distributions paid in the ordinary course on the Units, or (ii) rights, options or warrants (other than rights, options or warrants referred to in subsection 4.4(b) and rights, options or warrants to subscribe for or purchase Units (or other securities convertible into or exchangeable for Units) for a period of not more than 45 days after such record date at a price per Unit (or having a conversion or exchange price per Unit) not less than 95% of the closing market price of a Unit on such record date), or

(iii) evidences of its indebtedness, or (iv) assets (excluding distributions paid in the ordinary course) then, in each such case, the Conversion Rate shall be adjusted immediately after such record date so that it shall equal the rate determined by multiplying the Conversion Rate in effect on such record date by a fraction, of which the numerator shall be the total number of Units outstanding on such record date multiplied by the Current Market Price per Unit on such record date, less the fair market value in Canadian dollars (as determined by the Board of Trustees, which determination shall be conclusive) of such securities or rights, options or warrants or evidences of indebtedness or assets so distributed, and of which the denominator shall be the total number of Units outstanding on such record date multiplied by such Current Market Price per Unit. Any Units owned by or held for the account of the Trust shall be deemed not to be outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed. To the extent that such distribution is not so made, the Conversion Rate shall be readjusted to the Conversion Rate that would then be in effect if such record date had not been fixed or to the Conversion Rate that would then be in effect based upon such units or rights, options or warrants or evidences of indebtedness or assets actually distributed, as the case may be, in clause (iv) of this subsection 4.4(c). The term "distributions paid in the ordinary course" shall include the value of any securities or other property or assets distributed in lieu of cash distributions paid in the ordinary course at the option of unitholders.

(d) In the case of any reclassification of, or other change in, the outstanding Units of the Trust other than as contemplated by this Section 4.4, the Conversion Rate shall be adjusted in such manner, if any, and at such time, as the Board of Trustees, determines to be appropriate on a basis consistent with this Section 4.4.

(e) In any case in which this Section 4.4 shall require that an adjustment shall become effective immediately after a record date for an event referred to herein, the Trust may defer, until the occurrence of such event, issuing to the Holder before the occurrence of such event, the additional Units issuable upon such conversion by reason of the adjustment required by such event before giving effect to such adjustment; provided, however, that the Trust shall deliver to the Holder an appropriate instrument evidencing the Holder's right to receive such additional Units upon the occurrence of the event requiring such adjustment and the right to receive any distributions made on such additional Units declared in favour of holders of record of Units on and after the Issue Date or such later date as the Holder would, but for the provisions of this subsection 4.4(e), have become the holder of record of such additional Units pursuant to subsection 5.4(b).

(f) The adjustments provided for in this Section 4.4 are cumulative and shall apply to successive subdivisions, reductions, combinations, consolidations, distributions, issues or other event resulting in any adjustment under the provisions of this Section, provided that, notwithstanding any other provision of this Section, no adjustment of the Conversion Rate shall be required unless such adjustment would require an increase or decrease of at least 1% in the Conversion Rate then in effect; provided, however, that any adjustments which by reason of this subsection 4.4(f) are not required to be made shall be carried forward and taken into account in any subsequent adjustment.

(g) In the event of any question arising with respect to the adjustments provided in this Section 4.4, such question shall be conclusively determined by a firm of chartered accountants appointed by the Trust and acceptable to the Holder; such accountants shall have access to all necessary records of the Trust and such determination shall be binding upon the Trust and the Holder.

(h) No adjustment in the Conversion Rate shall be made in respect of any event described in subsections 4.4(a)(iii), 4.4(b) or 4.4(c) if the Holder is entitled to participate in such event on the same terms mutatis mutandis as if it had converted the Debenture prior to the effective date or record date, as the case may be, of such event.

4.5 No Requirement to Issue Fractional Units

The Trust shall not be required to issue fractional Units upon the conversion of the Debenture pursuant to this Article. If any fractional interest in a Unit would, except for the provisions of this Section, be deliverable upon the conversion of any of the Obligations, the Trust shall, in lieu of delivering any certificate of such fractional interest, satisfy such fractional interest by paying to the Holder an amount in the lawful money of Canada equal (computed to the nearest cent) to the appropriate fraction of the value (being the last reported sale price or, if none, the mean between the closing bid and ask quotations on The Toronto Stock Exchange, or if the Units are not then listed on The Toronto Stock Exchange, on such stock exchange on which the Units are listed as may be selected for such purpose by the Board of Directors), of a Unit on the Business Day next preceding the Issue Date. Notwithstanding the foregoing, the Trust shall be under no obligation to pay any amount for any such fractional interest, if the value of such fractional interest would amount to a sum less than $2.00.

4.6 Trust to Reserve Units

The Trust covenants with the Holder that it will at all times reserve and keep available out of its authorized Units, solely for the purpose of issue upon exercise of the Conversion Right, and conditionally allot to the Holder, such number of Units as shall then be issuable upon the conversion of this Debenture. The Trust covenants with the Holder that all Units which shall be so issuable shall be duly and validly issued as fully paid and non-assessable.

4.7 Certificate as to Adjustment

The Trust shall from time to time, immediately after the occurrence of any event which requires an adjustment or readjustment as provided in Section 4.4, deliver an Officers' Certificate to the Holder specifying the nature of the event requiring the same and the amount of the adjustment necessitated thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based, which certificate and the amount of the adjustment specified therein shall be verified by an opinion of a firm of chartered accountants appointed by the Trust and acceptable to the Holder (who may be the auditors of the Trust) and, when approved by the Holder, shall be conclusive and binding on all parties in interest.

4.8 Holder of Record

For all purposes, on the Issue Date, the Holder (or an Assignee, if applicable) shall be deemed to have become the holder of record of the Units into which the Obligations (or a portion thereof) are converted in accordance with Section 4.2.

ARTICLE V
COVENANTS OF THE TRUST

5.1 General Covenants

The Trust declares, covenants and agrees that:

(a) To Pay Principal and Interest. The Trust will duly and punctually pay the principal of, and interest accrued on, this Debenture, at the time and in the manner specified hereby.

(b) Rents and Taxes. The Trust shall cause the Purchaser to pay all rents, taxes and assessments lawfully imposed upon the Secured Property or any part thereof when the same become due and payable, and shall show to the Holder on request receipts for such payment;

(c) Maintain Existence and Security. The Trust shall maintain its existence and shall cause the Purchaser to (i) maintain its existence, (ii) keep the Secured Property in good condition and repair, (iii) maintain the security created by the Subordinated Charge as a valid and effective security at all times so long as any Obligations are outstanding hereunder, (iv) advise the Holder promptly in writing of any proposed change in its name, (v) observe and perform all of its obligations under Leases, licences and other agreements to which it is a party so as to preserve and protect the Secured Property and the income therefrom, and (vi) keep proper books of accounts with correct entries of all transactions in relation to the Real Properties;

(d) Insurance. The Trust shall cause the Purchaser to keep insured the Secured Property in such amounts as the Holder may reasonably require against loss or damage with insurers approved by the Holder and will pay all premiums necessary for such purposes as the same shall become due. The Trust shall ensure that the Purchaser causes the proceeds under all policies or contracts of insurance relating to the Secured Property to be, subject to the rights of the holders of any prior Permitted Encumbrance, assigned to the Holder with all such proceeds to be payable to the Holder as its interest may appear, subject to the rights of the holders of any Permitted Encumbrance. The Trust shall cause the Purchaser to ensure that all such policies and contracts contain such mortgage clauses as the Holder may require, and are on terms reasonably satisfactory to the Holder. At the request of the Holder, the Trust shall ensure that all such policies and contracts (subject to the rights of the holders of any prior Permitted Encumbrance) be delivered to and held by the Holder. The Trust shall, on the happening of any loss or damage, cause the Purchaser to forthwith furnish at its expense all necessary proofs and do all necessary acts to enable the Holder to obtain payment of the insurance moneys;

(e) No Dispositions. Otherwise than in the ordinary course of business or as provided in Clause (g) below, the Trust shall ensure that the Purchaser shall not, without the prior consent in writing of the Holder, sell, assign, transfer, exchange, lease, consign or otherwise dispose of any of the Secured Property;

(f) No Encumbrances. The Trust shall ensure that the Purchaser does not, without the prior consent in writing of the Holder (not to be unreasonably withheld) create, assume or suffer to exist any mortgage, pledge, charge, assignment, security interest, hypothec, lien or other encumbrance, upon all or any part of the Secured Property, other than the leases and purchase money security interests granted in the ordinary course of business, and any Permitted Encumbrances (including, without limitation, any encumbrances in connection with a Permitted Refinancing), and the Trust shall ensure that the Purchaser shall at all times keep all Permitted Encumbrances in good standing;

(g) Replacement Security. The Trust shall notify the Holder in writing forthwith of the Purchaser's intention to sell, from time to time, any of the Real Properties and shall, as a precondition to selling any such Real Property, cause the Purchaser to provide the Holder with a mortgage and charge over comparable real property or properties owned by the Purchaser as replacement property for the Real Property being sold, such replacement property (and the amount of any debt secured by such property ranking in priority to repayment of the Obligations) to be acceptable to the Holder, in its sole, absolute and unfettered discretion, all by way of a registrable mortgage or charge in form satisfactory to the Holder in its sole, absolute and unfettered discretion, all at the cost of the Trust or the Purchaser.

5.2 Continued Listing

The Trust shall take all such reasonable steps and actions and do all such things that may be required to maintain the listing and posting for trade of the Units on The Toronto Stock Exchange and to maintain its status as a "reporting issuer" not in default of the requirements of the *Securities Act* (Ontario) and the Regulations thereto.

5.3 Securities Qualification Requirements

If, in the opinion of counsel to the Holder (or counsel to the Trust, which counsel is satisfactory to the Holder), any prospectus or other instrument is required to be filed with or any permission is required to be obtained from any securities regulatory authority or any other step is required under any federal or provincial law of Canada before any Units which the Holder is entitled to receive on the conversion of this Debenture may properly and legally be delivered upon the due exercise of the Conversion Right, the Trust covenants that it will take all such action, at its expense, as is required or appropriate in the circumstances.

5.4 Further Assurances

The Trust shall at its own expense do, execute, acknowledge and deliver, or cause the Purchaser to do, execute, acknowledge and deliver, all such further acts, deeds, mortgages, pledges, charges, assignments, security agreements, hypothecs, and assurances (including instruments supplemental or ancillary hereto) and such financing statements as the Holder may from time to time request to better assure and perfect its security on the Secured Property or any part thereof, including, without limitation, specifically mortgaging, pledging, charging, assigning and hypothecating in favour of the Holder the right, title and interest of the Purchaser in all property and assets subject to, or intended to be subject to, the Subordinated Charge.

ARTICLE VI
EVENTS OF DEFAULT

6.1 Events of Default

Any of the following shall constitute an event of default (each an "**Event of Default**") under this Debenture:

(a) failure by the Trust to pay all or any part of the Obligations when due and payable;

(b) an event of default occurs pursuant to the Subordinated Charge or pursuant to any agreement for borrowed money having a principal amount in excess of $1,000,000.00, pursuant to which the Trust or the Purchaser is a borrower or guarantor and another Person is a lender which has not been cured in accordance with the terms of such agreement and the lender has undertaken, or threatened to take, enforcement proceedings in respect of such event of default;

(c) failure by the Trust to convert the Obligations into fully paid and non-assessable Units upon exercise of the Conversion Right;

(d) failure by the Trust to observe, in any material respect, any term, covenant or agreement contained in this Debenture, where the Trust does not remedy such failure within 20 days of the occurrence thereof;

(e) failure by the Purchaser to observe, in any material respect, any term, covenant or agreement contained in the Subordinated Charge, where the Purchaser does not remedy such failure within 20 days of the occurrence thereof;

(f) the Trust or the Purchaser admits its inability to pay its debts generally, fails to pay its debts generally, acknowledges its insolvency in writing or becomes bankrupt (voluntarily or involuntarily), or becomes subject to any proceeding seeking liquidation, dissolution, arrangement, winding-up, relief of debtors or from creditors or the appointment of a receiver or trustee over any material part of its property or assets, or analogous proceedings in any jurisdiction, or becomes subject to any judgement or order which has or could reasonably be expected to have a material adverse effect on any material part of its property and assets, and such proceeding, if instituted against the Trust or the Purchaser, or such judgement or order, is not contested diligently, in good faith and on a timely basis and vacated, dismissed, withdrawn or stayed within 20 days of its commencement or issuance;

(g) failure by the Trust to observe any material term, covenant or other provision of its declaration of trust;

(h) the Trust denies, to any extent, its obligations under this Debenture or claims that this Debenture or any part hereof is invalid;

(i) the Purchaser denies, to any extent, its obligations under the Subordinated Charge or claims that the Subordinated Charge or any part thereof is invalid;

(j) any part of the Secured Property is not or ceases to constitute, in whole or in part, subject only to Permitted Encumbrances, a first ranking encumbrance on the Secured Property, other than as permitted in Section 5.1(g); or

(k) one or more secured parties takes possession of all, or in the aggregate, the material portion of the Secured Property by appointment of a receiver or receiver and manager, by seizure, repossession or otherwise.

6.2 Notice of Event of Default

The Trust will, or will cause the Purchaser to, as applicable, give notice in writing to the Holder of the occurrence of any Event of Default or other event which, with the lapse of time or giving of notice or otherwise, would be an Event of Default, no later than three (3) Business Days after becoming aware thereof. Such written notice shall specify the nature of such default or Event of Default and the steps taken to remedy the same.

6.3 Automatic Consequences of an Event of Default

Upon the occurrence of an Event of Default (for greater certainty, after giving effect to any cure period contemplated in Section 6.1), the Holder may by written notice given to the Trust declare all Obligations to be immediately due and payable to the Holder without the necessity of any further act or formality, and thereafter the Trust shall ensure that the Purchaser shall not sell, assign, transfer, exchange, lease or otherwise dispose of or deal with all or any part of the Secured Property. Upon the occurrence of an Event of Default described in Section 6.1(f), the Obligations shall be immediately due and payable without requiring any notice by the Holder to the Trust or the Purchaser, as applicable.

6.4 Deficiency

In the case of any judicial or other steps or proceedings to enforce the security created by the Subordinated Charge, and without limiting any right of the Holder to obtain judgment for any greater amount, the Trust shall remain liable to the Holder for any amount which may remain due in respect of the Obligations after application to the payment thereof of the proceeds of any sale, lease or other disposition of the Secured Property or any part thereof.

ARTICLE VII
GENERAL

7.1 Expenses

The Trust shall, or shall cause the Purchaser to, pay to the Holder on demand all of the Holder's reasonable costs, charges and expenses (including, without limitation, legal fees on a solicitor and his own client basis and receiver's fees) in connection with the preservation of any security created by the Subordinated Charge, the enforcement by any means of any provisions of the Subordinated Charge or the exercise of any rights, powers or remedies of the Subordinated Charge, including, without limitation, all such costs, charges and expenses in connection with taking possession, maintaining, completing, preserving, protecting, collecting or realizing upon all or any part of the Secured Property or carrying on all or any part of the business of the Purchaser relating to the Secured Property.

7.2 Discharge of Debenture

After the Obligations have been paid in full or the Conversion Right has been exercised in full, the Holder shall, at the written request and expense of the Trust, cancel and discharge this Debenture and execute and deliver to the Trust such instruments as shall be necessary to discharge this Debenture. For certainty, upon full repayment of the Obligations, all rights of the Holder hereunder shall terminate.

7.3 No Obligation to Advance

Neither the issue nor delivery of this Debenture shall obligate the Holder to advance any funds, or otherwise make or continue to make any credit available, to the Trust.

7.4 Dealings with Others

The Holder may grant extensions of time and other indulgences, take and give up security, accept compositions, make settlements, grant releases and discharges and otherwise deal with the Trust, debtors of the Trust, sureties and other Persons without prejudice to any debts and liabilities of the Trust to the Holder or the rights, powers and remedies of the Holder under this Debenture.

7.5 Communication

Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be given by prepaid first-class mail, by facsimile or other means of electronic communication or by hand-delivery as hereinafter provided. Any such notice or other communication, if mailed by prepaid first-class mail at any time other than during, or within three Business Days prior to, a general discontinuance of postal service due to strike, lockout or otherwise, shall be deemed to have been received on the third Business Day after the post-marked date thereof, or if sent by facsimile or other means of electronic communication, shall be deemed to have been received on the Business Day following the sending, or if delivered by hand shall be deemed to have been received at the time it is delivered to the applicable address noted below either to the individual designated below or to a senior employee of the addressee at such address with responsibility for matters to which the information relates. Notice of change of address shall also be governed by this Section. In the event of a general discontinuance of postal service due to strike, lock-out or otherwise, notices or other communications shall be delivered by hand or sent by facsimile or other means of electronic communication and shall be deemed to have been received in accordance with the foregoing. Notices and other communications shall be addressed as follows:

if to the Trust:

RETROCOM MID-MARKET REAL ESTATE INVESTMENT TRUST
135 Queen's Plate Drive
Suite 400
Toronto, Ontario M9W 6V1

Attention: President
Telecopier: (416) 745-5766

with a copy to:

Fasken Martineau DuMoulin LLP
66 Wellington Street West
Suite 4200, Toronto Dominion Bank Tower
Box 20, Toronto-Dominion Centre
Toronto, Ontario M5K 1N6

Attention: Anil Aggarwal
Telecopier: (416) 364-7813

if to the Holder:

RIOCAN REAL ESTATE INVESTMENT TRUST
The Exchange Tower
P.O. Box 37
Suite 700
130 King Street West
Toronto, Ontario M5X 1E2

Attention: President
Telecopier: (416) ●

with a copy to:

Fogler Rubinoff LLP
1200-95 Wellington Street West
Toronto-Dominion Centre
Toronto, Ontario M5J 2Z9

Attention: R.M. Gelgoot
Telecopier: (416) 941-8852

and with a copy to:

Goodmans LLP
250 Yonge Street
Suite 2400
Toronto, Ontario
M5B 2M6

Attention: Sheldon Freeman
Telecopier: (416) 979-1234

7.6 Successors and Assigns

This Debenture shall be binding on the Trust and its successors and shall enure to the benefit of the Holder and its successors and assigns. The Obligations shall be paid, and subject to Section 1.2, this Debenture shall be assignable by the Holder, free of any set-off, counter-claim or equities between the Trust and the Holder.

7.7 Copy Received

The Trust acknowledges receipt of a copy of this Debenture.

7.8 Payments-No Deduction

All payments made in respect of this Debenture (including in respect of principal, interest or otherwise) shall be made in full without set-off or counterclaim, and free of and without deduction or withholding for any present or future taxes of any kind or nature whatsoever.

7.9 Indemnity

The Trust shall indemnify and save the Holder harmless from all claims, demands, liabilities, damages, losses, costs, charges and expenses (including, without limitation, legal fees on a solicitor and his own client basis), which may be incurred by the Holder as a consequence of or in respect of default by the Trust in the payment when due of any of the Obligations or any other Event of Default hereunder. The Trust further agrees to indemnify and save harmless the Holder and its agents, officers, directors and employees (each an "**Indemnified Party**") from all claims, demands, liabilities, damages, losses, costs, charges and expenses (including, without limitation, legal fees on a solicitor and his own client basis) which may be asserted against or incurred by such Indemnified Party under or on account of any applicable law, or as creditor of the Trust, or as successor to or assignee or any right or interest of the Trust.

7.10 Maximum Rate of Interest

Notwithstanding anything herein to the contrary, in the event that any provision of this Debenture obliges the Trust to make any payment of interest or other amount payable to the Holder in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the Holder of the interest at a criminal or prohibited rate (as such terms are construed under the *Criminal Code* (Canada) or any other applicable law), then notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with the same effect as if adjusted at the original date of this Debenture to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in a receipt by the Holder of interest at a criminal or prohibited rate.

7.11 Non-Recourse

The Holder acknowledges and agrees that the obligations and liabilities under this Debenture, or in any document delivered in connection therewith, are not personally binding upon and resort shall not be had to, nor shall recourse or satisfaction be sought from the private property of any of:

(a) the Unitholders of the Trust;

(b) annuitants under a plan of which a unitholder of the Trust acts as a trustee or carrier; and

(c) the officers, trustees, employees or agents of the Trust.

[REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF the parties have executed this Debenture on the Closing Date.

RETROCOM MID-MARKET REAL ESTATE INVESTMENT TRUST, by its authorized signatory

Per: ______________________________

Name: R. Michael Steplock

Title: Chief Executive Officer

RIOCAN REAL ESTATE INVESTMENT TRUST, by its authorized signatories

Per: ______________________________

Per: ______________________________

GOODMANS\CITRONJ\5170141.5

SCHEDULE "A"

REAL PROPERTY

Elgin Mall, St. Thomas, Ontario

FIRSTLY:

PIN 35203 – 0229 (LT)

Parcel 115-3, Section 209, being Part of Lot 115, Plan 209 and Part of Lot 9, Concession 8, in the original Township of Yarmouth, now in the City of St. Thomas, County of Elgin designated as Parts 2 and 5 on Plan 11R-115.

Subject to an easement in favour of Union Gas Limited as set out in Instrument Number LT 3280.

Subject to an easement in favour of Union Gas Limited as set out in Instrument Number LT 3281.

SECONDLY:

PIN 35204 – 0055 (LT)

Parts of Lots 197, 198, 199, 201 and 216, Plan 270, designated as Parts 19, 20, 21, 22 and 23 on Plan 11R-107, City of St. Thomas, in the County of Elgin.

Mountainview Mall

PIN 58404 – 0028 (LT)

Part of the east half of Lot 106, Concession 1, WPR Tiny, as in RO1377819, except Part 1 and Parts 12 to 16, Plan 51R10292 and Part 1, Plan 51R27550, subject to RO1376051, RO1376053, RO1376054, RO1376055, RO1376056, together with RO1376050, subject to RO1292900, RO655485, subject to an easement over Parts 1, 2 and 3, Plan 51R-31555 as in SC119335, subject to RO290126, Midland.

Orangeville Mall

PIN 34033 – 0084 (LT)

Part of the east half of Lot 3, Concession 2, West of Hurontario Street designated as Part 1 on Reference Plan 7R-1497 and Parts 3 and 6 on Reference Plan deposited as 7R-2432, save and except for that part of the said Lot 3 designated as Part 1 on Reference Plan 7R-2431 in the Town of Orangeville, in the County of Dufferin being PIN 34033-0084 LT.

Plaza La Sarre

An immovable property fronting on 2nd Street East in the City of La Sarre, Province of Quebec, known and designated as being a part of Lot Eighty-Eight of the subdivision of original Lot Twenty-Nine (29-Pt. 88), of Range Seven, of the Official Cadastre of the Township of La Sarre, Registration Division of Abitibi, bounded to the north by part of Lot 29, measuring one hundred and sixty-seven metres and sixty-four centimetres (167,64 m) along this limit, to the east by part of Lot 29, measuring two hundred and twenty-four metres and sixty-four centimetres (224,64 m) along this limit, to the south by Lot 29-88-1, measuring one hundred and sixty-seven metres and sixty-four centimetres (167,64 m) along this limit, to the west by part of Lot 29 composing 2nd Street East, measuring two hundred and twenty-four metres and sixty-four centimetres (224,64 m) along this limit, containing an area of thirty-seven thousand six hundred and fifty-eight square metres and two tenths of a square metre) (37 658, 2 m2)

With the commercial building thereon erected known as Plaza La Sarre bearing civic number 77 2nd Street East, in the City of La Sarre.

South Hill Mall

Parcel B, Prince Albert, Saskatchewan, Plan 71PA14807, except all that portion on Plan 91PAO7403, Mines and Minerals excepted by 71PA14807

Block 42, Prince Albert, Saskatchewan, Plan C 200(S1), except all that portion on Plan 71PA14807, Minerals included

Southland Mall

FIRSTLY:

Title Numbers 106651874-106651919-106651942, Block M, Regina, Saskatchewan, Plan 66R13992, except the most southerly 344 feet in perpendicular width throughout, Mines and Minerals excepted.

SECONDLY:

Title Numbers 106651807-106651852-106651829, the most southerly 344 feet in perpendicular width throughout of Block M, Regina, Saskatchewan, Plan 66R-13992, except Block Q on Plan 78R20752, Mines and Minerals excepted.

THIRDLY:

Title Numbers 106651706-106651683-106651649, Block Q, Regina, Saskatchewan, Plan 78R20752, Mines and Minerals excepted.

Town 'N' Country Mall

Parcel "F", Moose Jaw, Saskatchewan, Plan 73MJ08205

SCHEDULE "B"
ASSUMED MORTGAGES

Property	Mortgagee	Approx. Balance @ May, 2005	Interest Rate	Maturity Date	Monthly Pmt.
South Hill Mall	Cucorp	$ 7,411,482.06	8.340%	01-Feb-07	$ 72,152.01
Southland Mall	CMO (TD Canada Trust)	$ 45,500,000.00	5.285%	1-May-15	$272,060.30
Town N Country	CMO	$ 12,714,557.84	6.200%	1-Feb-14	$ 84,731.96
Elgin Mall	GWL	$ 7,133,152.54	8.250%	01-Mar-10	$ 89,116.00
Elgin Mall	GWL	$ 1,757,288.29	8.250%	01-Mar-10	$ 21,954.00
Mountainview Mall	Maritime Life	$ 8,190,235.79	7.000%	01-Dec-07	$ 81,298.96
Orangeville Mall	CIBC	$ 7,455,732.23	7.750%	1-Oct-09	$ 71,174.50

SCHEDULE "C"

CONVERSION NOTICE

TO: **RETROCOM MID-MARKET REAL ESTATE INVESTMENT TRUST**

Pursuant to the 4.50% Convertible Debenture (the "**Debenture**") of Retrocom Mid-Market Real Estate Investment Trust (the "Trust") issued on ●, 2005, the undersigned hereby notifies you that **[$ of the principal amount outstanding under such Debenture]** (the "**Debenture**") shall be converted into Units of the Trust in accordance with the terms of the Debenture on ____________________ (the "**Issue Date**").

The following certificates representing the Units to be issued on the Issue Date shall be issued to:

Name	**Address for Delivery**	**# of Units**
____________________ (Print name as name is to appear on Unit Certificate).		

DATED this ________________ day of ________________, 20 ________ .

____
Holder

SCHEDULE "D"
ASSUMED MORTGAGES

Property	Mortgagee	Approx. Balance @ May, 2005	Interest Rate	Maturity Date	Monthly Pmt.
South Hill Mall	Cucorp	$ 7,411,482.06	8.340%	01-Feb-07	$ 72,152.01
Southland Mall	CMO (TD Canada Trust)	$ 45,500,000.00	5.285%	01-May-15	$ 272,060.30
Town N Country	CMO	$ 12,714,557.84	6.200%	01-Feb-14	$ 84,731.96
Elgin Mall	GWL	$ 7,133,152.54	8.250%	01-Mar-10	$ 89,116.00
Elgin Mall	GWL	$ 1,757,288.29	8.250%	01-Mar-10	$ 21,954.00
Mountainview Mall	Maritime Life	$ 8,190,235.79	7.000%	01-Dec-07	$ 81,298.96
Orangeville Mall	CIBC	$ 7,455,732.23	7.750%	01-Oct-09	$ 71,174.50

SCHEDULE "I"

INTEREST RATE SUBSIDY AGREEMENT

THIS AGREEMENT made as of May [redacted], 2005.

B E T W E E N:

RETROCOM LIMITED PARTNERSHIP by its General Partner, GP Trust by its Trustee **1606906 Ontario Inc.** ("**RLP**")

- and –

RIOCAN REAL ESTATE INVESTMENT TRUST ("**RioCan**")

WHEREAS pursuant to an agreement of purchase and sale between RLP, Retrocom Mid-Market Real Estate Investment Trust and RioCan made May [redacted], 2005 (the "**Purchase Agreement**"), RLP has agreed to purchase and RioCan has agreed to sell all of RioCan's right, title and interest in and to Elgin Mall, Mountainview Mall, Orangeville Mall, Plaza La Sarre, South Hill Mall, Southland Mall and Town 'N' Country Mall (collectively the "**Properties**");

AND WHEREAS as partial satisfaction of the purchase price payable under the Purchase Agreement, RLP has agreed to assume certain mortgage loans made to RioCan and secured by the Properties, such loans being more particular described in Schedule "A" attached hereto and defined in the Purchase Agreement as the "**Assumed First Mortgages**";

AND WHEREAS as a condition of RLP entering into the Purchase Agreement, and in order to induce RLP to assume the Assumed First Mortgages, RioCan has agreed to subsidize the interest rate costs that will be payable by RLP under the Assumed First Mortgages on the terms and conditions set out herein;

AND WHEREAS this agreement is made pursuant to the Purchase Agreement and any capitalised terms used but not defined herein shall have the meaning ascribed thereto in the Purchase Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of their respective covenants contained herein and for other consideration, the receipt and sufficiency of which is acknowledged, the parties hereto agree as follows:

1. Interest Rate Subsidy

1.1 RioCan shall pay RLP an amount equal to the excess of any interest rate cost above 5.4% per annum for the first two years after the Closing Date and 6% per annum thereafter (the "**Payments**") for each Assumed First Mortgage, such that the interest rate cost to RLP under each Assumed First Mortgage will be no greater than 5.4% per annum for the first two years after the Closing Date, and 6% per annum thereafter, of the principal balance outstanding thereon. The Payments shall be made by RioCan to RLP monthly, contemporaneously with any and all interest payments due to be paid by RLP to the applicable mortgagee under each Assumed First Mortgage. Subject to section 1.2, RioCan will be obligated to make the Payments to RLP until the current maturity date of each such Assumed First Mortgage.

1.2 With respect to each Assumed First Mortgage having a remaining term of greater than five (5) years from the Closing Date (as that term is defined in the Purchase Agreement), RioCan shall have the option, at any time following the fifth anniversary of the Closing Date, to make a one time payment to RLP in an amount determined to be the present value of the Payments to be made during the remaining term of those Assumed First Mortgages with a term of greater than five (5) years from the Closing Date, calculated at a discount rate of 6%, and upon such payment being made, this Agreement will terminate and be of no force and effect.

2. Governing Law

This agreement and all documents delivered pursuant hereto shall be deemed to be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

3. Waiver

Any breach by RioCan of any of the provisions contained in this agreement or any default by RioCan in the observance or performance of any covenant or condition required to be observed or performed by RioCan hereunder, may only be waived by RLP in writing, provided that no such waiver by RLP shall extend to or be taken in any manner to affect any subsequent breach or default or the rights resulting therefrom.

4. Further Assurances

Each of the parties will from time to time hereafter do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such further acts, deeds, mortgages, transfers and assurances as may reasonably be required for the purpose of accomplishing and effecting the intention of this agreement.

5. Non-Recourse

The Purchaser and Vendor acknowledge and agree that the obligations and liabilities under this Agreement, or in any document delivered in connection therewith, are not personally binding upon and resort shall not be had to, nor shall recourse or satisfaction be sought from the private property of any of:

(a) the unitholders of Retrocom Mid-Market Real Estate Investment Trust or RioCan Real Estate Investment Trust (the "Trusts");

(b) annuitants under a plan of which a unitholder of the Trusts acts as a trustee or carrier; and

(c) the officers, trustees, employees or agents of the Trusts.

IN WITNESS WHEREOF the parties have executed this agreement.

RETROCOM LIMITED PARTNERSHIP by its General Partner, GP Trust by its Trustee **1606906 Ontario Inc.**

By: ______________________________
Name:
Title:

RIOCAN REAL ESTATE INVESTMENT TRUST, by its authorised signatory

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

SCHEDULE "D"
ASUMMED MORTGAGES

Property	Mortgagee	Approx. Balance @ May, 2005	Interest Rate	Maturity Date	Monthly Pmt.
South Hill Mall	Cucorp	$ 7,411,482.06	8.340%	01-Feb-07	$ 72,152.01
Southland Mall	CMO (TD Canada Trust)	$ 45,500,000.00	5.285%	1-May-15	$272,060.30
Town N Country	CMO	$ 12,714,557.84	6.200%	1-Feb-14	$ 84,731.96
Elgin Mall	GWL	$ 7,133,152.54	8.250%	01-Mar-10	$ 89,116.00
Elgin Mall	GWL	$ 1,757,288.29	8.250%	01-Mar-10	$ 21,954.00
Mountainview Mall	Maritime Life	$ 8,190,235.79	7.000%	01-Dec-07	$ 81,298.96
Orangeville Mall	CIBC	$ 7,455,732.23	7.750%	1-Oct-09	$ 71,174.50
Total Portfolio		$ 90,162,448.75			$692,487.73

Schedule "J"

Retrocom Portfolio Contracts

South Hill

1 ADT Security Contract
2 Extreme Janitorial Night Cleaning Contract
3 P.A. Heat/Cool HVAC Maintenac Contract
4 PCO Pest Control Contract

Southland

1 ADT Security Services Canada (Fire Panel, Security/Admin/Maint. Office Alarms)
2 ADT Security Services Canada (Customer Care Centre Burglar Alarm)
3 Nimbus Water (Water Cooler Rentals)
4 SaskTel Mobility (Maintenace Supervisor Cell Phone
5 Rogers Wireless (Customer Care Supervisor Cell Phone)
6 Rogers Wireless (Security Cell Phone)
7 Cantel/AT&T (Maintenace On Call Cell Phone)
8 Danka Canada (Coin Operated Photocopiet Lease Agreement)
9 Danka (Coin Operated Photocopiet Lease Agreement)
10 Ikon Office Solutions (Photocopier Lease Agreement)
11 GE VES Canada Limited Partnership (Telephone Equipment Lease)
12 Pitney Bowes Leasing (Postage Meter Lease)
13 SaskTel (Message Manager Agreement)
14 SaskTel (Centrex Service Agreement)
15 SaskTel (Acceptance Certificate)
16 SaskTel (Exquipment Schedule)
17 Rogers Wireless (Marketing Manager Cell Phone)
18 Johnson Controls (HVAC Maintenance Agreement)
19 Canadian Linen (Floor Mats Rental Agreement)
20 CEG Energy (Documentation and unisgned agreement for Natural Gas Delivery)
21 Loraas Disposal Services Ltd. (Garbage Removal)
22 Poulin's Exterminators (Pest Control)
23 Enviroscape Interiors (Interior tropical plants)
24 Site Management Services (Snow Removal Contract. Also includes City of Regina Permit)
25 Draft Agreement drawn for Contracted Cleaning Services (not executed)
26 Vision Security and Investigations (not executed)
27 Jay's Group of Companies (Storage Agreement for mall Christmas Decorations)

Town N Country

1 Tri-Star Innovative Security Services
2 Loraas Disposal Services
3 A1 Power Door Ltd.
4 ADT Security Services Canada Inc. (Fire & Security)
5 Nalco Leasing Inc. (Copier and Fax lease agreement)
6 SaskTel Mobility x 3
7 Johnson Control Ltd. LP
8 Cypress Paving Ltd.
9 Saskatchewan Telecommunications
10 Pattison Mall Media
11 Tele-Vending
12 Coca-Cola Bottling Company (Coca-Cola Vending Agreement)
13 Auto Photo Canada Ltd. (Photo Booth)

Elgin

1 Canadian Amusement Machines Ltd.
2 First Canadian Telecom Inc. (Pay Phone Agreement)
3 Coca-Cola Bottling Company (Beverage Supply Agreement)
4 Frisco Bay Industries (ATM Contract)
5 Monteith Enterprises (Elgin)

Mountainview

1 Wagg's Linen Supply
2 Steel Art
3 Xerox
4 Hip Coin (Kiddie Rides)
5 DHL Express Canada
6 Capital Disposal
7 Edwards (Fire Alarm, Extingusihers, Sprinkler, Emergency lighting, Hydrants)
8 PCO

Orangeville

1 Peel Landscaping Ltd.
2 United Cleaning Services

Plaza Lasarre

1 Asphaltage Theo Paquette Inc.

Schedule "K"

No.	Tenant	Suite	Type	Total Area	Expiry	Base Rent PSF	Base Rent Annual
1	Zellers	M002	Mountainview	113,223	Sep-08	$5.56	$629,520
	Zellers (Mezz)	Mezz1	Mountainview	11,207	Sep-08	$0.00	$0
2	Wal-Mart	Y002	Southland	147,356	Jan-10	$3.98	$586,477
3	Zellers	1	Town & Country	95,644	Oct-09	$5.75	$549,953
	Zellers Mezz	Mezz1	Town & Country	16,730	Oct-09	$0.00	$0
4	Cineplex	Y005	Southland	36,165	May-17	$15.00	$542,475
5	A&P	58	Elgin Mall	35,578	Oct-12	$10.50	$373,569
6	Chapters	Y006	Southland	25,172	Apr-09	$14.52	$365,497
7	Galaxy Cinemas	M003A	Mountainview	26,153	Dec-20	$12.00	$313,836
8	Shoppers Drug Mart	001A	South Hill	18,356	Jan-18	$16.50	$302,874
9	Sears	28	Town & Country	60,355	Aug-10	$4.91	$296,343
10	Galaxy Cinemas	001C	South Hill	21,961	Jun-18	$13.25	$290,983
11	A&P	40	Orangeville	30,087	Sep-13	$8.50	$255,740
12	Zellers	41	Orangeville	86,484	Sep-09	$2.95	$255,128
13	Galaxy Theatre	33	Elgin Mall	21,326	Nov-23	$11.50	$245,249
14	Galaxy Theatre	22	Town & Country	22,173	Jun-21	$9.74	$215,965
15	Regina Public Library	72	Southland	13,865	Dec-14	$14.75	$204,509
16	A&P	M001	Mountainview	34,988	Jul-08	$5.75	$201,181
	A&P (Mezz)	Mezz1	Mountainview	3,185	Jul-08	$5.75	$18,314
17	Sport Chek	Y009	Southland	16,545	Aug-10	$12.00	$198,540
18	Winners	001B	South Hill	25,036	Apr-12	$7.83	$196,032
	Winners MEZZ.	MZ1B	South Hill	1,926	Apr-12	$0.00	$0
19	Métro-Richelieu	9	LaSarre	23,305	Nov-10	$8.40	$195,762
20	Shoppers Drug Mart	M003B	Mountainview	10,216	Nov-10	$18.80	$192,061
21	Winners	55	Town & Country	23,248	Apr-12	$8.25	$191,796
22	Zellers	13	Elgin Mall	86,853	Oct-10	$2.09	$181,523
23	Sport Chek	13	Town & Country	14,908	Jan-11	$8.00	$119,264
24	Safeway	Y001	Southland	38,609	Mar-10	$2.66	$102,700
	Safeway (Exp)	Y001	Southland	8,838	Mar-10	$2.66	$23,509
25	Dollarama (% rent only)	2	LaSarre	10,540	Mar-15	$0.00	$0
26	Bank of Montreal	Y004	Southland	10,397	Mar-21	$7.69	$79,953
27	Sport Mart	28	Elgin Mall	10,601	Jan-13	$6.19	$65,620
28	A Buck or Two	32	Elgin Mall	11,051	Nov-13	$4.52	$49,951
29	Turbo Resources	Y003	Southland	11,670	Jul-14	$4.28	$49,948
30	L'Aubainerie	1	LaSarre	11,554	Mar-13	$4.00	$46,216
31	Red Apple (Saan)	005B	South Hill	14,091	Jan-09	$1.10	$15,500