

FORM 51-102F3
MATERIAL CHANGE REPORT
UNDER NATIONAL INSTRUMENT 51-102

1. Name and Address of Company

Taggart Capital Corp.
1 First Canadian Place, Suite 6100
Toronto, Ontario
M5X 1C1

2. Date of Material Change

March 11, 2013

3. News Release

A news release was issued on March 12, 2013 through the facilities of Marketwire and subsequently filed on SEDAR.

4. Summary of Material Change

Taggart Capital Corp. ("**Taggart**"), a corporation pursuant to the *Business Corporations Act* (Ontario) ("**OBCA**"), has completed its previously announced reorganization under a plan of arrangement pursuant to the OBCA (the "**Arrangement**") into a real estate investment trust named "PRO Real Estate Investment Trust". The Arrangement was approved by Taggart's shareholders and their annual and special meeting held on March 8, 2013.

5. Full description of Material Change

Taggart has completed its previously announced reorganization under a plan of arrangement pursuant to the OBCA into a real estate investment trust named "PRO Real Estate Investment Trust" ("**PROREIT**"). The Arrangement was approved by Taggart's shareholders and their annual and special meeting held on March 8, 2013.

Pursuant to the Arrangement, among other things, the issued and outstanding common shares ("**Shares**") of Taggart have been exchanged for units ("**Units**") of PROREIT and/or Class B limited partnership units ("**Class B LP Units**") of PRO REIT Limited Partnership and special voting units ("**Special Voting Units**") of PROREIT on a 10 for 1 basis (10 Shares for every 1 Unit and/or Class B LP Unit and Special Voting Unit).

As a result of the Arrangement, the Shares will be delisted from the TSXV. The Units will trade under the symbol "PRV.UN".

For more information, please see the attached press release dated March 12, 2013.

6. Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable

7. Omitted Information

Not applicable

8. Executive Officer

James W. Beckerleg, President and Chief Executive Officer
(514) 933-9552

9. Date of Report

March 13, 2013



FOR IMMEDIATE RELEASE

PROREIT BEGINS OPERATIONS FOLLOWING REGULATORY AND COURT APPROVAL FOR TAGGART CAPITAL CORP'S (TSXV: TAG) PLAN OF ARRANGEMENT

New REIT hits the ground running with announcement of three new acquisitions

Montréal, Québec. March 12, 2013 – PRO Real Estate Investment Trust, to be known as PROREIT ("PROREIT"), officially began operations today as a real estate investment trust with a seasoned management team that intends to invest in diversified commercial property real estate markets in Canada. Initial focus will be on Quebec and the Maritimes, with other secondary Canadian markets being followed as well. The news follows the completion by Taggart Capital Corp. (the "Company") of its previously announced reorganization under a plan of arrangement (the "Arrangement") into a real estate investment trust. Shareholders of the Company (the "Shareholders") unanimously approved the Arrangement at a meeting held on March 8, 2013 (the "Meeting") and the Company obtained all necessary approvals to complete the Arrangement, including final approval of the TSX Venture Exchange (the "Exchange") and the Ontario Superior Court of Justice on March 11, 2013.

The Arrangement

Pursuant to the Arrangement, among other things, the issued and outstanding common shares of the Company ("Shares") were exchanged for units of PROREIT ("Units") on a 10 for 1 basis (1 Unit for every 10 Shares). PROREIT meets all of the minimum listing requirements for a Tier 1 Real Estate Issuer on the Exchange.

As a result of the Arrangement, the Shares will be delisted from the Exchange. The Units will trade under the symbol "PRV.UN" when trading of the Units commences, which is expected to occur upon the open of markets on or about March 13, 2013.

"With the approvals of yesterday and Friday, we have achieved the first major milestone in the plan we set out last autumn. PROREIT is now a reality for our team, but it is only the beginning," said James Beckerleg, President and CEO. "Our objective is now to build a new national Canadian diversified REIT delivering growth and income to our unitholders. Our management experience and network has enabled us to hit the ground running with new acquisitions and we expect to grow our portfolio smartly and rapidly."

PROREIT Announces New Acquisitions

Mr. Beckerleg continued: "We are pleased to announce today that we have signed binding agreements to acquire three additional retail and office properties in Québec and Nova Scotia for aggregate consideration of \$11.95 million. Along with our qualifying transaction, a 10,574

square foot commercial property in downtown Moncton, our initial portfolio is taking shape. These acquisitions meet our objectives of building a portfolio with a solid foundation of stable properties possessing attractive lease and finance terms as well as strong covenants.”

The binding agreements announced today comprise three buildings totalling 46,974 square feet. Total price for the three properties is \$11.95 million, excluding closing and transaction costs, representing a going-in capitalization rate exceeding 7 percent. Each of these acquisitions is subject to satisfaction of usual closing conditions. The acquisitions will be funded in part by using the proceeds of a private placement completed in December 2012.

L’Ancienne-Lorette – Québec

The property is located at 1670 Notre Dame Street, L’Ancienne-Lorette, Québec and is a one-storey free-standing Pharmaprix drug store. The property is 100% occupied on a long-term lease until 2023. The purchase price for the property is \$7 million, excluding closing and transaction costs. The property will add 19,000 square feet of retail space to PROREIT’s portfolio. The transaction is expected to close by the end of April and is subject to standard closing conditions. The purchase price will be satisfied through the assumption of a hypothecary loan in the amount of approximately \$3.8 million, bearing interest at the rate of 5.03% per annum maturing in March 2015, and a cash payment of approximately \$3.2 million.

Daveluyville – Québec

The property is located at 449 rue Principale, Daveluyville, Québec and is a one-storey free-standing Familiprix drug store. The property is 100% occupied on a long-term lease until 2026. The purchase price for the property is \$1.45 million, excluding closing and transaction costs. The property will add 6,762 square feet of retail space to PROREIT’s portfolio. The transaction is expected to close by the end of March and is subject to standard closing conditions. The purchase price will be satisfied through use of cash on hand and an operating facility.

Amherst – Nova Scotia

The property is located at 2 Lawrence Street, Amherst, Nova Scotia and is a two-storey free-standing building with a Lawton’s drug store on the main level and medical/office tenants with additional available space on the second floor. The property is 77% occupied on a long-term lease until 2029. The purchase price for the property is \$3.5 million, excluding closing and transaction costs. The property will add 21,212 square feet of retail space to PROREIT’s portfolio. The transaction is expected to close by the end of March and is subject to standard closing conditions. The purchase price will be satisfied through the use of a new \$2.275 million fixed rate ten-year mortgage at a rate of 4.15 % and a cash payment of \$1.225 million.

Strong Governance and Management

“Strong governance and management are critical to our strategy and our future success,” continued Mr. Beckerleg. “Together, our management team and board at PROREIT enjoy more than 80 years of combined experience operating, acquiring and financing Canadian real estate. They have access to a broad network of relationships within the industry, that will aid PROREIT in identifying and closing accretive acquisitions. PROREIT is a new REIT, but our board and management have deep experience in governance and management in real estate and other

industries.”

PROREIT’s chief executive officer James Beckerleg and chief financial officer Gordon Lawlor possess significant experience in real estate and corporate finance. They were members of the executive team at CANMARC, a publicly traded real estate investment trust that completed its initial public offering in May 2010 at \$10.00 per unit, and was acquired less than two years later by a larger REIT for \$16.50 per unit. During their two-year tenure with CANMARC, Messrs. Beckerleg and Lawlor completed in excess of \$730 million of commercial real estate transactions, increasing CANMARC’s asset base to \$1.9 billion while generating a total return to unitholders in excess of 80%. Biographical information on PROREIT’s executive officers and trustees is set out below.

James W. Beckerleg – President, Chief Executive Officer and Trustee of PROREIT

From May 2010 until recently, James W. Beckerleg was the President and Chief Executive Officer of CANMARC, a publicly-traded REIT with a nationally diversified portfolio of commercial properties. From 1995 to 2010, Mr. Beckerleg was President of Belwest Capital Management Corp., a private consulting firm which provided consulting and management services in the area of strategic advice and planning, corporate finance, mergers and acquisitions to various clients, including but not limited to, Homburg Canada Inc., a private international real estate management company. From 2005 to 2009, Mr. Beckerleg also served as Executive Vice-President, Quebec Region for Homburg Canada Inc.

Mr. Beckerleg has many years of experience in corporate finance, mergers and acquisitions and has served as an executive and director of several public companies, including CANMARC and several other companies in the real estate sector. He has a B.Sc (Mathematics) from McGill University (Montreal, Quebec) and an MBA from Concordia University (Montreal, Quebec).

Gordon G. Lawlor, CA – Chief Financial Officer of PROREIT

From May 2010 until recently, Gordon G. Lawlor was the Executive Vice President, Chief Financial Officer and Secretary of CANMARC. From 2005 to 2010, Mr. Lawlor held senior management positions, including that of Chief Financial Officer, with Homburg Canada Inc., a private international real estate management company. After graduating from Saint Mary's University (Halifax, Nova Scotia) in 1988 with a Bachelor of Science (Mathematics), he began working with a chartered accounting firm, receiving his Chartered Accountant designation in 1994. Prior to CANMARC and the Homburg group, Mr. Lawlor spent seven years at Emera Inc., a publicly traded utility company where he served in a number of senior management positions, including Director of Finance.

Vitale A. Santoro – Corporate Secretary and Trustee of PROREIT

Vitale A. Santoro is a partner in the corporate department of the Montreal office of Osler, Hoskin & Harcourt LLP. Mr. Santoro practices corporate law, with an emphasis on corporate finance and mergers & acquisitions. Mr. Santoro obtained an LL.B. from Université de Montréal (Montreal, Quebec) and a B.A. (Economics) from Concordia University (Montreal, Quebec).

John Levitt – Trustee and Chairman of the Board of PROREIT

From May 2010 until recently, John Levitt was an Independent Trustee of CANMARC and served on several committees during his time with CANMARC, including the Audit Committee, the Governance and Nominating Committee, and the Investment Committee. Mr. Levitt is currently a partner at EDEV Real Estate Advisors, which he joined as a partner in 2005, and has over 25 years of experience in the real estate sector. EDEV Real Estate Advisors is a multi-faceted real estate consulting company offering development management, strategic planning and transaction services to clients. From 1997 to 2005, he was a member of the senior management of O&Y Properties Corporation with specific responsibility for O&Y's acquisition and development programs, which over eight years grew from an asset base of \$250 million to over \$2 billion.

Gérard A. Limoges, CM, FCPA, FCA – Trustee of PROREIT

From May 2010 until recently, Gérard A. Limoges was an Independent Trustee of CANMARC and served on several committees during his time with CANMARC, including the Audit Committee (as Chair), the Governance and Nominating Committee, and the Compensation Committee. Gérard A. Limoges is currently a corporate director and sits on the board of directors of several public companies. He is also a member of the board of directors of private companies and not-for-profit organizations, including the Orchestre Symphonique de Montréal. He was formerly deputy Chairman of Ernst & Young Canada until retirement in September 1999, after a career of 37 years with this firm. He has vast experience in the areas of accounting, audit, mergers and acquisitions and has worked for clients in a wide range of industries including service companies, retail, communications, transportation, real estate, financial institutions, insurance, manufacturing and pulp and paper. He is a member of the Institute of Corporate Directors, of the Québec Order of CPA and of the Canadian Institute of Chartered Accountants. Mr. Limoges received the Order of Canada in 2002.

Ronald E. Smith, FCA, ICD.D – Trustee of PROREIT

Ronald Smith is a Corporate Director and experienced Board Member with an extensive background in finance, human resources and management consulting across a wide spectrum of industries and enterprises. He currently serves on the Board of AuRico Gold Inc. (formerly Gammon Gold Inc.) and Innovative Properties Inc., two TSX listed entities. For ten years he was also a member of the Canada Pension Plan Investment Board, which manages over \$170 Billion of CPP funds. Over the last 30 years, he has served on Boards and Audit Committees of six Canadian public companies. He also served on various not-for-profit boards and committees, including the Acadia University Board of Governors where he was chair from 2004 to 2009 and the national board of The Arthritis Society where he is currently treasurer. From 2000 to 2004, he was Senior Vice President and Chief Financial Officer of Emera Inc, a publicly-traded Nova Scotia based energy company. From 1987 to 1999, Mr. Smith was Chief Financial Officer of MTT, a publicly-traded telecommunications company and, prior thereto, had a 16 year career at Ernst & Young in the financial recovery and insolvency practice including real estate, construction and financial services. He is a member of the Institute of Corporate Directors and is a Fellow of the Institute of Chartered Accountants of Nova Scotia.

One-Time Grant of Deferred Trust Units

As previously announced in the Company's information circular dated February 15, 2013, in connection with the initial appointment of the trustees and executive officers of PROREIT, with a view of aligning their interests with those of unitholders, PROREIT made a special one-time grant of deferred trust units ("DUs") to the following trustees and executive officers: (i) Gérard A. Limoges (11,667 DUs); (ii) Gordon G. Lawlor (33,333 DUs) (iii) James W. Beckerleg (50,000 DUs); (iv) John Levitt (11,667 DUs); (v) Ronald E. Smith (10,000 DUs); and (vi) Vitale A. Santoro (10,000 DUs).

The one-time grant of DUs became effective on closing of the Arrangement following the approval of the long term incentive plan of PROREIT by the Shareholders at the Meeting. The Company's information circular is available on SEDAR at www.sedar.com,

About PROREIT

PROREIT is an unincorporated open-ended real estate investment trust established pursuant to a declaration of trust under the laws of the Province of Ontario.

Forward-Looking Statements

This news release may contain forward-looking information within the meaning of applicable securities legislation. Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond PROREIT's control that could cause actual results and events to differ materially from those that are disclosed in or implied by such forward-looking information.

PROREIT's objectives and forward-looking statements are based on certain assumptions, including that (i) PROREIT will receive financing on favourable terms; (ii) the future level of indebtedness of PROREIT and its future growth potential will remain consistent with PROREIT's current expectations; (iii) there will be no changes to tax laws adversely affecting PROREIT's financing capacity or operations; (iv) the impact of the current economic climate and the current global financial conditions on PROREIT's operations, including its financing capacity and asset value, will remain consistent with PROREIT's current expectations; (v) the performance of PROREIT's investments in Canada will proceed on a basis consistent with PROREIT's current expectations; and (vi) capital markets will provide PROREIT with readily available access to equity and/or debt.

The forward-looking statements contained in this news release are expressly qualified in their entirety by this cautionary statement. All forward-looking statements in this press release are made as of the date of this press release. PROREIT, except as required by applicable securities legislation, does not undertake to update any such forward-looking information whether as a result of new information, future events or otherwise. Additional information about these assumptions and risks and uncertainties is contained in PROREIT's filings with securities regulatory authorities, which are available on SEDAR at www.sedar.com.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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