



PRESS RELEASE

FOR IMMEDIATE RELEASE

February 15, 2013

TAGGART CAPITAL CORP. MAILS INFORMATION CIRCULAR PERTAINING TO THE CONVERSION OF THE COMPANY INTO A REAL ESTATE INVESTMENT TRUST TO BE NAMED PROREIT

Montréal, Québec – (TSXV: TAG) Taggart Capital Corp. (the “**Company**”), announced today that it has filed a management information circular (the “**Information Circular**”) and notice of annual and special meeting in respect of its previously announced reorganization by way of plan of arrangement (the “**Arrangement**”) under the *Business Corporation Act* (Ontario) (the “**OBCA**”) whereby it intends to convert into a real estate investment trust (a “**REIT**”) to be named PRO Real Estate Investment Trust (“**PROREIT**”), subject to receipt of all necessary approval, including the approval of the TSX Venture Exchange (the “**Exchange**”) and the shareholders of the Company (the “**Shareholders**”). As previously disclosed, the Company completed its Qualifying Transaction on January 29, 2013, as defined under Exchange Policy 2.4 – *Capital Pool Companies*, and is now listed as a Tier 1 Real Estate Issuer on the Exchange.

The Arrangement

Pursuant to the Arrangement, among other things, the issued and outstanding common shares of the Company (“**Shares**”) will be exchanged for units of PROREIT (“**Units**”) on a 10 for 1 basis (1 Unit for every 10 Shares). Upon completion of the Arrangement, PROREIT is expected to meet all of the minimum listing requirements for a Tier 1 Real Estate Issuer.

Management and the Board of Directors of the Company (the “**Board of Directors**”) have considered and concluded that the reorganization of the Company into a REIT in the manner contemplated by the Arrangement is an optimal strategy to increase value to Shareholders. The Company has decided to pursue the Arrangement and related transactions as management believes the resulting trust structure will: (i) enhance Shareholder value, (ii) create a favourable platform for growth and development of the properties and business of the Company, and (iii) ultimately provide a vehicle to deliver cash flow from the business of the Company to security holders in a tax efficient manner.

The closing of the Arrangement is subject to a number of conditions, including, among other things, (i) the approval of the Arrangement by 66⅔% of the Shareholders and with a vote passed by the majority of the minority of the Shareholders (the “**Majority of the Minority Shareholder Approval**”), (ii) the receipt of the final order from the Ontario Superior Court of Justice (the “**Court**”) and, (iii) the final approval of the Arrangement by the Exchange. In the event that the necessary approvals are not obtained for the proposed Arrangement, management of the Company will continue to identify and evaluate real estate property that it considers appropriate for the Company. In such an event, management of the Company would also consider the appropriate time to reorganize the Company into a real estate investment trust by way of a plan of arrangement.

Information About the Meeting

The annual and special meeting (the “**Meeting**”) of the Shareholders will be held at 9:00 a.m. (E.S.T.) on March 8, 2013, at 1000 De La Gauchetière Street West, Suite 2100, Montréal, Québec, H3B 4W5.

Each person who is a holder of record of Shares at the close of business on February 4, 2013 (the “**Record Date**”) is entitled to receive notice of, and to attend and vote at the Meeting and any adjournment thereof, provided that to the extent that a person has transferred any Shares after the Record Date and the transferee of the Shares establishes that the transferee owns the Shares and demands not later than 10 days before the Meeting to be included in the list of holders eligible to vote at the Meeting, the transferee will be entitled to vote the Shares at the Meeting.

Registered Shareholders have the right to dissent with respect to the Arrangement and be paid the fair value of their Shares in accordance with the provisions of Section 185 of the OBCA and an interim order of the Court with respect to the Arrangement dated January 31, 2013, if the Arrangement becomes effective. This right to dissent is further described in the Information Circular. Failure to strictly comply with the dissent procedures set out in the Information Circular may result in the loss or unavailability of any right of dissent. Beneficial owners of Shares registered in the name of a broker, custodian, nominee or other intermediary who wish to dissent should be aware that only a registered owner of Shares is entitled to exercise dissent rights.

Shareholders unable to attend the Meeting in person are requested to read the Information Circular and form of proxy which accompanies the notice of Meeting and to complete, sign, date and deliver the form of proxy, together with the power of attorney or other authority, if any, under which it was signed (or a copy thereof certified by a notary) to the Company’s transfer agent, Equity Financial Trust Company, 200 University Avenue, Suite 400, Toronto, Ontario, M5H 4H1. To be effective, proxies must be received by Equity Financial Trust Company not later than 5:00 p.m. (Montréal time) on March 6, 2013 or, if the Meeting is adjourned, not later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the adjourned Meeting, or any further adjournment thereof. Unregistered shareholders who received the proxy through an intermediary must deliver the proxy in accordance with the instructions given by such intermediary.

Investors are cautioned that, except as disclosed in the Information Circular, any information released or received with respect to the Arrangement may not be accurate or complete and should not be relied upon. Investors are encouraged to review the Information Circular, a copy of which will be made available on SEDAR at www.sedar.com.

Long Term Incentive Plan of PROREIT

At the Meeting, Shareholders will also be asked to approve the proposed long term incentive plan of PROREIT (the “**Long Term Incentive Plan**”). The trustees, directors, employees and consultants of PROREIT and its affiliates (collectively, the “**Eligible Persons**”) are eligible to participate in the Long Term Incentive Plan.

The Board of Directors has approved the Long Term Incentive Plan pursuant to which PROREIT may award deferred units (“**DUs**”) and restricted units (“**RUs**”) to Eligible Persons. The aggregate number of Units that may be issued pursuant to the Long Term Incentive Plan is 571,388. The Board of Directors considers the Long Term Incentive Plan to be fair to Shareholders and in the best interests of PROREIT and its unitholders.

The rules of the Exchange require that the resolution approving the Long Term Incentive Plan receives the affirmative vote of a majority of the votes cast at the Meeting excluding votes attached to Shares beneficially owned by (i) insiders to whom RUs and DUs may be granted under the Long Term Incentive

Plan, and (ii) associates of such insiders.

Rights Plan

At the Meeting, Shareholders will also be asked to approve the proposed rights plan of PROREIT (the “**Rights Plan**”). The Rights Plan will utilize the mechanism of the “Permitted Bid” to ensure that a person seeking control of PROREIT gives unitholders and the board of trustees of PROREIT sufficient time to evaluate the bid, negotiate with the initial bidder and encourage competing bids to emerge. The purpose of the Rights Plan is to protect unitholders by providing an incentive for all potential bidders to comply with the conditions specified in the “Permitted Bid” provisions. If such bidders do not comply with the “Permitted Bid” provisions, they will be subject to the dilutive features of the Rights Plan.

The Board of Directors has approved the Rights Plan pursuant to which PROREIT will issue one right (a “**Right**”) for each voting Unit which is outstanding on closing of the Arrangement and will issue one Right for each voting Unit issued during the currency of the Rights Plan. The Board of Directors considers the Rights Plan to be fair to Shareholders and in the best interests of PROREIT and its unitholders.

The rules of the Exchange require that the resolution approving the Rights Plan receives the affirmative vote of a majority of the votes cast at the Meeting.

Acquisition of Common Shares by James W. Beckerleg

James W. Beckerleg, President and Chief Executive Officer of Company, has acquired ownership of 3,022,381 Shares in connection with the recently announced completion of the Company’s Qualifying Transaction, representing approximately 10.6% of the 28,569,368 issued and outstanding Shares (the “**Acquisition**”). Mr. Beckerleg acquired the Shares through his holding company, Ware Hill Investments Inc. (“**Ware Hill**”), a private company controlled by Mr. Beckerleg.

More precisely, Ware Hill acquired (i) 2,070,000 Shares pursuant to a share purchase agreement between Ware Hill, the Company, and the former principals of the Company at a purchase price of \$0.13 per Share for an aggregate consideration of \$269,100, and (ii) 952,381 Shares pursuant to a subscription agreement between Ware Hill and the Company at a purchase price of \$0.1575 per Share for an aggregate consideration of \$150,000. The Acquisition was subject to the issuance of the Final Exchange Bulletin by the Exchange, which was released on February 6, 2013. Pursuant to the terms of two escrow agreements dated September 14, 2011 and January 29, 2013, respectively, the Shares acquired by Ware Hill are subject to escrow restrictions pursuant to the policies of the Exchange.

Ware Hill acquired the Shares for investment purposes and to fund, among other things, the acquisition of a property located at 135 Main Street in Moncton, New Brunswick, which forms part of the Qualifying Transaction. Ware Hill has filed an early warning report describing the above transactions with applicable Canadian securities regulators, a copy of which is available under the Company’s profile on SEDAR at www.sedar.com.

Trustees and Executive Officers of PROREIT

Biographical information regarding the initial trustees and executive officers of PROREIT 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 Real Estate Investment Trust (“**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, Québec 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 (Montréal, Québec) and an MBA from Concordia University (Montréal, Québec).

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 Montréal 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 (Montréal, Québec) and a B.A. (Economics) from Concordia University (Montréal, Québec).

John Levitt – Independent 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 – Independent 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 – Independent 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.

About PROREIT

The objectives of PROREIT will be to: (i) provide holders of Units with stable and growing cash distributions from investments focused on real estate properties in Canada, primarily in the Maritimes, Ontario and Québec, on a tax efficient basis; (ii) enhance the value of PROREIT's assets and maximize long-term Unit value; and (iii) expand the asset base of PROREIT and increase PROREIT's AFFO per Unit, through internal growth strategies and accretive acquisitions.

Following completion of the Arrangement, PROREIT may finance the acquisition of additional properties, if identified, through its cash on hand, offerings of Units, convertible debentures or other securities of PROREIT, mortgage financings or assumptions of loan, vendor take-back financings as well as the issuance of securities exchangeable into Units to vendors of properties.

Forward-Looking Statements

This press release contains forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “estimates”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company or PROREIT to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Accordingly, readers should not place undue reliance on forward looking statements. The factors identified above are not intended to represent a complete list of the factors that could affect the Company. Completion of the Arrangement is subject to a number of conditions, including but not limited, to final approval of the Exchange and obtaining the Majority of the Minority Shareholder Approval. There can be no assurance that the Arrangement will be completed as proposed or at all.

The Exchange has in no way passed upon the merits of the proposed Arrangement and has neither approved nor disapproved the contents of this press release. Neither the Exchange nor its Regulation Services Provider (as that term is defined in policies of the Exchange) accepts responsibility for the adequacy or accuracy of this release.

For additional information, please contact: James W. Beckerleg, President and Chief Executive Officer of the Company, or Gordon G. Lawlor, Chief Financial Officer of the Company at (514) 933-9552.