

Sandy Poklar

From: Eli Dadouch
Sent: September 17, 2020 6:48 PM
To: Heather Nikkel; Edward L. Warkentin (elw@artisreit.com)
Cc: Richmond J. Bayes; Andison, Tim; Bosa, Justin; Nathoo, Nazim; jfraser@astfinancial.com; Sandy Poklar; Sam Solomon ; D. J. Miller; Fraser Hughes; amartens@artisreit.com; Fraser, Jodi
Subject: RE: Artis REIT Letter
Attachments: Fraser (AST Trust Company) September 17, 2020.pdf

Mr. Warkentin, thank you for your letter.

I am certain you have seen the correspondence sent today to your transfer agent, copy attached.

The Board is conflicted representing two separate and distinct Unitholders. So is your legal counsel. So are your advisors. The Common and preferred are two very different Unitholders.

The Preferred Unitholders need a special committee and independent counsel.

Your attempt to hold us back pending the release of the Management Information Circular ("MIC") is further confirmation of the boards conflict.

If you are truly independent, prior to releasing any circular, the board should do the following: (i) Establish a sub-committee of independent trustees, who in turn would establish a committee of the preferred unitholders; (ii) Retain an advisor and legal counsel strictly for the benefit Preferred Unitholders.

Once the Preferred Unitholders committee is established and a recommendation is made, the MIC should be issued.

A circular should not be issued until the preferred stakeholders have had proper advice.

By the way, management's attempt to have me threatened doesn't work. If anything, it further confirms that the solicitor who wrote the letter is conflicted as a result of his behaviour, as taking such direction from management, when we as a Preferred Unitholder have every right to raise concern. I will be reporting the solicitors conduct. As Chairman, you should not permit management to instruct a solicitor to take such a position with an equity holder, unless of course those directions came from you.

In addition, we plan on issuing the following press release in the format below:

DRAFT PRESS RELEASE:

If you are a Preferred Unitholder of Artis Real Estate Investment Trust ("Artis" and/or the "REIT") we ask that you please read the following correspondence we have had with senior management and the board of the REIT as it may impact you as a Preferred Unitholder.

You are being asked to vote for a transaction that gives you nothing in return for your vote! Based on our calculations, Preferred Unitholders are losing \$225 million of equity that formed a part of the protection in the capital stack that is relied on to form the security in the capital stack ranking of what made up the Preferred safety equity.

Senior management and the board of trustees are asking you as Preferred Unitholders to vote and to consent to \$225 million of equity leaving Artis to the benefit of the Common Unitholders who will be the only Unitholders of the new Retail Artis REIT (TSX : AXX.UN).

Further, to facilitate the transaction that benefits only the Common Unitholders, Artis requires the Preferred Unitholders to enter into a series of steps (the "Steps") that requires current Preferred Units to be redeemed, and replaced with a Promissory Note pending Plan of Arrangement approval. Once approved, the issuance of new Preferred Units will be in the stripped down Artis.

We are of the view that: (i) With the elimination of the retail equity of \$225 million; and (ii) the Steps required to complete this transaction, warrants the Preferred Units to be redeemed at PAR or the \$25 per share cash redemption.

Preferred Unitholders should not have to accept a promissory note, even for a moment in time.

You can access all our correspondence with the company at WWW.ArtisPreferredUnits.com

We encourage preferred Unitholders to reach out to us at Spoklar@firmcapital.com as we are attempting to formulate a committee of Preferred Unitholders.

In summary, Preferred Unitholders should vote against the Plan of Arrangement as it currently stands.

Thank you, Eli

Eli Dadouch
President & CEO
Firm Capital Corporation



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From: Heather Nikkel <hnikkel@artisreit.com>

Sent: September 17, 2020 5:27 PM

To: Eli Dadouch <EDadouch@firmcapital.com>

Cc: Richmond J. Bayes <RBayes@mltaikins.com>; Andison, Tim <tim.andison@blakes.com>; Bosa, Justin <justin.bosa@scotiabank.com>; Nathoo, Nazim <NNathoo@astfinancial.com>; jfraser@astfinancial.com

Subject: Artis REIT Letter

Good Afternoon Mr. Dadouch,

The attached letter is sent on behalf of Mr. Edward Warkentin, Chair of Artis REIT.

Regards,

Heather Nikkel

Vice-President – Investor Relations

Artis REIT

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