



Issued by & reply to:
FC PRIVATE EQUITY REALTY MANAGEMENT CORP.

September 21, 2020

ATTENTION: MR. EDWARD WARKENTIN

Chairman of The Board of Trustees
Artis Real Estate Investment Trust
Suite 600 – 220 Portage Avenue
Winnipeg, MB
R3C 0A5

Dear Mr. Warkentin:

OPEN LETTER TO THE BOARD OF TRUSTEES OF ARTIS REIT

RE: PROPOSED RETAIL PORTFOLIO SPINOFF AND DEBT REDUCTION

Thank you for your letter dated September 18, 2020. We can confirm that any correspondence we release will include all correspondence from Artis REIT.

We would like to make the following two proposals to the Artis REIT independent board members to consider.

PROPOSAL #1:

The Board of Trustees of Artis REIT would agree to the following:

1. Strike an independent five (5) person committee on behalf of the Preferred Unitholders (the "**Preferred Committee**"). The Preferred Committee would be comprised of the Chair of the Board of Artis REIT and one other independent board member selected by the Board, plus three (3) Preferred Unitholders including ourselves. We would suggest one further name and the Board would suggest the 5th member who is a Preferred unitholder;
2. The Preferred Committee would retain independent counsel and an advisor to provide a legal opinion on both redemption and a fairness opinion on the transaction as it relates to the Preferred Unitholders; and
3. The Preferred Committees recommendation would be part of the Circular.

Alternatively:

PROPOSAL #2:

The Board will proceed with the release of the Circular with the following options available to Preferred Unitholders:

1. Preferred Unitholders, who vote in favor of the proposed plan would be given the option of either receiving; (i) the new Preferred Units, or (ii) a cash redemption at \$25.00 per Preferred Unit. To participate in this option, you would need to vote in favor of the plan put forward by the Board; and
2. If you do not vote, you are deemed to automatically accept the proposal put forward by the Board and you as a Preferred Unitholder will receive the replacement units as proposed in the Circular.

The above two options are a reasonable resolution to address the interest of the Preferred Unitholders.

Mr. Warkentin, I welcome and am available for a call to discuss these proposals in further detail.

Please ensure that all members of your board of trustees receive a copy of this letter. May we please get a written response by September 23, 2020.

Yours truly,
FC PRIVATE EQUITY REALTY MANAGEMENT CORP.
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CC:

ATTENTION: MR. ARMIN MARTENS

President & CEO
Artis Real Estate Investment Trust

Mr. Justin Bosa
Managing Director, Head of Investment Banking
Scotiabank

Ms. Jackie Peynado / Nazim Nathoo
AST Trust Company (Canada)