



AGELLAN COMMERCIAL REAL ESTATE INVESTMENT TRUST

**NOTICE OF SPECIAL MEETING OF UNITHOLDERS
TO BE HELD ON JANUARY 10, 2019**

AND

**MANAGEMENT INFORMATION CIRCULAR
DATED DECEMBER 6, 2018**

**WITH RESPECT TO A PROPOSED
PLAN OF ARRANGEMENT**

**INVOLVING, AMONG OTHERS,
ELAD GENESIS LIMITED PARTNERSHIP**

AND

AGELLAN COMMERCIAL REAL ESTATE INVESTMENT TRUST

<p>THE BOARD OF TRUSTEES UNANIMOUSLY RECOMMENDS THAT UNITHOLDERS VOTE IN FAVOUR OF THE TRANSACTION</p>

Please read this document and the accompanying materials carefully. These materials are important and require your immediate attention. They require unitholders of the REIT to make important decisions. If you are in doubt as to how to make such decisions or about these materials or the matters to which they refer, please contact your financial, legal or other professional advisors. If you have any questions or require more information with regard to the procedures for voting or completing your letter of transmittal, please contact Shorecrest Group Ltd., our proxy solicitation agent, by telephone at 1-888-637-5789 toll-free in North America or at 1-647-931-7454 for collect calls outside of North America or by e-mail at contact@shorecrestgroup.com.

**BOARD OF TRUSTEES
LETTER TO UNITHOLDERS**

December 6, 2018

Dear fellow unitholders:

It is my pleasure to extend to you, on behalf of the board of trustees (the “**Board**”) of Agellan Commercial Real Estate Investment Trust (the “**REIT**”), an invitation to attend a special meeting (the “**Meeting**”) of holders (“**Unitholders**”) of the units (“**Trust Units**”) and special voting units of the REIT (together with the Trust Units, “**Units**”) to be held at the offices of Torys LLP, 79 Wellington Street West, 33rd Floor, TD South Tower, Toronto, Ontario M5K 1N2 on January 10, 2019 at 10:00 a.m. (Toronto time).

At the Meeting, Unitholders will be asked to consider and vote on a special resolution (the “**Special Resolution**”) approving a plan of arrangement under the *Business Corporations Act* (Ontario) and the *Trustee Act* (Ontario), involving, among others, Elad Genesis Limited Partnership or one of its affiliates (the “**Purchaser**”) and the REIT (the “**Transaction**”). Under the terms of the Transaction, the Purchaser will, among other things, acquire all of the outstanding Trust Units, other than Trust Units already owned by the Purchaser or its affiliates, for \$14.25 per Trust Unit in cash.

To become effective, the Special Resolution being considered at the Meeting must be approved by the affirmative vote of: (a) not less than 66 ²/₃% of the votes cast upon such resolution by Unitholders, voting as a single class, present in person or represented by proxy at the Meeting; and (b) a simple majority of the votes cast upon such resolution by Unitholders present in person or represented by proxy at the Meeting, excluding the votes attached to Units required to be excluded pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*.

Completion of the Transaction is subject to the satisfaction of certain conditions, including approval by Unitholders and the Ontario Superior Court of Justice (Commercial List), as described in the enclosed management information circular (the “**Circular**”). If such approvals are obtained and the other conditions to the completion of the Transaction are satisfied or waived, closing of the Transaction is expected to occur during February 2019.

After careful consideration and consultation with their financial and legal advisors, the Board (other than Mr. Rafael Lazer, who is an officer of an affiliate of the Purchaser and has recused himself and abstained from voting) has unanimously determined that the Transaction is in the best interests of the REIT and Unitholders.

The Transaction is the culmination of a comprehensive strategic review process that the REIT commenced in March 2018 in connection with the sale of its Parkway Place property. In making its determination, the Board took into account, among other things, the reasons noted in the Circular, the unanimous recommendation of an independent committee of the Board and the financial advice of RBC Dominion Securities Inc. (“**RBC Capital Markets**”) and Wells Fargo Securities, LLC (“**Wells Fargo Securities**”). Each of RBC Capital Markets and Wells Fargo Securities has delivered its opinion to the Board that as of November 13, 2018 and subject to the assumptions, limitations, qualifications and other matters set forth therein, the consideration to be received by holders of Trust Units (other than the Purchaser and its affiliates) under the Transaction is fair, from a financial point of view, to such holders of Trust Units.

THE BOARD (EXCLUDING MR. RAFAEL LAZER) UNANIMOUSLY RECOMMENDS THAT UNITHOLDERS VOTE FOR THE SPECIAL RESOLUTION APPROVING THE TRANSACTION.

Certain affiliates of Sandpiper Group, which collectively hold approximately 4,304,396 Units, representing approximately 12.7% of the issued and outstanding Units, have entered into voting support agreements with the Purchaser to vote FOR the Special Resolution approving the Transaction. The trustees and executive officers of the REIT, who as of the date hereof collectively hold approximately 5.1% of the issued and outstanding Units, have also entered into voting support agreements with the Purchaser in support of the Transaction and intend to vote their Units FOR the Special Resolution approving the Transaction.

The accompanying circular contains a detailed description of the Transaction, as well as information regarding the REIT. It also describes certain Canadian federal income tax considerations. **Please give this material careful consideration and, if you require assistance, consult your financial, tax, legal or other professional advisors to determine the particular impact (including tax impact) of the Transaction upon you, having regard to your own particular circumstances.**

You can complete and return the enclosed form of proxy in a number of ways. Please see the enclosed Notice of Special Meeting and Circular for information on how to vote your Units. Your vote must be received by 10:00 a.m. (Toronto time) on January 8, 2019 or, if the Meeting is adjourned or postponed, 48 hours (excluding Saturdays, Sundays and holidays in the Province of Ontario) prior to the adjourned or postponed Meeting. If you hold your Units through an intermediary such as a broker, investment dealer, bank, trust company, trustee, clearing agency (such as CDS Clearing and Depository Services Inc.) or other nominee, your intermediary may require you to submit your vote at an earlier date and/or time.




If you have any questions with regard to the procedures for voting or completing your letter of transmittal, please contact Shorecrest Group Ltd., our proxy solicitation agent, by telephone at 1-888-637-5789 toll-free in North America or at 1-647-931-7454 for collect calls outside of North America or by e-mail at contact@shorecrestgroup.com.

Your vote is important regardless of the number of Units you own. On behalf of the REIT and the Board, I would like to thank all Unitholders for their support in the past and with respect to our decision to proceed with the Transaction.

Yours very truly,

“Glen Ladouceur”

Glen Ladouceur
Board Chair

Voting Methods	 Internet	 Telephone or Fax	 Mail
Registered Unitholders <i>Units held in own name either electronically or in the form of a physical certificate.</i>	Vote online at www.investorvote.com	Telephone: 1-866-732-8683 Fax: 1-866-249-7775	Return the form of proxy in the enclosed postage paid envelope.
Beneficial Unitholders <i>Units held with a broker, investment dealer or other intermediary.</i>	Vote online at www.proxyvote.com	Call or fax to the number(s) listed on your voting instruction form.	Return the voting instruction form in the enclosed postage paid envelope.

AGELLAN COMMERCIAL REAL ESTATE INVESTMENT TRUST

NOTICE OF SPECIAL MEETING OF UNITHOLDERS

A special meeting (the “**Meeting**”) of the holders (the “**Unitholders**”) of the units (“**Trust Units**”) and special voting units (together with the Trust Units, “**Units**”) of Agellan Commercial Real Estate Investment Trust (the “**REIT**”) will be held at 10:00 a.m. (Toronto time) on January 10, 2019 at the offices of Torys LLP, 79 Wellington Street West, 33rd Floor, TD South Tower, Toronto, Ontario M5K 1N2, for the following purposes:

- (a) to consider, pursuant to an interim order of the Ontario Superior Court of Justice (Commercial List), as such order may be amended, modified, supplemented or varied (the “**Interim Order**”), and to vote on, with or without variation, a special resolution (the “**Special Resolution**”), the full text of which is set forth in Appendix “B” to the accompanying management information circular (the “**Circular**”), approving a plan of arrangement (the “**Plan of Arrangement**”) under section 182 of the *Business Corporations Act* (Ontario) and section 60 of the *Trustee Act* (Ontario), involving, among others, Elad Genesis Limited Partnership or one of its affiliates (the “**Purchaser**”) and the REIT, all as more particularly described in the Circular (the “**Transaction**”); and
- (b) to transact any such other business as may properly be brought before the Meeting or any adjournment or postponement thereof.

Unitholders are referred to the Circular for more detailed information with respect to the foregoing matters to be considered at the Meeting.

The Circular which accompanies this Notice of Special Meeting of Unitholders provides information regarding the business to be considered at the Meeting and includes the full text of the Special Resolution and the Interim Order, attached thereto as Appendix “B” and Appendix “C”, respectively.

Record Date

In accordance with the Interim Order, December 6, 2018 has been fixed as the record date for determining Unitholders entitled to receive notice of, and to vote at, the Meeting or any adjournment or postponement thereof.

Accompanying this Notice of Special Meeting of Unitholders is the Circular, which contains details of the matters to be addressed at the Meeting, a form of proxy or voting instruction form and, in the case of Registered Unitholders, a letter of transmittal (the “**Letter of Transmittal**”). The Circular, form of proxy and the Letter of Transmittal may also be accessed under the REIT’s profile on SEDAR at www.sedar.com.

Voting of Units

In order to determine how to vote at the Meeting, you must first determine whether you are a Registered Unitholder or Beneficial Unitholder.

Registered Unitholders

You are a Registered Unitholder if your Units are held directly in your name either electronically or in the form of a physical Unit certificate. If you are a Registered Unitholder, you may vote in person at the Meeting. Even if you plan to attend the Meeting, it is recommended that you submit your proxy in advance of the Meeting, as described below, so that your vote will be counted if you later decide not to attend the Meeting.

Alternatively, if you would prefer not to attend the Meeting (or any adjournment or postponement thereof) in person, you can exercise your right to vote via the internet, fax or telephone or by signing and returning the form of proxy in accordance with the directions on the form. Please vote your proxy in sufficient time to be received by Computershare Investor Services Inc., the REIT’s transfer agent, prior to the proxy deposit deadline of January 8, 2019 at 10:00 a.m. (Toronto time) or, if the Meeting is adjourned or postponed, 48 hours (excluding Saturdays, Sundays and holidays in the Province of Ontario) prior to the adjourned or postponed Meeting.

If the Special Resolution is passed and the Plan of Arrangement is implemented, in order to receive the payment for Trust Units, a Registered Unitholder must complete and sign the Letter of Transmittal enclosed with this Circular and deliver such Letter of Transmittal (or a manually executed facsimile copy thereof) together with the certificates representing, or direct registration advices for, the Trust Units, or the necessary confirmation of a book-entry transfer, and the other documents required by the instructions set out therein to Computershare Investor Services Inc. (the “**Depository**”) in accordance with the instructions contained in the Letter of Transmittal. A Registered Unitholder can obtain additional copies of the Letter of Transmittal by contacting the Depository. The Letter of Transmittal is also available under the REIT’s profile on SEDAR at www.sedar.com.

A Registered Unitholder can complete and return the form of proxy in a number of ways:

- (a) use the internet at www.investorvote.com;
- (b) call toll-free to 1-866-732-8683;
- (c) fax at 1-866-249-7775;
- (d) use the business reply envelope provided; or
- (e) deliver in person to Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario, Canada M5J 2Y1.

However you choose to vote, your vote must be received by 10:00 a.m. (Toronto time) on January 8, 2019 or, if the Meeting is adjourned or postponed, 48 hours (excluding Saturdays, Sundays and holidays in the Province of Ontario) prior to the adjourned or postponed Meeting. The time limit for the deposit of proxies may be waived or extended by the Chair of the Meeting at his or her discretion without notice. Unitholders who have questions about deciding how to vote or who have additional questions about the Circular or the matters described in the Circular, please contact your professional advisors.

Beneficial Unitholders

Most Unitholders are Beneficial Unitholders. You are a Beneficial Unitholder if you beneficially own Units that are held in the name of an intermediary such as a broker, investment dealer, bank, trust company, trustee, clearing agency (such as CDS Clearing and Depository Services Inc.) or other nominee. Intermediaries are required to seek voting instructions from Beneficial Unitholders in advance of meetings of Unitholders. Without specific instructions, brokers and their agents and nominees are prohibited from voting for the broker’s clients. Therefore, each Beneficial Unitholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.

Every intermediary has its own mailing procedures and provides its own return instructions to clients. The form of proxy or voting instruction supplied to you by your intermediary will be similar to the proxy provided to Registered Unitholders by the REIT. However, its purpose is limited to instructing the intermediary on how to vote your Units on your behalf. Most intermediaries delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”). Broadridge mails a Voting Instruction Form (“**VIF**”) in lieu of a form of proxy provided by the REIT. **For your Units to be voted, you must follow the instructions on the VIF that is provided to you.** You can complete the VIF by: (a) calling the phone number listed thereon; (b) mailing the completed VIF in the envelope provided; or (c) using the internet at www.proxyvote.com. Unitholders who have questions about deciding how to vote or who have additional questions about the Circular or the matters described in the Circular, please contact your professional advisors. Additionally, the REIT may utilize Broadridge’s QuickVote™ service to assist Beneficial Unitholders with voting their Units. Certain Beneficial Unitholders who have not objected to the REIT knowing who they are (non-objecting beneficial owners) may be contacted by Shorecrest Group Ltd., our proxy solicitation agent, to conveniently obtain a vote directly over the telephone.

If, as a Beneficial Unitholder, you choose to vote in person at the Meeting (or have another person attend and vote on your behalf) you must: (a) insert your own name (or such other person’s name) in the space provided or mark the appropriate box on the VIF to appoint yourself (or such other person) as the proxyholder; and (b) return the VIF in the envelope provided or as otherwise permitted by your intermediary. No other part of the form should be

completed. In some cases, your intermediary may send you additional documentation that must also be completed in order for you to vote in person at the Meeting.

Dissent Rights

Pursuant to the Interim Order, registered holders of Trust Units are entitled to dissent in respect of the Special Resolution and, if the Plan of Arrangement becomes effective, to be paid the fair value of their Trust Units in accordance with the provisions of the REIT's declaration of trust, as adopted, modified or supplemented by the Interim Order and the Plan of Arrangement. This right is described in detail in the accompanying Circular under the heading "*Dissent Rights*". There can be no assurance that a dissenting holder of Trust Units will receive consideration for his or her Trust Units of equal value to the consideration that such dissenting holder of Trust Units would have received under the Transaction. **Failure to comply strictly with the dissent procedures established in the Interim Order and the Plan of Arrangement may result in the loss of all dissent rights.** Beneficial owners of Trust Units registered in the name of a broker, investment dealer or other intermediary who wish to dissent should be aware that only registered holders of Trust Units are entitled to dissent. Accordingly, a beneficial owner of Trust Units who desires to exercise rights of dissent must make arrangements for the registered holder of such Trust Units to dissent on the holder's behalf.

In this Notice of Special Meeting of Unitholders, "**Business Day**" means any day of the year, other than a Saturday, Sunday or any day on which Schedule I chartered banks are closed for business in Toronto, Ontario.

If you have any questions, please contact Shorecrest Group Ltd., our proxy solicitation agent, by telephone at 1-888-637-5789 toll-free in North America or at 1-647-931-7454 for collect calls outside of North America or by e-mail at contact@shorecrestgroup.com.

DATED at the City of Toronto, Ontario, this 6th day of December, 2018.

By order of the Trustees of

**AGELLAN COMMERCIAL REAL ESTATE
INVESTMENT TRUST**

"Glen Ladouceur"

**Glen Ladouceur
Board Chair**

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AGELLAN COMMERCIAL REAL ESTATE INVESTMENT TRUST MANAGEMENT INFORMATION CIRCULAR

Introduction

This Circular is furnished in connection with the solicitation of proxies by and on behalf of the management of the REIT for use at the special meeting of Unitholders to be held at the offices of Torys LLP, 79 Wellington Street West, 33rd Floor, TD South Tower, Toronto, Ontario M5K 1N2, on January 10, 2019 at 10:00 a.m. (Toronto time) and any adjournment or postponement thereof for the purposes set forth in the accompanying Notice of Special Meeting.

No person has been authorized to give any information or to make representations in connection with the Transaction or any other matters to be considered at the Meeting other than those contained in this Circular and, if given or made, any such information or representation should not be considered to have been authorized by the REIT. If any such information or representation is given or made to you, you should not rely on it as having been authorized or as being accurate.

This Circular does not constitute an offer to acquire, or a solicitation of an offer to acquire, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation.

All information relating to the Purchaser, El-Ad Group, Ltd. and their respective affiliates contained in this Circular has been provided to the REIT by the Purchaser for inclusion in this Circular. The REIT has relied upon this information without having made independent inquiries as to the accuracy or completeness thereof; however, it has no reason to believe such information contains a misrepresentation. Neither the Board nor the REIT assumes any responsibility for the accuracy or completeness of such information or for any omission therein or for any failure on the part of the Purchaser to disclose facts or events which may affect the accuracy or completeness of any such information. In accordance with the Arrangement Agreement, the Purchaser provided the REIT with all necessary information concerning the Purchaser, El-Ad Group, Ltd. and their respective affiliates that is required to be included in this Circular and ensured that such information does not contain any misrepresentation (as such term is defined in the Arrangement Agreement).

All summaries of, and references to, the Transaction in this Circular are qualified in their entirety by reference to the complete text of the Plan of Arrangement, a copy of which is attached as Appendix "E" to this Circular, and the complete text of the Arrangement Agreement, a copy of which is available under the REIT's profile on SEDAR at www.sedar.com or upon request without charge to the Chief Financial Officer of the REIT at 156 Front Street West, Suite 303, Toronto, Ontario M5J 2L6 (telephone: 416-593-6800). Unitholders are advised that the REIT expects its registered and head office to change to 890 Yonge Street, Suite 505, Toronto, Ontario M4W 3P4 effective as of December 17, 2018. **You are urged to carefully read the full text of these documents.**

Unitholders should not construe the contents of this Circular as legal, tax or financial advice and should consult with their own professional advisors as to the relevant legal, tax, financial or other matters in connection herewith.

All capitalized terms used in this Circular but not otherwise defined herein have the meanings set forth in the Glossary set out in Appendix "A" or elsewhere in this Circular. The information contained in this Circular is given as at December 6, 2018, except where otherwise noted.

Special Resolution

At the Meeting, Unitholders will be asked to consider and vote on the Special Resolution approving the Plan of Arrangement under the OBCA and the Trustee Act, involving, among others, the REIT and the Purchaser. Under the terms of the Transaction, announced prior to the open of the markets on November 14, 2018, the

Purchaser will, among other things, acquire all of the outstanding Trust Units, other than Trust Units already owned by the Purchaser or its affiliates, for \$14.25 per Trust Unit in cash.

Voting of Units

In order to determine how to vote at the Meeting, you must first determine whether you are a Registered Unitholder or a Beneficial Unitholder.

Registered Unitholders

You are a Registered Unitholder if your Units are held directly in your name either electronically or in the form of a physical Unit certificate. If you are a Registered Unitholder, you may vote in person at the Meeting. Even if you plan to attend the Meeting, it is recommended that you submit your proxy in advance of the Meeting, as described below, so that your vote will be counted if you later decide not to attend the Meeting.

Alternatively, if you would prefer not to attend the Meeting in person, you can exercise your right to vote via the internet, fax or telephone or by signing and returning the form of proxy in accordance with the directions on the form. You can complete and return the form of proxy in a number of ways:

- (a) use the internet at www.investorvote.com;
- (b) call toll-free to 1-866-732-8683;
- (c) fax at 1-866-249-7775;
- (d) use the business reply envelope provided; or
- (e) deliver in person to Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario, Canada M5J 2Y1.

However you choose to vote, your vote must be received by 10:00 a.m. (Toronto time) on January 8, 2019 or, if the Meeting is adjourned or postponed, 48 hours (excluding Saturdays, Sundays and holidays in the Province of Ontario) prior to the adjourned or postponed Meeting. The time limit for the deposit of proxies may be waived or extended by the Chair of the Meeting at his or her discretion without notice. Unitholders who have questions about deciding how to vote or who have additional questions about the Circular or the matters described in the Circular, please contact your professional advisors. If you have any questions with regard to the procedures for voting or completing your Letter of Transmittal, please contact Shorecrest Group Ltd., our proxy solicitation agent, by telephone at 1-888-637-5789 toll-free in North America or at 1-647-931-7454 for collect calls outside of North America or by e-mail at contact@shorecrestgroup.com.

Beneficial Unitholders

Most Unitholders are Beneficial Unitholders. You are a Beneficial Unitholder if you beneficially own Units that are held in the name of an intermediary such as a broker, investment dealer, bank, trust company, trustee, clearing agency (such as CDS) or other nominee. For example, you are a Beneficial Unitholder if you hold your Units in a brokerage account of any type. Intermediaries are required to seek voting instructions from Beneficial Unitholders in advance of meetings of Unitholders. Every intermediary has its own mailing procedures and provides its own return instructions to clients. The form of proxy or voting instruction supplied to you by your intermediary will be similar to the proxy provided to Registered Unitholders by the REIT. However, its purpose is limited to instructing the intermediary on how to vote your Units on your behalf. Most intermediaries delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge mails a Voting Instruction Form ("**VIF**") in lieu of a form of proxy provided by the REIT. **For your Units to be voted, you must follow the instructions on the VIF that is provided to you.** You can complete the VIF by: (a) calling the phone number listed thereon; (b) mailing the completed VIF in the envelope provided; or (c) using the internet at

www.proxyvote.com. Unitholders who have questions about deciding how to vote or who have additional questions about this Circular or the matters described in this Circular, please contact your professional advisors. Additionally, the REIT may utilize Broadridge's QuickVote™ service to assist Beneficial Unitholders with voting their Units. Certain Beneficial Unitholders who have not objected to the REIT knowing who they are (non-objecting beneficial owners) may be contacted by Shorecrest Group Ltd. to conveniently obtain a vote directly over the telephone.

If, as a Beneficial Unitholder, you choose to vote in person at the Meeting (or have another person attend and vote on your behalf): (a) insert your own name (or such other person's name) in the space provided or mark the appropriate box on the VIF to appoint yourself (or such other person) as the proxyholder; and (b) return the VIF in the envelope provided or as otherwise permitted by your intermediary. No other part of the form should be completed. Beneficial Unitholders may not vote directly at the Meeting using the voting instruction form provided. They must carefully follow the instructions provided by their financial intermediary to vote in person at the Meeting. In some cases, your intermediary may send you additional documentation that must also be completed in order for you to vote in person at the Meeting.

If you have any questions with regard to the procedures for voting, please contact Shorecrest Group Ltd., our proxy solicitation agent, by telephone at 1-888-637-5789 toll-free in North America or at 1-647-931-7454 for collect calls outside of North America or by e-mail at contact@shorecrestgroup.com.

Caution Regarding Forward-Looking Statements and Information

Except for statements of historical fact, certain information contained herein constitutes "forward-looking information" under Canadian securities legislation. Forward-looking information includes, but is not limited to, statements concerning the Transaction referred to in this Circular, including necessary approvals and other conditions required to complete the Transaction, the expected costs and benefits of the Transaction, the delisting of the Trust Units from the TSX, the expected Effective Time, payment of distributions, including the Parkway Place Special Distribution, and any other statements regarding the REIT's expectations, intentions, plans and beliefs. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "may", "might", "will", "could", "should", "would", "occur", "expect", "plan", "anticipate", "believe", "intend", "estimate", "budget", "forecast", "predict", "potential", "continue", "likely", "schedule", or the negative thereof or other similar expressions.

Forward-looking information is based on the opinions and estimates of management as of the date such information is provided including, but not limited to, assumptions relating to the following: that business and economic conditions affecting the REIT's operations will substantially continue in their current state and that there will be no significant event affecting the REIT occurring outside the ordinary course of the REIT's business; that there will be no material delays in obtaining required court and Unitholder approvals in connection with the Transaction and that such approvals will be obtained; that the Arrangement Agreement will not be amended or terminated; that the payment of monthly distributions will continue through to the Effective Time; that there will be no material changes in the legislative, regulatory and operating framework for the REIT and its businesses; that all other conditions precedent to completing the Transaction will be met; and the accuracy and completeness of information received from or on behalf of the Purchaser, El-Ad Group, Ltd. or their respective affiliates. Although management of the REIT believes that the assumptions made and the expectations represented by such statements or information are reasonable, there can be no assurance that the forward-looking statements or information will prove to be accurate.

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from those expressed or implied by such forward-looking information, including, but not limited to, risks relating to: completion of the Transaction, including completion of the conditions precedent to the Arrangement Agreement, some of which are outside of the REIT's and the Purchaser's control; the receipt and the timing of receipt of the Unitholder Approval; either party's failure to consummate the Transaction when required; the risk that the market price of the Trust Units may be materially adversely affected if the Transaction is not completed or its completion is materially delayed; the response of business partners, tenants and competitors to the announcement and pendency of the Transaction; the REIT being required to pay the Purchaser the Termination Fee; the Arrangement

Agreement restricting the REIT from taking specified actions, without the consent of the Purchaser, until the Transaction is completed; a material adverse change or other circumstance that could give rise to the termination of the Arrangement Agreement; the risk that the Trustees and officers of the REIT may have interests in the Transaction that are different from those of other Unitholders; material adverse changes in the business or affairs of the REIT; competitive factors in the industries in which the REIT operates; interest rates, prevailing economic conditions and other factors, many of which are beyond the control of the REIT; risks with respect to the reliability of the information regarding the Purchaser, El-Ad Group, Ltd. and their respective affiliates included in, or which may have been omitted from, this Circular; and other risks described in the REIT's current annual information form posted under its profile on SEDAR at www.sedar.com. See also "Risk Factors" in this Circular.

Although management of the REIT has attempted to identify important factors that could cause actual actions, events or results to differ materially from those contained in forward-looking information in this Circular, there may be other factors that could cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that the forward-looking statements and information in this Circular will prove to be accurate, as actual results and future events could differ materially from those anticipated in such forward-looking statements and information. Accordingly, readers should not place undue reliance on forward-looking information. Except as required by applicable Law, the REIT disclaims any intention or obligation to update or revise any of the forward-looking statements or forward-looking information in this Circular, whether as a result of new information, future events or otherwise, or to explain any material difference between subsequent actual events and such forward-looking statements and information. All of the forward-looking statements made, and forward-looking information contained, in this Circular is qualified by these cautionary statements.

Information for U.S. Unitholders

The REIT is an unincorporated, open-ended real estate investment trust established under, and governed by, the laws of the Province of Ontario pursuant to the Declaration of Trust. The solicitation of proxies and the transactions contemplated in this Circular involve securities of an issuer located in Canada and are being effected in accordance with Canadian securities laws. This Circular has been prepared in accordance with disclosure requirements under Canadian securities laws. Unitholders should be aware that disclosure requirements under Canadian securities laws may differ from disclosure requirements under U.S. federal or state securities laws. The enforcement by investors of civil liabilities under U.S. federal securities laws may be affected adversely by the fact that the REIT is an unincorporated, open-ended real estate investment trust established under, and governed by, the laws of the Province of Ontario pursuant to the Declaration of Trust, its trustees are not residents of the United States and a portion of its assets and the assets of such persons are located outside the United States. Unitholders may not be able to sue the REIT or its trustees in a foreign court for violations of U.S. federal or state securities laws. It may be difficult to compel the REIT, through its trustees, to subject themselves to a judgment by a U.S. court.

THE TRANSACTIONS DESCRIBED IN THIS CIRCULAR HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES REGULATORY AUTHORITY, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES REGULATORY AUTHORITY PASSED ON THE FAIRNESS OR MERITS OF SUCH TRANSACTIONS OR UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Unitholders who are U.S. persons should be aware that the transactions contemplated herein may have tax consequences both in Canada and in the United States. Certain information concerning the Canadian federal income tax consequences of the Transaction for certain holders of Trust Units who are not residents of Canada is set forth under "*Certain Canadian Federal Income Tax Considerations – Taxation of Trust Unitholders Not Resident in Canada*". However, the tax consequences to U.S. persons, including U.S. tax consequences, are not described fully herein. Unitholders are urged to consult their own tax advisors to determine the particular tax consequences to them of the Transaction.

Currency Presentation and Financial Principles

Unless otherwise indicated in this Circular, all currency amounts are expressed in Canadian dollars. References to “\$” in this Circular refer to Canadian dollars.

QUESTIONS AND ANSWERS

The following are some questions that you, as a Unitholder, may have relating to the Meeting, and the answers to those questions. These questions and answers do not provide all the information relating to the Meeting or the matters to be considered at the Meeting and are qualified in their entirety by the more detailed information contained elsewhere in this Circular.

Unitholders are urged to read this Circular in its entirety before making a decision related to your Units.

1. Q: Why did I receive this package of information?

A: On November 13, 2018, the REIT, Agellan GP, the Purchaser and El-Ad Group, Ltd. entered into the Arrangement Agreement pursuant to which the Purchaser will, among other things, acquire all of the outstanding Trust Units, other than Trust Units already owned by the Purchaser or its affiliates, for \$14.25 per Trust Unit in cash.

One of the conditions of the Transaction is that Unitholders approve the Special Resolution at the Meeting.

2. Q: When and where is the Meeting?

A: The Meeting will be held at the offices of Torys LLP, 79 Wellington Street West, 33rd Floor, TD South Tower, Toronto, Ontario M5K 1N2, on January 10, 2019 at 10:00 a.m. (Toronto time).

3. Q: What am I voting on?

A: At the Meeting, Unitholders will be asked to pass the Special Resolution approving the Transaction, including the Plan of Arrangement. The full text of the Special Resolution is set out in Appendix “B” to this Circular.

4. Q: As a Unitholder of the REIT, what will I receive as a result of the completion of the Transaction?

A: Unitholders (other than Dissenting Unitholders) will receive, for each Trust Unit they own, \$14.25 in cash. For more information, see “*The Transaction*” and “*Procedure for the Delivery of Securities and Payment of Consideration – Payment of Consideration*”.

5. Q: What will happen to the Trust Units I currently own after completion of the Transaction?

A: In connection with the Transaction, your Trust Units will be transferred and assigned to the Purchaser and, if you do not exercise Dissent Rights, you will be entitled to receive \$14.25 per Trust Unit in cash. The REIT expects that the Trust Units will be de-listed from the TSX and the REIT will cease to be a reporting issuer in each of the provinces and territories of Canada. For more information, see “*The Transaction – Arrangement Mechanics*” and “*The Transaction – Stock Exchange De-Listing and Reporting Issuer Status*”.

6. Q: When do you expect the Transaction to be completed?

A: If all of the conditions to completion of the Transaction are satisfied or waived, as applicable, the REIT anticipates that the Effective Date will occur during February 2019. For more information, see *"The Arrangement Agreement – Summary of the Arrangement Agreement – Conditions to the Transaction Becoming Effective"*.

7. Q: If the Transaction is completed, when can I expect to receive my Consideration?

A: You will be paid \$14.25 in cash for each Trust Unit as soon as reasonably practicable after the Effective Time. For more information, see *"Procedure for the Delivery of Securities and Payment of Consideration – Payment of Consideration"*.

8. Q: Will the REIT continue to pay distributions prior to the Effective Time? What is the REIT's intention with respect to the previously announced special distribution?

A: As permitted by the Arrangement Agreement, during the period between November 13, 2018 and the earlier of the Effective Time and the time that the Arrangement Agreement is terminated in accordance with its terms, the REIT expects to continue to declare regular monthly distributions to Unitholders of record on each applicable record date, and to pay such distributions on each applicable payment date, in the ordinary course. The REIT suspended its distribution reinvestment plan effective following the payment of the REIT's regular monthly distribution on November 15, 2018.

Also as permitted by the Arrangement Agreement, the REIT expects to declare, on or prior to December 31, 2018, a special distribution to be paid to Unitholders in connection with the sale of Parkway Place. The special distribution is expected to be comprised entirely of newly issued Trust Units. As provided in the Declaration of Trust, immediately following this special distribution of Trust Units, the REIT will consolidate the number of outstanding Units so that each Unitholder will hold exactly the same number of Trust Units after the special distribution as was held immediately prior to such special distribution, except in the case of a Unitholder not resident in Canada for Canadian federal income tax purposes in which case such Unitholder will hold a lesser number of Trust Units. For more information, see *"Information Concerning the REIT – Distributions"*.

9. Q: Do any of the Trustees and the officers of the REIT or any other Persons have any interest in the Transaction that is different than mine?

A: The Trustees and officers have interests in the Transaction, including as holders of Trust Units, Class B LP Units and Deferred Units, that may be different from the interests of other REIT security holders generally. Members of the Special Committee and the Board were aware of and considered these interests, among other matters, in evaluating and negotiating the Arrangement Agreement and in recommending to Unitholders that they vote **FOR** the Special Resolution. For more information, see *"Interest of Certain Persons in Matters to be Acted Upon"*.

10. Q: What happens if the Transaction is not completed?

A: If the Transaction is not completed for any reason, Unitholders will not receive payment for any of their Units, the REIT will remain a reporting issuer and the Trust Units will continue to be listed and traded on the TSX. If applicable, the Depositary will return any certificates or DRS advices deposited with the Depositary to the applicable Unitholder or, in the case of delivery by book-entry transfer, credit the Units to the applicable account. If the Arrangement Agreement is terminated prior to consummation of the Transaction, the REIT will be required, in certain circumstances, to pay the Purchaser a \$16 million Termination Fee. For more information, see *"The Arrangement Agreement – Summary of the*

Arrangement Agreement – Termination of the Arrangement Agreement”, “*The Arrangement Agreement – Summary of the Arrangement Agreement – Termination Fee*” and “*Risk Factors*”.

11. Q: Was a Special Committee formed to examine the Transaction?

A: Yes. On August 30, 2018, the Board resolved to form a special committee of independent Trustees (comprised of Messrs. Glen Ladouceur and Renzo Barazzuol and Mmes. Dayna Gibbs and Aida Tammer) to, among other things, review and evaluate the terms of all proposals received as part of the REIT’s strategic review process, make recommendations to the Board in respect of such proposals, negotiate the terms of any transaction and supervise the preparation of a formal valuation of the fair market value of the Trust Units in accordance with MI 61-101. For more information, see “*Background to the Arrangement*”.

12. Q: What was the recommendation of the Special Committee?

A: The Special Committee, after consideration of, among other things, the conclusions of Desjardins as to the fair market value of the Trust Units, the Desjardins Valuation and Fairness Opinion, the advice of its legal advisors and the terms and conditions set forth in the Arrangement Agreement, unanimously determined that the Consideration to be received by Trust Unitholders (other than the Purchaser and its affiliates) is fair, from a financial point of view, to such Trust Unitholders and that the Transaction is in the best interests of the REIT and fair to Unitholders. Accordingly, the Special Committee unanimously recommended that the Board approve the Transaction and recommend that Unitholders vote **FOR** the Special Resolution at the Meeting. For more information, see “*Background to the Transaction – Recommendation of the Special Committee*” and “*Background to the Transaction – Reasons for the Recommendation*”.

13. Q: What was the recommendation of the Board and how does the Board recommend I vote?

A: The Board, after receiving financial and legal advice and following the receipt of the RBC Fairness Opinion, the Wells Fargo Fairness Opinion and the unanimous recommendation of the Special Committee, unanimously determined that the Transaction is in the best interests of the REIT and Unitholders. Accordingly, the Board unanimously approved the Transaction and unanimously recommends that Unitholders vote **FOR** the Special Resolution at the Meeting. Mr. Rafael Lazer, the Chief Executive Officer of Elad Canada Inc., an affiliate of the Purchaser, recused himself from consideration of and voting on the Transaction. For more information, see “*Background to the Transaction – Recommendation of the Special Committee*”, “*Background to the Transaction – Recommendation of the Board*” and “*Background to the Transaction – Reasons for the Recommendation*”.

14. Q: What were the Special Committee's and Board's reasons for recommending the Transaction?

A: The Special Committee and the Board carefully considered the Transaction and received the benefit of advice from financial and legal advisors. The Special Committee and the Board identified a number of factors in respect of their recommendations to vote **FOR** the Special Resolution, which include, but are not limited to: (a) the Consideration represents a premium to the recent trading price of the Trust Units as well as the REIT's net asset value; (b) the Transaction is the culmination of a comprehensive strategic review process and represents the highest offer received in connection with the strategic review process; (c) the all-cash \$14.25 price per Trust Unit provides Unitholders with certainty of value for their Trust Units as well as immediate liquidity, and removes the risks associated with continued ownership of Trust Units; (d) the Transaction reflects an attractive value for the REIT's portfolio of properties and a premium to the REIT's IFRS book value per Unit and to the current research consensus net asset value per Unit estimate; (e) the Transaction is the result of a rigorous negotiation process that was undertaken at arm's length with the oversight and participation of the Special Committee and the Board and their financial and legal advisors; (f) the Board received opinions from RBC Capital Markets and Wells Fargo Securities that, as of November 13, 2018 and subject to the assumptions, limitations, qualifications and other matters set forth therein, the Consideration of \$14.25 per Trust Unit to be received by Trust Unitholders (other than the Purchaser and its affiliates) pursuant to the Transaction is fair, from a financial point of view, to such Trust Unitholders; (g) the Special Committee received an opinion from Desjardins that, as of November 13, 2018 and subject to the assumptions, limitations, qualifications and other matters set forth therein, the Consideration of \$14.25 per Trust Unit to be received by Trust Unitholders (other than the Purchaser and its affiliates) pursuant to the Transaction is fair, from a financial point of view, to such Trust Unitholders; (h) the Special Committee has received the Formal Valuation reflecting the determination that the fair market value of the Trust Units is between \$14.25 and \$16.25 per Trust Unit; (i) the Transaction is not subject to any due diligence condition or financing condition and the Board believes that the closing conditions that are outside of the control of the REIT are reasonable such that the likelihood of the Transaction being completed is considered by the Board to be high; (j) the REIT retains the ability to consider and respond to unsolicited Acquisition Proposals and to terminate the Arrangement Agreement in order to enter into a definitive agreement providing for the implementation of a Superior Proposal upon payment of the Termination Fee, in each case subject to the specific terms and conditions set forth in the Arrangement Agreement; (k) the Purchaser's obligations under the Arrangement Agreement are unconditionally guaranteed by El-Ad Group, Ltd.; (l) certain affiliates of Sandpiper Group, the Trustees and the executive officers of the REIT have entered into voting support agreements agreeing, among other things, to vote their Units in favour of the Transaction; (m) the Special Resolution must be approved by (i) the affirmative vote of at least 66 $\frac{2}{3}$ % of the votes cast by Unitholders present in person or represented by proxy at the Meeting, (ii) a simple majority of the votes cast at the Meeting in person or by proxy by Unitholders, excluding the votes attached to Units required to be excluded pursuant to MI 61-101 and (iii) the Court, which will consider the fairness and reasonableness of the Transaction; and (n) registered holders of Trust Units have the right to exercise Dissent Rights in connection with the Transaction. In making their recommendations, the Special Committee and the Board also considered a number of potential risks and other factors resulting from the Transaction and the Arrangement Agreement. The Special Committee and the Board (excluding Mr. Rafael Lazer), after careful consideration and having received advice from its financial and legal advisors and the Fairness Opinions, unanimously concluded that the Transaction is in the best interests of the REIT and Unitholders. For more information, see "*Background to the Transaction – Reasons for the Recommendation*" and "*Risk Factors*".

15. Q: Was there a fairness opinion prepared in relation to the Transaction?

A: Yes. Each of RBC Capital Markets and Wells Fargo Securities prepared fairness opinions for the Board in exchange for certain fees. The Special Committee also received a fairness opinion prepared by Desjardins in exchange for certain fees. Each fairness opinion concluded that, as of November 13, 2018 and subject to the assumptions, limitations, qualifications and other matters set forth therein, the Consideration of \$14.25 per Trust Unit to be received by Trust Unitholders (other than the Purchaser and its affiliates) pursuant to the Transaction is fair, from a financial point of view, to such Trust Unitholders. For more information, see “*Background to the Transaction – RBC Fairness Opinion and Wells Fargo Fairness Opinion*” and “*Background to the Transaction – Desjardins Valuation and Fairness Opinion*”.

16. Q: What is the vote requirement to pass the Special Resolution?

A: The Special Resolution must be approved by the affirmative vote of: (a) not less than 66 $\frac{2}{3}$ % of the votes cast by Unitholders, voting as a single class present in person or represented by proxy at the Meeting; and (b) a simple majority of the votes cast at the Meeting in person or by proxy by Unitholders, excluding the votes attached to Units required to be excluded pursuant to MI 61-101, which, in this case, consists of the Units held by the Purchaser and/or its affiliates and the Management Unitholders. For more information, see “*The Transaction – Required Unitholder Approval*”.

17. Q: Have any Unitholders committed to voting for the Transaction?

A: Sandpiper, each of the Trustees and the executive officers of the REIT, who collectively hold approximately 17.8% of the issued and outstanding Units, have entered into voting support agreements with the Purchaser in support of the Transaction and intend to vote their Units **FOR** the Special Resolution approving the Transaction.

The Purchaser currently holds approximately 18.4% of the issued and outstanding Units.

18. Q: What other approvals are required for the Transaction?

A: In addition to Unitholder Approval, the Transaction requires court approval (via the Interim Order and the Final Order). For more information, see “*Principal Legal Matters – Court Approval Process*” and “*The Arrangement Agreement – Summary of the Arrangement Agreement – Conditions to the Transaction Becoming Effective*”.

19. Q: What are the Canadian federal income tax consequences of the Transaction?

A: The Transaction has been structured such that, generally:

- (a) A Resident Unitholder will realize a capital gain (or capital loss) equal to the amount, if any, by which the Resident Unitholder's proceeds of disposition exceed (or are exceeded by) the aggregate of the Resident Unitholder's adjusted cost base of the Trust Units immediately prior to the disposition and any reasonable costs of disposition; and
- (b) A Non-Resident Unitholder will not be subject to tax under the Tax Act on any capital gain realized on the sale of Trust Units to the Purchaser provided that, at the time of disposition, the Trust Units are not taxable Canadian property of the Non-Resident Unitholder or are treaty-protected property of the Non-Resident Unitholder.

This summary is subject to the conditions, limitations, and assumptions contained in “*Certain Canadian Federal Income Tax Considerations*” and “*Other Tax Considerations*” described in this Circular, which Unitholders should review in detail. This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular holder of Units. This summary is not exhaustive of all Canadian federal income tax considerations. Consequently, Unitholders are urged to consult their own tax advisors to determine the particular tax effects to them of the Transaction and any other consequences to them in connection with the Transaction under Canadian federal, provincial, territorial or local tax laws and under foreign tax laws, having regard to their own particular circumstances.

For further details, see “*Certain Canadian Federal Income Tax Considerations*” and “*Other Tax Considerations*”.

20. Q: Are there risks I should consider in deciding whether to vote for the Special Resolution?

A: Yes. There are a number of risks you should consider in connection with the Transaction, which are described in this Circular under the heading “*Risk Factors*”.

21. Q: Who is soliciting my proxy?

A: Management of the REIT is soliciting your proxy with respect to matters to be considered at the Meeting. The cost of soliciting proxies will be borne by the REIT. The solicitation of proxies will primarily be by mail, but proxies may also be solicited by telephone, fax or personally by the Trustees, officers, employees or agents of the REIT. In the case of Beneficial Unitholders, the REIT will provide proxy materials to CDS and request that such materials be forwarded to intermediaries, such as a broker, investment dealer, bank, trust company, trustee, clearing agency (such as CDS) or other nominee, and request that such materials are, in turn, promptly forwarded on to the Beneficial Unitholders. In addition, the REIT has retained the services of Shorecrest Group Ltd. to solicit proxies.

Unitholders with questions about the procedures for voting or completing the Letter of Transmittal can contact Shorecrest Group Ltd., our proxy solicitation agent, by telephone at 1-888-637-5789 toll-free in North America or at 1-647-931-7454 for collect calls outside of North America or by e-mail at contact@shorecrestgroup.com.

22. Q: Will I be able to vote if the ownership of my Units has been transferred after the Record Date?

A: Pursuant to the Declaration of Trust, only Unitholders registered on the Record Date are entitled to vote at the Meeting.

23. Q: Am I a Registered Unitholder or a Beneficial Unitholder?

A: You are a Registered Unitholder if your Units are held directly in your name either electronically or in the form of a physical Unit certificate. You are a Beneficial Unitholder if you beneficially own Units held in the name of an intermediary such as a broker, investment dealer, bank, trust company, trustee, clearing agency (such as CDS) or other nominee. For example, you are a Beneficial Unitholder if you hold your Units in a brokerage account of any type.

24. Q: How can I vote if I am a Registered Unitholder?

A: If you are a Registered Unitholder, you may vote in person at the Meeting. Alternatively, if you would prefer not to attend the Meeting in person, you can exercise your right to vote via the internet, fax or telephone or by signing and returning the form of proxy in accordance with the directions on the form. You can complete and return the form of proxy in a number of ways: (a) use the internet at www.investorvote.com; (b) call toll-free to 1-866-732-8683; (c) fax at 1-866-249-7775; (d) use the business reply envelope provided; or (e) deliver in person to Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario, Canada M5J 2Y1. However you choose to vote, your vote must be received by 10:00 a.m. (Toronto time) on January 8, 2019 or, if the Meeting is adjourned or postponed, 48 hours (excluding Saturdays, Sundays and holidays in the Province of Ontario) prior to the adjourned or postponed Meeting). The time limit for the deposit of proxies may be waived or extended by the Chair of the Meeting at his or her discretion without notice.

25. Q: How can I vote if I am a Beneficial Unitholder?

A: If you are a Beneficial Unitholder, you will receive a VIF for the number of Units that you hold. For your Units to be voted, you must follow the instructions on the VIF that is provided to you. You can complete the VIF by: (a) calling the phone number listed thereon; (b) mailing the completed VIF in the envelope provided; or (c) using the internet at www.proxyvote.com. Additionally, the REIT may utilize Broadridge's QuickVote™ service to assist Beneficial Unitholders with voting their Units. Certain Beneficial Unitholders who have not objected to the REIT knowing who they are (non-objecting beneficial owners) may be contacted by Shorecrest Group Ltd. to conveniently obtain a vote directly over the telephone.

If, as a Beneficial Unitholder, you choose to vote in person at the Meeting (or have another person attend and vote on your behalf): (a) insert your own name (or such other person's name) in the space provided or mark the appropriate box on the VIF to appoint yourself (or such other person) as the proxyholder; and (b) return the VIF in the envelope provided or as otherwise permitted by your intermediary. No other part of the form should be completed. In some cases, your intermediary may send you additional documentation that must also be completed in order for you to vote in person at the Meeting.

26. Q: Who votes my Units and how will they be voted if I return a form of proxy or a VIF?

A: Each person named in the form of proxy to represent Registered Unitholders at the Meeting is a Trustee and/or officer of the REIT. However, you can appoint someone else to represent you at the Meeting. The person you appoint does not need to be a Unitholder but must attend the Meeting in order for your vote to be cast. If you wish to appoint a person other than those whose names that appear on the proxy, then insert the name of your chosen proxyholder in the space provided on the form of proxy.

The securities represented by the proxy or VIF will be voted in accordance with your instructions on any ballot that may be called for, and if you specify a choice with respect to any matter to be acted upon, such securities will be voted accordingly. The enclosed form of proxy or VIF also gives authority to the persons named on it to use their discretion in voting on amendments or variations to the matters identified in this Circular, or other matters that may properly come before the Meeting. If you appoint the Trustee and/or officer representatives as the proxyholder as designated in the enclosed form of proxy or VIF, unless otherwise specified, your Units will be voted at the Meeting **FOR** the approval of the Special Resolution as described in this Circular.

27. Q: Can I revoke a form of proxy or a VIF?

A: Yes. A Registered Unitholder who has given a proxy may revoke the proxy by: (a) completing and signing a form of proxy bearing a later date and depositing it with Computershare Investor Services Inc.; (b) depositing an instrument in writing executed by the Unitholder or by the Unitholder's attorney authorized in writing, to the attention of the Chief Financial Officer of the REIT, at the registered office of the REIT at any time up to 10:00 a.m. (Toronto time) on January 8, 2019 or, if the Meeting is adjourned or postponed, 48 hours (excluding Saturdays, Sundays and holidays in the Province of Ontario) prior to the adjourned or postponed Meeting; or (c) in any other manner permitted by Law.

If you are a Beneficial Unitholder, please contact your intermediary for instructions on how to revoke your voting instructions.

28. Q: Do I have Dissent Rights?

A: The Interim Order expressly provides registered holders of Trust Units with the right to dissent from the Special Resolution as provided in the Plan of Arrangement. A registered holder of Trust Units who wishes to dissent must, among other things, provide a dissent notice to the REIT c/o Torys LLP, 79 Wellington Street West, 30th Floor, Box 270, TD South Tower, Toronto, Ontario M5K 1N2, Attention: Andrew Gray or by facsimile (416-865-7380) or by e-mail at: agray@torys.com, no later than 10:00 a.m. (Toronto time) on January 8, 2019 or, if the Meeting is adjourned or postponed, 48 hours (excluding Saturdays, Sundays and holidays in the Province of Ontario) prior to the adjourned or postponed Meeting. **Strict adherence to the procedures established in the Interim Order and the Plan of Arrangement is required in order to validly dissent and failure to do so may result in the loss of all Dissent Rights.** There can be no assurance that a dissenting holder of Trust Units will receive consideration for his or her Trust Units of equal value to the consideration that such dissenting holder of Trust Units would have received under the Transaction.

A vote against the Special Resolution will not constitute a dissent notice and the revocation of a proxy will not constitute a dissent notice. In addition to any other restrictions in the Declaration of Trust as applicable under the Interim Order, any Person who has voted in favour of the Transaction shall not be entitled to exercise Dissent Rights.

Beneficial Unitholders who wish to dissent should be aware that only registered holders of Trust Units are entitled to dissent. Accordingly, a Beneficial Unitholder desiring to exercise his, her or its right to dissent must make arrangements for the Registered Unitholder of his, her or its Units to dissent on his, her or its behalf. See "*Dissent Rights*".

29. Q: What if I have other questions?

A: Unitholders who have questions about deciding how to vote or who have additional questions about this Circular or the matters described in this Circular should contact their professional advisors. Unitholders who have additional questions about the procedures for voting or completion of the Letter of Transmittal can contact Shorecrest Group Ltd., our proxy solicitation agent, by telephone at 1-888-637-5789 toll-free in North America or at 1-647-931-7454 for collect calls outside of North America or by e-mail at contact@shorecrestgroup.com.

SUMMARY

This summary is qualified in its entirety by the more detailed information appearing elsewhere, or incorporated by reference, in the Notice of Special Meeting and this Circular, including the appendices hereto which are incorporated into and form part of this Circular. Terms with initial capital letters in this summary are defined in the glossary in Appendix "A" of this Circular.

The Transaction

The REIT entered into the Arrangement Agreement with Agellan GP, the Purchaser and El-Ad Group, Ltd. on November 13, 2018. The Arrangement Agreement includes a Plan of Arrangement that sets forth the terms of the Transaction. A copy of the Arrangement Agreement is available under the REIT's profile on SEDAR at www.sedar.com or upon request without charge to the Chief Financial Officer of the REIT at 156 Front Street West, Suite 303, Toronto, Ontario M5J 2L6 (telephone: 416-593-6800). Unitholders are advised that the REIT expects its registered and head office to change to 890 Yonge Street, Suite 505, Toronto, Ontario M4W 3P4 effective as of December 17, 2018.

If the Transaction is successfully completed, the Purchaser will, among other things, acquire all of the outstanding Trust Units, other than Trust Units already owned by the Purchaser or its affiliates, for \$14.25 per Trust Unit in cash. See "*The Arrangement Agreement*."

The Meeting and Record Date

The Meeting will be held on January 10, 2019 at 10:00 a.m. (Toronto time) at the offices of Torys LLP, 79 Wellington Street West, 33rd Floor, TD South Tower, Toronto, Ontario M5K 1N2. The Board has fixed the close of business (Toronto time) on December 6, 2018 as the Record Date for the purpose of determining Unitholders entitled to receive the Notice of Special Meeting and to vote at the Meeting. See "*General Proxy Matters – Record Date*".

Purpose of the Meeting

The purpose of the Meeting will be (a) to consider, pursuant to the Interim Order, and to vote on, with or without variation, the Special Resolution, and (b) to transact such other business as may properly be brought before the Meeting.

The Board (excluding Mr. Rafael Lazer) unanimously recommends that Unitholders vote **FOR** the Special Resolution.

Background to the Transaction

The Arrangement Agreement is the result of arm's length negotiations conducted between representatives of the REIT and the Purchaser and their respective legal and financial advisors. For a summary of material events that preceded the execution of the Arrangement Agreement, see "*Background to the Transaction*".

Fairness Opinions and Formal Valuation

RBC Capital Markets and Wells Fargo Securities delivered their respective opinions to the Board, in each case, to the effect that, as of November 13, 2018 and subject to the assumptions, limitations, qualifications and other matters set forth therein, the Consideration of \$14.25 per Trust Unit to be received by Trust Unitholders (other than the Purchaser and its affiliates) pursuant to the Transaction is fair, from a financial point of view, to such Trust Unitholders. Neither the RBC Fairness Opinion nor the Wells Fargo Fairness Opinion constitutes a recommendation to Unitholders with respect to the Special Resolution. See "*Background to the Transaction – RBC Fairness Opinion and Wells Fargo Fairness Opinion*" and the complete text of the RBC Fairness Opinion and the Wells Fargo Fairness Opinion, which are attached as Appendix "F" and Appendix "G", respectively.

Desjardins was retained by the Special Committee to provide the Formal Valuation in accordance with the requirements of MI 61-101. On November 13, 2018, Desjardins verbally advised the Special Committee (and subsequently confirmed in writing) that, subject to the assumptions, limitations and qualifications set forth in the Formal Valuation, the fair market value of the Trust Units was in the range of \$14.25 to \$16.25 per Trust Unit. Desjardins delivered an opinion to the Special Committee to the effect that, as November 13, 2018 and subject to the assumptions, limitations and qualifications set forth therein, the Consideration of \$14.25 per Trust Unit to be received by Trust Unitholders (other than the Purchaser and its affiliates) pursuant to the Transaction is fair, from a financial point of view, to such Trust Unitholders. See “*Background to the Transaction – Desjardins Valuation and Fairness Opinion*” and the complete text of the Formal Valuation, which is attached as Appendix “H” to this Circular.

Recommendation of the Special Committee

The Special Committee appointed by the Board was formed to, among other things, review and evaluate the terms of all proposals received as part of the REIT’s strategic review process, make recommendations to the Board in respect of such proposals, negotiate the terms of any transaction and supervise the preparation of a formal valuation of the fair market value of the Trust Units in accordance with MI 61-101. After consideration of, among other things, the conclusions of Desjardins as to the fair market value of the Trust Units, the Desjardins Valuation and Fairness Opinion, the advice of its legal advisors and the terms and conditions set forth in the Arrangement Agreement, as well as a review of other matters, including the matters discussed under the heading “*Background to the Transaction – Reasons for the Recommendation*”, the Special Committee unanimously recommended that the Board approve the Transaction and recommend to Unitholders that they vote in favour of the Transaction.

See “*Background to the Transaction – Recommendation of the Special Committee*” and “*Background to the Transaction – Desjardins Valuation and Fairness Opinion*”.

Recommendation of the Board

The Board (excluding Mr. Rafael Lazer), after receiving financial and legal advice and following receipt of the RBC Fairness Opinion, the Wells Fargo Fairness Opinion and the unanimous recommendation of the Special Committee, as well as a review of other matters, including the terms and conditions set forth in the Arrangement Agreement and the matters discussed under the heading “*Background to the Transaction – Reasons for the Recommendation*”, unanimously determined that the Transaction is in the best interests of the REIT and Unitholders. **Accordingly, the Board (excluding Mr. Rafael Lazer) unanimously recommends that the Unitholders vote FOR the Special Resolution approving the Transaction. Mr. Rafael Lazer recused himself from all discussions in connection with the Transaction due to his relationship with the Purchaser, including his position as Chief Executive Officer of Elad Canada Inc., an affiliate of the Purchaser.** See “*Background to the Transaction – Recommendation of the Board*”.

Reasons for the Recommendation

In making its recommendation, the Board has carefully considered the Transaction and consulted with and received advice from its financial and legal advisors. The Board reviewed a significant amount of information and considered a number of factors in making its recommendation to Unitholders to vote FOR the Special Resolution approving the Transaction, including the following:

- **Premium over trading price of the Trust Units.** The Consideration to be paid pursuant to the Transaction for each Trust Unit represents a premium of approximately 10% to the REIT’s 20-day volume-weighted average price on the TSX for the period ending November 13, 2018 and a total return of approximately 123% (approximately 15% on a compounded annual basis) for the period from the REIT’s initial public offering in January 2013 until November 13, 2018.

- Best alternative resulting from comprehensive review process.** The Transaction is the culmination of a comprehensive strategic review process that the REIT commenced in connection with the sale of its Parkway Place property and which was publicly announced by the REIT on September 13, 2018. With the assistance of RBC Capital Markets and Wells Fargo Securities, approximately 100 potential financial and strategic purchasers were contacted and a significant number of non-disclosure and standstill agreements were entered into between the REIT and potential acquirors. The strategic review process was conducted under the supervision of the Board, with the assistance of Torys LLP, as legal counsel, and RBC Capital Markets and Wells Fargo Securities, as financial advisors. Following the indication by the Purchaser that it had decided to participate in the strategic review process, oversight of the strategic review process, including negotiations with the Purchaser, was delegated to the Special Committee. The Special Committee, which is composed of four independent Trustees, retained Blake, Cassels & Graydon LLP as its independent legal counsel and Desjardins as its independent financial advisor. In overseeing the strategic review process, the Special Committee also received the advice and assistance of the REIT's management and legal and financial advisors and the Board. The Transaction represents the highest offer received in connection with the strategic review process. All other proposals received in connection with the strategic review process provided for consideration that was less favourable to Unitholders than the Transaction.
- Certainty of value and immediate liquidity.** The Trust Units are thinly traded on the TSX, which makes it very difficult for a large number of Unitholders to realize the current trading price for their Trust Units. The Consideration to be received by Unitholders is payable entirely in cash and therefore provides Unitholders with certainty of value and immediate liquidity, and removes the risks associated with the REIT remaining an independent public entity (including challenges of acquiring and developing assets on an accretive basis in light of an increasingly competitive environment for industrial real estate assets and the general challenges faced by small-cap REITs, as well as external factors such as changes in interest rates, capitalization rates, currency exchange rates and capital markets conditions that are beyond the control of the REIT and its management).
- Attractive Value.** The Transaction reflects an attractive value for the REIT's portfolio of properties and a premium to the REIT's IFRS book value per Unit and to the current research consensus net asset value per Unit estimate.
- Arm's length negotiation.** The Arrangement Agreement is the result of a rigorous negotiation process that was undertaken at arm's length with the oversight and participation of the Special Committee and the Board and their financial and legal advisors. The Special Committee and the Board, after considering advice from their financial advisors, concluded that \$14.25 per Trust Unit is the highest price that the Purchaser was willing to pay to acquire the REIT.
- Fairness Opinions.** Desjardins has delivered its opinion to the Special Committee and each of RBC Capital Markets and Wells Fargo Securities has delivered its opinion to the Board to the effect that, as of November 13, 2018 and subject to the assumptions, limitations, qualifications and other matters set forth therein, the Consideration of \$14.25 per Trust Unit to be received by Trust Unitholders (other than the Purchaser and its affiliates) pursuant to the Transaction is fair, from a financial point of view, to such Trust Unitholders.
- Formal Valuation.** Desjardins delivered its formal valuation to the Board reflecting the determination that, as at November 13, 2018, and based upon and subject to the assumptions, limitations, qualifications and other matters contained therein, the fair market value of the Trust Units was between \$14.25 and \$16.25 per Trust Unit.

- **Reasonable likelihood of completion.** The Transaction is not subject to any due diligence condition or financing condition and the Board believes that the closing conditions that are outside of the control of the REIT are reasonable such that the likelihood of the Transaction being completed is considered by the Board to be high.
- **Ability to respond to superior proposals.** Under the Arrangement Agreement, the Board remains able to respond to and accept, in accordance with its fiduciary duties, unsolicited proposals that are more favourable from a financial point of view than the Transaction, subject to the terms of the Arrangement Agreement and payment of the Termination Fee to the Purchaser.
- **Guarantee by El-Ad Group, Ltd.** The Purchaser's obligations under the Arrangement Agreement are unconditionally guaranteed by El-Ad Group, Ltd.
- **Voting support agreements.** Certain affiliates of Sandpiper Group, which collectively hold approximately 4,304,396 Units, representing approximately 12.7% of the issued and outstanding Units, have entered into voting support agreements with the Purchaser to vote in favour of the Transaction. The Trustees and the executive officers of the REIT, who as of the date hereof collectively hold approximately 5.1% of the issued and outstanding Units, have also entered into voting support agreements with the Purchaser to vote in favour of the Transaction. See "*The Transaction – Voting Support Agreements*".
- **Procedural matters.** The Board considered the fact that the Transaction must be approved by the affirmative vote of: (a) not less than 66 ²/₃% of the votes cast by Unitholders present in person or represented by proxy at the Meeting; and (b) in accordance with MI 61-101, a simple majority of the votes cast at the Meeting in person or by proxy by Unitholders, excluding the votes attached to Units required to be excluded pursuant to MI 61-101, which, in this case, consists of the Units held by the Purchaser and/or its affiliates and the Management Unitholders. The Board also considered the fact that the Transaction must also be approved by the Court, which will consider the fairness and reasonableness of the Transaction.
- **Dissent Rights.** Registered holders of Trust Units have the right to exercise Dissent Rights in connection with the Transaction, subject to strict compliance with the requirements applicable to the exercise of Dissent Rights. See "*Dissent Rights*".

See "*Background to the Transaction – Reasons for the Recommendation*". The Board's reasons contain forward-looking information, and are subject to various risks and assumptions. See "*Caution Regarding Forward-Looking Statements and Information*" and "*Risk Factors*".

Effect of the Transaction on Unitholders

If the Transaction is consummated, among other things, the Purchaser will acquire all of the outstanding Trust Units, other than Trust Units already owned by the Purchaser or its affiliates, and will become the sole Unitholder of the REIT. For each Trust Unit held, Unitholders will be entitled to receive \$14.25 in cash, less any applicable withholding tax. Assuming that no registered holder of Trust Units validly exercises its Dissent Rights, the aggregate Consideration that will be payable under the Transaction is approximately \$394 million.

See "*The Transaction – Treatment of REIT Securities – Trust Units*".

Information Concerning the REIT

The REIT is an unincorporated, open-ended real estate investment trust governed the Declaration of Trust under the laws of the Province of Ontario. The REIT was created for the purpose of acquiring and owning

industrial, office and retail properties in major urban markets in the United States and Canada. As of the date hereof, the REIT has an interest in 46 properties located primarily in the United States.

The Trust Units are listed and publicly traded on the TSX under the symbol “ACR.UN”.

The registered and head office of the REIT is located at 156 Front Street West, Suite 303, Toronto, Ontario, M5J 2L6. The REIT expects that its registered and head office will be changing to 890 Yonge Street, Suite 505, Toronto, Ontario M4W 3P4 effective as of December 17, 2018.

See “*Information Concerning the REIT*”.

Information Concerning the Purchaser

The Purchaser is Elad Genesis Limited Partnership, a limited partnership existing under the laws of the Province of Ontario. The Purchaser is an indirect wholly-owned subsidiary of Elad Canada Inc. Established in 1997, Elad Canada Inc. entered the Canadian market by owning and providing asset management services for a significant real estate portfolio of varied asset classes that included approximately six million square feet of commercial space and over 17,000 residential units. More recently, Elad Canada Inc. has focused its activities on mid- and high-rise condominium development, master planned communities and asset management. Elad Canada Inc. is part of the ELAD Group real estate conglomerate that owns income producing properties and has development projects globally. The ELAD Group is focused on the acquisition, development and conversion of architecturally significant residential and commercial properties as well as asset management in key markets throughout North America.

El-Ad Group, Ltd., a significant member of the ELAD Group, has provided a guarantee of the obligations of the Purchaser under the Arrangement Agreement. El-Ad Group, Ltd. is a company incorporated in Bermuda.

See “*Information Concerning the Purchaser*”.

Conditions to the Transaction

As more fully described in this Circular and the Arrangement Agreement, the completion of the Transaction depends on a number of conditions being satisfied or waived, including, among others: (a) the requisite Interim Order and the Final Order being obtained; (b) the Special Resolution having been approved and adopted by Unitholders; and (c) the satisfaction or, where permitted, waiver of the other customary closing conditions of the Transaction.

See “*The Arrangement Agreement – Summary of the Arrangement Agreement – Conditions to the Transaction Becoming Effective*”.

Risk Factors

The Transaction is subject to a number of risks. Unitholders should carefully consider the risks and uncertainties together with all the other information set out in, or incorporated by reference into, this Circular prior to making a decision as to how to vote their Units.

Risks and uncertainties relating to the Transaction are described under “*Risk Factors*”.

Description of the Transaction

Upon the Transaction becoming effective, the steps set out in the Plan of Arrangement will occur and will be deemed to occur in the order set out in the Plan of Arrangement without any further act or formality. None of the steps in the Plan of Arrangement will occur unless all of the steps in the Plan of Arrangement occur.

Pursuant to the Plan of Arrangement, the Purchaser will, among other things, acquire all of the outstanding Trust Units, other than Trust Units already owned by the Purchaser or its affiliates, for \$14.25 per Trust Unit in cash, less any applicable withholding tax, and will become the sole Unitholder of the REIT.

The foregoing description is qualified in its entirety by reference to the full text of the Plan of Arrangement which is attached as Appendix “E” to this Circular. See “*The Transaction – Arrangement Mechanics*” and Appendix “E” to this Circular.

Arrangement Agreement

The Arrangement Agreement was signed on November 13, 2018 and provides the terms and conditions pursuant to which the Transaction is to be completed. The Arrangement Agreement is available under the REIT’s SEDAR profile at www.sedar.com.

See “*The Arrangement Agreement*”.

Termination Fee

In certain circumstances upon the termination of the Arrangement Agreement, the REIT will be required to pay the Termination Fee, equal to \$16 million, to the Purchaser.

See “*The Arrangement Agreement – Summary of the Arrangement Agreement – Termination Fee*”.

Court Approval

The Plan of Arrangement requires Court approval. Prior to the mailing of this Circular, the Interim Order was obtained from the Court. The Interim Order and Notice of Application for the Final Order are attached as Appendix “C” and “D”, respectively, to this Circular. The Interim Order, among other things, provides for the calling and holding of the Meeting and other procedural matters. The Interim Order does not constitute approval of the Plan of Arrangement or the contents of this Circular by the Court. Subject to the terms of the Plan of Arrangement and the Interim Order, if the Special Resolution is approved by Unitholders at the Meeting, the REIT will apply to the court to obtain the Final Order. The hearing in respect of the Final Order is scheduled to take place at the Court located at 330 University Avenue, Toronto, Ontario M5G 1R7 on January 14, 2019 at 10:00 a.m. (Toronto time).

Under the terms of the Interim Order, each Unitholder, each Trustee, the auditors of the REIT and any other interested person will have the right to appear and make submissions at the hearing of the application for the Final Order. Any person desiring to appear at the hearing of the application for the Final Order is required to indicate his, her or its intention to appear by filing with the Court and serving upon the REIT at the address set out below, no less than four Business Days before the hearing of the application for the Final Order, a notice of appearance, including his, her or its address for service, together with all materials on which he, she or it intends to rely at the application hearing. The notice of appearance and supporting materials must be delivered, within the time specified, to the REIT at the following address: c/o Torys LLP, 79 Wellington Street West, 30th Floor, Box 270, TD South Tower, Toronto, Ontario M5K 1N2, Attention: Andrew Gray.

Unitholders who wish to participate in or be represented at the Court hearing for the Final Order should consult their legal advisors as to the necessary requirements.

The authority of the Court is very broad. The Court may make any enquiry it considers appropriate and may make any order it considers appropriate with respect to the Plan of Arrangement. The Court will consider, among other things, the fairness and reasonableness of the Plan of Arrangement to the Unitholders. The Court may approve the Plan of Arrangement either as proposed or as amended in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court thinks fit.

See “*Principal Legal Matters – Court Approval Process*”.

Unitholder Approval

The Special Resolution must be passed by the affirmative vote of: (a) not less than 66 $\frac{2}{3}$ % of the votes cast upon such resolution by Unitholders present in person or represented by proxy at the Meeting; and (b) a simple majority of the votes cast at the Meeting in person or by proxy by Unitholders, excluding the votes attached to Units required to be excluded pursuant to MI 61-101, which, in this case, consists of the Units held by the Purchaser and/or its affiliates and the Management Unitholders.

See “*The Transaction – Required Unitholder Approval*”.

Stock Exchange De-Listing and Reporting Issuer Status

The Trust Units are expected to be delisted from the TSX as soon as practicable following completion of the Transaction. Following the Effective Date, it is expected that the Purchaser will cause the REIT to apply to cease to be a reporting issuer under the securities legislation of each of the provinces and territories of Canada or take or cause to be taken such other measures as may be appropriate to ensure that the REIT is not required to prepare and file continuous disclosure documents under applicable securities laws.

Dissent Rights

The Interim Order expressly provides registered holders of Trust Units with the right to dissent from the Special Resolution as provided in the Plan of Arrangement. A registered holder of Trust Units who wishes to dissent must provide a dissent notice to the REIT c/o Torys LLP, 79 Wellington Street West, 30th Floor, Box 270, TD South Tower, Toronto, Ontario M5K 1N2, Attention: Andrew Gray or by facsimile (416-865-7380) or by e-mail at: agray@torys.com, no later than 10:00 a.m. (Toronto time) on January 8, 2019 or, if the Meeting is adjourned or postponed, 48 hours (excluding Saturdays, Sundays and holidays in the Province of Ontario) prior to the adjourned or postponed Meeting. Strict adherence to the procedures established in the Interim Order and the Plan of Arrangement is required in order to validly dissent and failure to do so may result in the loss of all Dissent Rights. Accordingly, each registered holder of Trust Units who might desire to exercise the Dissent Rights should carefully consider and comply with the provisions of the Plan of Arrangement and Interim Order and consult such holder’s legal advisor.

See “*Dissent Rights*”.

Procedure for Receiving Consideration

The Arrangement Agreement contemplates that following receipt of the Final Order and immediately prior to the filing by the REIT and Agellan GP of the Articles of Arrangement, the Purchaser will provide the Depositary with sufficient funds to allow the REIT to pay the Consideration for all of the Trust Units to be acquired by the Purchaser pursuant to the Transaction. The funds will be held by the Depositary in trust for Trust Unitholders on terms and conditions satisfactory to the REIT, the Depositary and the Purchaser, each acting reasonably.

The Depositary will act as the agent of Persons who have deposited Trust Units pursuant to the Transaction for the purpose of receiving payment from the REIT in accordance with the Plan of Arrangement, and transmitting payment from the REIT in accordance with the Plan of Arrangement, to such Persons, and receipt of payment by the Depositary will be deemed to constitute receipt of payment by Persons depositing Trust Units.

Registered Unitholders who deposit a properly completed and duly executed Letter of Transmittal, together with accompanying certificates representing, or DRS advices for, their Trust Units, or the necessary confirmation of a book-entry transfer, will be forwarded the Consideration to which they are entitled under the Transaction, with such surrendered certificates being cancelled. Registered Unitholders who do not

forward to the Depositary a properly completed and duly executed Letter of Transmittal, together with the certificates representing, or DRS advices for, their Trust Units, or the necessary confirmation of a book-entry transfer, and the other relevant documents, will not receive the Consideration to which they are otherwise entitled until deposit thereof is made, provided that if such deposit is not made on or prior to the sixth (6th) anniversary of the Effective Date, such Registered Unitholder shall be deemed to have forfeited to the Purchaser such Trust Units. Whether or not Registered Unitholders forward their certificates upon the completion of the Transaction on the Effective Date, Registered Unitholders will cease to be holders of Trust Units as of the Effective Date and certificates, or DRS advices, representing Trust Units shall represent only (a) the right to receive the Consideration that the former Unitholder is entitled to in accordance with the terms of the Transaction until the sixth (6th) anniversary of the Effective Date or (b) in the case of registered holders of Trust Units who properly exercise Dissent Rights, the right to receive fair value for their Trust Units in accordance with the Declaration of Trust, as modified by the Plan of Arrangement and the Interim Order.

Once a former Registered Unitholder who has complied with the procedures set out above and in the Letter of Transmittal is entitled to a payment of Consideration in accordance with the Transaction and after receipt of all required documents, the Depositary shall cause individual cheques, or, if requested by such Registered Unitholder or required by applicable Law, wire transfers, to be: (a) in the case of cheques, forwarded by first class mail, postage pre-paid, to the Person and at the address specified in the relevant Letter of Transmittal or, if no address has been specified therein, at the address specified for the particular Registered Unitholder in the register of Unitholders maintained by or on behalf of the REIT; (b) in the case of wire transfers, sent to an account specified in the relevant Letter of Transmittal; or (c) if requested by such Registered Unitholder, made available or caused to be made available at the Depositary for pick up by such Registered Unitholder.

All amounts receivable by the Unitholders pursuant to the Transaction shall be without interest.

See “*Procedure for the Delivery of Securities and Payment of Consideration – Payment of Consideration*”.

Timing of Completion of the Transaction

Subject to obtaining Court approval and the satisfaction or, where permitted, waiver of all other conditions specified in the Arrangement Agreement, if Unitholders approve the Special Resolution, it is expected that closing will be completed during February 2019.

Certain Canadian Federal Income Tax Considerations

This Circular contains a summary of certain Canadian federal income tax considerations generally applicable to certain Unitholders who, pursuant to the Transaction, ultimately dispose of one or more Trust Units to the Purchaser for cash. See “*Certain Canadian Federal Income Tax Considerations*”. Such summary is not intended to be, nor should such summary be construed as, legal or tax advice to any particular Unitholder. Unitholders should consult their own tax advisors about the applicable Canadian federal, provincial and local tax, and other foreign tax, consequences to them of the Transaction.

Interest of Certain Persons in Matters to be Acted Upon

Certain Persons may have interests in the Transaction that may be different from the interests of other security holders. Members of the Special Committee and the Board were aware of and considered these interests, among other matters, in evaluating and negotiating the Arrangement Agreement, and in recommending to Unitholders that they vote **FOR** the Special Resolution. See “*Interest of Certain Persons in Matters to be Acted Upon*”.

GENERAL PROXY MATTERS

Solicitation of Proxies

This Circular is furnished in connection with the solicitation of proxies by the REIT's management for use at the Meeting. The solicitation of proxies will primarily be by mail but proxies may also be solicited by telephone, fax or personally by the Trustees, officers, employees or agents of the REIT. In addition, the REIT has retained the services of Shorecrest Group Ltd. to solicit proxies for a fee of \$35,000, including a \$10,000 success fee, plus out-of-pocket expenses and has agreed to indemnify it against certain liabilities arising out of or in connection with such engagement. The cost of solicitation will be borne by the REIT. The REIT will reimburse banks, brokerage firms and other custodians, nominees and fiduciaries for any reasonable expenses incurred in sending proxy material to beneficial owners of Units and requesting authority to execute proxies.

Record Date

The Board has fixed the close of business (Toronto time) on December 6, 2018 as the Record Date for the purpose of determining Unitholders entitled to receive the Notice of Special Meeting and to vote at the Meeting. Each Unitholder is entitled to one vote for each Unit held and shown as registered in such holder's name on the list of Unitholders prepared as of the close of business (Toronto time) on the Record Date.

Registered Unitholders

You are a Registered Unitholder if your Units are held directly in your name either electronically or in the form of a physical Unit certificate. If you are a Registered Unitholder, you may vote in person at the Meeting. Even if you plan to attend the Meeting, it is recommended that you submit your proxy in advance of the Meeting, as described below, so that your vote will be counted if you later decide not to attend the Meeting.

Alternatively, if you would prefer not to attend the Meeting in person, you can exercise your right to vote via the internet, fax or telephone or by signing and returning the form of proxy in accordance with the directions on the form. You can complete and return the form of proxy in a number of ways: (a) use the internet at www.investorvote.com; (b) call toll-free to 1-866-732-8683; (c) fax at 1-866-249-7775; (d) use the business reply envelope provided; or (e) deliver in person to Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario, Canada M5J 2Y1. However you choose to vote, your vote must be received by 10:00 a.m. (Toronto time) on January 8, 2019 or, if the Meeting is adjourned or postponed, 48 hours (excluding Saturdays, Sundays and holidays in the Province of Ontario) prior to the adjourned or postponed Meeting. Please vote your proxy in sufficient time to be received by Computershare Investor Services Inc. prior to the proxy deposit deadline of January 8, 2019 at 10:00 a.m. The time limit for the deposit of proxies may be waived or extended by the Chair of the Meeting at his or her discretion without notice.

Registered Unitholders must also complete and return the Letter of Transmittal, together with the certificates or DRS advices representing their Trust Units, as applicable, to Computershare Investor Services Inc. at the address specified in the Letter of Transmittal. The Letter of Transmittal contains procedural information relating to the Transaction and should be reviewed carefully. It is recommended that Registered Unitholders complete, sign and return the Letter of Transmittal and certificates or DRS advices representing their Trust Units, as applicable, to the Depositary as soon as possible.

Beneficial Unitholders

Most Unitholders are Beneficial Unitholders. You are a Beneficial Unitholder if you beneficially own Units that are held in the name of an intermediary such as a broker, investment dealer, bank, trust company, trustee, clearing agency (such as CDS) or other nominee. For example, you are a Beneficial Unitholder if you hold your Units in a brokerage account of any type. Intermediaries are required to seek voting instructions from Beneficial Unitholders in advance of meetings of Unitholders. Every intermediary has its

own mailing procedures and provides its own return instructions to clients. The form of proxy or voting instruction supplied to you by your intermediary will be similar to the proxy provided to Registered Unitholders by the REIT. However, its purpose is limited to instructing the intermediary on how to vote your Units on your behalf. Most intermediaries delegate responsibility for obtaining instructions from clients to Broadridge. Broadridge mails a VIF in lieu of a form of proxy provided by the REIT. **For your Units to be voted, you must follow the instructions on the VIF that is provided to you.** You can complete the VIF by: (a) calling the phone number listed thereon; (b) mailing the completed VIF in the envelope provided; or (c) using the internet at www.proxyvote.com. Unitholders who have questions about deciding how to vote or who have additional questions about this Circular or the matters described in this Circular, please contact your professional advisors. Additionally, the REIT may utilize Broadridge's QuickVote™ service to assist Beneficial Unitholders with voting their Units. Certain Beneficial Unitholders who have not objected to the REIT knowing who they are (non-objecting beneficial owners) may be contacted by Shorecrest Group Ltd. to conveniently obtain a vote directly over the telephone.

If, as a Beneficial Unitholder, you choose to vote in person at the Meeting (or have another person attend and vote on your behalf): (a) insert your own name (or such other person's name) in the space provided or mark the appropriate box on the VIF to appoint yourself (or such other person) as the proxyholder; and (b) return the VIF in the envelope provided or as otherwise permitted by your intermediary. No other part of the form should be completed. Beneficial Unitholders may not vote directly at the Meeting using the voting instruction form provided. They must carefully follow the instructions provided by their financial intermediary to vote in person at the Meeting. In some cases, your intermediary may send you additional documentation that must also be completed in order for you to vote in person at the Meeting.

In some cases, Beneficial Unitholders may be given a form of proxy which has already been signed by the intermediary (typically by a facsimile or stamped signature) which is restricted as to the number of Units beneficially owned but which is otherwise uncompleted. The form of proxy need not be signed by the holder. In this case, the beneficial owner who wishes to submit a form of proxy must properly complete the form of proxy and deposit it with Computershare Investor Services Inc. as described above under "*General Proxy Matters – Registered Unitholders*".

Beneficial Unitholders should carefully follow the instructions set out in the VIF and return their voting instructions as specified in the VIF. Beneficial Unitholders will not receive a Letter of Transmittal.

Voting of Units Represented by Management Proxies

As described above, you may give voting instructions on the matters outlined in this Circular by marking the appropriate boxes on the enclosed form of proxy or VIF and the proxyholder will be required to vote in that manner. If the boxes are not marked, the proxyholder may vote or withhold from voting, if applicable, the Units as he or she sees fit.

If you appoint the Trustee and/or officer representatives as the proxyholder as designated in the enclosed form of proxy or VIF, unless otherwise specified, your Units will be voted at the Meeting FOR the approval of the Special Resolution as described in this Circular.

The securities represented by the proxy or VIF will be voted in accordance with your instructions on any ballot that may be called for, and if you specify a choice with respect to any matter to be acted upon, such securities will be voted accordingly. The enclosed form of proxy or VIF also gives authority to the persons named on it to use their discretion in voting on amendments or variations to the matters identified in this Circular, or other matters that may properly come before the Meeting. As of the date of this Circular, management of the REIT is not aware of any amendment, variation or other matter expected to come before the Meeting. However, if other matters properly come before the Meeting, it is intended that the person appointed as proxyholder will vote or withhold from voting on such matters in a manner that the proxyholder considers to be proper in his or her discretion.

Appointment and Revocation of Proxies

Each person named in the form of proxy to represent Registered Unitholders at the Meeting is a Trustee and/or officer of the REIT. However, you can appoint someone else to represent you at the Meeting. The person you appoint does not need to be a Unitholder but must attend the Meeting in order for your vote to be cast. If you wish to appoint a person other than the names that appear on the proxy, then insert the name of your chosen proxyholder in the space provided on the form of proxy.

A Registered Unitholder who has given a proxy has the power to revoke it and may do so by: (a) completing and signing a form of proxy bearing a later date and depositing it with Computershare Investor Services Inc. as described above under “*General Proxy Matters – Registered Unitholders*”; (b) depositing an instrument in writing executed by the Unitholder or by the Unitholder’s attorney authorized in writing, to the attention of the Chief Financial Officer of the REIT, at the registered office of the REIT at any time up to 10:00 a.m. (Toronto time) on January 8, 2019 or, if the Meeting is adjourned or postponed, 48 hours (excluding Saturdays, Sundays and holidays in the Province of Ontario) prior to the adjourned or postponed Meeting; or (c) in any other manner permitted by Law.

If you are a Beneficial Unitholder, please contact your intermediary for instructions on how to revoke your voting instructions.

Quorum

Pursuant to the Declaration of Trust, a quorum for any meeting of Unitholders is persons present not being less than two in number and being Unitholders, or representing by proxy Unitholders, who hold in the aggregate not less than 10% of the total number of outstanding Units as at the Record Date.

Authorized Capital and Principal Holders

The REIT is an unincorporated open-ended real estate investment trust governed by the laws of the Province of Ontario and created pursuant to the Declaration of Trust. The REIT became a public real estate investment trust in January 2013. The registered and head office of the REIT is located at 156 Front Street West, Suite 303, Toronto, Ontario M5J 2L6. The REIT expects that its registered and head office will be changing to 890 Yonge Street, Suite 505, Toronto, Ontario M4W 3P4 effective as of December 17, 2018.

Units and Special Voting Units

The REIT is authorized to issue an unlimited number of Trust Units and Special Voting Units. Issued and outstanding Trust Units and Special Voting Units may be subdivided or consolidated from time to time by the Trustees without notice to or the approval of the Unitholders. As at the Record Date, there were 32,981,664 Trust Units and 871,080 Special Voting Units outstanding.

No Trust Unit has any preference or priority over another. Each Trust Unit represents a Trust Unitholder’s proportionate undivided beneficial ownership interest in the REIT and confers the right to one vote at any meeting of Unitholders and to participate *pro rata* in any distributions by the REIT, whether of net income, net realized capital gains or other amounts and, in the event of termination or winding-up of the REIT, in the net assets of the REIT remaining after satisfaction of all liabilities. Trust Units are fully paid and non-assessable when issued and are transferable. The Trust Units are redeemable at the holder’s option. Fractional Trust Units may be issued as a result of an act of the Trustees, but fractional Trust Units will not entitle the holders thereof to vote, except to the extent that such fractional Trust Units may represent in the aggregate one or more whole Trust Units.

Special Voting Units have no economic entitlement in the REIT but entitle the holder thereof to one vote per Special Voting Unit at any meeting of Unitholders. Special Voting Units may only be issued in connection with or in relation to U.S. Class B Units or Class B LP Units for the purpose of providing voting rights with respect to the REIT to the holders of such securities. Special Voting Units are issued in conjunction with the U.S. Class B Units or Class B LP Units to which they relate, and are evidenced only by the certificates

representing such U.S. Class B Units or Class B LP Units, respectively. Special Voting Units are not transferable separately from the U.S. Class B Units or Class B LP Units to which they are attached and are to be automatically transferred upon the transfer of such units. Upon the exchange or surrender of a U.S. Class B Unit or a Class B LP Unit for a Trust Unit, the Special Voting Unit attached to such U.S. Class B Unit or Class B LP Unit is automatically be redeemed and cancelled for no consideration without any further action of the Trustees, and the former holder of such Special Voting Unit ceases to have any rights with respect thereto.

Other Securities

The REIT may create and issue rights, warrants or options to subscribe for fully paid Trust Units or may create and issue other securities convertible into Trust Units. Any such right, warrant, option or other security convertible into Trust Units is not considered to be a Trust Unit and a holder thereof is not a Unitholder. Other than 20,542 Deferred Units issued and outstanding, there were no such rights, warrants, options or other convertible securities issued as at December 6, 2018.

Principal Unitholders

As of December 6, 2018, the Purchaser beneficially owned 6,239,246 Units, representing approximately 18.4% of the issued and outstanding Units. Mr. Rafael Lazer is the Chief Executive Officer of Elad Canada Inc., an affiliate of the Purchaser.

As of December 6, 2018, Sandpiper Real Estate Fund Limited Partnership beneficially owned 2,623,875 Units and Sandpiper Opportunity Fund 3 Limited Partnership beneficially owned 1,680,521 Units, together representing approximately 12.7% of the issued and outstanding Units. The general partner of these limited partnerships is Sandpiper GP Inc., of which Mr. Renzo Barazzuol is an officer. Mr. Barazzuol has advised the REIT that he does not have control or direction over the aforementioned Units beneficially owned by Sandpiper Real Estate Fund Limited Partnership and Sandpiper Opportunity Fund 3 Limited Partnership.

As of December 6, 2018, the Trustees and the executive officers of the REIT are aware of no other person that holds (or controls or directs) 10% or more of the issued and outstanding Units.

BACKGROUND TO THE TRANSACTION

Background to the Transaction

The execution and public announcement of the Arrangement Agreement was the culmination of a comprehensive strategic review process and extensive arm's length negotiations among, on the one hand, representatives of the Special Committee and the REIT that are independent of the Purchaser and, on the other hand, the Purchaser, and their respective financial and legal advisors. Mr. Rafael Lazer, a trustee of the REIT and the Chief Executive Officer of Elad Canada Inc., an affiliate of the Purchaser, recused himself from all discussions of the Board relating to the strategic review, as further discussed below. The following is a summary of the material events, meetings, negotiations and discussions among the parties that preceded the execution and public announcement of the Arrangement Agreement.

As part of its continuing mandate to strengthen the business of the REIT and enhance value for all Unitholders, the Board and management of the REIT routinely assess possible strategic and other opportunities. Accordingly, over the past several years, the REIT has evaluated and considered certain strategic alternatives, including potential change of control transactions, divestitures and acquisitions in the context of the REIT's long-term business plan.

As first announced by the REIT on January 14, 2015, the REIT's long-term business plan has been to seek to dispose of all or substantially all of its existing Canadian real estate assets, including all or a portion of the REIT's approximate 824,000 square-foot office property and approximate 42,000 square-foot retail space and parking garage located on Consumers Road in Toronto, Ontario (collectively, "**Parkway Place**"), and to

reinvest the net proceeds thereof in U.S. real estate assets. Parkway Place represented the REIT's largest single asset and one of its last remaining Canadian properties.

In early 2018, as negotiations regarding a possible sale of Parkway Place were progressing, the Board considered how to strategically and optimally redeploy the net proceeds from a potential disposition of Parkway Place into industrial assets located in the REIT's target U.S. markets. The Board also considered various strategic alternatives which may be available to the REIT and which could generate greater value for Unitholders. On March 5, 2018, following significant discussion and consideration, the Board concluded that it would be in the best interests of the REIT to undertake a preliminary exploration of various strategic options that may be available to the REIT and for management to initiate an in-depth analysis of the REIT's business, including strategic plans, financial results and prospects in an effort to explore all existing alternatives available to the REIT, including its current plan to execute its U.S. growth strategy, or in the alternative, a potential sale of the REIT or its assets. The REIT continued to execute on its U.S. growth strategy while this strategic review process was ongoing.

On April 16, 2018, the Board formally retained RBC Capital Markets and Wells Fargo Securities as financial advisors to the REIT with a mandate to explore various strategic alternatives for the REIT, including to undertake a broad market canvass to determine potential interest in a strategic transaction involving the REIT.

On April 20, 2018, Rafael Lazer, a Trustee and the Chief Executive Officer of Elad Canada Inc., an affiliate of the Purchaser, advised Glen Ladouceur, the Chair of the Board, that the Purchaser might be interested in participating as a potential purchaser or as a potential seller should the Board decide to undertake a sales process as part of its strategic review. As a result, Mr. Rafael Lazer recused himself from all discussions of the Board relating to the strategic review going forward.

On May 4, 2018, the REIT announced that it had entered into a purchase agreement with a third party pursuant to which the third party agreed, subject to the satisfaction of certain conditions, to purchase Parkway Place. This announcement also described the special distribution which the REIT expected to declare to Unitholders on or before December 31, 2018 should the purchase and sale of Parkway Place be completed. The Parkway Place disposition was completed on May 31, 2018.

On May 8, 2018, RBC Capital Markets and Wells Fargo Securities presented an update to the Board regarding various strategic alternatives for the REIT and a list of potential financial and strategic purchasers in Canada and the United States. Following this presentation, the Board granted permission to RBC Capital Markets and Wells Fargo Securities to begin contacting, on a strictly confidential basis, the potential purchasers on the list presented to the Board to solicit interest in a strategic transaction with the REIT.

Commencing on May 29, 2018, RBC Capital Markets and Wells Fargo Securities contacted approximately 100 potential financial and strategic purchasers and the REIT negotiated and entered into a significant number of confidentiality and standstill agreements with interested third parties. Interested third parties that entered into a confidentiality and standstill agreement with the REIT were provided a confidential information memorandum and were granted access to the REIT's data room containing additional information regarding the REIT and its business.

On July 9, 2018, RBC Capital Markets and Wells Fargo Securities sent formal process letters to interested parties that signed a confidentiality and standstill agreement requesting that non-binding indications of interest for a possible acquisition of the REIT be provided by no later than July 23, 2018. The REIT received non-binding indications of interest in July 2018 from four prospective purchasers, all of which were subject to the completion of additional due diligence. The Purchaser had not yet entered into a confidentiality and standstill agreement with the REIT, and, accordingly, was not one of the four parties that submitted a non-binding indication of interest.

On August 13, 2018, the REIT entered into a confidentiality and standstill agreement with Elad Canada Inc., an affiliate of the Purchaser, at which time the Purchaser was provided with a formal process letter, a confidential information memorandum and access to the REIT's data room. Shortly thereafter, on August 17,

2018, the Purchaser submitted a non-binding indication of interest for a possible acquisition of the REIT at a price of \$15.40 per Trust Unit, which was the highest indicative price received from any prospective purchaser. The Purchaser's non-binding indication of interest was subject to, among other things, the completion of additional due diligence, including the review of confidential information made available in the REIT's data room.

On August 13, 2018, a meeting of the Board was called to review the indications of interest received to date and to receive a formal update and advice from representatives of RBC Capital Markets, Wells Fargo Securities and Torgis LLP with respect to the strategic review process.

On August 30, 2018, in light of the receipt by the REIT of the Purchaser's August 17th proposal to acquire all of the Units of the REIT that it did not own, which would, if completed, constitute a "business combination" under MI 61-101, and with a view to ensuring appropriate safeguards for the REIT and its stakeholders, the Board resolved to establish a special committee of independent trustees consisting of Mr. Ladouceur (chair), Renzo Barazzuol, Dayna Gibbs and Aida Tammer to oversee the REIT's strategic review process. Shortly thereafter, the Special Committee engaged Blake, Cassels & Graydon LLP as its independent legal counsel.

The Special Committee was authorized to, among other things: negotiate the terms of any proposed transaction; review and evaluate any proposed transactions, including their financial and other terms and any special benefits accruing to any interested party; discuss details of any proposed transaction with management and other representatives of the REIT or the REIT's advisors; canvass with the REIT or the REIT's advisors any revisions to the terms or structure of any proposed transaction that the Special Committee believes are necessary or advisable and conduct, review and participate in or supervise, directly or through advisors, the negotiations of any such revisions; make recommendations to the Board as to whether any Proposal is in the best interests of the REIT, as to the fairness of any proposed transaction to the REIT and whether to proceed with any proposed transaction, and any other matters the Special Committee may determine are necessary or advisable; review, finalize and disseminate any public disclosure to be made by the REIT with respect to any proposed transaction and the announcement of any and all matters relating to the REIT; approve all transaction documentation relating to any proposed transaction and the execution thereof by the REIT; and, if required or considered appropriate, supervise the preparation of a formal valuation and/or a fairness opinion in connection with any proposed transaction, and review with the valuator or opinion giver the key factors, methodologies and assumptions used in preparing the valuation or opinion.

On September 5, 2018, formal process letters in respect of the second phase of the strategic review process were sent to the Purchaser and two other prospective purchasers by RBC Capital Markets and Wells Fargo Securities. The letters requested that prospective purchasers deliver mark-ups of the form of arrangement agreement provided by the REIT by no later than September 17, 2018 and definitive proposals by no later than September 24, 2018.

On September 7, 2018, the Special Committee met with its legal counsel to, among other things, review its mandate and duties and discuss the status of the review process and the requirements of MI 61-101, including the appointment of an independent valuator. On a number of subsequent occasions, the Special Committee met and discussed with its legal counsel the mandate and duties of the Special Committee, including a review of the duties of trustees in the context of any potential going private transaction and the extent to which the REIT's management and the other trustees should be kept apprised of the status of the strategic review process.

In addition to numerous informal discussions and communications among the Special Committee members and advisors, the Special Committee subsequently met formally approximately 20 times over the course of two and a half months. The Special Committee met regularly with its independent legal counsel in *in camera* sessions.

During the course of the week beginning September 10, 2018, the Special Committee reviewed proposals from potential candidates to serve as independent financial advisor to the Special Committee and to provide a formal valuation in the event that a formal valuation was required in accordance with MI 61-101. On

September 17, 2018, the Special Committee, having received confirmation as to the independence of Desjardins and information as to Desjardins' experience with MI 61-101 transactions, appointed Desjardins as independent valuator, and the REIT entered into an engagement agreement with Desjardins.

On September 12, 2018, one of the members of the Special Committee was approached by a reporter and asked to confirm that the REIT was undertaking a strategic review process. The Special Committee subsequently met to discuss a potential forthcoming media report about the strategic review process. The Special Committee determined that the REIT should issue a news release informing all Unitholders of the strategic review process and the appointment of RBC Capital Markets and Wells Fargo Securities as financial advisors to the REIT, which was ultimately issued on September 13, 2018.

On September 18, 2018, the Special Committee met with RBC Capital Markets and Wells Fargo Securities to discuss the status of the strategic review process. The financial advisors noted that two interested parties, including the Purchaser, were expected to submit acquisition proposals (the "**Phase 2 Proposals**") early in the week of September 24. Wells Fargo indicated that a third interested party had indicated that it did not intend to submit a Phase 2 Proposal because it did not believe its offer would be competitive.

On September 27, 2018, the Special Committee convened, with RBC Capital Markets, Wells Fargo Securities and the Special Committee's and the REIT's legal counsel in attendance, to discuss the Phase 2 Proposals that had been received from the Purchaser and another interested third party ("**Party X**"). The indicative price in the Purchaser's Phase 2 Proposal was higher than the price in Party X's, although the indicative price in the Purchaser's Phase 2 Proposal was lower than its August 17, 2018 initial indicative offer. Each of the Purchaser and Party X also indicated that its Phase 2 Proposal remained subject to further due diligence and submitted a draft of the arrangement agreement with its Phase 2 Proposal and indicated that it expected to be granted the exclusive right to negotiate and settle the terms of such agreement with the REIT. The Special Committee discussed the Phase 2 Proposals with RBC Capital Markets and Wells Fargo Securities and, separately, with Desjardins and the Special Committee's legal counsel.

On September 28, 2018, the Special Committee met with RBC Capital Markets, Wells Fargo Securities and the Special Committee's and the REIT's outside legal counsel and instructed RBC Capital Markets and Wells Fargo Securities to communicate to the Purchaser that its reduced price was too low. The Purchaser subsequently submitted an updated proposal that included a higher purchase price.

On October 2, 2018, the Special Committee, together with its external legal counsel, held a meeting with Desjardins at which Desjardins provided a description of the valuation work performed to date.

On October 3, 2018, the Special Committee met to discuss the updated Phase 2 Proposal that had been received from the Purchaser. The revised proposal included an increased price over the Purchaser's initial Phase 2 Proposal, but noted that the proposal remained subject to a number of outstanding diligence items. At the October 3 meeting, the Special Committee considered various options, including whether to re-engage with Party X.

On October 4, 2018, the Special Committee, together with its legal counsel and the REIT's legal counsel, met and received a presentation from Desjardins regarding the valuation work performed and Desjardins' preliminary views as to the fair market value of the Trust Units. Desjardins provided a detailed overview of the analysis and assumptions forming part of the valuation process. The Special Committee engaged Desjardins in a discussion of its valuation analysis, including the appropriateness of certain assumptions and a general examination of the valuation methods used and choices made by Desjardins in its analysis.

On October 4, 2018, following the Special Committee's meeting with Desjardins, the Trustees (other than Mr. Rafael Lazer) met with RBC Capital Markets, Wells Fargo Securities, the Special Committee's legal counsel and the REIT's legal counsel, and the Special Committee provided an update to the Trustees on the strategic review process, as well as the revised offers from the Purchaser and Party X. Following a discussion of the process and the offers, the Trustees expressed support for negotiating the terms of an exclusivity agreement with the Purchaser.

On October 6, 2018, the REIT and the Purchaser entered into an exclusivity agreement (the “**Exclusivity Agreement**”) pursuant to which the REIT agreed to negotiate exclusively with the Purchaser for a period of 16 days in respect of the acquisition by the Purchaser of the all the Trust Units that the Purchaser did not own. The Exclusivity Agreement provided for an automatic five business day extension of the exclusivity period, provided that the Purchaser was continuing to work in good faith to finalize definitive agreements relating to the proposed transaction.

Diligence, as well as further discussions between the Purchaser and the REIT, and their respective representatives, continued during the exclusivity period.

On October 17, 2018, the Special Committee met to discuss the status of negotiations and discussions and receive the input of its advisors thereon. The Special Committee directed legal counsel to prepare a revised draft of the arrangement agreement reflecting the REIT’s positions on the remaining outstanding issues.

On October 22, upon confirmation that the Purchaser continued to work in good faith, the term of the Exclusivity Agreement was automatically extended in accordance with its terms.

The Special Committee met on October 24, 2018 with RBC Capital Markets, Wells Fargo Securities, Desjardins and the Special Committee’s and the REIT’s legal counsel to consider the indication from the Purchaser that it intended to lower the price provided in its updated Phase 2 Proposal. On October 25, 2018, the Trustees (other than Mr. Rafael Lazer) met with the Special Committee’s and the REIT’s legal counsel and received an update from the Special Committee on the strategic review process and the Purchaser’s proposed price. Following the meeting of the Trustees, RBC Capital Markets and Wells Fargo Securities were instructed to inform the Purchaser that the proposed price was not acceptable to the Special Committee and to request a higher price.

On October 29, 2018, the Purchaser responded to the request for an increased price. On October 30, 2018, the Special Committee met with RBC Capital Markets, Wells Fargo Securities, Desjardins and the Special Committee’s and the REIT’s legal counsel to consider the revised price. Desjardins indicated that it would update its valuation analysis based on information from the REIT’s financial quarter ended September 30, 2018.

On October 31, 2018, the Special Committee met with Desjardins to receive Desjardins’ updated valuation range based on figures through September 30, 2018 and other revisions. Desjardins provided an overview of the adjustments it had made in its analysis and presented the Special Committee with a draft valuation range of \$14.25 to \$16.25 per Trust Unit based on the updated analysis.

Later on October 31, 2018, the Trustees (other than Mr. Rafael Lazer) met and discussed the Purchaser’s revised price. The Trustees and the Special Committee’s and the REIT’s advisors considered the status of the negotiations and again examined the various strategic alternatives to a sale available to the REIT, including remaining as a standalone public company. Following these discussions, the Trustees determined to continue engaging with the Purchaser with respect to a potential sale of the REIT. The Trustees and the advisors also discussed the creditworthiness of the Purchaser and how a guarantee from a parent entity of the Purchaser would provide greater assurance that the Transaction could be completed.

Following discussions between the REIT’s advisors and the Purchaser and its advisors, the Purchaser indicated that it could provide a guarantee from El-Ad Group, Ltd. The Special Committee met on November 3, 2018 to consider El-Ad Group, Ltd.’s ability to guarantee the Purchaser’s obligations under the Arrangement Agreement and decided to request additional information in this regard.

Between November 3, 2018 and November 13, 2018, the Special Committee and its and the REIT’s advisors continued to engage with the Purchaser and its advisors to negotiate the terms of the Transaction, the Arrangement Agreement and the Voting Support Agreements.

On November 13, 2018, the Special Committee met to consider the final proposal from the Purchaser to acquire all of the Trust Units that it did not own at a price of \$14.25 per Trust Unit. Desjardins confirmed to

the Special Committee that, based on the Formal Valuation, it had concluded that the fair market value of the Trust Units was in the range of \$14.25 to \$16.25 per Trust Unit as of November 13, 2018. Desjardins also presented its opinion that the Consideration of \$14.25 per Trust Unit to be received by Trust Unitholders (other than the Purchaser and its affiliates) pursuant to the Transaction is fair, from a financial point of view, to such Trust Unitholders. The Special Committee's legal counsel also provided a summary of the key terms of the Arrangement Agreement.

On November 13, 2018, the Special Committee unanimously recommended the Transaction to the Board (other than Mr. Rafael Lazer) and the Board unanimously (other than Mr. Rafael Lazer) approved the Transaction. See *"Background to the Transaction – Recommendation of the Special Committee"*, *"Background to the Transaction – Recommendation of the Board"* and *"Background to the Transaction – Reasons for Recommendation"*.

RBC Fairness Opinion and Wells Fargo Fairness Opinion

The REIT initially contacted RBC Capital Markets and Wells Fargo Securities regarding a potential advisory assignment in March 2018. RBC Capital Markets and Wells Fargo Securities were formally engaged by the REIT as financial advisors effective April 16, 2018. Pursuant to the terms of their respective engagement agreements, RBC Capital Markets and Wells Fargo Securities each agreed to provide the REIT and the Board with various advisory services in connection with the Transaction, including, among other things, the provision of a fairness opinion. RBC Capital Markets and Wells Fargo Securities delivered their respective opinions to the Board to the effect that, as of November 13, 2018 and subject to the assumptions, limitations, qualifications and other matters set forth therein, the Consideration of \$14.25 per Trust Unit to be received by Trust Unitholders (other than the Purchaser and its affiliates) pursuant to the Transaction is fair, from a financial point of view, to such Trust Unitholders.

The full texts of the RBC Fairness Opinion and the Wells Fargo Fairness Opinion, setting out the assumptions made, matters considered and limitations and qualifications on the review undertaken in connection therewith, are attached as Appendix "F" and Appendix "G", respectively, to this Circular. The summary of each of the RBC Fairness Opinion and the Wells Fargo Fairness Opinion described in this Circular is qualified in its entirety by reference to the full texts of the RBC Fairness Opinion and the Wells Fargo Fairness Opinion, respectively. Neither the RBC Fairness Opinion nor the Wells Fargo Fairness Opinion is a recommendation to any Unitholder as to how to vote or act on any matter relating to the Transaction. **The Board urges Unitholders to review the RBC Fairness Opinion and the Wells Fargo Fairness Opinion carefully and in their entirety.**

In rendering the RBC Fairness Opinion and the Wells Fargo Fairness Opinion, each of RBC Capital Markets and Wells Fargo Securities, respectively, relied, without independent verification, on financial and other information that was obtained by it from public sources, senior management of the REIT and their respective consultants and advisors. Each of RBC Capital Markets and Wells Fargo Securities assumed that this information was complete, accurate and fairly presented. The RBC Fairness Opinion has been prepared in accordance with the Disclosure Standards for Formal Valuations and Fairness Opinions of IIROC, but IIROC has not been involved in the preparation or review of such fairness opinion.

The REIT has agreed to pay each of RBC Capital Markets and Wells Fargo a fee for its financial advisory services, which is, in part, contingent on the successful completion of the Transaction. The REIT has also agreed to reimburse the expenses of each of RBC Capital Markets and Wells Fargo Securities and to indemnify each of RBC Capital Markets and Wells Fargo Securities in respect of certain liabilities that may be incurred in connection with the provision of its services.

Credentials of RBC Capital Markets and Wells Fargo Securities

RBC Capital Markets is one of Canada's largest investment banking firms, with operations in all facets of corporate and government finance, corporate banking, mergers and acquisitions, equity and fixed income sales and trading and investment research. RBC Capital Markets and its affiliates also have significant operations in the United States and internationally. The RBC Fairness Opinion represents the opinion of

RBC Capital Markets and the form and content of the RBC Fairness Opinion have been approved for release by a committee of its directors, each of whom is experienced in merger, acquisition, divestiture and fairness opinion matters.

Wells Fargo Securities is the trade name for certain capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Securities, LLC and Wells Fargo Securities Canada, Ltd. Wells Fargo Securities is an internationally recognized investment banking firm which is regularly engaged in providing financial advisory services in connection with mergers and acquisitions. The Wells Fargo Fairness Opinion represents the opinion of Wells Fargo Securities and the form and content of the Wells Fargo Fairness Opinion have been approved for release by a committee of its directors, each of whom is experienced in merger, acquisition, divestiture and fairness opinion matters.

Desjardins Valuation and Fairness Opinion

The Special Committee initially contacted Desjardins regarding a potential advisory assignment on September 7, 2018. Desjardins was formally engaged by the Special Committee effective September 17, 2018 as independent financial advisor experienced in business and securities valuations. Pursuant to the terms of its engagement agreement, Desjardins agreed to provide the REIT and the Special Committee with various advisory services in connection with the Transaction, including, among other things, the provision of a fairness opinion and, if required, a formal valuation, pursuant to and in accordance with MI 61-101. Desjardins delivered its opinion to the Special Committee to the effect that, as of November 13, 2018 and subject to the assumptions, limitations, qualifications and other matters set forth therein, the Consideration of \$14.25 per Trust Unit to be received by Trust Unitholders (other than the Purchaser and its affiliates) pursuant to the Transaction is fair, from a financial point of view, to such Trust Unitholders. At the request of the Special Committee, Desjardins orally presented the substance and conclusions of the Formal Valuation at a meeting of the Special Committee held on November 13, 2018, namely, that, as at November 13, 2018 and subject to the assumptions, limitations and qualifications set forth therein, the fair market value of the Trust Units was in the range of \$14.25 to \$16.25 per Trust Unit.

The full text of the Desjardins Valuation and Fairness Opinion, setting out the assumptions made, matters considered and limitations and qualifications on the review undertaken in connection with the Desjardins Valuation and Fairness Opinion, is attached as Appendix “H” to this Circular. The summary of the Desjardins Valuation and Fairness Opinion described in this Circular is qualified in its entirety by reference to the full text of the Desjardins Valuation and Fairness Opinion.

The Desjardins Valuation and Fairness Opinion was provided solely for use by the Special Committee in considering the Transaction and, in the case of the Formal Valuation, to comply with the formal valuation requirements of MI 61-101, and the Desjardins Valuation and Fairness Opinion is not a recommendation to any Unitholder as to how to vote or act on any matter relating to the Transaction. The Desjardins Valuation and Fairness Opinion is only one factor that was taken into consideration by the Special Committee and the Board in making their respective determinations. **The Board urges the Unitholders to read the Desjardins Valuation and Fairness Opinion carefully and in its entirety.**

Independence of Desjardins

Neither Desjardins nor any of its affiliates is an insider, associate or affiliate (as those terms are defined in the *Securities Act* (Ontario)) of the REIT, the Purchaser or any of their respective associates or affiliates (collectively, the “**Interested Parties**”).

Neither Desjardins nor any of its affiliates is an advisor to any Interested Party with respect to the Transaction, other than to the Special Committee pursuant to its engagement agreement with the REIT.

Neither Desjardins nor any of its affiliates has provided any financial advisory services to an Interested Party within the past two years, other than pursuant to its engagement agreement with the REIT. Desjardins may provide certain ordinary banking, insurance or related services to the REIT for which it receives fees that are not material to Desjardins or its affiliates.

Neither Desjardins nor any of its affiliates has provided soliciting dealer services in respect of the Transaction, and neither Desjardins nor any of its affiliates has a material financial interest in the completion of the Transaction.

There are currently no understandings, agreements or commitments between Desjardins or any of its affiliates with any Interested Party with respect to any future business dealings. Desjardins acts as a financial advisor, principal and agent in major financial markets and may in the future hold positions in or provide advice to an Interested Party on transactions for which it may receive compensation. As an investment dealer, Desjardins conducts research on securities and may, in the ordinary course of business, provide research reports and investment advice to its clients on investment matters, including with respect to the REIT, the Purchaser or the Transaction. It is possible that, in the normal course of business, certain employees of Desjardins currently own, or may have owned, securities of the REIT or the Purchaser.

The terms of Desjardins' engagement agreement provide for a fixed fee to be paid to Desjardins for the Desjardins Valuation and Fairness Opinion. Desjardins' fees are not contingent, in whole or in part, on the conclusions reached in the Desjardins Valuation and Fairness Opinion or the completion of the Arrangement. In addition, the REIT has agreed to reimburse Desjardins for its reasonable out-of-pocket expenses and to indemnify Desjardins in respect of certain liabilities that might arise out of its engagement.

Valuation Methodology

Desjardins primarily valued the Trust Units on a going concern basis using net asset value ("**NAV**") analysis. Desjardins also reviewed transaction multiples and acquisition premiums in precedent transactions in the overall real estate sector in Canada and the United States, as well as acquisition premiums for going-private transactions in Canada.

For purposes of determining the REIT's overall NAV, Desjardins separated the NAV into the following components:

- (a) income producing properties;
- (b) excess land;
- (c) asset management and property management fees;
- (d) debt;
- (e) net working capital;
- (f) corporate general and administrative expenses; and
- (g) distinctive material value.

For the precedent transactions analysis, Desjardins reviewed the available public information with respect to transactions in the overall real estate sector in Canada and the United States, as well as acquisition premiums for going-private transactions in Canada. Given that the precedent transaction multiples reflect overall portfolio performance and do not consider individual property attributes, class, size, location, vacancy, leasing prospects, capital expenditures and building age, Desjardins applied minimal weight to this approach.

In arriving at the Desjardins Valuation and Fairness Opinion conclusions, Desjardins placed considerably more emphasis on the NAV approach than the other approaches. However, Desjardins did not attribute any particular weight to any specific factor or approach and relied on its professional experience in determining the relevance of each factor and approach in arriving at its overall conclusions.

Credentials of Desjardins

Desjardins is a wholly-owned subsidiary of the Desjardins Group, the largest financial cooperative group in Canada. The Desjardins Group comprises a network of caisses, credit unions and corporate financial centres across the country, and subsidiary companies in life and general insurance, securities brokerage, venture capital and asset management. Desjardins is a major participant in the Canadian securities business with operations in all facets of corporate and government finance, mergers and acquisitions, equity and fixed income sales and trading, and investment research. Desjardins' senior professionals have prepared numerous valuations and fairness opinions and have participated in a vast number of transactions involving private and publicly traded companies across a wide range of industry sectors.

The Desjardins Valuation and Fairness Opinion represents the opinion of Desjardins and the form and content of the Desjardins Valuation and Fairness Opinion have been approved for release by a committee of its professionals, each of whom is experienced in merger, acquisition, divestiture, valuation and fairness opinion matters. Prior to delivering the Desjardins Valuation and Fairness Opinion, Desjardins conducted extensive due diligence and a rigorous review of the subject matter thereof.

Recommendation of the Special Committee

The Special Committee appointed by the Board was formed to, among other things, review and evaluate the terms of all proposals received as part of the strategic review process, make recommendations to the Board in respect of such proposals, negotiate the terms of any transaction and supervise the preparation of a formal valuation of the fair market value of the Trust Units in accordance with MI 61-101. After consideration of, among other things, the conclusions of Desjardins as to the fair market value of the Trust Units, the Desjardins Valuation and Fairness Opinion, the advice of its legal advisors and the terms and conditions set forth in the Arrangement Agreement, as well as a review of other matters, including the matters discussed under the heading "*Background to the Transaction – Reasons for the Recommendation*", the Special Committee unanimously recommended that the Board approve the Transaction and recommend to Unitholders that they vote **FOR** the Special Resolution approving the Transaction.

Recommendation of the Board

The Board (excluding Mr. Rafael Lazer), after receiving financial and legal advice and following receipt of the RBC Fairness Opinion, the Wells Fargo Fairness Opinion and the unanimous recommendation of the Special Committee, as well as a review of other matters, including the terms and conditions set forth in the Arrangement Agreement and the matters discussed under the heading "*Background to the Transaction – Reasons for the Recommendation*", unanimously determined that the Transaction is in the best interests of the REIT and Unitholders. Accordingly, the Board (excluding Mr. Rafael Lazer) unanimously recommends that the Unitholders vote **FOR** the Special Resolution approving the Transaction.

Mr. Rafael Lazer recused himself from all discussions in connection with the Transaction due to his relationship with the Purchaser, including his position as Chief Executive Officer of Elad Canada Inc., an affiliate of the Purchaser.

Reasons for the Recommendation

In making its recommendation, each of the Special Committee and the Board carefully considered the Transaction and consulted with and received advice from its financial and legal advisors. The Special Committee reviewed a significant amount of information and considered a number of factors in making its recommendation to the Board that it approve the Transaction and the Arrangement Agreement and that it recommend to Unitholders that they vote for the Special Resolution. The Board reviewed a significant amount of information and considered a number of factors in making its recommendation to Unitholders to vote **FOR** the Special Resolution approving the Transaction.

Neither the Special Committee nor the Board attempted to assign relative weights to the various factors. In addition, individual members of the Special Committee and the Board may have given different weights to

different factors. The following discussion of the information and factors considered and evaluated by the Special Committee and the Board is not intended to be exhaustive of all factors considered and evaluated by the Special Committee and the Board. The conclusions and recommendations of the Special Committee and the Board were made after considering the totality of the information and factors considered.

- **Premium over trading price of the Trust Units.** The Consideration to be paid pursuant to the Transaction for each Trust Unit represents a premium of approximately 10% to the REIT's 20-day volume-weighted average price on the TSX for the period ending November 13, 2018 and a total return of approximately 123% (approximately 15% on a compounded annual basis) for the period from the REIT's initial public offering in January 2013 until November 13, 2018.
- **Best alternative resulting from comprehensive review process.** The Transaction is the culmination of a comprehensive strategic review process that the REIT commenced in connection with the sale of its Parkway Place property and which was publicly announced by the REIT on September 13, 2018. With the assistance of RBC Capital Markets and Wells Fargo Securities, approximately 100 potential financial and strategic purchasers were contacted and a significant number of non-disclosure and standstill agreements were entered into between the REIT and potential acquirors. The strategic review process was conducted under the supervision of the Board, with the assistance of Torys LLP, as legal counsel, and RBC Capital Markets and Wells Fargo Securities, as financial advisors. Following the indication by the Purchaser that it had decided to participate in the strategic review process, oversight of the strategic review process, including negotiations with the Purchaser, was delegated to the Special Committee. The Special Committee, which is composed of four independent Trustees, retained Blake, Cassels & Graydon LLP as its independent legal counsel and Desjardins as its independent financial advisor. In overseeing the strategic review process, the Special Committee also received the advice and assistance of the REIT's management and legal and financial advisors and the Board. The Transaction represents the highest offer received in connection with the strategic review process. All other proposals received in connection with the strategic review process provided for consideration that was less favourable to Unitholders than the Transaction.
- **Certainty of value and immediate liquidity.** The Trust Units are thinly traded on the TSX, which makes it very difficult for a large number of Unitholders to realize the current trading price for their Trust Units. The Consideration to be received by Unitholders is payable entirely in cash and therefore provides Unitholders with certainty of value and immediate liquidity, and removes the risks associated with the REIT remaining an independent public entity (including challenges of acquiring and developing assets on an accretive basis in light of an increasingly competitive environment for industrial real estate assets and the general challenges faced by small-cap REITs, as well as external factors such as changes in interest rates, capitalization rates, currency exchange rates and capital markets conditions that are beyond the control of the REIT and its management).
- **Attractive Value.** The Transaction reflects an attractive value for the REIT's portfolio of properties and a premium to the REIT's IFRS book value per Unit and to the current research consensus net asset value per Unit estimate.
- **Arm's length negotiation.** The Arrangement Agreement is the result of a rigorous negotiation process that was undertaken at arm's length with the oversight and participation of the Special Committee and the Board and their financial and legal advisors. The Special Committee and the Board, after considering advice from their financial advisors, concluded that \$14.25 per Trust Unit is the highest price that the Purchaser was willing to pay to acquire the REIT.

- **Fairness Opinions.** Desjardins has delivered its opinion to the Special Committee and each of RBC Capital Markets and Wells Fargo Securities has delivered its opinion to the Board to the effect that, as of November 13, 2018 and subject to the assumptions, limitations, qualifications and other matters set forth therein, the Consideration of \$14.25 per Trust Unit to be received by Trust Unitholders (other than the Purchaser and its affiliates) pursuant to the Transaction is fair, from a financial point of view, to such Trust Unitholders.
- **Formal Valuation.** Desjardins delivered its formal valuation to the Board reflecting the determination that, as at November 13, 2018, and based upon and subject to the assumptions, limitations, qualifications and other matters contained therein, the fair market value of the Trust Units was between \$14.25 and \$16.25 per Trust Unit.
- **Reasonable likelihood of completion.** The Transaction is not subject to any due diligence condition or financing condition and the Board believes that the closing conditions that are outside of the control of the REIT are reasonable such that the likelihood of the Transaction being completed is considered by the Board to be high.
- **Ability to respond to superior proposals.** Under the Arrangement Agreement, the Board remains able to respond to and accept, in accordance with its fiduciary duties, unsolicited proposals that are more favourable from a financial point of view than the Transaction, subject to the terms of the Arrangement Agreement and payment of the Termination Fee to the Purchaser.
- **Guarantee by El-Ad Group, Ltd.** The Purchaser's obligations under the Arrangement Agreement are unconditionally guaranteed by El-Ad Group, Ltd.
- **Voting support agreements.** Certain affiliates of Sandpiper Group, which collectively hold approximately 4,304,396 Units, representing approximately 12.7% of the issued and outstanding Units, have entered into voting support agreements with the Purchaser to vote in favour of the Transaction. The Trustees and the executive officers of the REIT, who as of the date hereof collectively hold approximately 5.1% of the issued and outstanding Units, have also entered into voting support agreements with the Purchaser to vote in favour of the Transaction. See "*The Transaction – Voting Support Agreements*".
- **Procedural matters.** The Board considered the fact that the Transaction must be approved by the affirmative vote of: (a) not less than 66 ²/₃% of the votes cast by Unitholders, voting as a single class, present in person or represented by proxy at the Meeting; and (b) in accordance with MI 61-101, a simple majority of the votes cast at the Meeting in person or by proxy by Unitholders, excluding the votes attached to Units required to be excluded pursuant to items (a) through (d) of section 8.1(2) of MI 61-101, which, in this case, consists of the Units held by the Purchaser and/or its affiliates and the Management Unitholders. The Board also considered the fact that the Transaction must also be approved by the Court, which will consider the fairness and reasonableness of the Transaction.
- **Dissent Rights.** Registered holders of Trust Units have the right to exercise Dissent Rights in connection with the Transaction, subject to strict compliance with the requirements applicable to the exercise of Dissent Rights. See "*Dissent Rights*".

The Special Committee's and the Board's reasons contain forward-looking information, and are subject to various risks and assumptions. See "*Caution Regarding Forward-Looking Statements and Information*" and "*Risk Factors*".

Risks Relating to the Arrangement

The completion of the Transaction is subject to a number of conditions precedent, some of which are outside the control of the REIT and the Purchaser, including approval of Unitholders and the Court. There can be no certainty, nor can the REIT or the Purchaser provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied. See “*The Arrangement Agreement – Summary of the Arrangement Agreement – Conditions to the Transaction Becoming Effective*”.

The Special Committee and the Board considered a number of potential risks and other factors resulting from the Transaction and the Arrangement Agreement, including the risks disclosed under “*Risk Factors*”.

Risks Related to the REIT

If the Transaction is not completed, the REIT will continue to face the risks that it currently faces with respect to its affairs, business and operations and future prospects. Such risk factors are set forth and described in the REIT’s annual information form for the year ended December 31, 2017 and in the REIT’s management’s discussion and analysis of results of operations and financial condition for the three month period and year ended December 31, 2017, which are available under the REIT’s profile on SEDAR at www.sedar.com.

THE TRANSACTION

The following is a summary only of the material terms of the Plan of Arrangement and certain related matters and is qualified in its entirety by the full text of the Plan of Arrangement, a copy of which is attached as Appendix “E” to this Circular.

Required Unitholder Approval

If the Special Resolution is passed by the affirmative vote of: (a) not less than 66 ²/₃% of the votes cast upon such resolution by Unitholders, voting as a single class, present in person or represented by proxy at the Meeting; and (b) a simple majority of the votes cast at the Meeting in person or by proxy by Unitholders, excluding the votes attached to Units required to be excluded pursuant to items (a) through (d) of section 8.1(2) of MI 61-101, and all of the other conditions to closing of the Transaction are satisfied or waived, the Transaction will be implemented by way of a Court-approved plan of arrangement under the OBCA.

The Special Resolution must receive the Unitholder Approval in order for the REIT and Agellan GP to seek the Final Order and implement the Transaction on the Effective Date in accordance with the Final Order. Notwithstanding the receipt of Unitholder Approval, the REIT and the Purchaser reserve the right in certain circumstances to not proceed with the Transaction in accordance with the terms of the Arrangement Agreement.

Treatment of REIT Securities

As at the close of business on December 6, 2018, there were issued and outstanding 32,981,664 Trust Units, 871,080 Special Voting Units, 20,542 Deferred Units and 871,080 Class B LP Units.

Trust Units

If the Transaction is consummated, the Purchaser will acquire all of the outstanding Trust Units, other than Trust Units already owned by the Purchaser or its affiliates, for \$14.25 per Trust Unit in cash and will become the sole Unitholder of the REIT. Assuming that no registered holder of Trust Units validly exercises its Dissent Rights, the aggregate Consideration that will be payable under the Transaction is approximately \$394 million. See “*Procedure for the Delivery of Securities and Payment of Consideration*” and “*Dissent Rights*”.

Deferred Units

Under the terms of the Plan of Arrangement, all outstanding Deferred Units (whether vested or unvested) will, notwithstanding the terms of the Deferred Unit Incentive Plan and without any further action by or on behalf of a holder of Deferred Units, be cancelled in exchange for a cash payment from the REIT for each Deferred Unit equal to the Consideration, less any applicable withholdings, and the Deferred Unit Incentive Plan and any agreements related thereto will be terminated and neither the Purchaser nor the REIT, nor any other person, will have any liability or obligation thereunder, except for the foregoing payment to holders of Deferred Units.

Unit Options

Under the terms of the Plan of Arrangement, all outstanding Unit Options (whether vested or unvested) will be deemed to be unconditionally and fully vested and exercisable in accordance with its terms, and each such Unit Option will, notwithstanding the terms of the Unit Option Plan and without any further action by or on behalf of the holder of such Unit Option, be deemed to be surrendered and transferred by such holder to the REIT and cancelled in exchange for a cash payment from the REIT equal to the amount (if any) by which the Consideration in respect of each Trust Unit underlying such Unit Option exceeds the exercise price of such Unit Option, less any applicable withholdings, and the Unit Option Plan and any agreements related thereto will be terminated and neither the Purchaser nor the REIT, nor any other person, shall have any liability or obligation thereunder, except for the foregoing payment to holders of Unit Options.

Class B LP Units

Under the terms of the Plan of Arrangement, the Class B LP Units will be, and be deemed to be, exchanged for Trust Units on the basis of one Trust Unit for each Class B LP Unit so exchanged. In connection with the exchange of Class B LP Units, the Special Voting Units held by the holders of the Class B LP Units will be cancelled for no consideration. The Trust Units issued in exchange for Class B LP Units will be acquired by the Purchaser in the Transaction on the same terms as all other Trust Units.

Arrangement Mechanics

The following description is qualified in its entirety by reference to the full text of the Plan of Arrangement which is attached as Appendix “E” to this Circular. **Terms with initial capital letters referenced in this section not defined in the glossary in Appendix “A” to this Circular shall have the meaning ascribed to them in the Plan of Arrangement.** Upon the Transaction becoming effective, the following transactions, among others, will occur and will be deemed to occur in the order set out in the Plan of Arrangement. None of the steps in the Plan of Arrangement will occur unless all of the steps in the Plan of Arrangement occur.

Commencing at 12:01 a.m. on the Effective Date, each of the steps set out below shall occur in the following order without any further act or formality:

- (a) The proceeds of the Purchaser Debt Financing will be loaned to the Agellan Participating US Subsidiaries in such amounts as specified by the Purchaser prior to the Effective Date.
- (b) Each Agellan Participating US Subsidiary will transfer to Agellan US Inc., by way of a non-interest bearing loan, the amount by which the proceeds received in paragraph (a) above exceed the amount of all outstanding Loans of such Agellan Participating US Subsidiary (collectively, any such amounts being the “**Excess Funds**”).
- (c) Agellan US Inc. will transfer any Excess Funds to the REIT as a repayment of all then outstanding promissory note(s) issued by Agellan US Inc. to the REIT (the aggregate amount of such notes being, the “**Intercompany Debt Amount**”) and, to the extent the amount of any Excess Funds exceeds the Intercompany Debt Amount, by way of a non-interest bearing loan equal to such excess amount.

- (d) The REIT will transfer any Excess Funds to the Purchaser by way of a non-interest bearing loan, which amount is directed by the Purchaser to be delivered by the REIT to the Depositary on behalf of, and for the benefit of, the Purchaser.
- (e) Notwithstanding the terms of the Unitholder Rights Plan, the Unitholder Rights Plan shall be terminated and all rights issued pursuant to the Unitholder Rights Plan, if any, shall be cancelled without any payment in respect thereof.
- (f) The Declaration of Trust and the Exchange Agreement shall be amended to the extent necessary to facilitate the Transaction and the implementation of the steps and transactions described in the Plan of Arrangement.
- (g) The REIT shall pay, as a special distribution to the Trust Unitholders, the amount, if any, that is determined by it prior to the Effective Time to be equal to its *bona fide* best estimate of the aggregate of (i) the amount, if any, of its taxable income for the taxation year of the REIT had such taxation year ended on the Effective Date (such amount to be determined without reference to paragraph 82(1)(b) of the Tax Act and to be reduced to take into account any deductions under subsection 104(6) of the Tax Act in respect of prior distributions during that period) and (ii) the non-taxable portion of any capital gain realized by the REIT in such taxation year by the issuance of such number of Trust Units equal to the quotient obtained when such aggregate amount, as *bona fide* best estimated by the REIT, is divided by the closing price of the Trust Units on the TSX on the last trading day immediately prior to Effective Date. For greater certainty, the income of the REIT as determined for purposes of this paragraph (g) shall include any foreign exchange gain realized by the REIT as a result of the repayment of the Intercompany Debt Amount in paragraph (c) above.
- (h) The issued and outstanding Trust Units will be consolidated to ensure that the number of outstanding Trust Units after the special distribution pursuant to the Plan of Arrangement remains the same as that immediately before such special distribution, except in the case of a Trust Unitholder not resident in Canada for purposes of the Tax Act to the extent tax is required to be withheld in respect of such special distribution.
- (i) Notwithstanding the terms of the LPA, the Exchange Agreement or the Declaration of Trust, each Class B LP Unit shall be exchanged for one Trust Unit and the REIT shall cancel all Special Voting Units for no consideration.
- (j) Each Deferred Unit outstanding immediately prior to the Effective Time (whether vested or unvested) shall, notwithstanding the terms of the Deferred Unit Incentive Plan and without any further action by or on behalf of a holder of Deferred Units, be cancelled in exchange for a cash payment from the REIT of an amount equal to the Consideration (the “**Deferred Unit Payment**”), less applicable withholdings, all in full satisfaction of the obligations of the REIT in respect of the Deferred Units.
- (k) Each Unit Option outstanding immediately prior to the Effective Time (whether vested or unvested) shall be deemed to be unconditionally and fully vested and exercisable in accordance with its terms, and each such Unit Option shall, notwithstanding the terms of the Unit Option Plan and without any further action by or on behalf of the holder of such Unit Option, be deemed to be surrendered and transferred by such holder to the REIT in exchange for a cash payment from the REIT equal to the amount (if any) by which the Consideration in respect of each Trust Unit underlying such Unit Option exceeds the exercise price of such Unit Option (the “**Unit Option Payment**”), less applicable withholdings, and each Unit Option shall immediately be cancelled, all in full satisfaction of the obligations of the REIT in respect of the Unit Options. For greater certainty, where the Unit Option Payment amount in respect of a Unit Option is zero or negative, no Unit Option Payment will be payable to the holder of such Unit Option.
- (l) (i) Each holder of a Unit Option and each holder of a Deferred Unit shall cease to be a holder of such Unit Option or such Deferred Unit, as the case may be, (ii) each such holder's name shall be

removed from each applicable register, (iii) the Unit Option Plan, the Deferred Unit Incentive Plan and any and all agreements, arrangements and understandings relating to any and all of the Unit Options or the Deferred Units shall be terminated and shall be of no further force and effect, and (iv) each such holder shall thereafter have only the right to receive the Unit Option Payment or the Deferred Unit Payment to which they are entitled pursuant to the Plan of Arrangement at the time and in the manner specified therein and contemplated thereby.

- (m) Agellan Canada will issue one (1) Agellan Canada Super Voting Share to the Purchaser for aggregate consideration of \$10.00 in cash.
- (n) Concurrently with the issuance in paragraph (m) above, each Dissenting Unit shall be transferred and assigned and be deemed to be transferred and assigned by such Dissenting Unitholder, without any further act or formality on its part, to the Purchaser (free and clear of any Liens) in exchange for a debt claim against the REIT for the amount determined pursuant to the Plan of Arrangement.
- (o) Concurrently with the issuance in paragraph (m) above and the transfer and assignment in paragraph (n) above, each Trust Unit (other than Dissenting Units and Trust Units held by the Purchaser or any of its affiliates) shall be transferred and assigned, without any further act or formality on its part, to the Purchaser (free and clear of any Liens) in exchange for the Consideration.
- (p) The resignations referred to in the Plan of Arrangement shall become effective.

Voting Support Agreements

Certain affiliates of Sandpiper Group, the Trustees and certain officers of the REIT (collectively, the **"Locked-up Unitholders"**) have entered into voting support agreements with the Purchaser (each, a **"Voting Support Agreement"**) whereby they have agreed, among other things, to vote in favour of the Transaction. The Locked-up Unitholders collectively hold approximately 6,033,515 Units, representing approximately 17.8% of the issued and outstanding Units. The covenants of the Locked-up Unitholders pursuant to such Voting Support Agreements include, among other things:

- (a) not to, prior to the Meeting, without having first obtained the prior written consent of the Purchaser, sell, transfer, gift, assign, convey, pledge, hypothecate, encumber, option or otherwise dispose of any right or interest in any of their Units, Deferred Units or Class B LP Units (collectively, **"Locked-up Units"**) or enter into any agreement, arrangement, commitment or understanding in connection therewith, other than pursuant to the Transaction or to one or more entities directly or indirectly wholly-owned, or controlled, by the Locked-up Unitholder without affecting beneficial ownership or control or direction over their Locked-up Units;
- (b) not to, other than as set forth in the applicable Voting Support Agreement, grant or agree to grant any proxies or powers of attorney, deliver any voting instruction form, deposit any of their Locked-up Units into a voting trust or pooling agreement, or enter into a voting agreement, commitment, understanding or arrangement, oral or written, with respect to the voting of any their Locked-up Units;
- (c) not to requisition or join in the requisition of any meeting of any of the securityholders of the REIT for the purpose of considering any resolution;
- (d) to cause to be counted as present for purposes of establishing quorum and to vote (or cause to be voted) all their Locked-up Units at any meeting of any of the securityholders of the REIT, including the Meeting, and in any action by written consent of the securityholders of the REIT in favour of the approval, consent, ratification and adoption of the Special Resolution and the transactions contemplated by the Arrangement Agreement (and any actions required for the consummation of the transactions contemplated by the Arrangement Agreement);

- (e) to deposit and to cause any beneficial owners of their Locked-up Units eligible to be voted to deposit a proxy, or voting instruction form, as the case may be, duly completed and executed in respect of all of their Locked-up Units eligible to be voted voting all of their Locked-up Units eligible to be voted in favour of the Special Resolution and any resolutions approving, consenting to, ratifying or adopting the transactions contemplated by the Arrangement Agreement (and any actions required for the consummation of the transactions contemplated by the Arrangement Agreement);
- (f) to not take, nor permit any person on its behalf to take, any action to withdraw, amend or invalidate any proxy or voting instruction form deposited pursuant to the applicable Voting Support Agreement notwithstanding any statutory or other rights or otherwise which the Locked-up Unitholder might have unless such Voting Support Agreement has at such time been previously terminated in accordance with the provisions of the Voting Support Agreement;
- (g) to provide copies of any proxy or voting instruction form referred to in (f) to the Purchaser concurrent with its delivery;
- (h) to revoke and take all steps necessary to effect the revocation of any and all previous proxies granted or voting instruction forms or other voting documents delivered that may conflict or be inconsistent with the matters set forth in the applicable Voting Support Agreement and not to, directly or indirectly, grant or deliver any other proxy, power of attorney or voting instruction form with respect to the matters set forth in such Voting Support Agreement except as expressly required or permitted thereby;
- (i) to cause to be counted as present for purposes of establishing quorum and to vote (or cause to be voted) their Locked-up Units against any proposed action by the REIT, any Unitholder, any of the REIT's subsidiaries or any other person: (i) in respect of any merger, take-over bid, amalgamation, plan of arrangement, business combination, reorganization, recapitalization, dissolution, liquidation, winding up or similar transaction involving the REIT or any subsidiary of the REIT, other than the Transaction which would reasonably be regarded as being directed towards or likely to prevent, delay or reduce the likelihood of the successful completion of the Transaction, including without limitation any amendment to the constating documents of the REIT or any of its subsidiaries or their respective corporate or partnership structures, as applicable, or capitalization; or (ii) that would result in a breach of any representation, warranty, covenant or other obligation of the REIT under the Arrangement Agreement if such breach requires securityholder approval and is communicated as being such a breach in a notice in writing delivered by the Purchaser to the Locked-up Unitholder;
- (j) to not, and to ensure that its affiliates do not, directly or indirectly, through any officer, director, employee, representative or agent or otherwise (i) solicit proxies or become a participant in a solicitation in opposition to or competition with the Purchaser in connection with the Transaction; (ii) assist any person in taking or planning any action that would reasonably be expected to compete with, restrain or otherwise serve to interfere with or inhibit the Purchaser in connection with the Transaction; (iii) act jointly or in concert with others with respect to voting securities of the REIT for the purpose of opposing or competing with the Purchaser in connection with the Transaction; (iv) make, initiate, solicit or knowingly encourage or facilitate (including by way of furnishing or affording access to information or any site visit) any inquiry, proposal or offer that constitutes, or that could reasonably be expected to lead to, an Acquisition Proposal; (v) accept, enter into, or propose publicly to accept or enter into, any agreement, understanding or arrangement effecting or related to any Acquisition Proposal or potential Acquisition Proposal; or (vi) cooperate in any way with, assist or participate in, or knowingly encourage or facilitate any effort or attempt by any other person to do or seek to do any of the foregoing; and
- (k) to not, and to ensure that no beneficial owner of its Locked-up Units will (i) exercise any rights of appraisal or any Dissent Rights in respect of the Transaction; or (ii) take any other action of any kind that would reasonably be regarded as likely to adversely affect, reduce the success of, materially

delay or interfere with the completion of the Transaction or the transactions contemplated by the Arrangement Agreement.

The Voting Support Agreements contain customary termination provisions and shall automatically terminate and be of no further force or effect upon the earlier of (a) the date upon which the Arrangement Agreement is terminated in accordance with its terms, (b) the Effective Time and (c) May 30, 2019. Notwithstanding any provision of the Voting Support Agreements, the Locked-up Unitholders shall not be limited or restricted in the exercise of his or her fiduciary duties as a Trustee or as an officer of the REIT, as applicable.

The preceding is only a summary of the Voting Support Agreements and is qualified in its entirety by reference to the full text of each of the Voting Support Agreements, copies of which are available under the REIT's profile on SEDAR at www.sedar.com.

Stock Exchange De-Listing and Reporting Issuer Status

The Trust Units are currently listed for trading on the TSX under the symbol "ACR.UN". The REIT expects that the Trust Units will be de-listed from the TSX either immediately before, on or following the Effective Date.

Following the Effective Date, it is expected that the Purchaser will cause the REIT to apply to cease to be a reporting issuer under the securities legislation of each of the provinces and territories of Canada or take or cause to be taken such other measures as may be appropriate to ensure that the REIT is not required to prepare and file continuous disclosure documents under applicable securities laws.

Sources of Funds for the Transaction

On the basis of the outstanding Trust Units and Class B LP Units as of the date of this Circular, the Purchaser will be required to fund approximately \$394 million in cash to satisfy its obligations under the Arrangement Agreement and the Plan of Arrangement, assuming that no registered holders of Trust Units exercise their Dissent Rights. The total amount of funds required to complete the Transaction will be provided through a combination of debt financing and cash on hand.

The Purchaser and El-Ad Group, Ltd. have represented in the Arrangement Agreement that, assuming the satisfaction of the conditions to the Arrangement as set out in the Arrangement Agreement and upon receipt of the proceeds contemplated by the Purchaser Commitment Letter, the Purchaser and the El-Ad Group, Ltd. will have at the Effective Time sufficient funds available to satisfy the aggregate amount payable by the Purchaser pursuant to the Arrangement Agreement and the Transaction. Prior to the execution and delivery of the Arrangement Agreement, the Purchaser delivered to the REIT a true and complete copy of a commitment letter evidencing the availability of certain committed credit facilities (the "**Purchaser Commitment Letter**"). The commitment described in the Purchaser Commitment Letter is not subject to any condition precedent other than the conditions expressly set forth therein. The net proceeds contemplated by the Purchaser Commitment Letter, together with the Purchaser's cash on hand, will in the aggregate be sufficient for the Purchaser to fund the aggregate Consideration payable by the Purchaser pursuant to the Transaction.

The Purchaser and El-Ad Group, Ltd. have represented in the Arrangement Agreement that, as of the date thereof, among other things, (a) the Purchaser Commitment Letter is in full force and effect and constitutes a legal, valid and binding obligation of the Purchaser and, to the knowledge of the Purchaser, the other parties thereto (subject in each case to the effect of bankruptcy, insolvency, receivership or similar Laws relating to or affecting creditors' rights generally and to general equity principles and subject to the inclusion of an exclusive jurisdiction of Ontario courts clause contained therein); and (b) no event has occurred which would constitute a breach or default (or with notice or lapse of time or both would constitute a default) by the Purchaser under the Purchaser Commitment Letter, or, to the knowledge of the Purchaser, the other parties thereto.

The obligations of the El-Ad Group, Ltd. and the Purchaser under the Arrangement Agreement are not subject to any conditions regarding the ability of the Purchaser or any Person to obtain financing for the Transaction and the other transactions contemplated by the Arrangement Agreement.

Insurance and Indemnification

Consistent with standard practice in similar transactions, in order to ensure that trustees and officers do not lose or forfeit their protection under liability insurance policies maintained by the REIT, the Arrangement Agreement provides for the maintenance of such protection for six years. See “*The Arrangement Agreement – Summary of the Arrangement Agreement – Insurance and Indemnification of Trustees, Directors and Officers*”.

PROCEDURE FOR THE DELIVERY OF SECURITIES AND PAYMENT OF CONSIDERATION

Letter of Transmittal

A Letter of Transmittal has been mailed, together with this Circular, to each person who was a Registered Unitholder on the Record Date. Each Registered Unitholder must forward a properly completed and duly executed Letter of Transmittal, with, if applicable, accompanying certificates representing, or DRS advices for, their Trust Units, or the necessary confirmation of a book-entry transfer, and other relevant documents in order to receive the Consideration and any entitlements to which such Unitholder is entitled under the Transaction. A Registered Unitholder must complete and sign the Letter of Transmittal enclosed with this Circular and deliver such Letter of Transmittal (or a manually executed facsimile copy thereof) together with, if applicable, the certificates representing, or DRS advices for, their Trust Units, or the necessary confirmation of a book-entry transfer, and the other documents required by the instructions set out therein to the Depositary in accordance with the instructions contained in the Letter of Transmittal. A Registered Unitholder can obtain additional copies of the Letter of Transmittal by contacting the Depositary. The Letter of Transmittal is also available under the REIT’s profile on SEDAR at www.sedar.com.

The Letter of Transmittal contains procedural information relating to the Transaction and should be reviewed carefully. The tendering of a Letter of Transmittal will constitute a binding agreement between the Registered Unitholder, the REIT and the Purchaser upon the terms and subject to the conditions of the Letter of Transmittal and the Transaction.

In all cases, payment for Trust Units deposited will be made only after timely receipt by the Depositary of, if applicable, the certificates representing, or DRS advices for, the Trust Units, together with the duly completed and executed Letter of Transmittal in the form accompanying this Circular, or a manually executed facsimile copy thereof, relating to such Trust Units, with signatures guaranteed if so required in accordance with the instructions in the Letter of Transmittal, and any other documents and instruments the Depositary may reasonably require. The Depositary will pay the Consideration a Registered Unitholder is entitled to receive in accordance with the instructions in the Letter of Transmittal.

Non-Registered Unitholders should contact their intermediaries, such as brokers, investment dealers, banks, trust companies, clearing agencies or other nominees, for instructions and assistance on how to receive the Consideration for their Trust Units.

Except as otherwise provided in the instructions to the Letter of Transmittal, any signature on the Letter of Transmittal must be guaranteed by an Eligible Institution. If a Letter of Transmittal is executed by a person other than the registered holder of the certificates deposited therewith, the certificates, if any, must be endorsed or be accompanied by an appropriate transfer power of attorney duly and properly completed by the registered holder(s) and the signature(s) on such endorsement or power of attorney must correspond exactly to the name(s) of the registered holder(s) as registered or as appearing on such certificate.

All questions as to validity, form, eligibility (including timely receipt) and acceptance of any delivered Trust Units shall be determined by the REIT in its sole discretion. Holders of delivered Trust Units agree such determination shall be final and binding and (a) acknowledges that the REIT reserves for itself the absolute

right to reject any and all deposits which it determines not to be in proper form or which may be unlawful for it to accept under the laws of any jurisdiction; (b) the REIT reserves for itself the absolute right to waive any defect or irregularity in the deposit of any delivered Trust Units; and (c) there shall be no duty or obligation on the part of the REIT, the Purchaser, the Depositary or any other person to give notice of any defect or irregularity in the deposit of Delivered Units and no liability shall be incurred by any of them for failure to give such notice.

The method used to deliver the Letter of Transmittal, certificates or DRS advices representing delivered Trust Units, if applicable, and all other required documents is at the option and risk of the person depositing the same. Delivery will be deemed effective only when such documents are actually received by the Depositary at its office in Toronto, Ontario, Canada. The REIT recommends that such documents be delivered by hand to the Depositary and a receipt obtained or, if mailed, that registered mail with return receipt requested be used and that appropriate insurance be obtained. If Trust Units are forwarded separately in multiple deliveries to the Depositary, a properly completed and duly executed Letter of Transmittal (or a manually signed facsimile copy thereof) must accompany each such delivery.

If any instrument or certificate which immediately prior to the Effective Time represented outstanding Trust Units that were transferred pursuant to the Plan of Arrangement (or an affidavit of loss and bond or other indemnity pursuant to the Plan of Arrangement), together with such other documents or instruments that are required to be delivered by such former Registered Unitholder in order to receive payment for its Trust Units and all other instruments required by the Plan of Arrangement, are not deposited on or prior to the sixth (6th) anniversary of the Effective Date, such instrument and certificate shall cease to represent a claim or interest of any kind or nature against the REIT, El-Ad Group, Ltd. or the Purchaser. On such date, the aggregate Consideration to which the former Registered Unitholder referred to in the preceding sentence was ultimately entitled shall be deemed to have been surrendered for no consideration to the Purchaser and shall be returned to the Purchaser by the Depositary.

In the event that any instrument or certificate which immediately prior to the Effective Time represented one or more outstanding Trust Units that were transferred pursuant to the Plan of Arrangement shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Trust Unitholder claiming such instrument or certificate to be lost, stolen or destroyed, the Depositary will issue in exchange for such lost, stolen or destroyed instrument or certificate a certified cheque representing the appropriate aggregate amount of Consideration deliverable to such Trust Unitholder in accordance with the Plan of Arrangement. When authorizing such payment in exchange for any lost, stolen or destroyed instrument or certificate, the Trust Unitholder to whom such payment is to be issued shall, as a condition precedent to the issuance thereof, give a bond satisfactory to the Purchaser, the REIT and the Depositary in such sum as the Purchaser, the REIT or the Depositary may direct, acting reasonably, or otherwise indemnify the Purchaser, El-Ad Group, Ltd., the REIT and the Depositary in a manner satisfactory to the Purchaser, the REIT and the Depositary, acting reasonably, against any claim that may be made against the Purchaser, the REIT or the Depositary with respect to the instrument or certificate alleged to have been lost, stolen or destroyed.

Payment of Consideration

Following receipt of the Final Order and immediately prior to the filing by the REIT and Agellan GP of the Articles of Arrangement, provided that all conditions precedent set out in the Arrangement Agreement have been satisfied or waived, the Purchaser will provide the Depositary with sufficient funds in trust to pay the aggregate Consideration to be paid to Unitholders (including the holders of Class B LP Units as contemplated by the Transaction). The funds will be held by the Depositary in trust for Trust Unitholders on terms and conditions satisfactory to the REIT, the Depositary and the Purchaser, each acting reasonably.

Registered Unitholders who deposit a properly completed and duly executed Letter of Transmittal, together with accompanying certificates representing, or DRS advices for, their Trust Units, or the necessary confirmation of a book-entry transfer, will be forwarded the Consideration to which they are entitled under the Transaction, with such surrendered certificates being cancelled. Registered Unitholders who do not forward to the Depositary a properly completed and duly executed Letter of Transmittal, together with the certificates representing, or DRS advices for, their Trust Units, or the necessary confirmation of a book-entry

transfer, and the other relevant documents, will not receive the Consideration to which they are otherwise entitled until deposit thereof is made, provided that if such deposit is not made on or prior to the sixth (6th) anniversary of the Effective Date, such Registered Unitholder shall be deemed to have forfeited to the Purchaser such Trust Units. Whether or not Registered Unitholders forward their certificates upon the completion of the Transaction on the Effective Date, Registered Unitholders will cease to be holders of Trust Units as of the Effective Date and certificates representing Trust Units shall represent only (a) the right to receive the Consideration that the former Unitholder is entitled to in accordance with the terms of the Transaction until the sixth (6th) anniversary of the Effective Date or (b) in the case of registered holders of Trust Units who properly exercise Dissent Rights, the right to receive fair value for their Trust Units in accordance with the Declaration of Trust, as modified by the Plan of Arrangement and the Interim Order. See “*Dissent Rights*”.

Once a former Registered Unitholder who has complied with the procedures set out above and in the Letter of Transmittal is entitled to a payment of Consideration in accordance with the Transaction and after receipt of all required documents, the Depositary shall cause individual cheques, or, if requested by such Registered Unitholder or required by applicable Law, wire transfers, to be: (a) in the case of cheques, forwarded by first class mail, postage pre-paid, to the Person and at the address specified in the relevant Letter of Transmittal or, if no address has been specified therein, at the address specified for the particular Registered Unitholder in the register of Unitholders maintained by or on behalf of the REIT; (b) in the case of wire transfers, sent to an account specified in the relevant Letter of Transmittal; or (c) if requested by such Registered Unitholder, made available or caused to be made available at the Depositary for pick up by such Registered Unitholder.

The Depositary will act as the agent of Unitholders who have deposited Trust Units pursuant to the Plan of Arrangement for the purpose of receiving the Consideration from the Purchaser and transmitting payment from the Purchaser to such persons, and receipt of the Consideration by the Depositary will be deemed to constitute receipt of payment by Unitholders depositing Trust Units.

Under no circumstances will interest accrue or be paid by the Purchaser or the Depositary to Unitholders on the Consideration, regardless of any delay in making such payment.

The Depositary will receive reasonable and customary compensation for its services in connection with the Transaction, will be reimbursed for certain out of pocket expenses and will be indemnified by the REIT against certain liabilities under applicable securities laws and expenses in connection therewith.

The REIT, the Purchaser and the Depositary will be entitled to deduct and withhold from any consideration otherwise payable to a Unitholder such amounts as the REIT, the Purchaser or the Depositary is required or permitted to deduct and withhold with respect to such payment under applicable Law.

DISSENT RIGHTS

Dissent Rights

The foregoing is only a summary of the dissent rights provided for in the Plan of Arrangement and the Interim Order, which are technical and complex. It is recommended that any registered holder of Trust Units wishing to avail himself, herself or itself of Dissent Rights under those provisions seek legal advice, as failure to comply strictly with the Plan of Arrangement may prejudice his, her or its Dissent Rights.

The Interim Order expressly provides registered holders of Trust Units with the right to dissent from the Special Resolution as provided in the Plan of Arrangement. Pursuant to the Plan of Arrangement, the Dissenting Units held by Dissenting Unitholders who validly exercise their Dissent Rights will be transferred and assigned to the Purchaser and be deemed to be transferred and assigned by such Dissenting Unitholder, without any further act or formality on its part, to the Purchaser (free and clear of any Liens) as provided in the Plan of Arrangement and if they (a) ultimately are entitled to be paid fair value for such Dissenting Units shall: (i) in respect of such Dissenting Units be treated as not having participated in the transactions under the Plan of Arrangement, other than the provisions of the Plan of Arrangement providing

for the transfer and assignment of each Dissenting Unit, (ii) be entitled to be paid, subject to any withholding rights, the fair value of such Dissenting Units by the REIT, which fair value shall be determined as of the close of business on the day before the Special Resolution is adopted at the Meeting, and (iii) not be entitled to any other payment or consideration, including any payment that would be payable under the Transaction had such holders not exercised their Dissent Rights in respect of such Dissenting Units; or (b) ultimately are not entitled, for any reason, to be paid fair value for such Dissenting Units, shall in respect of such Dissenting Units be treated as having participated in the Transaction as if such Dissenting Unitholder had not dissented and shall receive the Consideration for such Dissenting Units

Upon transfer and assignment of the Dissenting Units to the Purchaser, the Dissenting Unitholders will cease to be holders of such Dissenting Units and will cease to have any rights in respect of such Dissenting Units other than the right to be paid, subject to withholding rights as set forth in the Plan of Arrangement, the fair value for their Dissenting Units, which fair value will be determined as of the close of business on the day before the Special Resolution is adopted at the Meeting.

A registered holder of Trust Units who wishes to dissent must provide a dissent notice to the REIT c/o Torys LLP, 79 Wellington Street West, 30th Floor, Box 270, TD South Tower, Toronto, Ontario M5K 1N2, Attention: Andrew Gray or by facsimile (416-865-7380) or by e-mail at: agray@torys.com, no later than 10:00 a.m. (Toronto time) on January 8, 2019 or, if the Meeting is adjourned or postponed, 48 hours (excluding Saturdays, Sundays and holidays in the Province of Ontario) prior to the adjourned or postponed Meeting. Strict adherence to the procedures established in the Interim Order and the Plan of Arrangement is required in order to validly dissent and failure to do so may result in the loss of all Dissent Rights. Accordingly, each Unitholder who might desire to exercise the Dissent Rights should carefully consider and comply with the provisions of the Plan of Arrangement and Interim Order and consult such Unitholder's legal advisor.

The filing of a dissent notice does not deprive a Unitholder of the right to vote at the Meeting; however, a Unitholder who has submitted a dissent notice and who votes in favour of the Special Resolution shall not be entitled to exercise Dissent Rights. If such Dissenting Unitholder votes in favour of the Special Resolution in respect of a portion of the Units he, she or it holds as an intermediary on behalf of any one beneficial owner, such vote approving the Special Resolution will be deemed to apply to the entirety of the Dissenting Units held in the name of that beneficial owner. **A vote against the Special Resolution will not constitute a dissent notice. The revocation of a proxy will not constitute a dissent notice.**

Persons who are beneficial owners of Trust Units registered in the name of a broker, investment dealer or other intermediary and who wish to dissent should be aware that only the registered holders of such Trust Units are entitled to dissent. Accordingly, a beneficial owner of Trust Units desiring to exercise his, her or its right to dissent must make arrangements for the registered holder of his, her or its Trust Units to dissent on his, her or its behalf. See Appendix "C" to this Circular for the full text of the Interim Order and Appendix "E" to this Circular for the full text of the Plan of Arrangement.

The Purchaser may elect not to proceed with the Transaction if holders of greater than 9.9999% of the outstanding Trust Units shall have validly exercised Dissent Rights. See *"The Arrangement Agreement – Summary of the Arrangement Agreement – Conditions to the Arrangement Agreement Becoming Effective – Conditions in Favour of the Purchaser"*.

Registered Unitholders who are considering exercising Dissent Rights should be aware that there can be no assurance that the fair value of their Trust Units as determined under the applicable provisions of the Plan of Arrangement will be more than or equal to the Consideration offered under the Transaction. In addition, any judicial determination of fair value will result in delay of receipt by a Dissenting Unitholder of consideration for such holders Trust Units.

Under the OBCA, the Court may make any order in respect of the Transaction it thinks fit, including a Final Order that amends the Dissent Rights as provided for in the Plan of Arrangement and the Interim Order. In any case, it is not anticipated that additional Unitholder approval would be sought for any such variation.

Recognition of Dissenting Unitholders

In no circumstances will the Purchaser, El-Ad Group, Ltd., the REIT or any other Person be required to recognize a Person exercising Dissent Rights unless such Person is the registered holder of those Trust Units in respect of which such rights are sought to be exercised. For greater certainty, in no case will the Purchaser, the REIT or any other Person be required to recognize a Dissenting Unitholder as a holder of Trust Units in respect of which Dissent Rights have been validly exercised as at the time such Trust Units are redeemed as set out in the Plan of Arrangement. In addition to any other restrictions in the Declaration of Trust as applicable under the Interim Order, any Person who has voted in favour of the Transaction shall not be entitled to exercise Dissent Rights, and holders of Special Voting Units and Class B LP Units shall not be entitled to exercise Dissent Rights in respect of Special Voting Units and Class B LP Units, respectively.

THE ARRANGEMENT AGREEMENT

Summary of the Arrangement Agreement

The Transaction is being effected pursuant to the Arrangement Agreement. The Arrangement Agreement contains covenants, representations and warranties of and from each of the REIT, Agellan GP, the Purchaser and El-Ad Group, Ltd. and various conditions precedent, both mutual and with respect to each party.

The Arrangement Agreement is available under the REIT's profile on SEDAR at www.sedar.com. The following is a summary of certain provisions of the Arrangement Agreement, but is not intended to be complete. Please refer to the Arrangement Agreement for a full description of the terms and conditions thereof.

Representations and Warranties

The Arrangement Agreement contains customary representations and warranties made by the REIT and Agellan GP to the Purchaser and customary representations and warranties made by the Purchaser and El-Ad Group, Ltd. to the REIT. The representations and warranties were made solely for purposes of the Arrangement Agreement, were made as of a specified date and may be subject to contractual standards of materiality different from what may be viewed as material to Unitholders. The representations and warranties are, in some cases, subject to specified exceptions and qualifications. For the foregoing reasons, Unitholders should not rely on the representations and warranties contained in the Arrangement Agreement as statements of factual information at the time they were made or otherwise.

The representations and warranties of the REIT and Agellan GP relate to the following matters: legal status; authorization; non-contravention; enforceability of obligations; governmental authorization; capitalization; unitholders and similar agreement; subsidiaries; securities law matters; financial statements; disclosure controls and internal control over financial reporting; auditors; no undisclosed liabilities; absence of certain changes or events; compliance with laws; permits; opinions, board approval and fair market value; brokers; material contracts; ownership of assets; operations in compliance with applicable law; work orders; leases; no expropriation; builders liens; permitted liens; remedial orders; environmental matters; intellectual property; litigation and proceedings; insurance; taxes; related party transactions; employment matters; employee plans; no collective bargaining agreement; severance; workers compensation; occupational health and safety; accruals; unregistered government agreements; money laundering; anti-corruption; easements; management agreements; Competition Act (Canada); and security breaches.

The representations and warranties of the Purchaser and El-Ad Group Ltd. relate to the following matters: legal status; authorization; non-contravention; enforceability of obligations; governmental authorization; litigation; Investment Canada Act; financing; no collateral benefits; ownership of REIT securities; and relationship between the Purchaser and El-Ad Group, Ltd.

Covenants

Covenants of the REIT Regarding the Conduct of the REIT's Business

The Arrangement Agreement provides that during the period from the date of the Arrangement Agreement until the earlier of the Effective Time or termination of the Arrangement Agreement in accordance with its terms, subject to certain exceptions, the REIT will, and will cause each of its Subsidiaries to, (a) conduct its business in the ordinary course in all material respects and in accordance with applicable Law; and (b) use commercially reasonable efforts to preserve intact the current business organization, properties, assets, goodwill, employment relationships and business relations with suppliers, tenants, partners and with other Persons with which the REIT and its Subsidiaries have material business relations.

In addition to these general covenants, the REIT has also agreed to certain negative covenants related to carrying on its business which, among other things, restrict the ability of the REIT to undertake certain actions, except (a) with the prior written consent of the Purchaser, not to be unreasonably withheld or delayed; (b) as expressly required by the Arrangement Agreement; (c) as required by Law; (d) as required by the terms of the limited partnership agreement of any joint venture of the REIT; or (e) as previously disclosed to the Purchaser.

Covenants Regarding the Transaction

Pursuant to the Arrangement Agreement, each of the REIT, Agellan GP, the Purchaser and El-Ad Group, Ltd. has made covenants to take or cause to be taken all actions and to do or cause to be done all other things necessary under Law to consummate the Transaction as soon as practicable, including, without limitation, (a) to use its commercially reasonable efforts to satisfy the conditions for completion of the Transaction to the extent the same is within its control; (b) to carry out the terms of the Interim Order and the Final Order applicable to it and comply with all material requirements imposed by Law on it or its Subsidiaries with respect to the Arrangement Agreement or the Transaction; (c) to use its commercially reasonable efforts to obtain and maintain all third party or other consents, waivers, permits, exemptions, orders, approvals, agreements, amendments or confirmations that are necessary or advisable under the REIT's contracts to permit the consummation of the transactions contemplated by the Arrangement Agreement or required in order to maintain the REIT's contracts in full force and effect following completion of the Transaction, in each case on terms satisfactory to the REIT and the Purchaser, each acting reasonably; (d) to use its commercially reasonable efforts to effect all necessary registrations, filings and submissions of information required by Governmental Entities from it and its Subsidiaries relating to the Transaction; (e) to use its commercially reasonable efforts to obtain all necessary exemptions, consents, approvals and authorizations as are required by it under all applicable Laws; (f) to use its commercially reasonable efforts to oppose, lift, or rescind any injunction, restraining or other order, decree or ruling seeking to restrain, enjoin or otherwise prohibit or adversely affect the consummation of the Transaction; (g) to not take any action, refrain from taking any commercially reasonable action, or expressly permit any action to be taken or not taken which would reasonably be expected to prevent, materially delay or otherwise impede the consummation of the Transaction or the transactions contemplated under the Arrangement Agreement.

Each of the REIT, Agellan GP, the Purchaser and El-Ad Group Ltd. has also agreed to promptly notify the other parties upon the occurrence of (a) in the case of the REIT and Agellan GP only, any Material Adverse Effect; (b) any notice or other communication from any Person alleging that the consent of such Person is required in connection with the Transaction or the Arrangement Agreement; (c) any notice or other communication from any Governmental Entity in connection with the Arrangement Agreement; and (d) any material filing, actions, suits, claims, investigations or proceedings commenced or threatened against, relating to or involving or otherwise affecting the REIT or any of its Subsidiaries.

The Arrangement Agreement also contains covenants of the REIT pertaining to, among other things: (a) required lender consents; (b) pre-acquisition reorganizations; (c) financing assistance; (d) suspending or terminating the REIT's distribution reinvestment plan; and (e) obtaining certain tenant estoppels.

Non-Solicitation

Covenants Regarding Non-Solicitation

The Arrangement Agreement provides that, except in accordance with such agreement, the REIT will not, and will cause its Subsidiaries not to, directly or indirectly, through any of its or its Subsidiaries' Representatives, and will not permit any Person to: (a) solicit, assist, initiate, knowingly encourage or otherwise knowingly facilitate (including by way of furnishing or providing copies of, access to, or disclosure of, any confidential information, properties, facilities, books or records of the REIT or any of its Subsidiaries or entering into any form of agreement, arrangement or commitment) any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to an Acquisition Proposal; (b) enter into or otherwise engage or participate in any discussions or negotiations with any Person regarding any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to an Acquisition Proposal, other than with the Purchaser and its affiliates; (c) make a Change in Recommendation; (d) accept, approve, endorse or recommend, or publicly propose to accept, approve, endorse or recommend, or take no position or remain neutral with respect to, any Acquisition Proposal (it being understood that publicly taking no position or a neutral position with respect to a publicly announced or otherwise publicly disclosed Acquisition Proposal for a period of five (5) Business Days shall not be considered a breach of the Arrangement Agreement provided that the Board has rejected such Acquisition Proposal and affirmed the Board Recommendation before the end of such five (5) Business Day period); or (e) enter into any letter of intent, agreement in principle, agreement, arrangement or understanding with respect to any Acquisition Proposal (other than entering into a confidentiality agreement permitted by the Arrangement Agreement).

The Arrangement Agreement further provides that the REIT will, and will cause its Subsidiaries and its and their Representatives to, immediately cease and terminate, and cause to be terminated, any solicitation, encouragement, discussion, negotiations or other activities commenced prior to the date of the Arrangement Agreement with any Person (other than the Purchaser and its affiliates) with respect to any inquiry, proposal or offer that constitutes, or may reasonably be expected to constitute or lead to, an Acquisition Proposal, and in connection therewith will: (a) discontinue access to and disclosure of all information regarding the REIT or any of its Subsidiaries, including any data room and any other confidential information, properties, facilities, books or records of the REIT or any Subsidiary of the REIT; and (b) to the extent that such information has not previously been returned or destroyed, within two Business Days of the date of the Arrangement Agreement request, and use its commercially reasonable efforts to require, (i) the return or destruction of all copies of any confidential information regarding the REIT or any Subsidiary of the REIT; and (ii) the destruction of all material including or incorporating or otherwise reflecting such confidential information regarding the REIT or any Subsidiary of the REIT, in each case, provided to any Person (other than the Purchaser and its affiliates) since January 1, 2018, and use its commercially reasonable efforts to ensure that such requests are fully complied with in accordance with the terms of such rights or entitlements.

The Arrangement Agreement further provides that (a) the REIT and its agents, affiliates and Subsidiaries will take all commercially reasonable action to enforce each confidentiality, standstill, non-disclosure, non-solicitation, use, business purpose or similar agreement or covenant to which the REIT or any agent, affiliate or Subsidiary of the REIT is a party, and (b) the REIT will not release, and will cause its agents, affiliates and Subsidiaries not to release, any Person from, or waive, amend, suspend or otherwise modify any provision of, or grant permission under or fail to enforce, any standstill, non-disclosure, non-solicitation, use, business purpose or similar agreement or covenant to which the REIT or any agent, affiliate or Subsidiary of the REIT is a party that remains in effect as of the date of the Arrangement Agreement.

Acquisition Proposals

If the REIT or any of its Subsidiaries or any of their respective Representatives receives any written or oral inquiry, proposal or offer that constitutes, or may reasonably be expected to constitute or lead to, an Acquisition Proposal, or any request in connection with any written or oral inquiry, proposal or offer that constitutes, or may reasonably be expected to constitute or lead to, an Acquisition Proposal for copies of, access to, or disclosure of, confidential information relating to the REIT or any Subsidiary of the REIT, including information, access, or disclosure relating to the properties, facilities, books or records of the REIT

or any Subsidiary of the REIT, the REIT will promptly notify the Purchaser, at first orally (promptly and in any event within 24 hours), and then in writing (promptly and in any event within 48 hours), of such Acquisition Proposal, inquiry, proposal, offer or request, including a description of the material terms and conditions of the Acquisition Proposal, inquiry, proposal, offer or request and the identity of all Persons making the Acquisition Proposal, inquiry, proposal, offer or request and will provide the Purchaser with copies of all written agreements, documents, correspondence or other materials received in respect of, from or on behalf of any such Person(s). The REIT will keep the Purchaser fully informed on the status of all developments and discussions and negotiations (other than those developments and discussions and negotiations that are not, or could not reasonably be considered by the Purchaser to be, material or otherwise relevant to the Purchaser) with respect to such Acquisition Proposal, inquiry, proposal, offer or request, including any changes, modifications or other amendments to any such Acquisition Proposal, inquiry, proposal, offer or request and will provide to the Purchaser copies of all correspondence if in writing or electronic form, and if not in writing or electronic form, a description of the terms of such correspondence communicated to the REIT by or on behalf of any Person making any such Acquisition Proposal, inquiry, proposal, offer or request.

Superior Proposals

Notwithstanding the REIT's covenants regarding non-solicitation described above, if at any time prior to the approval by Unitholders of the Special Resolution in accordance with the Interim Order, the REIT receives a written Acquisition Proposal, the REIT and its Representatives may (a) enter into, engage in, participate in, facilitate and maintain discussions or negotiations with, and (b) provide copies of, access to or disclosure of confidential information, properties, facilities, books or records of the REIT and its Subsidiaries to, such Person if and only if: (i) the Board first determines in good faith, after consultation with outside legal counsel and financial advisors to the REIT, that such Acquisition Proposal constitutes, or could reasonably constitute or lead to, a Superior Proposal; (ii) prior to providing any such copies, access, or disclosure, the REIT enters into a confidentiality agreement permitted by the Arrangement Agreement and any such copies, access or disclosure provided to such Person will have already been (or simultaneously be) provided to the Purchaser; (iii) prior to providing any such copies, access or disclosure, the REIT provides the Purchaser with a true, complete and final executed copy of the applicable confidentiality agreement; (iv) such Acquisition Proposal does not result from a breach by the REIT of its obligations under the non-solicitation provisions of the Arrangement Agreement; and (v) such Person was not restricted from making such Acquisition Proposal pursuant to an existing standstill or similar restriction.

Right to Match

If the REIT receives an Acquisition Proposal that constitutes a Superior Proposal prior to the approval by Unitholders of the Special Resolution in accordance with the Interim Order, the Board may, subject to compliance with the Arrangement Agreement, recommend such Superior Proposal and/or authorize the REIT to accept, approve or enter into a definitive agreement with respect to such Superior Proposal, if and only if:

- (a) the Superior Proposal did not result from a breach by the REIT of its obligations under the non-solicitation provisions of the Arrangement Agreement;
- (b) the REIT has been, and continues to be, in compliance with its obligations under the non-solicitation provisions of the Arrangement Agreement;
- (c) such Person was not restricted from making such Acquisition Proposal pursuant to an existing standstill or similar restriction;
- (d) the REIT has delivered to the Purchaser a written notice of the determination of the Board that such Acquisition Proposal constitutes a Superior Proposal and of the intention of the Board to recommend such Superior Proposal and/or accept, approve or enter into a definitive agreement with respect to such Superior Proposal, together with a written notice from the Board regarding the value and financial terms that the Board, in consultation with its financial advisors, has determined should

be ascribed to any non-cash consideration offered under such Superior Proposal (the “**Superior Proposal Notice**”);

- (e) the REIT has provided the Purchaser with a copy of the proposed definitive agreement for the Superior Proposal (if any) and all supporting materials, including any financing documents, supplied to the REIT and its Subsidiaries in connection therewith;
- (f) at least five Business Days have elapsed from the later of the date on which the REIT delivered the Superior Proposal Notice and the date on which the Purchaser received the materials set out in paragraph (e) above (the “**Matching Period**”); and
- (g) after the Matching Period, the Board (i) has determined in good faith, after consultation with its outside legal counsel and financial advisors, that such Acquisition Proposal continues to constitute a Superior Proposal (if applicable, compared to the terms of the Transaction, as proposed to be amended by the Purchaser in accordance with the terms of the Arrangement Agreement) and (ii) has determined, after consultation with its outside legal counsel and financial advisors, that the failure by the Board to recommend that the REIT enter into a definitive agreement with respect to such Superior Proposal would be inconsistent with its fiduciary duties under applicable Law and the REIT Declaration of Trust, as applicable.

During the Matching Period: (a) the Purchaser will have the opportunity to offer to amend the Arrangement Agreement and the Transaction in order for such Acquisition Proposal to cease to be a Superior Proposal; (b) the Board will review any such offer made by the Purchaser to amend the terms of the Arrangement Agreement and the Transaction in good faith, after consultation with the legal counsel and financial advisors to the REIT, in order to determine whether such offer would, upon acceptance, result in the Acquisition Proposal previously constituting a Superior Proposal ceasing to be a Superior Proposal; and (c) the REIT will negotiate in good faith with the Purchaser to make such amendments to the terms of the Arrangement Agreement and the Transaction as would enable the Purchaser to proceed with the transactions contemplated by the Arrangement Agreement on such amended terms. If the Board determines that such Acquisition Proposal would cease to be a Superior Proposal, the REIT will promptly so advise the Purchaser and the REIT, Agellan GP, the Purchaser and El-Ad Group, Ltd. will amend the Arrangement Agreement and will take and cause to be taken all such actions as are necessary to give effect to the foregoing.

Each successive amendment to any Acquisition Proposal will constitute a new Acquisition Proposal for the purposes of the Arrangement Agreement, and the Purchaser will be afforded a new Matching Period in connection therewith.

If the REIT provides a Superior Proposal Notice to the Purchaser on a date that is less than five Business Days before the Meeting, the REIT will upon request from the Purchaser postpone the Meeting to a date that is not less than five Business Days and not more than ten Business Days after the scheduled date of the Meeting (and, in any event, prior to March 12, 2019).

Under the Arrangement Agreement, the Board has agreed to promptly reaffirm its recommendation by press release after any Acquisition Proposal which it has determined not to be a Superior Proposal is publicly announced or publicly disclosed or the Board determines that a proposed amendment to the terms of the Arrangement Agreement would result in an Acquisition Proposal no longer constituting a Superior Proposal. The REIT will provide the Purchaser and its outside legal counsel with a reasonable opportunity to review the form and content of any such press release and will make all reasonable amendments to such press release as requested by the Purchaser and its counsel.

Notwithstanding the foregoing, the Arrangement Agreement does not prohibit the Board from: (a) responding through a Trustees’ circular or otherwise as required by Law to an Acquisition Proposal in a manner consistent with non-solicitation provisions of the Arrangement Agreement; or (b) calling or holding a meeting of Unitholders requisitioned by Unitholders in accordance with the REIT Declaration of Trust or taking any other action with respect to an Acquisition Proposal to the extent ordered or otherwise mandated by a court of competent jurisdiction in accordance with Law.

Any violation of the restrictions set forth in the non-solicitation provisions of the Arrangement Agreement by the REIT, its Subsidiaries or their respective Representatives will be deemed to be a breach of such provisions by the REIT.

Conditions to the Transaction Becoming Effective

Mutual Conditions

The completion of the Transaction is subject to the satisfaction or waiver, as applicable, of the following conditions precedent in favour of each of the REIT and the Purchaser:

- (a) the Special Resolution has been approved and adopted by Unitholders at the Meeting in accordance with the Interim Order;
- (b) the Interim Order and the Final Order have each been obtained on terms consistent with the Arrangement Agreement and have not been set aside;
- (c) no Law is in effect that makes the consummation of the Transaction illegal or otherwise prohibits or enjoins the REIT, Agellan GP, the Purchaser or El-Ad Group, Ltd. from consummating the Transaction; and
- (d) the Articles of Arrangement will be in form and substance satisfactory to each of the Parties, acting reasonably.

Conditions in Favour of the Purchaser

The completion of the Transaction is also subject to the satisfaction or waiver, as applicable, of the following conditions precedent in favour of the Purchaser:

- (a) *Representations and Warranties.* (i) the representations and warranties of the REIT and Agellan GP (except for representations and warranties regarding legal status, authorization, non-contravention, enforceability of obligations and capitalization) are true and correct in all respects (disregarding any materiality or Material Adverse Effect qualification contained in any such representation or warranty) as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date), except to the extent that the failure or failures of such representations and warranties to be so true and correct would not have, individually or in the aggregate, a Material Adverse Effect; (ii) certain representations and warranties of the REIT and Agellan GP regarding capitalization (other than *de minimis* inaccuracies), as adjusted to reflect any Units issued pursuant to the DRIP in connection with the Permitted Distribution made on or about November 15, 2018, are true and correct in all respects as of the Effective Time; and (iii) the representations and warranties of the REIT and Agellan GP regarding legal status, authorization, non-contravention, and enforceability of obligations and capitalization (excluding those representations regarding capitalization referred to in (ii) and other than *de minimis* inaccuracies) are true and correct in all respects as of the Effective Time; and (iv) the REIT has delivered a certificate confirming same to the Purchaser and El-Ad Group, Ltd., executed by any senior officer of the REIT (without personal liability) addressed to the Purchaser and dated the Effective Date;
- (b) *Performance of Covenants.* The REIT has fulfilled or complied, in all material respects, with each of the covenants of the REIT contained in the Arrangement Agreement to be fulfilled or complied with by it on or prior to the Effective Time, and has delivered a certificate confirming same to the Purchaser and El-Ad Group, Ltd., executed by any senior officer of the REIT (without personal liability) addressed to the Purchaser and El-Ad Group, Ltd. and dated the Effective Date;

- (c) *No Material Adverse Effect.* Between the date of the Arrangement Agreement and immediately prior to the Effective Time no Material Adverse Effect will have occurred;
- (d) *No Legal Action.* There is no action or proceeding pending or threatened by any Governmental Entity against the Purchaser or the REIT to: (i) cease trade, enjoin, prohibit, or impose any limitations, damages or conditions on, the Purchaser's ability to acquire, hold, or exercise full rights of ownership over, the Units, including the right to vote the Units; or (ii) prohibit the ownership or operation by the Purchaser of any material portion of the business or assets of the REIT and its Subsidiaries, or compel the Purchaser to dispose of or hold separate any material portion of the business or assets of the Purchaser or the REIT and its Subsidiaries as a result of the Transaction; and
- (e) *Dissent Rights.* Holders of not greater than 9.9999% of the outstanding Trust Units will have validly exercised Dissent Rights in respect of the Transaction that have not been withdrawn as of the Effective Date.

Conditions in Favour of the REIT

The completion of the Transaction is also subject to the satisfaction or waiver, as applicable, of the following conditions precedent in favour of the REIT:

- (a) *Representations and Warranties.* The representations and warranties of the Purchaser and El-Ad Group, Ltd. are true and correct in all respects (disregarding any materiality qualification contained in any such representations or warranties) as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date), except to the extent that the failure or failures of such representations and warranties to be so true and correct would not, individually or in the aggregate, materially impede the completion of the Transaction; and (b) each of the Purchaser and El-Ad Group, Ltd. has delivered a certificate confirming same to the REIT, executed by any senior officer thereof (without personal liability) addressed to the REIT and dated the Effective Date;
- (b) *Performance of Covenants.* The Purchaser has fulfilled or complied, in all material respects, with each of the covenants of the Purchaser contained in the Arrangement Agreement to be fulfilled or complied with by it on or prior to the Effective Time, and has delivered a certificate confirming same to the REIT, executed by any senior officer of the Purchaser (without personal liability) addressed to the REIT and dated the Effective Date; and
- (c) *Deposit of the Consideration.* Subject to obtaining the Final Order and the satisfaction or waiver of the other conditions precedent contained in the Arrangement Agreement in its favour (other than conditions that by their nature are to be satisfied on the Effective Date) and written confirmation from the REIT that all other conditions precedent contained in the Arrangement Agreement in its favour have been satisfied or waived, the Purchaser has deposited or caused to be deposited with the Depositary the Consideration in accordance with the Arrangement Agreement.

Termination of the Arrangement Agreement

Termination by the Purchaser or the REIT

Prior to the Effective Time, either the Purchaser or the REIT may terminate the Arrangement Agreement if: (a) there is a mutual written agreement of the Parties to such effect; (b) the Meeting is duly convened and held and the Special Resolution is voted upon by Unitholders and the Special Resolution is not approved by the Unitholders at the Meeting in accordance with the Interim Order ("**Special Resolution Is Not Approved**"); (c) after the date of the Arrangement Agreement, any Law is enacted, made, enforced or amended, as applicable, that makes the consummation of the Transaction illegal or otherwise prohibits or enjoins the REIT, the Purchaser or El-Ad Group, Ltd. from consummating the Transaction, and such Law has, if applicable, become final and non-appealable, provided the party seeking to terminate the

Arrangement Agreement has used its commercially reasonable efforts to, as applicable, prevent, appeal or overturn such Law or otherwise have it lifted or rendered non-applicable in respect of the Transaction and provided further that the enactment, making, enforcement or amendment of such Law was not primarily due to the fault of such party to perform any of its covenants or agreements under the Arrangement Agreement; or (d) the Effective Time does not occur on or prior to the March 12, 2019 outside date, provided that a party may not terminate the Arrangement Agreement for such reason if the failure of the Effective Time so to occur has been caused by, or is a result of, a breach by such party (or, in the case of the Purchaser, by the Purchaser or El-Ad Group, Ltd.) of any of its representations or warranties or the failure of such party (or, in the case of the Purchaser, El-Ad Group, Ltd.) to perform any of its covenants or agreements under the Arrangement Agreement ("**Occurrence Of The Outside Date**").

Termination by the REIT

Prior to the Effective Time, the REIT may terminate the Arrangement Agreement if:

- (a) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the Purchaser or El-Ad Group, Ltd. under the Arrangement Agreement occurs that would cause certain conditions in the Arrangement Agreement not to be satisfied, and such breach or failure is incapable of being cured or is not cured in accordance with the terms of the Arrangement Agreement (provided that any Willful Breach shall be deemed incapable of being cured); provided that the REIT is not then in breach of the Arrangement Agreement so as to cause certain conditions in the Arrangement Agreement not to be satisfied;
- (b) all mutual conditions precedent and all conditions precedent of the Purchaser outlined in the Arrangement Agreement (other than conditions that by their nature are to be satisfied on the Effective Date) have been satisfied or waived and the Purchaser has received written confirmation from the REIT that all conditions precedent contained in the Arrangement Agreement in its favour have been satisfied or waived, and the Purchaser does not deposit or cause to be deposited with the Depositary, in accordance with the Arrangement Agreement, the Consideration; or
- (c) prior to the approval by Unitholders of the Special Resolution in accordance with the Interim Order, the Board authorizes the REIT to enter into a definitive written agreement (other than a confidentiality agreement permitted by and in accordance with the Arrangement Agreement) with respect to a Superior Proposal, provided the REIT has not breached the non-solicitation provisions of the Arrangement Agreement in any material respect and, prior to or concurrent with such termination, the REIT pays the Termination Fee in accordance with the Arrangement Agreement.

Termination by the Purchaser

Prior to the Effective Time, Purchaser may, on its own behalf and on behalf of El-Ad Group, Ltd., terminate the Arrangement Agreement if:

- (a) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the REIT under the Arrangement Agreement occurs that would cause certain conditions in the Arrangement Agreement not to be satisfied, and such breach or failure is incapable of being cured or is not cured in accordance with the terms of the Arrangement Agreement (provided that any Willful Breach shall be deemed incapable of being cured); provided that neither the Purchaser nor El-Ad Group, Ltd. is then in breach of the Arrangement Agreement so as to cause certain conditions in the Arrangement Agreement not to be satisfied ("**Breach of Representation or Warranty or Failure to Perform Covenant by the REIT**");
- (b) the Board or a committee thereof makes a Change in Recommendation;
- (c) the REIT has breached its obligations under the non-solicitation provisions of the Arrangement Agreement in any material respect; or

- (d) after June 30, 2018, a Material Adverse Effect has occurred.

Termination Fee

The REIT has agreed to pay to the Purchaser the Termination Fee if (a) the Purchaser terminates the Arrangement Agreement because of a Change in Recommendation or the breach by the REIT of its obligations under the non-solicitation provisions of the Arrangement Agreement in any material respect; (b) the REIT terminates the Arrangement Agreement because, prior to the approval by Unitholders of the Special Resolution in accordance with the Interim Order, the Board authorizes the REIT to enter into a definitive written agreement (other than a confidentiality agreement permitted by and in accordance with the Arrangement Agreement) with respect to a Superior Proposal; or (c) either the Purchaser or the REIT terminates the Arrangement Agreement because the Special Resolution Is Not Approved or because of the Occurrence Of The Outside Date, or the Purchaser terminates the Arrangement Agreement because of a Breach of Representation or Warranty or Failure to Perform Covenant by the REIT as a result of a Willful Breach if, in the case of (c):

- (i) (1) following the date of the Arrangement Agreement and prior to such termination, an Acquisition Proposal (with references to “20% or more” in the definition thereof being deemed to be references to “50% or more”) is proposed, offered or made or publicly announced or otherwise publicly disclosed by any Person other than the Purchaser or any of its affiliates or any Person other than the Purchaser or its affiliates have publicly announced an intention to make an Acquisition Proposal; and (2) within twelve months following the date of such termination, (y) an Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal referred to in clause (1) above) is consummated, or (z) the REIT or one or more of its Subsidiaries directly or indirectly, in one or more transactions, enters into a definitive agreement in respect of an Acquisition Proposal and such Acquisition Proposal is later consummated (whether or not within 12 months after such termination); or
- (ii) prior to such termination, there has been a Change in Recommendation or the REIT has breached the non-solicitation provisions of the Arrangement Agreement in any material respect.

Insurance and Indemnification of Trustees, Directors and Officers

The Purchaser has agreed that it will, from and after the Effective Time, cause the REIT (or its successor) to honour all rights to indemnification or exculpation now existing in favour of all present and former trustees, directors, officers and employees of the REIT and its Subsidiaries to the extent that they are (i) included in the REIT Declaration of Trust or the constating documents of any of its Subsidiaries or (ii) disclosed to the Purchaser in accordance with the Arrangement Agreement, and acknowledges that such rights, to the extent that they are included in the REIT Declaration of Trust or the constating documents of any of its Subsidiaries or disclosed to the Purchaser in accordance with the Arrangement Agreement, shall survive the completion of the Plan of Arrangement and shall continue in full force and effect in accordance with their terms for a period of not less than six (6) years from the Effective Date.

The REIT has agreed that, prior to the Effective Time, it will obtain and fully prepay the premium for the irrevocable extension of customary: (a) trustees', directors' and officers' liability coverage of the REIT's and its Subsidiaries' existing trustees', directors' and officers' insurance policies; and (b) the REIT's existing fiduciary liability insurance policies, in each case for a claims reporting or run-off and extended reporting period and claims reporting period of at least six (6) years from and after the Effective Time with respect to any claim related to any period of time at or prior to the Effective Time from an insurance carrier with the same or better credit rating as the REIT's insurance carriers at the date of the Arrangement Agreement with respect to trustees', directors' and officers' liability insurance, and with terms, conditions, retentions and limits of liability that are no less advantageous to the beneficiaries than the coverage provided under the REIT's and its Subsidiaries' existing policies with respect to any actual or alleged error, misstatement, misleading statement, act, omission, neglect, breach of duty or any matter claimed against a trustee, director

or officer of the REIT or any of its Subsidiaries by reason of him or her serving in such capacity that existed or occurred at or prior to the Effective Time (including in connection with the approval or completion of the Transaction or arising out of or related to the Transaction), provided that the costs of such policies shall not exceed 250% of the REIT's current annual aggregate premium for policies currently maintained for the REIT and its Subsidiaries.

El-Ad Group, Ltd. Guarantee

The Arrangement Agreement includes an unconditional, absolute and irrevocable guarantee of El-Ad Group, Ltd. in favour of the REIT, as principal and not as surety, to be jointly and severally liable with the Purchaser for the due and punctual performance (and, where applicable, payment) by the Purchaser (and its successors and permitted assigns) of each and every covenant, obligation, liability and undertaking of the Purchaser (including providing the Depositary with sufficient funds to pay the aggregate amount payable to Unitholders pursuant to the Transaction and all related or other fees and expenses for which the Purchaser is responsible under the Transaction), irrespective of any bankruptcy, insolvency, dissolution, winding-up, termination of the existence of or other matter whatsoever respecting the Purchaser or any successor or permitted assignee, as if said covenants, obligations, liabilities and undertakings were directly those of El-Ad Group, Ltd.

Expenses

Except as otherwise provided for in the Arrangement Agreement, all out-of-pocket third party transaction expenses incurred by a party in connection with the Arrangement Agreement and the Transaction, including all costs, expenses and fees of the REIT incurred prior to or after the Effective Time in connection with, or incidental to, the Transaction, shall be paid by the party incurring such expenses, whether or not the Transaction is consummated.

PRINCIPAL LEGAL MATTERS

Securities Laws Matters

As a reporting issuer (or the equivalent) under applicable securities legislation in each of the Provinces of Ontario, Quebec, Alberta, Manitoba and New Brunswick, the REIT is subject to MI 61-101. MI 61-101 governs transactions which raise the potential for conflicts of interest, including business combinations. MI 61-101 is intended to regulate certain transactions to ensure equality of treatment among securityholders by requiring enhanced disclosure, approval by a majority of securityholders excluding interested or related parties and, in certain circumstances, independent valuations and approval and oversight of certain transactions by a special committee of independent trustees.

A transaction constitutes a "business combination" for the purposes of MI 61-101 if a "related party" of the issuer (such as a person that has beneficial ownership of, or control or direction over, directly or indirectly, securities of the issuer carrying more than 10% of the voting rights attached to all the issuer's outstanding voting securities, or a trustee or senior officer of the issuer, among others, and for a "business combination", each such "related party" also constitutes an "interested party" of the issuer) at the time the transaction is agreed to (a) would, as a consequence of the transaction, directly or indirectly acquire the issuer or the business of the issuer, (b) is a party to any connected transaction to the transaction, or (c) is entitled to receive, directly or indirectly, as a consequence of the transaction a "collateral benefit", among others. Under MI 61-101, a "collateral benefit" for a transaction of an issuer or for a bid for securities of an issuer means any benefit that a related party of the issuer is entitled to receive, directly or indirectly, as a consequence of the transaction or bid, including, without limitation, an increase in salary, a lump sum payment, a payment for surrendering securities, or other enhancement in benefits related to past or future services as an employee, trustee or consultant of the issuer or of another person, regardless of the existence of any offsetting costs to the related party or whether the benefit is provided, or agreed to, by the issuer, another party to the transaction or the offeror in the bid, with certain specified exclusions.

The Purchaser is a “related party” of the REIT for purposes of MI 61-101 because it has beneficial ownership of, or control or direction over, directly or indirectly, securities of the REIT carrying more than 10% of the voting rights attached to all the REIT’s outstanding voting securities. Accordingly, the transaction constitutes a “business combination” under MI 61-101. The Transaction is also a “related party transaction” under MI 61-101, but the Transaction is exempt from the substantive provisions of MI 61-101 relating to related party transactions because the “business combination” requirements of MI 61-101 apply. MI 61-101 requires that an issuer carrying out a “business combination” in certain circumstances obtain a formal valuation prepared by an independent valuator and the approval by a simple majority of the votes cast by securityholders, excluding the votes attaching to securities that must be excluded pursuant to MI 61-101.

Formal Valuation

For purposes of compliance with MI 61-101, the Special Committee retained Desjardins, who was determined by the Special Committee to be qualified and independent, as the valuator for the purposes of providing the Formal Valuation in accordance with the requirements of MI 61-101. A copy of the Desjardins Valuation and Fairness Opinion is attached as Appendix “H” to this Circular and should be read carefully and in its entirety. See “*Background to the Transaction – Desjardins Valuation and Fairness Opinion*”.

To the knowledge of the trustees and executive officers of the REIT, after reasonable inquiry, there has been no prior valuation (as defined in MI 61-101) prepared in respect of the REIT within the 24 months preceding the date of this Circular.

Minority Approval

In order to comply with MI 61-101 and for the Transaction to become effective, the Special Resolution must be approved by not less than a majority of the votes cast by Unitholders present in person or represented by proxy and entitled to vote at the Meeting, excluding for this purpose the votes attached to Units required to be excluded pursuant to items (a) through (d) of section 8.1(2) of MI 61-101, which include the votes of any related party of the REIT that will, as a consequence of the Transaction, acquire the REIT or that is entitled to receive, as a consequence of the Transaction, a collateral benefit. For this purpose, the votes attaching to Units owned by the Purchaser and its affiliates and the Management Unitholders (as further discussed below) must be excluded pursuant to MI 61-101 for the purpose of determining whether minority securityholder approval of the Transaction under MI 61-101 has been obtained. The votes attaching to Units held by Trustees that hold Deferred Units will not need to be excluded as they will not be receiving a “collateral benefit”, whether directly or indirectly, as a consequence of the Transaction, as further discussed below.

Trustees

As disclosed under the heading “*The Transaction – Treatment of REIT Securities*”, certain Trustees of the REIT are holders of Deferred Units under the Deferred Unit Incentive Plan. Deferred Units granted to Trustees are automatically vested, but may not be exercised until three years after the date they are granted. Under the Plan of Arrangement, each Deferred Unit outstanding immediately prior to the Effective Time (whether vested or unvested) shall, notwithstanding the terms of the Deferred Unit Incentive Plan and without any further action by or on behalf of a holder of Deferred Units, be cancelled in exchange for a cash payment from the REIT of an amount equal to \$14.25 per Deferred Unit in cash. See “*Interest of Certain Persons in Matters to be Acted Upon*.”

MI 61-101 expressly excludes benefits from the definition of “collateral benefits” if such benefits are received solely in connection with the related party’s services as an employee, trustee or consultant under certain circumstances where the related party beneficially owns or exercises control or direction over less than 1% of the outstanding securities of each class of equity securities of the issuer at the time the transaction was agreed to and (a) the benefit is not conferred for the purpose, in whole or in part, of increasing the value of the consideration paid to the related party for securities relinquished under the transaction; (b) the conferring of the benefit is not, by its terms, conditional on the related party supporting the transaction in any manner; and (c) full particulars of the benefit are disclosed in the disclosure document for the transaction.

As none of the Trustees that own Deferred Units held 1% or more of the outstanding securities of each class of equity securities of the REIT at the time the Transaction was agreed to, and the remainder of the conditions described above have been satisfied, the foregoing benefits are not “collateral benefits” for the purposes of MI 61-101.

Management Unitholders

Frank Camenzuli, Daniel Millett, Terra Attard, Chris Caswell and Rosalia Lau hold all of the issued and outstanding securities of Nallega Diversified. Nallega Diversified and the REIT, among others, are parties to the Internalization Asset Purchase Agreement, which provides for certain benefits in the form of payments by the REIT to which Nallega Diversified will become entitled as a result of the Transaction. See *“Interest of Certain Persons in Matters to be Acted Upon – Payments Under Internalization Asset Purchase Agreement”*.

As these benefits were not received solely in connection with the services of Nallega Diversified or the other Management Unitholders as an employee, trustee or consultant of the REIT, such benefits are “collateral benefits” for the purposes of MI 61-101. Accordingly, the votes attaching to Units held by each of the Management Unitholders must be excluded pursuant to MI 61-101 for the purposes of determining whether minority securityholder approval of the Transaction under MI 61-101 has been obtained.

Units Excluded Under MI 61-101

To the best knowledge of the Board, 7,965,032 Units (representing approximately 23.5% of the issued and outstanding Units as at the date of this Circular) are held, in aggregate, by the Purchaser, the Management Unitholders and their respective related parties and joint actors. To the best knowledge of the Board, the following table sets out the details of the votes attaching to Units held by the Purchaser, the Management Unitholders and their respective related parties and joint actors that are required to be excluded pursuant to MI 61-101 for the purposes of determining whether minority securityholder approval of the Transaction under MI 61-101 has been obtained:

Name	Trust Units	Special Voting Units
Elad Genesis Limited Partnership	6,239,246	-
Terra Attard	16,094	-
Frank Camenzuli	682,147	-
Nallega Diversified Inc.	106,694	871,080
Chris Caswell	34,000	-
Daniel Millett	8,104	-
Rosalia Lau	7,667	-
Total	7,093,952	871,080

Court Approval Process

The Plan of Arrangement requires Court approval. Prior to the mailing of this Circular, the Interim Order was obtained from the Court. The Interim Order and Notice of Application for the Final Order are attached as Appendix “C” and “D” to this Circular, respectively. The Interim Order, among other things, provides for the calling and holding of the Meeting and other procedural matters. The Interim Order does not constitute approval of the Plan of Arrangement or the contents of this Circular by the Court. Subject to the terms of the Plan of Arrangement and the Interim Order, if the Special Resolution is approved by Unitholders at the Meeting, the REIT will apply to the Court to obtain the Final Order. The hearing in respect of the Final Order is scheduled to take place at the Court located at 330 University Avenue, Toronto, Ontario M5G 1R7 on January 14, 2019 at 10:00 a.m. (Toronto time).

Under the terms of the Interim Order, each Unitholder, each Trustee, the auditors of the REIT and any other interested person will have the right to appear and make submissions at the hearing of the application for the Final Order. Any person desiring to appear at the hearing of the application for the Final Order is required to indicate his, her or its intention to appear by filing with the Court and serving upon the REIT at the address set out below, no less than four Business Days before the hearing of the application for the Final Order, a notice of appearance, including his, her or its address for service, together with all materials on which he, she or it intends to rely at the application hearing. The notice of appearance and supporting materials must be delivered, within the time specified, to the REIT at the following address: c/o Torys LLP, 79 Wellington Street West, 30th Floor, Box 270, TD South Tower, Toronto, Ontario M5K 1N2, Attention: Andrew Gray or by facsimile (416-865-7380) or by e-mail at: agray@torys.com.

Unitholders who wish to participate in or be represented at the Court hearing for the Final Order should consult their legal advisors as to the necessary requirements.

The authority of the Court is very broad. The Court may make any enquiry it considers appropriate and may make any order it considers appropriate with respect to the Plan of Arrangement. The Court will consider, among other things, the fairness and reasonableness of the Plan of Arrangement to the Unitholders. The Court may approve the Plan of Arrangement either as proposed or as amended in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court thinks fit.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is, as of the date hereof, a summary of certain Canadian federal income tax considerations under the Tax Act generally applicable as of the date hereof to a Trust Unitholder (including a Dissenting Unitholder) who disposes of Trust Units pursuant to the Transaction.

This summary only applies to a Trust Unitholder who, at all relevant times and for purposes of the Tax Act: (i) deals at arm's length and is not affiliated with the REIT, the Purchaser and any of their respective affiliates, and (ii) holds Trust Units as capital property. Trust Units generally will be capital property of a Trust Unitholder provided that the Trust Unitholder does not hold such Trust Units in the course of carrying on a business and has not acquired them in a transaction or transactions considered to be an adventure or concern in the nature of trade.

This summary is based upon the current provisions of the Tax Act and counsel's understanding of the current administrative policies and assessing practices of the CRA published in writing by the CRA prior to the date of this Circular. This summary also takes into account all specific proposals to amend the Tax Act and the regulations thereunder that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date of this Circular (the "**Tax Proposals**"). This summary assumes that the Tax Proposals will be enacted as currently proposed, but no assurances can be given in this regard. Except for the Tax Proposals, this summary does not take into account or anticipate any changes in Law, whether by legislative, governmental or judicial decision or action, or changes in the CRA's administrative policies or assessing practices, nor does it take into account other federal or any provincial, territorial, local or foreign tax legislation or considerations, which may differ significantly from those discussed herein.

This summary does not apply to a Trust Unitholder: (a) that is a "financial institution" subject to the mark-to-market rules, (b) that is a "specified financial institution", (c) that is a partnership, (d) an interest in which would be a "tax shelter investment", (e) that has elected to determine its Canadian tax results in a foreign currency pursuant to the "functional currency" reporting rules, or (f) that has entered or will enter into a "derivative forward agreement" with respect to the Trust Units, all within the meaning of the Tax Act. Any such Trust Unitholders should consult their own tax advisors to determine the tax consequences to them of the Arrangement. This summary does not address the tax consequences to Unitholders who hold Special Voting Units or Trust Unitholders who acquired their Trust Units pursuant to the Unit Option Plan or Deferred Unit Incentive Plan, or pursuant to the exchange of a Class B LP Unit. Such Unitholders should consult their own tax advisors.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Trust Unitholder. This summary is not exhaustive of all Canadian federal income tax considerations. Trust Unitholders are urged to consult their own tax advisors to determine the particular tax consequences to them of the Transaction and any other consequences to them in connection with the Transaction under Canadian federal, provincial, territorial or local tax Laws and under foreign tax Laws, having regard to their own particular circumstances.

Currency

The Tax Act requires all taxpayers to compute their “Canadian tax results” (as defined in the Tax Act) in Canadian currency. Where an amount that is relevant in computing a taxpayer’s Canadian tax results is expressed in a currency other than Canadian currency, such amount must be converted to Canadian currency using the applicable rate of exchange quoted by the Bank of Canada on the date such amount first arose, or using such other rate of exchange as is acceptable to the Minister of National Revenue (Canada).

SIFT Rules

The rules applicable to “SIFT trusts” and “SIFT partnerships” as defined in the Tax Act (the “**SIFT Rules**”) effectively tax certain income of a publicly traded trust or partnership that is distributed to its investors on the same basis as would have applied had the income been earned through a taxable Canadian corporation and distributed by way of dividend to its shareholders. These rules apply only to SIFT trusts, SIFT partnerships and their investors. Where the SIFT Rules apply, distributions of a SIFT trust’s “non-portfolio earnings” are not deductible in computing the SIFT trust’s net income. Non-portfolio earnings are generally defined in the Tax Act as income attributable to a business carried on by the SIFT trust in Canada or to income (other than certain dividends) from, and capital gains from the disposition of, non-portfolio properties. The SIFT trust is itself liable to pay an income tax on an amount equal to the amount of such non-deductible distributions at a rate that is substantially equivalent to the combined federal and provincial general tax rate applicable to taxable Canadian corporations. Such non-deductible distributions paid to a holder of units of the SIFT trust are generally deemed to be taxable dividends received by the holder of such units from a taxable Canadian corporation. Such deemed dividends will qualify as “eligible dividends” for purposes of the enhanced gross-up and dividend tax credit available under the Tax Act to individuals resident in Canada and for purposes of computing a private Canadian resident corporation’s “general rate income pool” as defined in the Tax Act. Distributions that are paid as returns of capital will generally not attract the tax under the SIFT Rules.

A trust resident in Canada will generally be a SIFT trust for purposes of the Tax Act if investments in the trust are listed or traded on a stock exchange or other public market and the trust holds one or more “non-portfolio properties” (as defined in the Tax Act). Non-portfolio properties generally include certain investments in Canadian real, immovable or resource properties and certain investments in corporations and trusts resident in Canada and in partnerships with specified connections to Canada (each such corporation, trust and partnership, a “subject entity”). However, a trust will not be considered a SIFT trust for a taxation year if it qualifies as a “real estate investment trust” (as defined in the Tax Act) for that year (the “**REIT Exception**”).

Application to the REIT

The REIT Exception is applied on an annual basis. Accordingly, even if the REIT does not qualify for the REIT Exception in a particular year, it may be able to so qualify in a subsequent year. To the extent that the REIT fails to qualify for the REIT Exception, the SIFT Rules may, depending on the nature of distributions from the REIT, including what portion of its distributions is income and what portion is a return of capital, have a material adverse effect on the after-tax returns of certain holders. Generally, distributions that are characterized as returns of capital would not attract the tax under the SIFT Rules and are not taxable to holders but reduce the adjusted cost base of Trust Units.

It is expected that the REIT will qualify as a “mutual fund trust” and a “real estate investment trust” under the Tax Act until the end of 2018. For its taxation year commencing on January 1, 2019, the REIT does not

expect to qualify as a “real estate investment trust” and may be considered a “SIFT trust” under the Tax Act. If the REIT is considered a “SIFT trust” for its taxation year commencing on January 1, 2019, the REIT does not expect to have material “non-portfolio earnings” for purposes of the SIFT Rules during the 2019 taxation year.

Except as noted above, the remainder of this summary has been prepared on the basis that the REIT is at all times eligible for the REIT Exception.

Taxation of the REIT

The taxation year of the REIT is ordinarily the calendar year. However, the REIT will be deemed for purposes of the Tax Act to have a taxation year end as a result of the Transaction, resulting in a short taxation year of the REIT.

The REIT generally will be subject to tax under Part I of the Tax Act on its net income for the taxation year ending on the Effective Date, including net taxable capital gains, computed in accordance with the detailed provisions of the Tax Act, less the portion thereof that the REIT deducts in respect of amounts paid or payable to Trust Unitholders in the taxation year. This will include amounts, if any, paid to Trust Unitholders in the form of additional Trust Units as part of any special distribution on the Trust Units (a “**Special Distribution**”) pursuant to the Plan of Arrangement.

The income of the REIT for purposes of the Tax Act will include any income realized from the rental of its Canadian rental properties and (where applicable) taxable capital gains or recapture of depreciation realized from the disposition or deemed disposition of its Canadian properties, any interest income on cash balances, or generally any other investment income realized from the REIT’s investment activities. In computing its income for purposes of the Tax Act, the REIT may generally deduct in accordance with the rules in the Tax Act reasonable administrative costs, interest and other expenses of a current nature incurred by it for the purpose of earning income.

Pursuant to the Plan of Arrangement, the REIT will pay a Special Distribution on the Trust Units equal to the amount, if any, that is determined by it prior to the Effective Time to be equal to its *bona fide* best estimate of the amount, if any, of its taxable income for the taxation year of the REIT that is deemed to end as a result of the Transaction (such amount to be reduced to take into account any deductions by the REIT under the Tax Act in respect of prior amounts paid or payable to Trust Unitholders in the taxation year). In addition, REIT distributions (including Permitted Distributions) that might otherwise have been treated as returns of capital to a Resident Unitholder (defined below) would instead be deducted by the REIT if necessary to ensure that the REIT does not have any income subject to tax under Part I of the Tax Act for its taxation year deemed to have ended as a result of the Transaction.

Taxation of Trust Unitholders Resident in Canada

The following portion of this summary is generally applicable to a Trust Unitholder who, at all relevant times, for purposes of the Tax Act and any applicable income tax convention, is or is deemed to be resident in Canada (a “**Resident Unitholder**”). Certain Resident Unitholders who might not otherwise be considered to hold their Trust Units as capital property may, in certain circumstances, be entitled to make an irrevocable election in accordance with subsection 39(4) of the Tax Act to have such Trust Units, and any other “Canadian security” (as defined in the Tax Act) owned in the taxation year in which the election is made and in subsequent taxation years, deemed to be capital property. Resident Unitholders considering making such an election are urged to consult their own legal and tax advisors to determine the particular tax effects to them of making such an election.

Disposition of Trust Units Prior to the Effective Date

Resident Unitholders who dispose of Trust Units with a settlement date prior to the Effective Date will not receive any payments in respect of any Special Distribution. However, all Resident Unitholders who receive or become entitled to receive ordinary distributions from the REIT in the REIT’s taxation year beginning

January 1, 2019 (including any Unpaid Permitted Distributions) should refer to “*Certain Canadian Federal Income Tax Considerations – Taxation of Trust Unitholders Resident in Canada – Income of the REIT*”.

On the disposition of a Trust Unit, a Resident Unitholder will realize a capital gain (or capital loss) equal to the amount, if any, by which the Resident Unitholder's proceeds of disposition exceed (or are exceeded by) the aggregate of the Resident Unitholder's adjusted cost base of the Trust Units immediately prior to the disposition and any reasonable costs of disposition. Any capital gain (or capital loss) realized on the disposition of a Trust Unit will be subject to the general rules relating to the taxation of capital gains and losses, as described below (see “*Certain Canadian Federal Income Tax Considerations – Taxation of Trust Unitholders Resident in Canada – Capital Gains and Capital Losses*”).

Resident Unitholders should consult their own tax and investment advisors with respect to the disposition of Trust Units prior to the Effective Date.

Sale of Trust Units to the Purchaser

The sale of Trust Units by a Resident Unitholder to the Purchaser will result in a disposition of such Trust Units by the Resident Unitholder for purposes of the Tax Act. The Resident Unitholder will realize a capital gain (or capital loss) equal to the amount, if any, by which the Resident Unitholder's proceeds of disposition exceed (or are exceeded by) the aggregate of the Trust Unitholder's adjusted cost base of the Trust Units immediately prior to the sale and any reasonable costs of disposition. Any capital gain (or capital loss) realized on the disposition of a Trust Unit will be subject to the general rules relating to the taxation of capital gains and losses, as described below (see “*Certain Canadian Federal Income Tax Considerations – Taxation of Trust Unitholders Resident in Canada – Capital Gains and Capital Losses*”).

The REIT will pay the amount of any Special Distribution to Resident Unitholders in additional Trust Units. The cost to a Resident Unitholder of the additional Trust Units received by that Resident Unitholder generally will be equal to the fair market value of those Trust Units on the date they are acquired. For the purposes of determining the adjusted cost base of a Trust Unit to a Resident Unitholder, the cost of the newly acquired Trust Units will be averaged with the adjusted cost base of all of the Trust Units owned by the Resident Unitholder as capital property immediately before that time. Accordingly, the payment of a Special Distribution in additional Trust Units is expected to reduce the capital gain (or increase the capital loss) that a Resident Unitholder would have otherwise realized on a disposition of the Trust Units.

After the Special Distribution is satisfied in additional Trust Units, the outstanding Trust Units will be consolidated and, accordingly, the Resident Unitholder will hold the same number of Trust Units both before and after consolidation. The consolidation of Trust Units will not be regarded as a disposition of Trust Units and will not affect the aggregate adjusted cost base to a Resident Unitholder.

Dissenting Unitholders

A Resident Unitholder that is a Dissenting Unitholder (a “**Resident Dissenting Unitholder**”) will be considered to have disposed of such Resident Dissenting Unitholder's Trust Units to the REIT and will have a right to be paid by the REIT the fair value of such Trust Units, as determined in accordance with the Plan of Arrangement. On such disposition, the Resident Dissenting Unitholder will realize a capital gain (or capital loss) equal to the amount, if any, by which Resident Dissenting Unitholder's proceeds of disposition exceed (or are exceeded by) the aggregate of the Resident Dissenting Unitholder's adjusted cost base of the Trust Units immediately prior to the disposition and any reasonable costs of disposition. Any capital gain (or capital loss) realized on the disposition of a Trust Unit will be subject to the general rules relating to the taxation of capital gains and losses, as described below (see “*Certain Canadian Federal Income Tax Considerations – Taxation of Trust Unitholders Resident in Canada – Capital Gains and Capital Losses*”).

The REIT will pay the amount of any Special Distribution to Resident Dissenting Unitholders in additional Trust Units. The cost to a Resident Dissenting Unitholder of the additional Trust Units received by that Resident Dissenting Unitholder generally will be equal to the fair market value of those Trust Units on the date they are acquired. For the purposes of determining the adjusted cost base of a Trust Unit to a Resident

Dissenting Unitholder, the cost of the newly acquired Trust Units will be averaged with the adjusted cost base of all of the Trust Units owned by the Resident Dissenting Unitholder as capital property immediately before that time. Accordingly, the payment of a Special Distribution in additional Trust Units is expected to reduce the capital gain (or increase the capital loss) that a Resident Dissenting Unitholder would have otherwise realized on a disposition of the Trust Units.

After the Special Distribution is satisfied in Trust Units, the outstanding Trust Units will be consolidated and, accordingly, the Resident Dissenting Unitholder will hold the same number of Trust Units both before and after consolidation. The consolidation of Trust Units will not be regarded as a disposition of Trust Units and will not affect the aggregate adjusted cost base to a Resident Dissenting Unitholder.

Income of the REIT

A Resident Unitholder (including a Resident Dissenting Unitholder) generally will be required to include, in computing its income for its taxation year, the portion of the net income of the REIT (including foreign accrual property income attributed to the REIT, dividends received by the REIT and any net taxable capital gains realized by the REIT) that is paid or payable to the Resident Unitholder by the REIT in the particular taxation year (including any Permitted Distributions, Special Distribution or the Parkway Place Special Distribution), whether that amount is received in cash, additional Trust Units or otherwise. Any loss of the REIT for purposes of the Tax Act cannot be allocated to Resident Unitholders.

Provided that appropriate designations are made by the REIT, net taxable capital gains realized by the REIT that are paid or payable to a Resident Unitholder will retain their character as taxable capital gains to the Resident Unitholder for purposes of the Tax Act and will be subject to the general rules relating to the taxation of capital gains described below. The non-taxable portion of any capital gains of the REIT that is paid or payable, or deemed to be paid or payable, to a Resident Unitholder in a taxation year will not be included in computing the Resident Unitholder's income for the year. Any other amount in excess of the net income and net taxable capital gains of the REIT that is paid or payable, or deemed to be paid or payable, to a Resident Unitholder in a taxation year generally will not be included in the Resident Unitholder's income for the year. However, such amount (other than an amount received as proceeds of disposition of the Trust Units or any part thereof) generally will reduce the adjusted cost base of the Trust Units held by such Resident Unitholder. To the extent that the adjusted cost base of a Trust Unit becomes a negative amount, the Resident Unitholder will be deemed to have realized a capital gain equal to the absolute value of the negative amount and such Resident Unitholder's adjusted cost base of the Trust Units will be deemed to be nil.

REIT distributions (including distributions already received by Resident Unitholders) that might otherwise have been treated as returns of capital to a Resident Unitholder would instead be deducted by the REIT if necessary to ensure that the REIT does not have any income subject to tax under Part I of the Tax Act for its taxation year deemed to have ended as a result of the Transaction. Resident Unitholders should consult their own tax advisors regarding the characterization of distributions already received by them in the REIT's current taxation year.

Provided that appropriate designations are made by the REIT, such portion of the REIT's foreign source income as is paid or payable, or deemed to be paid or payable, by the REIT to Resident Unitholders effectively will retain its source in the hands of Resident Unitholders, and Resident Unitholders may be entitled to claim a foreign tax credit for a share of foreign taxes paid by the REIT.

Provided that appropriate designations are made by the REIT, such portions of taxable dividends received, or deemed to be received, on shares of taxable Canadian corporations as are paid or payable, or deemed to be paid or payable, by the REIT to Resident Unitholders effectively will retain their character and be treated and taxed as such in the hands of Resident Unitholders for purposes of the Tax Act. The normal (or in the case of eligible dividends, the enhanced) gross-up and dividend tax credit rules will apply to Resident Unitholders who are individuals (other than certain trusts). In the case of a Resident Unitholder that is a corporation, the dividend deduction in computing taxable income generally will be available, and the refundable tax under Part IV of the Tax Act will be payable by Resident Unitholders that are "private

corporations” (as defined in the Tax Act) and certain other corporations controlled directly or indirectly by or for the benefit of an individual or a related group of individuals.

Since the taxation year of the REIT commencing on January 1, 2019 will be deemed to end as a result of the Transaction, Resident Unitholders with taxation years ending before December 31, 2019 may be required to report income from the REIT earlier than they would otherwise have been required.

Capital Gains and Capital Losses

Generally, one-half of any capital gain realized by a Resident Unitholder, and the amount of any net taxable capital gains designated by the REIT in respect of such Resident Unitholder, will be included in the Resident Unitholder's income as a taxable capital gain. One-half of any capital loss (an “**allowable capital loss**”) realized by such a Resident Unitholder on a disposition, or deemed disposition, of Trust Units generally must be deducted from taxable capital gains of the Resident Unitholder in the year of disposition, and any remaining balance of allowable capital losses may generally be deducted against net taxable capital gains realized in the three preceding taxation years or in any subsequent taxation year, to the extent and under the circumstances described in the Tax Act.

A Resident Unitholder that is a “Canadian-controlled private corporation” (as defined in the Tax Act) may be liable to pay an additional refundable tax on its “aggregate investment income” for the year, which will include an amount in respect of net taxable capital gains.

Where a Resident Unitholder that is a corporation or trust (other than a mutual fund trust) disposes of a Trust Unit the Resident Unitholder's capital loss from the disposition, if any, generally will be reduced pursuant to the stop-loss rules in the Tax Act by the amount of dividends previously designated by the REIT to the Resident Unitholder except to the extent that a loss on a previous disposition of a Trust Unit has been reduced by those dividends. Resident Unitholders to which these rules may apply should consult their own tax advisors.

Alternative Minimum Tax

In general terms, net income realized by the REIT that is paid or payable to a Resident Unitholder who is an individual (other than certain trusts) and that is designated as a dividend or a net taxable capital gain, and a capital gain realized by any such Resident Unitholder on the disposition of Trust Units, may increase the Resident Unitholder's liability for alternative minimum tax.

Taxation of Trust Unitholders Not Resident in Canada

The following portion of this summary is generally applicable to a Trust Unitholder who, for purposes of the Tax Act and any applicable income tax convention, and at all relevant times, (i) is not and has not been a resident or deemed to be a resident of Canada and (ii) does not use or hold, and is not deemed to use or hold, Trust Units in connection with carrying on a business in Canada (a “**Non-Resident Unitholder**”). This portion of this summary assumes that, at all currently relevant times, the Trust Units will be listed on a “designated stock exchange” for purposes of the Tax Act (which includes the TSX).

Special rules, not discussed in this summary, may apply to a Non-Resident Unitholder that is an insurer carrying on business in Canada and elsewhere. Such Non-Resident Unitholders should consult their own tax advisors.

Taxable Canadian Property

A Non-Resident Unitholder generally will not be subject to tax under Part I of the Tax Act on any capital gain realized by the Non-Resident Unitholder on the disposition of Trust Units unless the Trust Units are “taxable Canadian property” of the Non-Resident Unitholder for purposes of the Tax Act and are not “treaty-protected property” of the Non-Resident Unitholder for purposes of the Tax Act.

Generally, Trust Units will not be “taxable Canadian property” of a Non-Resident Unitholder unless, at any time during the 60-month period immediately preceding their disposition by the Non-Resident Unitholder, (i) 25% or more of the issued Trust Units of the REIT were owned by or belonged to any combination of (A) the Non-Resident Unitholder, (B) persons with whom the Non-Resident Unitholder did not deal at arm’s length for purposes of the Tax Act, and (C) partnerships in which the Non-Resident Unitholder or a person with whom the Non-Resident Unitholder did not deal at arm’s length for purposes of the Tax Act holds a membership interest directly or indirectly through one or more partnerships, and (ii) more than 50% of the fair market value of the Trust Units was derived directly or indirectly from one or any combination of (A) real or immovable property situated in Canada, (B) Canadian resource properties (as defined in the Tax Act), (C) timber resource properties (as defined in the Tax Act) or (D) options in respect of, or interests in, or for civil law rights in, any such properties, whether or not the property exists.

Even if Trust Units are taxable Canadian property of a Non-Resident Unitholder, a taxable capital gain resulting from the disposition of the Trust Units will not be included in computing the Non-Resident Unitholder’s income for the purposes of the Tax Act if the Trust Units are, at the time of disposition, “treaty-protected property” of the Non-Resident Unitholder for purposes of the Tax Act. Trust Units owned by a Non-Resident Unitholder generally will be treaty-protected property if the gain from the disposition of such Trust Units would, because of an applicable income tax convention, be exempt from tax under the Tax Act.

Non-Resident Unitholders should consult their own tax and investment advisors with respect to whether their Trust Units are taxable Canadian property or treaty-protected property.

Disposition of Trust Units Prior to the Effective Date

Non-Resident Unitholders who dispose of Trust Units on the TSX with a settlement date prior to the Effective Date will not receive any payments in respect of any Special Distribution under the Arrangement. However, all Non-Resident Unitholders who receive or become entitled to receive ordinary distributions from the REIT in the REIT’s taxation year beginning January 1, 2019 (including any Unpaid Permitted Distributions) should refer to “*Certain Canadian Federal Income Tax Considerations – Taxation of Trust Unitholders Not Resident in Canada – Income of the REIT*”.

A Non-Resident Unitholder will not be subject to tax under the Tax Act on any capital gain realized on the disposition of Trust Units on the TSX with a settlement date prior to the Effective Date provided that, at the time of disposition, the Trust Units are not taxable Canadian property of the Non-Resident Unitholder or are treaty-protected property of the Non-Resident Unitholder.

In the event that Trust Units are taxable Canadian property but not treaty-protected property of a particular Non-Resident Unitholder, the tax consequences described above under “*Certain Canadian Federal Income Tax Considerations – Taxation of Trust Unitholders Resident in Canada – Disposition of Trust Units Prior to the Effective Date*” generally will apply.

Non-Resident Unitholders should consult their own tax advisors as to whether they should dispose of their Trust Units on the TSX with a settlement date that is prior to the Effective Date.

Sale of Trust Units to the Purchaser

A Non-Resident Unitholder will not be subject to tax under the Tax Act on any capital gain realized on the sale of Trust Units to the Purchaser provided that, at the time of disposition, the Trust Units are not taxable Canadian property of the Non-Resident Unitholder or are treaty-protected property of the Non-Resident Unitholder.

In the event that Trust Units are taxable Canadian property but not treaty-protected property of a particular Non-Resident Unitholder, the tax consequences described above under “*Certain Canadian Federal Income Tax Considerations – Taxation of Trust Unitholders Resident in Canada – Sale of Trust Units to the Purchaser*” generally will apply.

Dissenting Unitholders

A Non-Resident Unitholder that is a Dissenting Unitholder (a “**Non-Resident Dissenting Unitholder**”) will be considered to have disposed of such Non-Resident Dissenting Unitholder’s Trust Units to the REIT and will have a right to be paid by the REIT the fair value of such Trust Units, as determined in accordance with the Plan of Arrangement. A Non-Resident Dissenting Unitholder will not be subject to tax under the Tax Act on any capital gain realized on such disposition provided that, at the time of disposition, the Trust Units are not taxable Canadian property of the Non-Resident Dissenting Unitholder or are treaty-protected property of the Non-Resident Dissenting Unitholder.

In the event that Trust Units are taxable Canadian property but not treaty-protected property of a particular Non-Resident Dissenting Unitholder, the tax consequences described above under “*Certain Canadian Federal Income Tax Considerations – Taxation of Trust Unitholders Resident in Canada – Dissenting Unitholders*” generally will apply.

Income of the REIT

A Non-Resident Unitholder will be subject to withholding tax under Part XIII of the Tax Act at a rate of 25% on the portion of the REIT’s income (including the amount of any Special Distribution, Permitted Distribution or the Parkway Place Special Distribution paid to the Non-Resident Unitholder, but excluding certain taxable capital gains designated by the REIT in respect of the Non-Resident Unitholder) that is paid or credited, or deemed to be paid or credited, to the Non-Resident Unitholder whether that amount is paid or credited, or deemed to be paid or credited, in cash, additional Trust Units or otherwise.

To the extent the REIT designates an amount paid or credited, or an amount deemed to be paid or credited, to the Non-Resident Unitholder as a taxable capital gain of such Trust Unitholder, one-half of the lesser of: (i) twice the amount so designated in respect of such Trust Unitholder and (ii) such Trust Unitholder’s pro rata portion of the REIT’s “TCP gains balance” (within the meaning of the Tax Act) for the taxation year will also be subject to withholding tax under Part XIII of the Tax Act at the rate of 25% if more than 5% of the amounts so designated by the REIT for its taxation year beginning January 1, 2019 are designated in respect of Trust Unitholders that are either “non-resident persons” or partnerships that are not “Canadian partnerships” (each as defined in the Tax Act). A trust’s TCP gains balance generally includes all capital gains (less all capital losses) realized by the trust from the disposition of taxable Canadian property, less amounts deemed to be “TCP gains distributions” (within the meaning of the Tax Act) in previous taxation years.

The 25% rate of withholding tax under Part XIII of the Tax Act may be reduced pursuant to the provisions of an applicable income tax convention. Non-Resident Unitholders should consult their own tax advisors for advice having regard to their particular circumstances, including whether an income tax convention applies.

Part XIII.2 of the Tax Act, which imposes withholding tax at a rate of 15% (the “**Mutual Fund Withholding Tax**”) on any amount paid or credited in respect of a unit of a mutual fund trust that is a “Canadian property mutual fund investment” that is not otherwise subject to tax under Part I or Part XIII of the Tax Act, will not apply on the basis that the Trust Units should not be a “Canadian property mutual fund investment” to a Non-Resident Unitholder.

Non-Resident Unitholders should consult their own tax advisors regarding the characterization of distributions already received by them in the REIT’s current taxation year.

After the Special Distribution is satisfied in Trust Units, the outstanding Trust Units will be consolidated. In such circumstances, and as a result of the withholding tax implications described above, Non-Resident Unitholders may not hold the same number of Trust Units following the consolidation as were held prior to the Special Distribution. Non-Resident Unitholders are advised to consult their own tax advisors in this regard.

OTHER TAX CONSIDERATIONS

This Circular does not address any tax considerations of the Transaction other than certain Canadian federal income tax considerations. Unitholders who are resident or otherwise taxable in jurisdictions other than Canada should consult their own tax advisors with respect to the tax implications of the Transaction, including any associated filing requirements, in such jurisdictions and with respect to the tax implications in such jurisdictions. Unitholders should also consult their own tax advisors regarding provincial, state or territorial tax considerations of the Transaction.

INFORMATION CONCERNING THE REIT

General

The REIT is an unincorporated, open-ended real estate investment trust governed the Declaration of Trust under the laws of the Province of Ontario. The REIT was created for the purpose of acquiring and owning industrial, office and retail properties in major urban markets in the United States and Canada. As of the date hereof, the REIT has an interest in 46 properties located primarily in the United States.

The Trust Units are listed and publicly traded on the TSX under the symbol “ACR.UN”.

The registered and head office of the REIT is located at 156 Front Street West, Suite 303, Toronto, Ontario, M5J 2L6. The REIT expects that its registered and head office will be changing to 890 Yonge Street, Suite 505, Toronto, Ontario M4W 3P4 effective as of December 17, 2018.

Price Range and Trading Volume of Trust Units

The Trust Units are listed and posted for trading on the TSX under the symbol “ACR.UN”. The following table shows the monthly range of high and low closing prices per Trust Unit and total monthly volumes traded on the TSX over the twelve months prior to the date hereof.

Month	Price per Trust Unit Monthly High (\$)	Price per Trust Unit Monthly Low (\$)	Total Monthly Volume (Trust Units)
December 2017	12.14	11.52	555,966
January 2018	12.63	11.80	605,685
February 2018	12.27	10.55	650,283
March 2018	12.00	11.03	432,022
April 2018	11.49	10.93	367,766
May 2018	12.85	10.96	694,338
June 2018	13.98	12.68	720,854
July 2018	14.14	13.41	450,593
August 2018	14.30	13.65	533,164
September 2018	14.40	13.28	621,458
October 2018	13.94	12.36	514,998
November 2018	14.29	12.89	2,776,683
December 1-5, 2018	14.19	14.17	439,766

On the last trading day before the date of this Circular, the closing price of the Trust Units on the TSX was \$14.17.

If the Arrangement is completed, the Purchaser will acquire all of the Trust Units, other than the Trust Units already owned by the Purchaser and its affiliates, the Class B LP Units will be exchanged for Trust Units and the Unit Options and Deferred Units will be transferred to the REIT and terminated and will be of no further force and effect in accordance with the terms of the Plan of Arrangement. As a result, immediately upon completion of the Transaction, the REIT will become a wholly-owned subsidiary of the Purchaser.

The Purchaser intends to have the Trust Units de-listed from the TSX following completion of the Transaction.

The Purchaser expects to apply to have the REIT cease to be a reporting issuer in all provinces and territories of Canada following completion of the Transaction.

Previous Purchases and Sales

The following table sets forth the details regarding all issuances of Trust Units, including issuances of all securities convertible into Units, over the 12-month period prior to the date hereof (other than 12,954 Deferred Units issued as trustee compensation to the Trustees):

Date of Issue	Security Issued	Reason for Issuance	Number of Securities Issued	Price per Security (\$)
December 15, 2017	Trust Units	Distribution Reinvestment Plan	5,256	11.956601
January 15, 2018	Trust Units	Distribution Reinvestment Plan	5,392	11.897632
February 15, 2018	Trust Units	Distribution Reinvestment Plan	6,140	11.105152
March 15, 2018	Trust Units	Distribution Reinvestment Plan	6,097	11.528884
April 16, 2018	Trust Units	Distribution Reinvestment Plan	6,337	11.237716
May 15, 2018	Trust Units	Distribution Reinvestment Plan	5,882	12.177021
June 15, 2018	Trust Units	Distribution Reinvestment Plan	5,184	13.525328
July 16, 2018	Trust Units	Distribution Reinvestment Plan	5,254	13.620092
August 15, 2018	Trust Units	Distribution Reinvestment Plan	5,495	13.878837
September 17, 2018	Trust Units	Distribution Reinvestment Plan	5,504	13.973092
October 15, 2018	Trust Units	Distribution Reinvestment Plan	2,164	12.691171
November 15, 2018	Trust Units	Distribution Reinvestment Plan	4,701	14.195512

Distributions

Monthly Distribution

The REIT currently pays an annualized distribution of \$0.810 per Unit, or \$0.0675 per Unit per month. In accordance with the Arrangement Agreement, during the period between November 13, 2018 and the earlier of the Effective Time and the time that the Arrangement Agreement is terminated in accordance with its terms, the REIT may continue to pay a monthly distribution not in excess of \$0.0675 per Unit consistent with past practice, including with respect to declaration date and payment date.

The following table sets out the total amount of monthly and annualized distributions to Unitholders paid by the REIT per Unit during each of the last three financial years.

	2018	2017 ⁽¹⁾	2016
Monthly distribution	\$0.0675	\$0.06458	\$0.06458
Annualized distribution	\$0.810	\$0.775	\$0.775

Note:

- (1) On November 28, 2017, the Board approved an increase to the REIT annualized distribution rate from \$0.775 per Unit to \$0.810 per Unit, representing an approximately 4.5% increase over the then-current annualized distribution rate. The increase was effective with the distribution for January 2018 that was paid in February 2018.

Parkway Place Special Distribution

On May 31, 2018, the REIT announced the closing of the Parkway Place Sale Transaction. The Parkway Place Sale Transaction is expected to result in recapture of previously claimed capital cost allowance of approximately \$15.0 million and a capital gain of approximately \$49.0 million for Canadian federal income tax purposes. Accordingly, as a result of the Parkway Place Sale Transaction, the REIT expects that it will declare the Parkway Place Special Distribution on or prior to December 31, 2018. The REIT expects that the Parkway Place Special Distribution will be comprised entirely of newly issued Trust Units. As provided in the Declaration of Trust, immediately following the Parkway Place Special Distribution, the REIT will consolidate the number of outstanding Trust Units so that each Unitholder will hold exactly the same number of Trust Units after the consolidation as was held immediately prior to the Parkway Place Special Distribution, except in the case of a Unitholder not resident in Canada for Canadian federal income tax purposes in which case such Unitholder will hold a lesser number of Trust Units. For applicable Canadian Unitholders, they will generally be required to include their proportionate share of the REIT's income and net taxable capital gain for the 2018 tax year in computing their income and the cost basis of their Trust Units will increase by their proportionate share of the anticipated special distribution paid in Trust Units.

The REIT currently anticipates that the Parkway Place Special Distribution will be declared payable on or before December 31, 2018 to the Unitholders of record on or before December 31, 2018.

INFORMATION CONCERNING THE PURCHASER

The information regarding the Purchaser and El-Ad Group, Ltd. contained in this Circular has been provided by the Purchaser. Although the REIT has no knowledge that would indicate that any statements contained herein taken from or based upon such information provided by the Purchaser expressly for inclusion herein are untrue or incomplete, the REIT does not assume any responsibility for the accuracy or completeness of the information taken from or based upon such information.

The Purchaser is Elad Genesis Limited Partnership, a limited partnership existing under the laws of the Province of Ontario. The Purchaser is an indirect wholly-owned subsidiary of Elad Canada Inc. Established in 1997, Elad Canada Inc. entered the Canadian market by owning and providing asset management services for a significant real estate portfolio of varied asset classes that included approximately six million square feet of commercial space and over 17,000 residential units. More recently, Elad Canada Inc. has focused its activities on mid- and high-rise condominium development, master planned communities and asset management. Elad Canada Inc. is part of the ELAD Group real estate conglomerate that owns income producing properties and has development projects globally. The ELAD Group is focused on the acquisition, development and conversion of architecturally significant residential and commercial properties as well as asset management in key markets throughout North America.

El-Ad Group, Ltd., a significant member of the ELAD Group, has provided a guarantee of the obligations of the Purchaser under the Arrangement Agreement. El-Ad Group Ltd. is a company incorporated in Bermuda.

RISK FACTORS

Unitholders should carefully consider all of the information disclosed or incorporated by reference in this Circular prior to voting on the matters being put before them at the Meeting. The following risk factors are not a definitive list of all risk factors associated with the Transaction. Additional risks and uncertainties,

including those currently unknown or considered immaterial by the REIT, may also adversely affect the completion of the Transaction.

Risks Related to the Transaction

The Transaction is Subject to Satisfaction or Waiver of Several Conditions

The completion of the Transaction is subject to a number of conditions precedent, certain of which are outside the control of the REIT, including, without limitation, receipt of the Final Order, the Unitholder Approval, holders of no more than 9.9999% of the issued and outstanding Trust Units having exercised Dissent Rights and there being no Law in effect that makes the consummation of the Transaction illegal or otherwise prohibits or enjoins, among others, the REIT or the Purchaser from consummating the Transaction. There can be no certainty, nor can the REIT provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied. See “*The Arrangement Agreement – Summary of the Arrangement Agreement – Conditions to the Transaction Becoming Effective*”.

In addition, if the Transaction is not completed for any reason, there are risks that the announcement of the Transaction and the dedication of substantial resources of the REIT to the completion thereof could have a negative impact on the REIT’s current business relationships and could have a material adverse effect on the current and future operations, financial conditions and prospects of the REIT. If the Transaction is not completed and the Board decides to seek an alternative transaction, there can be no assurance that it will be able to find a party willing to pay consideration for the Trust Units that is equivalent to, or more attractive than, the Consideration to be received by the Unitholders pursuant to the Transaction.

Occurrence of a Material Adverse Effect in Respect of the REIT

The completion of the Transaction is subject to the condition that, among other things, on or after the date of the Arrangement Agreement, there will not have occurred a Material Adverse Effect in respect of the REIT. Although a Material Adverse Effect excludes certain events, including events in some cases that are beyond the control of the REIT, there can be no assurance that a Material Adverse Effect in respect of the REIT will not occur prior to the Effective Time. If such a Material Adverse Effect occurs, the Purchaser shall be entitled to terminate the Arrangement Agreement and the Transaction may not proceed.

Fees, Costs and Expenses of the Transaction

If the Transaction is not completed, the Arrangement Agreement does not provide for the REIT to receive any reimbursement from the Purchaser for the fees, costs and expenses it has incurred in connection with the Transaction. Such fees, costs and expenses include, without limitation, legal fees, financial advisor fees, depositary fees and printing and mailing costs, which will be payable whether or not the Transaction is completed as well as the consequences and opportunity costs of the suspension of strategic pursuits of the REIT in accordance with the terms of the Arrangement Agreement and the risks associated with the diversion of REIT management’s attention away from the conduct of the REIT’s business in the ordinary course.

Market Price of the Trust Units

If, for any reason, the Transaction is not completed or its completion is materially delayed and/or the Arrangement Agreement is terminated, the market price of the Trust Units may be materially adversely affected. The REIT’s business, financial condition or results of operations could be subject to various material adverse consequences, including that the REIT would remain liable for significant costs relating to the Transaction including, among others, legal, accounting and printing expenses.

Payment of the Termination Fee

Each of the REIT and the Purchaser has the right to terminate the Arrangement Agreement in certain circumstances. Accordingly, there is no certainty, nor can the REIT provide any assurance, that the Arrangement Agreement will not be terminated before the completion of the Transaction. See “*The Arrangement Agreement – Termination of the Arrangement Agreement*”. In the event the Arrangement Agreement is terminated and the Transaction is not consummated, the REIT may, in certain circumstances, be obligated to pay the Termination Fee to the Purchaser.

Another Attractive Take-Over, Merger or Business Combination May Not Be Available

If the Transaction is not completed, there can be no assurance that the REIT will be able to find a party willing to pay an equivalent or more attractive consideration than the Consideration to be provided by the Purchaser under the Transaction or willing to proceed at all with a similar transaction or any alternative transaction.

While the Transaction is Pending, the REIT is Restricted from Taking Certain Actions

Until the Transaction is completed, the Arrangement Agreement restricts the REIT from taking certain specified actions without the consent of the Purchaser. These restrictions may prevent the REIT from pursuing certain business opportunities that may arise prior to the completion of the Transaction. See “*The Arrangement Agreement – Covenants*”.

Restrictions on the Trust's Ability to Solicit Acquisition Proposals from Other Potential Purchasers

While the terms of the Arrangement Agreement permit the REIT to consider unsolicited Acquisition Proposals, the Arrangement Agreement restricts the REIT from soliciting third parties to make an Acquisition Proposal. See “*The Arrangement Agreement – Summary of the Arrangement Agreement – Non-Solicitation*”.

The Termination Fee and the Right to Match may Discourage Other Parties from Making a Superior Proposal

Pursuant to the Arrangement Agreement, as a condition to entering into a definitive agreement in respect of a Superior Proposal, the REIT is required to offer the Purchaser the right to match and to pay the Purchaser the Termination Fee. The right to match and the Termination Fee may discourage other parties from making a Superior Proposal, even if they would otherwise have been willing to acquire the REIT on more favourable terms than the Arrangement. See “*The Arrangement Agreement – Summary of the Arrangement Agreement – Right to Match*”, “*The Arrangement Agreement – Summary of the Arrangement Agreement – Superior Proposals*” and “*The Arrangement Agreement – Summary of the Arrangement Agreement – Termination Fee*”.

“Business Combination” Under MI 61-101

Pursuant to the Interim Order and MI 61-101, as the Transaction will constitute a “business combination”, the Special Resolution will require the affirmative vote of: (a) not less than 66 2/3% of the votes cast upon such resolution by Unitholders present in person or represented by proxy at the Meeting; and (b) a simple majority of the votes cast at the Meeting in person or by proxy by Unitholders, excluding the votes attached to Units required to be excluded pursuant to MI 61-101. There can be no certainty, nor can the REIT provide any assurance, that the requisite Unitholder approvals will be obtained. If such approvals are not obtained and the Transaction is not completed, the market price of the Trust Units may decline.

The REIT's Trustees and Officers may have Interests in the Transaction that are Different from those of Unitholders

Certain Trustees and officers of the REIT may have interests in the Transaction that may be different from, or in addition to, the interests of Unitholders generally as a result of, among other things, (a) the participation of the Purchaser, a "related party" of the REIT for purposes of MI 61-101, in the Transaction; (b) certain Trustees of the REIT holding Deferred Units, which will be cancelled in exchange for a cash payment from the REIT under the Plan of Arrangement; and (c) the payment to Nallega Diversified, and, indirectly, the other Management Unitholders, of the 2018 Total Return Incentive Amount, the 2019 Total Return Incentive Amount and the 2019 FFO Incentive Amount in connection with the Transaction. The Special Committee and the Board (excluding Mr. Rafael Lazer) each unanimously recommended in favour of the Transaction. Nevertheless, Unitholders should consider these interests in connection with their vote on the Special Resolution, including whether these interests may have influenced the Trustees and the REIT's officers to recommend or support the Transaction. See "*Interest of Certain Persons in Matters to be Acted Upon*" and "*The Transaction – Treatment of REIT Securities*".

No Continued Benefit of Trust Unit Ownership

The Arrangement will result in the REIT no longer existing as a publicly-traded issuer and, as such, Unitholders will not benefit from any appreciation in the value of, or distributions on, their Trust Units after the completion of the Arrangement.

Purchaser's Financing

As of the date of this Circular, the Purchaser requires third party financing from one or more external financing sources in order to consummate the Arrangement. If the conditions precedent to the Purchaser's financing are not satisfied, or the Purchaser's financing sources otherwise do not advance the funds the Purchaser requires to consummate the Arrangement, the Purchaser may not be able to complete the Arrangement even if all of the conditions to closing in the Arrangement Agreement have been satisfied or waived. See "*The Transaction – Sources of Funds*".

The Arrangement will Result in Tax Payable by Most Unitholders

The Arrangement will be a taxable transaction for most Unitholders and, as a result, taxes will generally be required to be paid by such Unitholders on any income and gains that result from receipt of the Consideration under the Transaction. Unitholders are advised to consult with their own tax advisors to determine the tax consequences of the Transaction to them. See "*Certain Canadian Federal Income Tax Considerations*".

Risks Relating to the REIT

If the Transaction is not completed, the REIT will continue to face the risks that it currently faces with respect to its affairs, business and operations and future prospects. Such risk factors are set forth and described in the REIT's annual information form for the year ended December 31, 2017 and in the REIT's management's discussion and analysis of results of operations and financial condition for the three month period and year ended December 31, 2017, which are available under the REIT's profile on SEDAR at www.sedar.com.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Interest of Certain Persons in the Transaction

In considering the recommendations of the Special Committee and the Board (other than Mr. Rafael Lazer who has recused himself from consideration of and voting on the Transaction) with respect to the Transaction, Unitholders should be aware that the Trustees, officers or employees of the REIT may have certain interests in connection with the Transaction or may receive benefits that may differ from, or be in

addition to, the interests of Unitholders generally, which may present them with actual or potential conflicts of interest in connection with the Transaction. These interests and benefits are described below.

Except as described below, all benefits received, or to be received, by Trustees, officers or employees of the REIT as a result of the Transaction are, and will be, solely in connection with their services as Trustees, officers or employees of the REIT. No benefit has been, or will be, conferred for the purpose of increasing the value of consideration payable to any such person for the Units held by such persons and no consideration is, or will be, conditional on such person supporting the Transaction.

Units

As at December 6, 2018, the Trustees and officers of the REIT collectively hold approximately 5.1% of the issued and outstanding Units. All of the Units held by the Trustees and officers of the REIT, except for Deferred Units, will be treated in the same manner under the Transaction as Trust Units held by all other Unitholders. Deferred Units will be cancelled in exchange for a cash payment from the REIT of an amount equal to the Consideration. For a detailed description of the treatment of Deferred Units under the Transaction, see *"The Transaction – Treatment of REIT Securities – Deferred Units"*. As at December 6, 2018, there were 20,542 Deferred Units issued and outstanding.

Further information with respect to the compensation and the financial holdings and interests of the Trustees and executive officers of the REIT is contained in the management information circular of the REIT dated April 30, 2018, which is available under the REIT's profile on SEDAR at www.sedar.com.

Payments Under Internalization Asset Purchase Agreement

Each of Frank Camenzuli, Daniel Millett, Terra Attard, Chris Caswell and Rosalia Lau is currently employed by the REIT or an affiliate thereof and is also a shareholder of Nallega Diversified, the REIT's former external manager. Nallega Diversified and the REIT, among others, are parties to the Internalization Asset Purchase Agreement, which provides for the payment by the REIT of up to \$3 million of additional consideration to Nallega Diversified if certain milestones are achieved, as follows:

- (a) a payment of \$750,000 if the REIT achieves a Total Return (as defined in the Internalization Asset Purchase Agreement) of 15% or more in 2018 (the **"2018 Total Return Incentive Amount"**);
- (b) a payment of \$750,000 if the REIT's FFO (as defined in the Internalization Asset Purchase Agreement) in 2018 increases by 5% or more from 2017 FFO (the **"2018 FFO Incentive Amount"**);
- (c) a payment of \$750,000 if the REIT achieves a Total Return of 15% or more in 2019 (the **"2019 Total Return Incentive Amount"**); and
- (d) a payment of \$750,000 if the REIT's FFO in 2019 increases by 5% or more from 2018 FFO (the **"2019 FFO Incentive Amount"**).

Immediately prior to the announcement of the Transaction, and based on the trading price of the Trust Units on the TSX, the REIT expected that the 2018 Total Return Incentive Amount would be payable to Nallega Diversified upon the conclusion of the 2018 fiscal year. The trading price of the Trust Units on the TSX has increased following the public announcement of the Transaction, which further increases the likelihood that the 2018 Total Return Incentive Amount will become payable. The REIT does not expect that the REIT will achieve the FFO performance target necessary for the 2018 FFO Incentive Amount to become payable. In addition, if the Transaction is completed, Nallega Diversified will be paid an accelerated payment of the 2019 Total Return Incentive Amount and 2019 FFO Incentive Amount, which aggregate amount will be paid prior to the Effective Time.

The Internalization Asset Purchase Agreement is available under the REIT's profile on SEDAR at www.sedar.com.

Deferred Units

Certain Trustees of the REIT are holders of Deferred Units under the Deferred Unit Incentive Plan. Deferred Units granted to Trustees are automatically vested, but may not be exercised until three years after the date they are granted. Under the Plan of Arrangement, each Deferred Unit outstanding immediately prior to the Effective Time (whether vested or unvested) shall, notwithstanding the terms of the Deferred Unit Incentive Plan and without any further action by or on behalf of a holder of Deferred Units, be cancelled in exchange for a cash payment from the REIT of an amount equal to \$14.25 per Deferred Unit in cash.

Consideration

Other than as disclosed elsewhere in this Circular and in the table below, no Trustee or executive officer of the REIT who has been a Trustee or executive officer at any time since the beginning of the REIT's last financial year, and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting. As at December 6, 2018, Trustees and executive officers of the REIT beneficially owned, directly or indirectly, or exercised control or direction over, the number of Units and Deferred Units disclosed below. All of the Units held by the Trustees and executive officers of the REIT (including former Trustees of the REIT) will be treated in the same manner under the Transaction as Units held by any other Unitholder, except as otherwise disclosed above. For a description of the treatment of Deferred Units under the Transaction, see "*The Transaction – Treatment of REIT Securities – Deferred Units*".

Name and Position	Number of Units	Number of Deferred Units
Glen Ladouceur <i>Chair of the Board and Trustee</i>	3,500	9,307
Renzo Barazzuol <i>Trustee</i>	-	2,803
Frank Camenzuli <i>Chief Executive Officer and Trustee</i>	1,659,921 ⁽¹⁾	-
Dayna Gibbs <i>Trustee</i>	-	2,410
Rafael Lazer <i>Trustee</i>	-(2)	2,134
Y. Dov Meyer <i>Trustee</i>	2,500	2,669
Aida Tammer <i>Trustee</i>	5,000	1,220
Terra Attard <i>Chief Operating Officer</i>	16,094	-
Daniel Millett <i>Chief Financial Officer</i>	8,104	-

Notes:

- (1) Includes 871,080 Special Voting Units controlled by Frank Camenzuli through his ownership interest in Nallega Diversified.
- (2) The Purchaser beneficially owned 6,239,246 Units, representing approximately 18.4% of the issued and outstanding Units as of December 6, 2018. Mr. Rafael Lazer is the Chief Executive Officer of Elad Canada Inc., an affiliate of the Purchaser.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed elsewhere in this Circular, no informed person (as such term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) or any associate or affiliate of any informed person

has any material interest, direct or indirect, in any transaction since the commencement of the REIT's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the REIT or any of its Subsidiaries.

MATERIAL CHANGES TO THE AFFAIRS OF THE REIT

To the knowledge of the Trustees and officers of the REIT and except as publicly disclosed or otherwise described in this Circular, there are no plans or proposals for material changes in the affairs of the REIT.

EXPENSES OF THE TRANSACTION

Except as otherwise provided for in the Arrangement Agreement, all out-of-pocket third party transaction expenses incurred by a party in connection with the Arrangement Agreement and the Transaction, including all costs, expenses and fees of the REIT incurred prior to or after the Effective Time in connection with, or incidental to, the Transaction, shall be paid by the party incurring such expenses, whether or not the Transaction is consummated.

The estimated fees, costs and expenses of the REIT in connection with the Transaction, including without limitation, financial advisors' fees, filing fees, legal and accounting fees, and printing and mailing costs, are anticipated to be approximately \$14.5 million, based on certain assumptions of the REIT.

OTHER BUSINESS

Management of the REIT knows of no matters to come before the Meeting other than those referred to in the Notice of Special Meeting. However, if any other matters will properly come before the Meeting, it is the intention of the persons named in the form of proxy to vote on such matters in accordance with their best judgment.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the REIT are KPMG LLP at their office located at 333 Bay Street, Suite 4600, Toronto, Ontario M5H 2S5. KPMG LLP has been the auditors of the REIT since the REIT became a public real estate investment trust in 2013.

The transfer agent and registrar for the REIT is Computershare Investor Services Inc., at its office located at 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1.

ADDITIONAL INFORMATION

The REIT files reports and other information with the securities commissions of the provinces and territories of Canada. Financial information is provided in the REIT's consolidated financial statements and management's discussion and analysis for the most recently completed financial year ended December 31, 2017. These reports and information are available to the public free of charge under the REIT's profile on SEDAR at www.sedar.com and may also be obtained free of charge, upon request of any Unitholder to the Chief Financial Officer of the REIT at 156 Front Street West, Suite 303, Toronto, Ontario M5J 2L6 (telephone: 416-593-6800). Unitholders are advised that the REIT expects its registered and head office to change to 890 Yonge Street, Suite 505, Toronto, Ontario M4W 3P4 effective as of December 17, 2018.

CONSENT OF RBC CAPITAL MARKETS

To: the Board of Trustees of Agellan Commercial Real Estate Investment Trust

We hereby consent to the references within the management information circular of Agellan Commercial Real Estate Investment Trust (the “**REIT**”) dated December 6, 2018 (the “**Circular**”) to the fairness opinion of our firm dated November 13, 2018 (the “**RBC Fairness Opinion**”), which we prepared for the Board of Trustees of the REIT in connection with the arrangement agreement dated November 13, 2018 entered into between the REIT, Agellan Management GP Inc., Elad Genesis Limited Partnership and El-Ad Group, Ltd., and to the inclusion of the full text of the RBC Fairness Opinion as Appendix “F” to the Circular. In providing this consent, we do not intend that any persons other than the Board of Trustees of the REIT rely upon such fairness opinion.

“RBC Dominion Securities Inc.”

RBC Dominion Securities Inc.
December 6, 2018

CONSENT OF WELLS FARGO SECURITIES

To: the Board of Trustees of Agellan Commercial Real Estate Investment Trust

We hereby consent to the references within the management information circular of Agellan Commercial Real Estate Investment Trust (the “**REIT**”) dated December 6, 2018 (the “**Circular**”) to the fairness opinion of our firm dated November 13, 2018 (the “**Wells Fargo Fairness Opinion**”), which we prepared for the Board of Trustees of the REIT in connection with the arrangement agreement dated November 13, 2018 entered into between the REIT, Agellan Management GP Inc., Elad Genesis Limited Partnership and El-Ad Group, Ltd., and to the inclusion of the full text of the Wells Fargo Fairness Opinion as Appendix “G” to the Circular. In providing this consent, we do not intend that any persons other than the Board of Trustees of the REIT rely upon such fairness opinion.

“Wells Fargo Securities, LLC”

Wells Fargo Securities, LLC
December 6, 2018

CONSENT OF DESJARDINS

To: the Board of Trustees of Agellan Commercial Real Estate Investment Trust

To: the Special Committee of the Board of Trustees of Agellan Commercial Real Estate Investment Trust

We hereby consent to the references within the management information circular of Agellan Commercial Real Estate Investment Trust (the “**REIT**”) dated December 6, 2018 (the “**Circular**”) to the fairness opinion of our firm dated November 13, 2018 (the “**Desjardins Fairness Opinion**”) and the formal valuation prepared by our firm (the “**Formal Valuation**”) dated November 13, 2018 (collectively, the “**Desjardins Valuation and Fairness Opinion**”), each of which we prepared for the Special Committee of the Board of Trustees of the REIT in connection with the arrangement agreement dated November 13, 2018 entered into between the REIT, Agellan Management GP Inc., Elad Genesis Limited Partnership and El-Ad Group, Ltd., and to the inclusion of the full text of the Desjardins Valuation and Fairness Opinion attached as Appendix “H” to the Circular. In providing this consent, we do not intend that any persons other than the Special Committee of the Board of Trustees of the REIT rely upon such fairness opinion or such formal valuation.

“Desjardins Securities Inc.”

Desjardins Securities Inc.
December 6, 2018

APPROVAL OF THE BOARD OF TRUSTEES

The contents and the sending of the Notice of Special Meeting and this Circular have been approved by the Board.

DATED December 6, 2018

BY ORDER OF THE BOARD OF TRUSTEES

"Glen Ladouceur"

Glen Ladouceur
Board Chair

APPENDIX A GLOSSARY

In this management information circular, the following capitalized terms have the meanings set forth below.

“2018 FFO Incentive Amount” has the meaning set out in *“Interest of Certain Persons in Matters to be Acted Upon – Payments Under Internalization Asset Purchase Agreement”*.

“2018 Total Return Incentive Amount” has the meaning set out in *“Interest of Certain Persons in Matters to be Acted Upon – Payments Under Internalization Asset Purchase Agreement”*.

“2019 FFO Incentive Amount” has the meaning set out in *“Interest of Certain Persons in Matters to be Acted Upon – Payments Under Internalization Asset Purchase Agreement”*.

“2019 Total Return Incentive Amount” has the meaning set out in *“Interest of Certain Persons in Matters to be Acted Upon – Payments Under Internalization Asset Purchase Agreement”*.

“Acquisition Proposal” means, other than the transactions contemplated by the Arrangement Agreement, any offer, proposal, inquiry or expression of interest (written or oral) from any Person or group of Persons other than the Purchaser (or any affiliate of the Purchaser or any Person acting jointly or in concert with the Purchaser or any affiliate of the Purchaser) after the date of the Arrangement Agreement relating to, in each case whether in a single transaction or a series of related transactions: (a) any direct or indirect sale, disposition or joint venture (or any lease, license or other arrangement having the same economic effect as a sale) (i) of assets representing 20% or more of the consolidated assets or contributing 20% or more of the consolidated annual revenue of the REIT, or (ii) of or involving 20% or more of the voting or equity securities of the REIT or any of its Subsidiaries (excluding the voting or equity securities of any JV Entity held by any JV Partner) whose assets, individually or in the aggregate, represent 20% or more of the consolidated assets or contribute 20% or more of the consolidated annual revenue of the REIT; (b) any direct or indirect take-over bid, tender offer, exchange offer, treasury issuance or other transaction that, if consummated, would result in such Person or group of Persons directly or indirectly beneficially owning 20% or more of any class of voting or equity securities of the REIT or any of its Subsidiaries (excluding the voting or equity securities of any JV Entity held by any JV Partner) whose assets, individually or in the aggregate, represent 20% or more of the consolidated assets or contribute 20% or more of the consolidated annual revenue of the REIT; (c) any plan of arrangement, merger, amalgamation, consolidation, share exchange, business combination, reorganization, recapitalization, liquidation, dissolution, winding up or similar transaction involving the REIT or any of its Subsidiaries whose assets, individually or in the aggregate, represent 20% or more of the consolidated assets or contribute 20% or more of the consolidated annual revenue of the REIT; or (d) any other transaction or series of transactions involving the REIT or any of its Subsidiaries that would have the same effect as the foregoing (and, for purposes of the foregoing, the consolidated assets and consolidated annual revenue shall be determined based upon the most recent publicly available consolidated financial statements of the REIT).

“affiliate” has the meaning specified in National Instrument 45-106 – *Prospectus Exemptions* as in effect on the date of the Arrangement Agreement.

“Agellan GP” means Agellan Management GP Inc., a corporation existing under the laws of the Province of Ontario.

“allowable capital loss” has the meaning set out in *“Certain Canadian Federal Income Tax Considerations – Taxation of Unitholders Resident in Canada – Capital Gains and Capital Losses”*.

“Arrangement Agreement” means the arrangement agreement dated November 13, 2018, by and among the REIT, Agellan GP, the Purchaser and El-Ad Group, Ltd., including all schedules annexed thereto, as it may be amended or supplemented or otherwise modified from time to time in accordance with the terms thereof.

“Articles of Arrangement” means the articles of arrangement in respect of the Transaction required by the OBCA to be sent to the Director after the Final Order is made, which shall include the Plan of Arrangement and otherwise be in a form and content satisfactory to the REIT, Agellan GP and the Purchaser, each acting reasonably.

“Beneficial Unitholder” means a Unitholder that is not a Registered Unitholder, whose Units are held in the name of an intermediary such as a broker, investment dealer, bank, trust company, trustee, clearing agency (such as CDS) or other nominee.

“Board” means the board of trustees of the REIT as constituted from time to time.

“Board Recommendation” means the statement in this Circular that the Board (excluding Mr. Rafael Lazer, who recused himself and abstained from voting), after consulting with outside legal counsel and financial advisors, has unanimously determined that the Transaction is in the best interests of the REIT and Unitholders and unanimously recommends (excluding Mr. Rafael Lazer, who recused himself and abstained from voting) that Unitholders vote their Units in favour of the Special Resolution.

“Breach of Representation or Warranty or Failure to Perform Covenant by the REIT” has the meaning set out in *“The Arrangement Agreement – Summary of the Arrangement Agreement – Termination of the Arrangement Agreement – Termination by the Purchaser”*.

“Broadridge” has the meaning set out in *“Agellan Commercial Real Estate Investment Trust Management Information Circular – Introduction”*.

“Buildings” means all buildings, fixtures, structures, erections, improvements and appurtenances located on, in or under the Lands; and **“Building”** means any one of the Buildings.

“Business Day” means any day of the year, other than a Saturday, Sunday or any day on which Schedule I chartered banks are closed for business in Toronto, Ontario.

“CDS” means CDS Clearing and Depository Services Inc.

“Certificate of Arrangement” means the certificate of arrangement to be issued by the Director pursuant to subsection 183(2) of the OBCA in respect of the Articles of Arrangement.

“Change in Recommendation” means if the Board or a committee thereof: (a) fails to unanimously (excluding Mr. Rafael Lazer) recommend or withdraws, amends, modifies or qualifies, or publicly proposes or states an intention to withdraw, amend, modify or qualify, the Board Recommendation in a manner adverse to the Purchaser; (b) accepts, approves, endorses or recommends, or publicly proposes to accept, approve, endorse or recommend, any Acquisition Proposal or publicly takes no position or publicly remains neutral with respect to a publicly announced, or otherwise publicly disclosed, Acquisition Proposal for more than five (5) Business Days (or in the event that the Meeting is scheduled to occur within such five (5) Business Day period, prior to the third Business Day prior to the date of the Meeting); (c) accepts or enters into (other than a confidentiality agreement permitted by and in accordance with section 5.3 of the Arrangement Agreement) or publicly proposes to accept or enter into any written agreement, commitment or arrangement in respect of an Acquisition Proposal; or (d) fails to publicly reaffirm the Board Recommendation within five (5) Business Days after having been requested in writing by the Purchaser to do so.

“Circular” means this notice of special meeting and management information circular dated December 6, 2018, together with all appendices hereto and information incorporated herein by reference, distributed by the REIT in connection with the Meeting, as amended, supplemented or otherwise modified from time to time.

“Class B LP Units” means Class B limited partnership units of Agellan Management Limited Partnership.

“Consideration” means the consideration to be received by a Unitholder pursuant to the Plan of Arrangement, consisting of \$14.25 in cash, without interest, for each Trust Unit held.

“Court” means the Ontario Superior Court of Justice (Commercial List).

“CRA” means the Canada Revenue Agency.

“Declaration of Trust” means the Amended and Restated Declaration of Trust of the REIT dated as of November 13, 2017 as further amended from time to time, which is governed by the laws of the Province of Ontario.

“Deferred Unit Incentive Plan” means the amended and restated deferred unit incentive plan of the REIT effective as of April 27, 2015.

“Deferred Unit Payment” has the meaning set out in *“The Transaction – Arrangement Mechanics”*.

“Deferred Units” means deferred units and income deferred units issued pursuant to the Deferred Unit Incentive Plan.

“Depository” means Computershare Investor Services Inc..

“Desjardins” means Desjardins Securities Inc.

“Desjardins Fairness Opinion” means the opinion of Desjardins that, as of November 13, 2018 and subject to the assumptions, limitations, qualifications and other matters set forth therein, the Consideration of \$14.25 per Trust Unit to be received by Trust Unitholders (other than the Purchaser and its affiliates) pursuant to the Transaction is fair, from a financial point of view, to such Trust Unitholders, the full text of which is set out in Appendix “H” to this Circular.

“Desjardins Valuation and Fairness Opinion” means, collectively, the Desjardins Fairness Opinion and the Formal Valuation.

“Director” means the Director appointed pursuant to section 278 of the OBCA.

“Dissent Rights” means the rights of dissent provided for in the Plan of Arrangement.

“Dissenting Unitholder” means a registered holder of Trust Units who has validly exercised its Dissent Rights and has not withdrawn such exercise of Dissent Rights prior to the Effective Time.

“Dissenting Units” means the Trust Units held by Dissenting Unitholders in respect of which Dissent Rights have been and remain validly exercised at the Effective Time.

“DRS advices” means direct registration advices.

“Effective Date” means the date shown on the Certificate of Arrangement giving effect to the Transaction.

“Effective Time” means 12:01 a.m. on the Effective Date, or such other time as the Parties agree to in writing before the Effective Date.

“Eligible Institution” means a Canadian Schedule I chartered bank, a member of the Securities Transfer Agents Medallion Program (STAMP), a member of the Stock Exchanges Medallion Program (SEMP) or a member of the New York Stock Exchange, Inc. Medallion Signature Program (MSP).

“Excess Funds” has the meaning set out in *“The Transaction – Arrangement Mechanics”*.

“Fairness Opinions” means, together, the Desjardins Fairness Opinion, the RBC Fairness Opinion and the Wells Fargo Fairness Opinion.

“Final Order” means the final order of the Court in a form acceptable to the REIT, Agellan GP and the Purchaser, each acting reasonably, approving the Transaction pursuant to subsection 182(4) of the OBCA and section 60 of the Trustee Act, as such order may be amended, modified, supplemented or varied by the Court (with the consent of the REIT, Agellan GP and the Purchaser, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended, modified, supplemented or varied (provided that any such amendment is acceptable to the REIT, Agellan GP and the Purchaser, each acting reasonably) on appeal.

“Formal Valuation” means the formal valuation of the Trust Units prepared by Desjardins in accordance with the requirements of MI 61-101 for a formal valuation in respect of the transactions contemplated by the Arrangement Agreement and the Plan of Arrangement.

“Governmental Entity” means (a) any international, multinational, national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission (including any securities commission or similar regulatory authority), board, bureau, ministry, agency or instrumentality, domestic or foreign; (b) any subdivision, agent or authority of any of the above; (c) any quasi-governmental body, professional body or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; or (d) any stock exchange.

“IFRS” means International Financial Reporting Standards, which are issued by the International Accounting Standards Board, as adopted in Canada.

“IIROC” means the Investment Industry Regulatory Organization of Canada.

“Intercompany Debt Amount” has the meaning set out in *“The Transaction – Arrangement Mechanics”*.

“Interested Parties” has the meaning set out in *“Background to the Transaction – Desjardins Valuation and Fairness Opinion”*.

“Interim Order” means the interim order of the Court pursuant to subsection 182(5) of the OBCA and section 60 of the Trustee Act in a form acceptable to the REIT, Agellan GP and the Purchaser, each acting reasonably, providing for, among other things, the calling and holding of the Meeting, as such order may be amended, modified, supplemented or varied by the Court (with the consent of the REIT, Agellan GP and the Purchaser, each acting reasonably).

“Internalization Asset Purchase Agreement” means the asset purchase agreement dated September 18, 2017 among Nallega Diversified, Agellan Management Limited Partnership and the REIT, as amended by an amendment dated November 13, 2017, pursuant to which the REIT internalized its external management function.

“JV Entity” means any Person that: (a) owns a Property; and (b) is owned by the REIT or one of its Subsidiaries together with one or more JV Partners.

“JV Partner” means any Person (other than the REIT or its Subsidiaries) that owns an interest in a Property or a JV Entity.

“JV Property” means a Property that is, directly or indirectly, owned by the REIT or one of its Subsidiaries together with one or more JV Partners.

“Lands” means all of the lands and premises in which the REIT or any of its Subsidiaries have a direct or indirect ownership interest, whether a freehold or leasehold interest.

“Law” means, with respect to any Person, any and all applicable law (including statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling, published administrative policy, guideline, notice, protocol or other similar requirement, whether domestic or foreign, enacted, adopted, incorporated by reference, promulgated or applied by a Governmental Entity, in each case having the force of law and that is binding upon or applicable to such Person or its business, undertaking, property or securities.

“Lien” means any mortgage, charge, pledge, hypothec, security interest, prior claim, encroachments, option, right of first refusal or first offer, occupancy right, covenant, assignment, lien (statutory or otherwise), defect of title, or restriction or adverse right or claim, or other third party interest or encumbrance of any kind, in each case, whether contingent or absolute.

“Letter of Transmittal” means the letter of transmittal accompanying this Circular sent to Unitholders.

“Locked-up Unitholder” has the meaning set out in *“The Transaction – Voting Support Agreements”*.

“Locked-up Units” has the meaning set out in *“The Transaction – Voting Support Agreements”*.

“Management Unitholders” means Frank Camenzuli, Daniel Millett, Terra Attard, Chris Caswell, Rosalia Lau and Nallega Diversified.

“Matching Period” has the meaning set out in *“The Arrangement Agreement – Summary of the Arrangement Agreement – Right to Match”*.

“Material Adverse Effect” means any change, effect, event, circumstance, fact or occurrence that, individually or in the aggregate with any other changes, effects, events, circumstances, facts or occurrences, (a) has or would reasonably be expected to have a material and adverse effect on the condition (financial or otherwise), business, operations, properties, assets, liabilities (including contingent liabilities) or results of operations (financial or otherwise) of the REIT and its Subsidiaries, taken as a whole, or (b) prevents or materially impairs or would reasonably be expected to prevent or materially impair or delay the ability of the REIT to consummate the transactions contemplated by the Arrangement Agreement and the Plan of Arrangement before the Outside Date, provided, however, that none of the following shall constitute or be taken into account in determining whether there has been, is or would be a Material Adverse Effect:

- (i) any change, effect, event, circumstance, fact or occurrence affecting the United States real estate industry in general;
- (ii) any change, effect, event, circumstance, fact or occurrence in global, national or regional political conditions (including the outbreak or escalation of hostilities, acts of war, sabotage or acts of terrorism);
- (iii) any change, effect, event, circumstance, fact or occurrence in currency exchange, interest or inflation rates or in general economic, business, regulatory, political or market conditions or in national or global credit, currencies or securities markets;
- (iv) any adoption, proposal, implementation or change in Law or any interpretation of Law by any Governmental Entity;
- (v) any change in IFRS or authoritative interpretation thereof;
- (vi) any hurricane, flood, tornado, earthquake or other natural or man-made disaster or act of God;

- (vii) any action taken by the REIT or any of its Subsidiaries which is required to be taken pursuant to the Arrangement Agreement or taken at the written request of the Purchaser or taken with the Purchaser's consent;
- (viii) the negotiation, execution, announcement or performance of the Arrangement Agreement or consummation of the Transaction, including any change related to the identity of the Purchaser, or facts and circumstances relating thereto, any loss or threatened loss of, or adverse change or threatened adverse change in the relationship of the REIT or any of its Subsidiaries with any of their current or prospective employees, tenants, lenders, suppliers, securityholders or other third parties;
- (ix) any change in the market price or trading volume of the Trust Units (it being understood that this clause (ix) shall not restrict any cause underlying such change in market price from being taken into account in determining whether a Material Adverse Effect has occurred); or
- (x) the failure of the REIT or its Subsidiaries or the Properties, as applicable, to meet any internal or public projections, forecasts, guidance or estimates of, including revenues or earnings (it being understood that any cause underlying such failure may be taken into account in determining whether a Material Adverse Effect has occurred);

provided, however, that: (A) with respect to clauses (i) through (vi), such matter does not have a materially disproportionate effect on the REIT and its Subsidiaries, taken as a whole, relative to other comparable companies and entities in the industries in which the REIT or its Subsidiaries operate; and (B) references in certain sections of the Arrangement Agreement to dollar amounts are not intended to be, and shall not be deemed to be, illustrative or interpretive for purposes of determining whether a **"Material Adverse Effect"** has occurred.

"Meeting" means the special meeting of Unitholders to be held at 10:00 a.m. (Toronto time) on January 10, 2019, to consider, among other matters, the Special Resolution, including any adjournment or postponement thereof.

"MI 61-101" means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*.

"Mutual Fund Withholding Tax" has the meaning set out in *"Certain Canadian Federal Income Tax Considerations – Taxation of Trust Unitholders Not Resident in Canada – Income of the REIT"*.

"Nallega Diversified" means Nallega Diversified Inc., a corporation existing under the laws of the Province of Ontario and the former external manager of the REIT.

"NAV" means net asset value.

"Non-Resident Dissenting Unitholder" has the meaning set out in *"Certain Canadian Federal Income Tax Considerations – Taxation of Trust Unitholders Not Resident in Canada – Dissenting Unitholders"*.

"Non-Resident Unitholder" has the meaning set out in *"Certain Canadian Federal Income Tax Considerations – Taxation of Trust Unitholders Not Resident in Canada"*.

"Notice of Special Meeting" means the notice of special meeting of Unitholders which accompanies this Circular.

"OBCA" means the *Business Corporations Act* (Ontario).

“Occurrence of the Outside Date” has the meaning set out in *“The Arrangement Agreement – Summary of the Arrangement Agreement – Termination of the Arrangement Agreement – Termination by the Purchaser or the REIT”*.

“Outside Date” means March 12, 2019.

“Parkway Place” has the meaning set out in *“Background to the Transaction”*.

“Parkway Place Sale Transaction” means the sale by the REIT on May 31, 2018 of Parkway Place.

“Parkway Place Special Distribution” means the special distribution in connection with the Parkway Place Sale Transaction which will be declared and made payable by the REIT to Trust Unitholders on or before December 31, 2018 in an amount equal to the REIT’s good faith best estimate of the amount, if any, of the sum of the taxable income of, and the non-taxable portion of the capital gain realized by, the REIT in connection with the Parkway Place Sale Transaction (net of an amount determined by the Trustees in respect of distributions made by the REIT prior thereto) and which will be satisfied in newly issued Trust Units, whereby (A) the REIT shall issue such number of Trust Units on the basis that such Trust Units shall be valued for purposes of the Parkway Place Special Distribution at an amount equal to the “market price” determined in accordance with section 7.15(c) of the Declaration of Trust as of the trading day immediately prior to the record date of the Parkway Place Special Distribution, and (B) the Parkway Place Special Distribution shall be immediately followed by a corresponding consolidation of Trust Units so that each Trust Unitholder will hold exactly the same number of Trust Units after such consolidation as such Trust Unitholder did immediately prior to the issuance of such Trust Units, except in the case of a Trust Unitholder not resident in Canada for purposes of the Tax Act to the extent tax is required to be withheld in respect of the distribution of Trust Units in which case such Trust Unitholder will hold a lesser number of Trust Units (as determined in accordance with the last paragraph of section 11.3 of the Declaration of Trust).

“Parties” means the parties to the Arrangement Agreement, being the REIT, Agellan GP, the Purchaser and El-Ad Group, Ltd., and **“Party”** means any one of them.

“Permitted Distribution” means, in respect of Trust Units and Class B LP Units, a monthly dividend or distribution not in excess of \$0.0675 per Trust Unit or Class B LP Unit consistent with past practice, including with respect to declaration date and payment date.

“Person” includes an individual, general partnership, limited partnership, corporation, company, limited liability company, body corporate, joint venture, unincorporated organization, other form of business organization, trust, trustee, executor, administrator or other legal representative, government (including any Governmental Entity) or any other entity, whether or not having legal status.

“Plan of Arrangement” means the plan of arrangement, substantially in the form of Appendix “E” to this Circular, subject to any amendments or variations made in accordance with the Arrangement Agreement or the Plan of Arrangement, or made at the direction of the Court in the Final Order (with the prior written consent of the REIT and the Purchaser, each acting reasonably).

“Properties” means all of the Lands and Buildings and all JV Property.

“Purchaser” means Elad Genesis Limited Partnership, a limited partnership existing under the laws of the Province of Ontario, or one of its affiliates.

“Purchaser Commitment Letter” has the meaning set out in *“The Transaction – Sources of Funds for the Transaction”*.

“RBC Capital Markets” means RBC Dominion Securities Inc.

“RBC Fairness Opinion” means the opinion of RBC Capital Markets that, as of November 13, 2018 and subject to the assumptions, limitations, qualifications and other matters set forth therein, the Consideration

of \$14.25 per Trust Unit to be received by Trust Unitholders (other than the Purchaser and its affiliates) pursuant to the Transaction is fair, from a financial point of view, to such Trust Unitholders, the full text of which is set out in Appendix "F" to this Circular.

"Record Date" means the record date to determine the entitlement of Unitholders to receive notice of, and to vote at, the Meeting or any adjournment or postponement thereof, being December 6, 2018.

"Registered Unitholder" means a registered holder of Units.

"REIT" means Agellan Commercial Real Estate Investment Trust, a trust established under the laws of the Province of Ontario.

"REIT Exception" has the meaning set out in *"Certain Canadian Federal Income Tax Considerations – SIFT Rules"*.

"Representative" means, with respect to any Person, any officer, trustee, director, employee, representative (including any financial or other adviser) or agent of such Person or of any of its Subsidiaries.

"Resident Dissenting Unitholder" has the meaning set out in *"Certain Canadian Federal Income Tax Considerations – Taxation of Unitholders Resident in Canada – Dissenting Unitholders"*.

"Resident Unitholder" has the meaning set out in *"Certain Canadian Federal Income Tax Considerations – Taxation of Unitholders Resident in Canada"*.

"Securities Laws" means the *Securities Act* (Ontario) and similar Laws in the other provinces and territories of Canada.

"SEDAR" means the System for Electronic Document Analysis and Retrieval.

"SIFT Rules" has the meaning set out in *"Certain Canadian Federal Income Tax Considerations – SIFT Rules"*.

"Special Committee" means the special committee of Trustees of the Board to consider, among other things, the Transaction.

"Special Distribution" has the meaning set out in *"Certain Canadian Federal Income Tax Considerations – Taxation of the REIT"*.

"Special Resolution" means the special resolution of the Unitholders approving the Plan of Arrangement to be considered at the Meeting substantially in the form and content of Appendix "B" to this Circular.

"Special Resolution Is Not Approved" has the meaning set out in *"The Arrangement Agreement – Summary of the Arrangement Agreement – Termination of the Arrangement Agreement – Termination by the Purchaser or the REIT"*.

"Special Voting Unit" means a special voting unit of the REIT issued pursuant to the Declaration of Trust and having the attributes described therein.

"Subsidiary" means, with respect to a Person, a corporation, partnership, trust, limited liability company, unlimited liability company, joint venture (including, with respect to the REIT, any JV Entity) or other Person of which either: (a) such Person or any other subsidiary of the Person is a general partner, managing member or functional equivalent; (b) voting power to elect a majority of the board of directors or trustees or others performing a similar function with respect to such organization is held by such Person or by any one or more of such Person's subsidiaries; or (c) more than 50% of the equity interest is controlled, directly or indirectly, by such Person.

“Superior Proposal” means any *bona fide* written Acquisition Proposal from a Person who is an arm’s length third party made after the date of the Arrangement Agreement that would result in any Person or group of Persons acquiring, directly or indirectly, all or substantially all of the consolidated assets of the REIT or all of the voting or equity securities of the REIT (excluding any Class B LP Units to the extent such Acquisition Proposal contemplates that such security will continue to be held by such holders) that:

- (i) did not result from a breach of Securities Laws or the non-solicitation provisions of the Arrangement Agreement;
- (ii) is not subject to any financing condition and in respect of which any required financing to complete such Acquisition Proposal has been demonstrated to be available to the satisfaction of the Board, acting in good faith (after receipt of advice from its financial advisors and its outside legal counsel);
- (iii) is, in the good faith opinion of the Board (after consultation with outside legal counsel and financial advisers) reasonably capable of being completed in accordance with its terms without undue delay, taking into account all financial, legal, regulatory and other aspects of such proposal and the Person or group of persons making such proposal;
- (iv) is not subject to any due diligence condition; and
- (v) the Board determines in good faith (after consultation with outside legal counsel and financial advisers and after taking into account all the terms and conditions of the Acquisition Proposal, including all legal, financial, regulatory and other aspects of such Acquisition Proposal and the Person or group of Persons making such Acquisition Proposal), would, if consummated in accordance with its terms (but without assuming away the risk of non-completion), result in a transaction which is more favourable, from a financial point of view, to both Trust Unitholders and holders of Class B LP Units than the Transaction (including any amendments to the terms and conditions of the Transaction as proposed by the Purchaser pursuant to the Arrangement Agreement).

“Superior Proposal Notice” has the meaning set out in *“The Arrangement Agreement – Summary of the Arrangement Agreement – Right to Match”*.

“Tax Act” means the *Income Tax Act* (Canada).

“Tax Proposals” has the meaning set out in *“Certain Canadian Federal Income Tax Considerations”*.

“Term Loan” has the meaning set out in *“The Transaction – Sources of Funds for the Transaction”*.

“Termination Fee” means \$16 million.

“Transaction” means the arrangement under section 182 of the OBCA and section 60 of the Trustee Act on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations to the Plan of Arrangement made in accordance with the terms of the Arrangement Agreement or the Plan of Arrangement, or made at the direction of the Court in the Final Order with the prior written consent of the REIT, Agellan GP and the Purchaser, each acting reasonably.

“Transfer Agent” means Computershare Investor Services Inc.

“Trust Unit” means a unit of interest in the REIT but, for greater certainty, excludes a Special Voting Unit.

“Trust Unitholder” means the registered or beneficial holder of a Trust Unit.

“Trustee” means a trustee of the REIT.

“Trustee Act” means the *Trustee Act* (Ontario).

“TSX” means the Toronto Stock Exchange.

“U.S.” or **“United States”** means the United States of America, its territories and possessions, any State of the United States and the District of Columbia.

“U.S. Class B Unit” means a Class B limited partnership unit of Agellan Commercial REIT U.S. L.P.

“Unit Option Payment” has the meaning set out in *“The Transaction – Arrangement Mechanics”*.

“Unit Option Plan” means the unit option plan of the REIT amended and restated effective as of April 27, 2015.

“Unit Options” means an option to purchase Trust Units granted pursuant to the Unit Option Plan.

“Unitholder” means a registered or beneficial holder of a Trust Unit or a Special Voting Unit.

“Unitholder Approval” means the approval of the Special Resolution by the Unitholders at the Meeting in accordance with the Interim Order.

“Unitholder Rights Plan” means the amended and restated unitholder rights plan of the REIT dated as of June 13, 2016.

“Units” means, collectively, the Trust Units and Special Voting Units.

“Unpaid Permitted Distribution” means a Permitted Distribution declared in accordance with the terms and conditions of the Arrangement Agreement, and in respect of which the record date is fixed prior to the Effective Date and payment has not been made prior to the Effective Time.

“VIF” has the meaning set out in *“Agellan Commercial Real Estate Investment Trust Management Information Circular – Introduction”*.

“Voting Support Agreements” has the meaning set out in *“The Transaction – Voting Support Agreements”*.

“Wells Fargo Fairness Opinion” means the opinion of Wells Fargo Securities that, as of November 13, 2018 and subject to the assumptions, limitations, qualifications and other matters set forth therein, the Consideration of \$14.25 per Trust Unit to be received by Trust Unitholders (other than the Purchaser and its affiliates) pursuant to the Transaction is fair, from a financial point of view, to such Trust Unitholders, the full text of which is set out in Appendix “G” to this Circular.

“Wells Fargo Securities” means Wells Fargo Securities, LLC.

“Willful Breach” means a breach that is a consequence of any act undertaken by the breaching party with the actual knowledge that the taking of such act would, or would be reasonably expected to, cause a breach of the Arrangement Agreement.

**APPENDIX B
SPECIAL RESOLUTION**

BE IT RESOLVED THAT:

1. The arrangement (the “**Arrangement**”) under Section 182 of the Business Corporations Act (Ontario) (the “**OBCA**”) of Agellan Commercial Real Estate Investment Trust (the “**REIT**”), pursuant to the arrangement agreement among the REIT, Agellan Management GP Inc. (“**Agellan GP**”), Elad Genesis Limited Partnership and El-Ad Group, Ltd. dated November 13, 2018, as it may be modified, supplemented or amended from time to time in accordance with its terms (the “**Arrangement Agreement**”), all as more particularly described in the management information circular of the REIT dated December 6, 2018 (the “**Circular**”), and all transactions contemplated thereby, are hereby authorized and approved.
2. The plan of arrangement of the REIT (as it has been or may be amended, modified or supplemented in accordance with the Arrangement Agreement, or by its terms or at the direction of the Ontario Superior Court of Justice (Commercial List) (the “**Plan of Arrangement**”), the full text of which is set out in Appendix “E” to the Circular, and the completion of each of the steps described in the Plan of Arrangement (whether completed as part of the Plan of Arrangement or otherwise) are hereby authorized and approved.
3. The Arrangement Agreement and related transactions, the actions of the trustees of the REIT in approving the Arrangement Agreement, the actions of the trustees and officers of the REIT in executing and delivering the Arrangement Agreement, and any amendments, modifications or supplements thereto, and causing the performance by the REIT of its obligations thereunder, are hereby ratified, approved and confirmed.
4. The REIT be and is hereby authorized to apply for a final order from the Ontario Superior Court of Justice (Commercial List) to approve the Arrangement on the terms set forth in the Arrangement Agreement and the Plan of Arrangement (as they may be amended, modified or supplemented in accordance with the Arrangement Agreement).
5. Notwithstanding that this resolution has been passed (and the Arrangement approved) by the unitholders of the REIT or that the Arrangement has been approved by the Ontario Superior Court of Justice (Commercial List), the trustees of the REIT are hereby authorized and empowered to, without notice to or approval of the unitholders of the REIT: (a) amend, modify or supplement the Arrangement Agreement or the Plan of Arrangement to the extent permitted by their terms; and (b) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement and related transactions.
6. Any officer or trustee of the REIT is hereby authorized and directed, for and on behalf of the REIT and Agellan GP, to execute and deliver for filing with the Director under the OBCA, articles of arrangement and such other documents as are necessary or desirable to give effect to the Arrangement in accordance with the Arrangement Agreement, such determination to be conclusively evidenced by the execution and delivery of such articles of arrangement and any such other documents.
7. Any officer or trustee of the REIT is hereby authorized and directed for and on behalf of the REIT to execute or cause to be executed and to deliver or cause to be delivered all such other documents and instruments and to perform or cause to be performed all such other acts and things as such person determines may be necessary or desirable to give full effect to the foregoing resolution and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or instrument or the doing of any such act or thing.

APPENDIX C
INTERIM ORDER

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

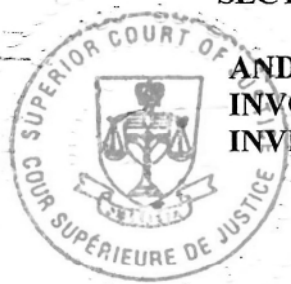
THE HONOURABLE MR.
JUSTICE HAINES

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THURSDAY, THE 6th
DAY OF DECEMBER 2018

**IN THE MATTER OF AN APPLICATION UNDER SECTION 182 OF THE
BUSINESS CORPORATIONS ACT, R.S.O. 1990 c. B. 16, AS AMENDED, AND
SECTION 60 OF THE TRUSTEE ACT, R.S.O. 1990, c. T. 23, AS AMENDED**

**AND IN THE MATTER OF A PROPOSED PLAN OF ARRANGEMENT
INVOLVING AGELLAN COMMERCIAL REAL ESTATE
INVESTMENT TRUST AND AGELLAN MANAGEMENT GP INC.**



Applicants

INTERIM ORDER

THIS MOTION made without notice by Agellan Commercial Real Estate Investment Trust (“Agellan Commercial REIT”) and Agellan Management GP Inc. (“Agellan GP”) for an interim order for advice and directions (the “Interim Order”) pursuant to section 182 of the *Business Corporations Act* (Ontario), R.S.O. 1990, c. B.16, as amended (the “OBCA”), and section 60 of the *Trustee Act*, R.S.O. 1990, c. T.23, as amended, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Notice of Application, issued on November 28, 2018 and the affidavit of Glen Ladouceur, sworn December 3, 2018 (the “Ladouceur Affidavit”), and the exhibits thereto, including the draft management information circular of Agellan Commercial REIT (the “Circular”), which is attached as Exhibit “A” to the Ladouceur Affidavit, and on hearing the submissions of counsel for the Applicants and counsel for Elad Genesis Limited Partnership (the “Purchaser”) and El-Ad Group, Ltd.,

Definitions

1. **THIS COURT ORDERS** that all capitalized words used in this Interim Order shall have the meaning ascribed thereto in the Circular or the Ladouceur Affidavit or otherwise as specifically defined herein.

The Meeting

2. **THIS COURT ORDERS** that Agellan Commercial REIT is permitted to call, hold and conduct the Meeting of the holders of trust units and special voting units (collectively, the "Units") of Agellan Commercial REIT ("Unitholders") to be held on January 10, 2019 at 10:00 a.m. at the offices of Torys LLP in Toronto, in order for Unitholders to consider and, if determined advisable, pass the Special Resolution.

3. **THIS COURT ORDERS** that the Meeting shall be called, held and conducted in accordance with the notice of meeting, which accompanies the Circular (the "Notice") and the Declaration of Trust, subject to what may be provided hereafter and subject to any further order of this Court.

4. **THIS COURT ORDERS** that the record date (the "Record Date") for determination of the Unitholders entitled to notice and to vote at the Meeting shall be December 6, 2018.

5. **THIS COURT ORDERS** that the only persons entitled to attend or speak at the Meeting shall be:

- (a) Unitholders;
- (b) officers, trustees, auditors and advisors of Agellan Commercial REIT;
- (c) representatives and advisors to the Purchaser; and
- (d) other persons who may receive the permission of the Chair of the Meeting.

6. **THIS COURT ORDERS** that Agellan Commercial REIT may transact such other business at the Meeting as is contemplated in the Notice or as may otherwise be properly before the Meeting.

Quorum

7. **THIS COURT ORDERS** that the quorum at the Meeting shall be at least two persons holding personally or by proxy not less than 10% of the outstanding Units who are entitled to vote at the Meeting.

Amendments to the Transaction and Plan of Arrangement

8. **THIS COURT ORDERS** that Agellan Commercial REIT is authorized to make, subject to the terms of the Arrangement Agreement and paragraph 9, below, such amendments, modifications or supplements to the Transaction and the Plan of Arrangement as it may determine without any additional notice to the Unitholders, or others entitled to receive notice under paragraphs 12 and 13 hereof, and the Transaction and Plan of Arrangement, as so amended, modified or supplemented shall be the Transaction and Plan of Arrangement to be submitted to the Unitholders at the Meeting and shall be the subject of the Special Resolution. Amendments, modifications or supplements may be made following the Meeting, but shall be subject to review and, if appropriate, further direction by this Court at the hearing for the final approval of the Transaction.

9. **THIS COURT ORDERS** that, if any amendments, modifications or supplements to the Transaction or Plan of Arrangement as referred to in paragraph 8, above, would, if disclosed, reasonably be expected to affect a Unitholder's decision to vote for or against the Special Resolution, notice of such amendment, modification or supplement shall be distributed, subject to further order of this Court, by press release, newspaper advertisement, prepaid ordinary mail, or by the method most reasonably practicable in the circumstances, as Agellan Commercial REIT may determine.

Amendments to the Circular

10. **THIS COURT ORDERS** that Agellan Commercial REIT is authorized to make such amendments, revisions and/or supplements to the Circular as it may determine and the Circular, as so amended, revised and/or supplemented, shall be the Circular to be distributed in accordance with paragraphs 12 and 13.

Adjournments and Postponements

11. **THIS COURT ORDERS** that Agellan Commercial REIT, if it deems advisable, is authorized to adjourn or postpone the Meeting on one or more occasions, without the necessity of first convening the Meeting or first obtaining any vote of the Unitholders respecting the adjournment or postponement, and notice of any such adjournment or postponement shall be given by such method as Agellan Commercial REIT may determine is appropriate in the circumstances. This provision shall not limit the authority of the Chair of the Meeting in respect of adjournments and postponements.

Notice of Meeting

12. **THIS COURT ORDERS** that, in order to effect notice of the Meeting, Agellan Commercial REIT shall distribute the Circular (including the Notice of Application and this Interim Order), the Notice, the forms of proxy and the letter of transmittal, along with such amendments or additional documents as Agellan Commercial REIT may determine are necessary or desirable and are not inconsistent with the terms of this Interim Order (collectively, the “Meeting Materials”) to Unitholders not later than 21 days prior to the Meeting as follows:

- (a) the registered Unitholders at the close of business on the Record Date, at least 21 days prior to the date of the Meeting, excluding the date of sending and the date of the Meeting, by one or more of the following methods:
 - (i) by pre-paid ordinary or first class mail at the addresses of the Unitholders as they appear on the books and records of Agellan Commercial REIT, or its registrar and transfer agent, at the close of business on the Record Date and if no address is shown therein, then the last address of the person known to the Corporate Secretary of Agellan Commercial REIT;
 - (ii) by delivery, in person or by recognized courier service or inter-office mail, to the address specified in (i) above; or
 - (iii) by facsimile or electronic transmission (including, without limitation, by e-mail) to any Unitholder who either has previously requested electronic

delivery of Unitholder communications from the Company or otherwise requests such transmission in writing;

- (b) non-registered Unitholders by providing sufficient copies of the Meeting Materials to intermediaries and registered nominees in a timely manner, in accordance with National Instrument 54-101 of the Canadian Securities Administrators; and
- (c) the respective trustees and auditors of Agellan Commercial REIT by delivery in person, by recognized courier service, by pre-paid ordinary or first class mail or, with the consent of the person, by facsimile or electronic transmission, at least 21 days prior to the date of the Meeting, excluding the date of sending and the date of the Meeting;

and that compliance with this paragraph shall constitute sufficient notice of the Meeting.

13. **THIS COURT ORDERS** that, in the event that Agellan Commercial REIT elects to distribute the Meeting Materials, Agellan Commercial REIT is hereby directed to distribute the Circular (including the Notice of Application, and this Interim Order), and any other communications or documents determined by Agellan Commercial REIT to be necessary or desirable (collectively, the "Court Materials") to the holders of Deferred Units by any method permitted for notice to Unitholders as set forth in paragraphs 12(a) to 12(c), above, concurrently with the distribution described in paragraph 12 of this Interim Order. Distribution to such persons shall be to their addresses as they appear on the books and records of Agellan Commercial REIT or its registrar and transfer agent at the close of business on the Record Date.

14. **THIS COURT ORDERS** that accidental failure or omission by Agellan Commercial REIT to give notice of the Meeting or to distribute the Meeting Materials to any person entitled by this Interim Order to receive notice, or any failure or omission to give such notice as a result of events beyond the reasonable control of Agellan Commercial REIT, or the non-receipt of such notice shall, subject to further order of this Court, not constitute a breach of this Interim Order nor shall it invalidate any resolution passed or proceedings taken at the Meeting. If any such failure or omission is brought to the attention of Agellan Commercial REIT, it shall use its

best efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.

15. **THIS COURT ORDERS** that Agellan Commercial REIT is hereby authorized to make such amendments, revisions or supplements to the Meeting Materials, as Agellan Commercial REIT may determine ("Additional Information"), and that notice of such Additional Information may, subject to paragraph 9, above, be distributed by press release, newspaper advertisement, pre-paid ordinary mail, or by the method most reasonably practicable in the circumstances, as Agellan Commercial REIT may determine.

16. **THIS COURT ORDERS** that distribution of the Meeting Materials pursuant to paragraphs 12 and 13 of this Interim Order shall constitute notice of the Meeting and good and sufficient service of the within Application upon the persons described in paragraphs 12 and 13, and that those persons are bound by any orders made on the within Application. Further, no other form of service of the Meeting Materials or any portion thereof need be made, or notice given or other material served in respect of these proceedings and/or the Meeting to such persons or to any other persons, except to the extent required by paragraph 9, above.

Solicitation and Revocation of Proxies

17. **THIS COURT ORDERS** that Agellan Commercial REIT is authorized to use the letter of transmittal and proxies, substantially in the form of the drafts accompanying the Circular, with such amendments and additional information as Agellan Commercial REIT may determine are necessary or desirable. Agellan Commercial REIT is authorized, at its expense, to solicit proxies, directly or through its officers, trustees or employees, and through such agents or representatives as they may retain for that purpose, and by mail or such other forms of personal or electronic communication as it may determine. Agellan Commercial REIT may waive generally, in its discretion, the time limits set out in the Circular for the deposit or revocation of proxies by Unitholders, if Agellan Commercial REIT deems it advisable to do so.

18. **THIS COURT ORDERS** that Unitholders shall be entitled to revoke their proxies in accordance with the terms set out in the Circular. Any instruments in writing: (i) may be deposited at the registered office of Agellan Commercial REIT as set out in the Circular; and (ii) any such instruments must be received by Agellan Commercial REIT or its transfer agent

not later than 10:00 a.m. (Toronto time) on the second business day immediately before the Meeting (or no later than 48 hours, excluding Saturday, Sundays and holidays in the Province of Ontario, before any adjournment or postponement thereof).

Voting

19. **THIS COURT ORDERS** that the only persons entitled to vote in person or by proxy on the Special Resolution, or such other business as may be properly brought before the Meeting, shall be those persons who hold Units as of the close of business on the Record Date. Illegible votes, spoiled votes, defective votes and abstentions shall be deemed to be votes not cast. Proxies that are properly signed and dated but which do not contain voting instructions shall be voted in favour of the Special Resolution.

20. **THIS COURT ORDERS** that votes shall be taken at the Meeting on the basis of one vote per Unit, and that in order for the Plan of Arrangement to be implemented, subject to further Order of this Court, the Special Resolution must be passed, with or without variation, at the Meeting by at least 66 $\frac{2}{3}$ % of the votes cast by holders of Units, voting as a single class, present in person or represented by proxy at the Meeting, and by a simple majority of votes cast at the Meeting in person or by proxy by Unitholders, excluding the votes required to be excluded pursuant to Multilateral Instrument 61-101 -- *Protection of Minority Security Holders in Special Transactions*. Such votes shall be sufficient to authorize Agellan Commercial REIT to do all such acts and things as may be necessary or desirable to give effect to the Transaction and the Plan of Arrangement on a basis consistent with what is provided for in the Circular without the necessity of any further approval by the Unitholders, subject only to final approval of the Transaction by this Court.

21. **THIS COURT ORDERS** that in respect of matters properly brought before the Meeting pertaining to items of business affecting Agellan Commercial REIT (other than in respect of the Special Resolution), each holder is entitled to one vote for each Unit held and the vote required to approve such business shall be the affirmative vote of a majority of the votes cast by holders of Units present in person or by proxy at the Meeting.

Dissent Rights

22. **THIS COURT ORDERS** that each registered holder of Trust Units shall be entitled to exercise Dissent Rights in connection with the Special Resolution in accordance with the Plan of Arrangement and this Interim Order. Any registered holder of Trust Units who wishes to dissent must, as a condition precedent thereto, provide written objection to the Special Resolution to Agellan Commercial REIT not later than 10:00 a.m. (Toronto time) two business days immediately preceding the Meeting (or if the Meeting is adjourned or postponed, 48 hours (excluding Saturday, Sundays and holidays in the Province of Ontario) prior to the adjourned or postponed Meeting).

23. **THIS COURT ORDERS** that any registered holder of Trust Units who duly exercises such Dissent Rights set out in paragraph 22 above and who:

- (a) is ultimately determined by this Honourable Court to be entitled to be paid fair value for his, her or its Trust Units, shall be deemed to have transferred and assigned those Trust Units as of the Effective Time, without any further act or formality on its part, to the Purchaser (free and clear of any Liens) in exchange for a debt claim against Agellan Commercial REIT equal to such fair value; or
- (b) is for any reason ultimately determined by this Honourable Court not to be entitled to be paid fair value for his, her or its Trust Units to the exercise of the Dissent Right, shall be deemed to have participated in the Transaction on the same basis and at the same time as any non-dissenting Unitholders,

but in no case shall Agellan Commercial REIT or the Purchaser or any other person be required to recognize such registered holders of Trust Units as holders of Units of Agellan Commercial REIT at or after the date upon which the Transaction becomes effective and the names of such registered holders of Trust Units shall be deleted from Agellan Commercial REIT's register of Trust Units.

Hearing of Application for Approval of the Transaction

24. **THIS COURT ORDERS** that upon approval by the Unitholders of the Plan of Arrangement in the manner set forth in this Interim Order, Agellan Commercial REIT and Agellan GP may apply to this Court for final approval of the Transaction.

25. **THIS COURT ORDERS** that distribution of the Notice of Application and the Interim Order in the Circular, when sent in accordance with paragraphs 12 and 13, shall constitute good and sufficient service of the Notice of Application and this Interim Order and no other form of service need be effected and no other material need be served unless a Notice of Appearance is served in accordance with paragraph 26.

26. **THIS COURT ORDERS** that any Notice of Appearance served in response to the Notice of Application shall be served on the lawyers for Agellan Commercial REIT and Agellan GP, as soon as reasonably practicable, and, in any event, no less than five days before the hearing of this Application at the following address:

Andrew Gray
Torys LLP
79 Wellington Street West
Toronto, Ontario
M5K 1N2 Canada
email: agray@torys.com

with a copy to counsel for the Purchaser:

Samaneh Hosseini
Stikeman Elliott LLP
5300 Commerce Court West
199 Bay Street
Toronto, Ontario
M5L 1B9 Canada
email: SHosseini@stikeman.com

27. **THIS COURT ORDERS** that, subject to further order of this Court, the only persons entitled to appear and be heard at the hearing of the within application shall be Agellan Commercial REIT, Agellan GP, the Purchaser, and any person who has filed a Notice of Appearance herein in accordance with the Notice of Application, this Interim Order and the *Rules of Civil Procedure*.

28. **THIS COURT ORDERS** that any materials to be filed by Agellan Commercial REIT in support of the within Application for final approval of the Transaction may be filed up the day prior to the hearing of the Application without further order of this Court.

29. **THIS COURT ORDERS** that in the event the within Application for final approval does not proceed on the date set forth in the Notice of Application, and is adjourned, only those persons who served and filed a Notice of Appearance in accordance with paragraph 26 shall be entitled to be given notice of the adjourned date.

Precedence

30. **THIS COURT ORDERS** that, to the extent of any inconsistency or discrepancy between this Interim Order and the terms of any instrument creating, governing or collateral to the Units, Deferred Units or Unit Options, or Declaration of Trust, this Interim Order shall govern.

Extra-Territorial Assistance

31. **THIS COURT** seeks and requests the aid and recognition of any court or any judicial, regulatory or administrative body in any province of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province and any court or any judicial, regulatory or administrative body of the United States or other country to act in aid of and to assist this Court in carrying out the terms of this Interim Order.

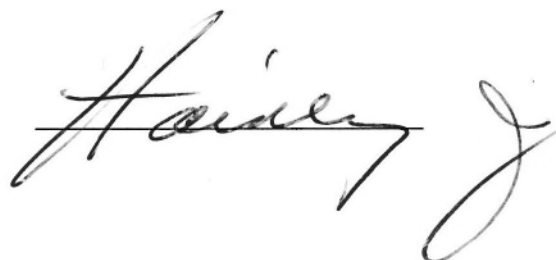
Variance

32. **THIS COURT ORDERS** that Agellan Commercial REIT and Agellan GP shall be entitled to seek leave to vary this Interim Order upon such terms and upon the giving of such notice as this Court may direct.

ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

DEC 06 2018

PER / PAR:

IN THE MATTER OF AN APPLICATION UNDER SECTION 182 OF THE *BUSINESS CORPORATIONS ACT*, R.S.O. 1990 c. B. 16, AS AMENDED, AND SECTION 60 OF THE *TRUSTEE ACT*, R.S.O. 1990, c. T. 23, AS AMENDED

Court File No: CV-18-00609712-00CCL

AND IN THE MATTER OF A PROPOSED PLAN OF ARRANGEMENT INVOLVING AGELLAN COMMERCIAL REAL ESTATE INVESTMENT TRUST AND AGELLAN MANAGEMENT GP INC.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

INTERIM ORDER

TORYS LLP

Suite 3000

79 Wellington Street West

Toronto, Ontario

M5K 1N2 Canada

Andrew Gray (LSUC#: 46626V)

Tel: 416.865.7630

Alexandra Shelley (LSUC#: 68903F)

Tel: 416.865.8161

Fax: 416.865.7380

Lawyers for the Applicants

APPENDIX D
NOTICE OF APPLICATION FOR FINAL ORDER

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF AN APPLICATION UNDER SECTION 182 OF THE
BUSINESS CORPORATIONS ACT, R.S.O. 1990 c. B. 16, AS AMENDED, AND
SECTION 60 OF THE TRUSTEE ACT, R.S.O. 1990, c. T. 23, AS AMENDED**

**AND IN THE MATTER OF A PROPOSED PLAN OF ARRANGEMENT
INVOLVING AGELLAN COMMERCIAL REAL ESTATE INVESTMENT TRUST
AND AGELLAN MANAGEMENT GP INC.**



Applicants

NOTICE OF APPLICATION

TO THE RESPONDENTS:

A LEGAL PROCEEDING HAS BEEN COMMENCED by the applicants. The claim made by the applicants appears on the following page.

THIS APPLICATION will come on for a hearing before a Judge presiding over the Commercial List on Tuesday January 14, 2019, at 10:00 a.m. or as soon after that time as the Application may be heard, at 330 University Avenue, Toronto, Ontario.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the Rules of Civil Procedure, serve it on the applicants' lawyer or, where the applicants do not have a lawyer, serve it on the applicants, and file it, with proof of service, in this court office at least five days before the hearing, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the applicants' lawyer or, where the applicants do not have a lawyer, serve it on the applicants, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least five days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date November ²⁸~~27~~, 2018

Issued by Ray Williams
Local registrar
Ray Williams, Registrar

Address of court office 330 University Avenue
Toronto, Ontario
M5G 1R7 Canada

TO: The Holders of Trust Units of
Agellan Commercial Real Estate Investment Trust

AND TO: The Trustees and Auditors of
Agellan Commercial Real Estate Investment Trust

AND TO: The Directors and Auditors of
Agellan Management GP Inc.

AND TO: Elad Genesis Limited Partnership
and El-Ad Group, Ltd
c/o Stikeman Elliott LLP
5300 Commerce Court West
199 Bay Street
Toronto, Ontario
M5L 1B9 Canada
Attn: Samaneh Hosseini

APPLICATION

1. Agellan Commercial Real Estate Investment Trust (“Agellan Commercial REIT”) and Agellan Management GP Inc. (“Agellan GP”) make application for:

- (a) an interim order for advice and directions pursuant to the Amended and Restated Declaration of Trust of Agellan Commercial REIT, as further amended and restated on November 13, 2017 (the “Declaration of Trust”), section 60 of the *Trustee Act*, R.S.O. 1990, c. T. 23, as amended (“Trustee Act”), and section 182(5) of the *Business Corporations Act* (Ontario), R.S.O. 1990, c. B.16, as amended (“OBCA”) with respect to calling, holding and conducting a special meeting (the “Meeting”) of the holders of trust units of Agellan (the “Unitholders”, which term excludes holders of special voting units) to consider, among other things, a plan of arrangement involving the Applicants and the Unitholders (the “Arrangement”);
- (b) an order approving the Arrangement; and
- (c) such further and other relief as counsel may request and this Honourable Court may deem just.

2. The grounds for the application are:

- (a) Agellan GP is a company incorporated under the provisions of the OBCA, with its head office on Toronto, Ontario;
- (b) Agellan Commercial REIT is an unincorporated open-ended investment trust, established under the laws of the Province of Ontario pursuant to the Declaration of Trust, and has its head office in Toronto, Ontario;
- (c) the Arrangement is an “arrangement” within the meaning of s. 182(1) of the OBCA and involves, among other things, the acquisition of the outstanding trust units of Agellan Commercial REIT;
- (d) all preconditions to the approval of the Arrangement by the Court will have been satisfied prior to the hearing of the Application;
- (e) the Arrangement is fair and reasonable;

- (f) section 182 of the OBCA;
- (g) section 60 of the Trustee Act;
- (h) Rules 14.05(1), 14.05(2), 14.05(3), 17.02 and 38 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194; and
- (i) such further and other grounds as counsel may advise and this Honourable Court may permit.

3. The following documentary evidence will be used at the hearing of the application:

- (a) such Interim Order as may be granted by this Honourable Court;
- (b) affidavit evidence, to be sworn, including supplementary evidence setting out compliance with the Interim Order and the results of the Meeting; and
- (c) such further and other material as counsel may advise and this Honourable Court may permit.

Notice of this Application to Shareholders outside Ontario is given pursuant to rules 17.02(n) and 17.02(o) of the *Rules of Civil Procedure*.

24
November 27, 2018

TORYS LLP
Suite 3000
79 Wellington St. W.
Toronto, Ontario
M5K 1N2 Canada

Andrew Gray (46626V)
Tel: 416.865.7630
Fax: 416.865.7380

Lawyers for the Applicants

IN THE MATTER OF AN APPLICATION UNDER SECTION 182 OF THE *BUSINESS CORPORATIONS ACT*, R.S.O. 1990 c. B. 16, AS AMENDED AND SECTION 60 OF THE *TRUSTEE ACT*, R.S.O. 1990, c. T. 23 AS AMENDED

AND IN THE MATTER OF A PROPOSED PLAN OF ARRANGEMENT INVOLVING AGELLAN COMMERCIAL REAL ESTATE INVESTMENT TRUST AND AGELLAN MANAGEMENT GO INC.

CV-18-00609 712-0000
Court File No:

14-Jan-2019

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

NOTICE OF APPLICATION
(Returnable January 14, 2019)

TORYS LLP

Suite 3000
79 Wellington St. W.
Toronto, Ontario
M5K 1N2 Canada

Andrew Gray (46626V)
Tel: 416.865.7630
Fax: 416.865.7380

Lawyers for the Applicants



APPENDIX E
PLAN OF ARRANGEMENT

**Plan of Arrangement under Section 182
of the
Business Corporations Act (Ontario)**

**and Section 60
of the *Trustee Act***

**ARTICLE 1.
INTERPRETATION**

1.1 Defined Terms

As used in this Plan of Arrangement, the following terms have the following meanings:

“**affiliate**” has the meaning specified in National Instrument 45-106 – *Prospectus Exemptions* as in effect on the date hereof.

“**Agellan Canada**” means Agellan Commercial REIT Holdings Inc., a corporation existing under the laws of the Province of Ontario.

“**Agellan Canada Super Voting Shares**” means Class A Shares in the capital of Agellan Canada having 5,000,000 votes per share, but otherwise having the same rights and privileges as the common shares in the capital of Agellan Canada.

“**Agellan GP**” means Agellan Management GP Inc., a corporation existing under the laws of the Province of Ontario.

“**Agellan Participating US Subsidiaries**” means: (a) Agellan Commercial REIT U.S. LP; a limited partnership formed under the laws of the State of Delaware; (b) Agellan Warrentville LP, a limited partnership formed under the laws of the State of Delaware; (c) 9385 Washington Blvd. LP, a limited partnership formed under the laws of the State of Delaware; (d) 6100 McIntosh LP, a limited partnership formed under the laws of the State of Delaware; (e) Norcross Springs LP, a limited partnership formed under the laws of the State of Delaware; (f) Continental Drive LP, a limited partnership formed under the laws of the State of Delaware; (g) Chicago Industrial Properties 1 LP, a limited partnership formed under the laws of the State of Delaware; (h) Corridor Park LP, a limited partnership formed under the laws of the State of Delaware; and (i) 10410-10420 Miller Road LLC, a limited liability company existing under the laws of the State of Texas.

“**Agellan US Inc.**” means Agellan Commercial REIT US Inc., a corporation existing under the laws of the State of Delaware.

“**Arrangement**”, “**herein**”, “**hereof**”, “**hereto**”, “**hereunder**” and similar expressions mean and refer to the arrangement pursuant to section 182 of the OBCA and section 60 of the Trustee Act on the terms and subject to the conditions set forth in this Plan of Arrangement as supplemented, modified or amended, and not to any particular article, section or other portion hereof.

“Arrangement Agreement” means the arrangement agreement dated November 13, 2018 between the Purchaser, the Parent, the REIT and Agellan GP, including all schedules thereto, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof.

“Arrangement Resolution” means the special resolution approving this Plan of Arrangement that was considered at the Meeting.

“Articles of Arrangement” means the articles of arrangement in respect of the Arrangement required by the OBCA to be sent to the Director after the Final Order is made, which shall include the Plan of Arrangement and otherwise be in a form and content satisfactory to the REIT, Agellan GP and the Purchaser, each acting reasonably.

“Buildings” means all buildings, fixtures, structures, erections, improvements and appurtenances located on, in or under the Lands; and **“Building”** means any one of the Buildings.

“Business Day” means any day of the year, other than a Saturday, Sunday or any day on which Schedule I chartered banks are closed for business in Toronto, Ontario.

“Certificate of Arrangement” means the certificate of arrangement to be issued by the Director pursuant to subsection 183(2) of the OBCA in respect of the Articles of Arrangement.

“Circular” means the notice of the Meeting and accompanying management information circular, including all schedules, appendices and exhibits thereto, and information incorporated by reference in, such management information circular, sent to, among others, Unitholders and each other Person as required by the Interim Order and Law in connection with the Meeting, as amended, supplemented or otherwise modified from time to time.

“Class B LP Units” means Class B limited partnership units of Management LP.

“Consideration” means \$14.25 in cash, without interest, for each Trust Unit held.

“Constating Documents” means: (a) articles of incorporation, amalgamation, or continuation, as applicable, and by-laws; (b) declarations of trust; (c) partnership agreements; or (d) other applicable governing instruments, and all amendments thereto.

“Court” means the Ontario Superior Court of Justice (Commercial List).

“Deferred Unit Incentive Plan” means the amended and restated deferred unit incentive plan of the REIT effective as of April 27, 2015.

“Deferred Unit Payment” has the meaning specified in Section 2.4(j).

“Deferred Units” means deferred units and income deferred units issued pursuant to the Deferred Unit Incentive Plan.

“Depository” means Computershare Trust Company of Canada or such other Person that may be appointed by the REIT and the Purchaser to act as depository in connection with the Arrangement.

“Director” means the Director appointed pursuant to section 278 of the OBCA.

“Dissent Rights” has the meaning specified in Section 4.1(a).

“Dissenting Unitholder” means a registered holder of Trust Units who has validly exercised its Dissent Rights and has not withdrawn, or been deemed to have withdrawn, such exercise of Dissent Rights.

“Dissenting Units” means the Trust Units held by Dissenting Unitholders in respect of which Dissent Rights have been and remain validly exercised at the Effective Time.

“Effective Date” means the date shown on the Certificate of Arrangement giving effect to the Arrangement.

“Effective Time” means 12:01 a.m. on the Effective Date, or such other time as the Parties agree to in writing before the Effective Date.

“Excess Funds” has the meaning specified in Section 2.4(b).

“Exchange Agreement” means the exchange agreement dated November 13, 2017 among, *inter alios*, the REIT and Management LP.

“Final Order” means the final order of the Court in a form acceptable to the REIT, Agellan GP and the Purchaser, each acting reasonably, approving the Arrangement pursuant to subsection 182(4) of the OBCA and section 60 of the Trustee Act, as such order may be amended, modified, supplemented or varied by the Court (with the consent of the REIT, Agellan GP and the Purchaser, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended, modified, supplemented or varied (provided that any such amendment is acceptable to the REIT, Agellan GP and the Purchaser, each acting reasonably) on appeal.

“Governmental Entity” means: (a) any international, multinational, national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission (including any securities commission or similar regulatory authority), board, bureau, ministry, agency or instrumentality, domestic or foreign; (b) any subdivision, agent or authority of any of the above; (c) any quasi-governmental body, professional body or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; or (d) any stock exchange.

“Intercompany Debt Amount” has the meaning specified in Section 2.4(c).

“Interim Order” means the interim order of the Court pursuant to subsection 182(5) of the OBCA and section 60 of the Trustee Act in a form acceptable to the REIT, Agellan GP and the Purchaser, each acting reasonably, providing for, among other things, the calling and holding of the Meeting, as such order may be amended, modified, supplemented or varied by the Court (with the consent of the REIT, Agellan GP and the Purchaser, each acting reasonably).

“JV Entity” means any Person that: (a) owns a Property; and (b) is owned by the REIT or one of its Subsidiaries together with one or more JV Partners.

“JV Partner” means any Person (other than the REIT or its Subsidiaries) that owns an interest in a Property or a JV Entity.

“JV Property” means a Property that is, directly or indirectly, owned by the REIT or one of its Subsidiaries together with one or more JV Partners.

“Lands” means all of the lands and premises in which the REIT or any of its Subsidiaries have a direct or indirect ownership interest, whether a freehold or leasehold interest.

“Law” means, with respect to any Person, any and all applicable law (including statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling, published administrative policy, guideline, notice, protocol or other similar requirement, whether domestic or foreign, enacted, adopted, incorporated by reference, promulgated or applied by a Governmental Entity, in each case having the force of law and that is binding upon or applicable to such Person or its business, undertaking, property or securities.

“Lender” means the lenders identified in, and any other Person who becomes a lender in respect of, the Purchaser Debt Financing pursuant to the Purchaser Commitment Letter or to any joinder agreements, indentures or credit agreements entered into pursuant thereto or relating thereto.

“Letter of Transmittal” means the letter of transmittal accompanying the Circular sent to the Unitholders.

“Lien” means any mortgage, charge, pledge, hypothec, security interest, prior claim, encroachments, option, right of first refusal or first offer, occupancy right, covenant, assignment, lien (statutory or otherwise), defect of title, or restriction or adverse right or claim, or other third party interest or encumbrance of any kind, in each case, whether contingent or absolute.

“LPA” means the limited partnership agreement of Management LP dated as of September 15, 2017.

“Management LP” means Agellan Management Limited Partnership.

“Meeting” means the special meeting of Unitholders, including any adjournment or postponement of such special meeting in accordance with the terms of the Arrangement

Agreement, called and held in accordance with the Interim Order to consider and, if deemed advisable, approve the Arrangement, the Arrangement Resolution, ancillary matters to the foregoing, if agreed by the Purchaser acting reasonably, and for any other purpose set out in the Circular.

“**OBCA**” means the *Business Corporations Act* (Ontario).

“**Parent**” means El-Ad Group, Ltd., a limited company existing under the laws of Bermuda.

“**Parkway Place Sale Transaction**” means the sale by the REIT on May 31, 2018 of the office property and retail space located on Consumers Road, in Toronto, Ontario.

“**Parkway Place Special Distribution**” means the special distribution in connection with the Parkway Place Sale Transaction made by the REIT to Trust Unitholders on or before December 31, 2018 in accordance with the terms of the Arrangement Agreement.

“**Parties**” means the REIT, Agellan GP, the Parent and the Purchaser.

“**Person**” includes an individual, general partnership, limited partnership, corporation, company, limited liability company, body corporate, joint venture, unincorporated organization, other form of business organization, trust, trustee, executor, administrator or other legal representative, government (including any Governmental Entity) or any other entity, whether or not having legal status.

“**Plan of Arrangement**” means this plan of arrangement, subject to any amendments or variations made in accordance with the Arrangement, or made at the direction of the Court in the Final Order (with the prior written consent of the REIT and the Purchaser, each acting reasonably).

“**Purchaser**” means Elad Genesis Limited Partnership, a limited partnership existing under the laws of the Province of Ontario, or an affiliate assignee thereof in accordance with the terms of the Arrangement Agreement.

“**Purchaser Commitment Letter**” means the commitment letter dated the date of the Arrangement Agreement between the Purchaser and the Lender.

“**Purchaser Debt Financing**” means the agreement of the Lender to lend, subject to the terms and conditions of the Purchaser Commitment Letter, the amounts set forth therein, the proceeds of which will be used by the Purchaser for, among other things, financing the Consideration.

“**REIT**” means Agellan Commercial Real Estate Investment Trust, a trust established under the laws of the Province of Ontario.

“**REIT Declaration of Trust**” means the Amended and Restated Declaration of Trust of the REIT dated as of November 13, 2017, as it may be further amended or restated from time to time, which is governed by the laws of the Province of Ontario.

“REIT Entities” means the REIT and Subsidiaries of the REIT immediately before the Effective Time.

“Special Voting Unit” means a special voting unit of the REIT having the attributes described in the REIT Declaration of Trust.

“Subsidiary” means, with respect to a Person, a corporation, partnership, trust, limited liability company, unlimited liability company, joint venture (including, with respect to the REIT, any JV Entity) or other Person of which either: (a) such Person or any other subsidiary of the Person is a general partner, managing member or functional equivalent; (b) voting power to elect a majority of the board of directors or trustees or others performing a similar function with respect to such organization is held by such Person or by any one or more of such Person’s subsidiaries; or (c) more than 50% of the equity interest is controlled, directly or indirectly, by such Person. For greater certainty, except as expressly provided otherwise, all references in this Plan of Arrangement to a Subsidiary of the REIT or “the REIT or any of its Subsidiaries” or such similar references includes any JV Entity.

“Tax Act” means the *Income Tax Act* (Canada).

“Trust Unit” means a unit of interest in the REIT but, for greater certainty, excludes a Special Voting Unit.

“Trust Unitholder” means the registered or beneficial holder of a Trust Unit.

“Trustee Act” means the *Trustee Act* (Ontario).

“TSX” means the Toronto Stock Exchange.

“Unit Option Payment” has the meaning specified in Section 2.4(k).

“Unit Option Plan” means the unit option plan of the REIT amended and restated effective as of April 27, 2015.

“Unit Options” means an option to purchase Trust Units granted pursuant to the Unit Option Plan.

“Unitholder” means a registered or beneficial holder of a Trust Unit or a Special Voting Unit.

“Unitholder Rights Plan” means the unitholder rights plan of the REIT dated as of June 13, 2016.

“Units” means, collectively, the Trust Units and Special Voting Units.

- 1.2** Unless otherwise stated, all references in this Plan of Arrangement to sums of money are expressed in, and all payments provided for herein shall be made in, Canadian currency and “\$” refers to Canadian dollars.

- 1.3** The division of this Plan of Arrangement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement.
- 1.4** Unless reference is specifically made to some other document or instrument, all references herein to “Articles” and “Sections” are to articles and sections of this Plan of Arrangement.
- 1.5** Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa; words importing any gender shall include all genders. Wherever the term “includes” or “including” is used, it shall be deemed to mean “includes, without limitation” or “including, without limitation”, respectively.
- 1.6** In the event that the date on which any action is required to be taken hereunder by any of the Parties is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.
- 1.7** A period of time is to be computed as beginning on the day following the event that began the period and ending at 4:30 p.m. on the last day of the period, if the last day of the period is a Business Day, or at 4:30 p.m. on the next Business Day if the last day of the period is not a Business Day. If the date on which any action is required or permitted to be taken under this Plan of Arrangement by a Person is not a Business Day, such action shall be required or permitted to be taken on the next succeeding day which is a Business Day.
- 1.8** References to time herein or in any Letter of Transmittal are to local time, Toronto, Ontario, Canada.
- 1.9** Any reference to a statute refers to such statute and all rules and regulations made under it, as it or they may have been or may from time to time be amended or reenacted, unless stated otherwise.

ARTICLE 2. THE ARRANGEMENT

2.1 Arrangement Agreement

This Plan of Arrangement is made pursuant to and subject to the provisions of the Arrangement Agreement.

2.2 Binding Effect

This Plan of Arrangement and the Arrangement, upon the filing of the Articles of Arrangement and the issue of the Certificate of Arrangement, if any, shall become effective at the Effective Time, and shall be binding on the Purchaser, the Parent, the REIT, Agellan GP, all registered holders and beneficial owners of the Units, including Dissenting Units, all holders of Units Options and Deferred Units, the registrar and

transfer agent of the REIT, the Depositary and all other Persons, at and after the Effective Time, without any further act or formality required on the part of any Person.

- 2.3** The Articles of Arrangement and the Certificate of Arrangement shall be filed and issued, respectively, with respect to this Arrangement in its entirety. The Certificate of Arrangement shall be conclusive evidence that the Arrangement has become effective and that each of the provisions of Section 2.4 has become effective in the sequence and at the times set out therein. If no Certificate of Arrangement is required to be issued by the Director pursuant to subsection 183(2) of the OBCA, the Arrangement shall become effective on the date that the Articles of Arrangement are sent to the Director pursuant to subsection 183(1) of the OBCA.

2.4 Arrangement

Commencing at the Effective Time, each of the steps set out below shall occur in the following order without any further act or formality:

- (a) The proceeds of the Purchaser Debt Financing will be loaned to the Agellan Participating US Subsidiaries in such amounts as specified by the Purchaser prior to the Effective Date.
- (b) Each Agellan Participating US Subsidiary will transfer to Agellan US Inc., by way of a non-interest bearing loan, the amount by which the proceeds received in Section 2.4(a) exceed the amount of all outstanding Loans of such Agellan Participating US Subsidiary (collectively, any such amounts being the “**Excess Funds**”).
- (c) Agellan US Inc. will transfer any Excess Funds to the REIT as a repayment of all then outstanding promissory note(s) issued by Agellan US Inc. to the REIT (the aggregate amount of such notes being, the “**Intercompany Debt Amount**”) and, to the extent the amount of any Excess Funds exceeds the Intercompany Debt Amount, by way of a non-interest bearing loan equal to such excess amount.
- (d) The REIT will transfer any Excess Funds to the Purchaser by way of a non-interest bearing loan, which amount is directed by the Purchaser to be delivered by the REIT to the Depositary on behalf of, and for the benefit of, the Purchaser.
- (e) Notwithstanding the terms of the Unitholder Rights Plan, the Unitholder Rights Plan shall be terminated and all rights issued pursuant to the Unitholder Rights Plan, if any, shall be cancelled without any payment in respect thereof.
- (f) The REIT Declaration of Trust and the Exchange Agreement shall be amended to the extent necessary to facilitate the Arrangement and the implementation of the steps and transactions described herein.
- (g) The REIT shall pay, as a special distribution to the Trust Unitholders, the amount, if any, that is determined by it prior to the Effective Time to be equal to its bona fide best estimate of the aggregate of (I) the amount, if any, of its taxable income

for the taxation year of the REIT had such taxation year ended on the Effective Date (such amount to be determined without reference to paragraph 82(1)(b) of the Tax Act and to be reduced to take into account any deductions under subsection 104(6) of the Tax Act in respect of prior distributions during that period) and (II) the non-taxable portion of any capital gain realized by the REIT in such taxation year, by the issuance of such number of Trust Units equal to the quotient obtained when such aggregate amount, as bona fide best estimated by the REIT, is divided by the closing price of the Trust Units on the TSX on the last trading day immediately prior to Effective Date. For greater certainty, the income of the REIT as determined for purposes of this Section 2.4(g) shall include any foreign exchange gain realized by the REIT as a result of the repayment of the Intercompany Debt Amount in Section 2.4(c)

- (h) The issued and outstanding Trust Units will be consolidated to ensure that the number of outstanding Trust Units after the special distribution pursuant to Section 2.4(g) remains the same as that immediately before such special distribution, except in the case of a Trust Unitholder not resident in Canada for purposes of the Tax Act to the extent tax is required to be withheld in respect of such special distribution.
- (i) Notwithstanding the terms of the LPA, the Exchange Agreement or the Declaration of Trust, each Class B LP Unit shall be exchanged for one Trust Unit and the REIT shall cancel all Special Voting Units for no consideration.
- (j) Each Deferred Unit outstanding immediately prior to the Effective Time (whether vested or unvested) shall, notwithstanding the terms of the Deferred Unit Incentive Plan and without any further action by or on behalf of a holder of Deferred Units, be cancelled in exchange for a cash payment from the REIT of an amount equal to the Consideration (the “**Deferred Unit Payment**”), less applicable withholdings, all in full satisfaction of the obligations of the REIT in respect of the Deferred Units.
- (k) Each Unit Option outstanding immediately prior to the Effective Time (whether vested or unvested) shall be deemed to be unconditionally and fully vested and exercisable in accordance with its terms, and each such Unit Option shall, notwithstanding the terms of the Unit Option Plan and without any further action by or on behalf of the holder of such Unit Option, be deemed to be surrendered and transferred by such holder to the REIT in exchange for a cash payment from the REIT equal to the amount (if any) by which the Consideration in respect of each Trust Unit underlying such Unit Option exceeds the exercise price of such Unit Option (the “**Unit Option Payment**”), less applicable withholdings, and each Unit Option shall immediately be cancelled, all in full satisfaction of the obligations of the REIT in respect of the Unit Options. For greater certainty, where the Unit Option Payment amount in respect of a Unit Option is zero or negative, no Unit Option Payment will be payable to the holder of such Unit Option.

- (l) (i) Each holder of a Unit Option and each holder of a Deferred Unit shall cease to be a holder of such Unit Option or such Deferred Unit, as the case may be, (ii) each such holder's name shall be removed from each applicable register, (iii) the Unit Option Plan, the Deferred Unit Incentive Plan and any and all agreements, arrangements and understandings relating to any and all of the Unit Options or the Deferred Units shall be terminated and shall be of no further force and effect, and (iv) each such holder shall thereafter have only the right to receive the Unit Option Payment or the Deferred Unit Payment to which they are entitled pursuant to Section 2.4(j) or 2.4(k), as applicable, at the time and in the manner specified therein and contemplated hereby.
- (m) Agellan Canada will issue one (1) Agellan Canada Super Voting Share to the Purchaser for aggregate consideration of \$10.00 cash.
- (n) Concurrently with the issuance in Section 2.4(m), each Dissenting Unit shall be transferred and assigned and be deemed to be transferred and assigned by such Dissenting Unitholder, without any further act or formality on its part, to the Purchaser (free and clear of any Liens) in exchange for a debt claim against the REIT for the amount determined under Article 4.
- (o) Concurrently with the issuance in Section 2.4(m) and the transfer and assignment in Section 2.4(n), each Trust Unit (other than Dissenting Units and Trust Units held by the Purchaser or any of its affiliates) shall be transferred and assigned, without any further act or formality on its part, to the Purchaser (free and clear of any Liens) in exchange for the Consideration.
- (p) The resignations referred to in Article 5 shall become effective.

For greater certainty, none of the foregoing steps shall occur unless all of the foregoing steps occur.

ARTICLE 3. CONSIDERATION, REGISTERS AND CERTIFICATES

3.1 Registers of Holders and Certificates for Trust Units

- (a) In connection with the steps involving Trust Units:
 - (i) Effective at the time of the step in Section 2.4(n): (i) the Dissenting Unitholders in this step shall cease to be the holders of such Dissenting Units and to have any rights as holders of the corresponding Dissenting Units, other than, subject to Section 3.6, the right to be paid fair value, as determined under Section 4.1(a), for such Dissenting Units, (ii) the Dissenting Unitholders' names shall be removed as the holders of such Dissenting Units from the registers of the Trust Units maintained by or on behalf of the REIT, and (iii) the Purchaser shall be deemed to be the transferee of such Dissenting Units (free and clear of all Liens) and shall

be entered in the registers of the Trust Units maintained by or on behalf of the REIT; and

- (ii) Effective at the time of the step in Section 2.4(o): (i) the holders of Trust Units transferred and assigned to the Purchaser in this step shall cease to be the holders of such Trust Units, other than, subject to Section 3.6, the right to receive Consideration for such Trust Units, (ii) such holders' names shall be removed as the holders of such Trust Units from the registers of the Trust Units maintained by or on behalf of the REIT, and (iii) the Purchaser shall be deemed to be the transferee of such Trust Units (free and clear of all Liens) and shall be entered in the registers of the Trust Units maintained by or on behalf of the REIT.
- (b) After completion of the steps in Section 2.4, each certificate formerly representing outstanding Trust Units immediately prior to the Effective Time shall represent only the right to receive, in the case of certificates held by Dissenting Unitholders described in Section 4.1(a), the fair value of the Trust Units represented by such certificates, and, in the case of all other Trust Unitholders, the Consideration that the former Trust Unitholder is entitled to in accordance with the terms of the Arrangement upon such Trust Unitholder depositing with the Depositary the certificate and such other documents and instruments as the Depositary may reasonably require and subject to compliance with the requirements set forth in this Article 3.

3.2 Payment of Consideration

- (a) Following receipt by the REIT of the Final Order prior to the Effective Date, the Purchaser shall deliver or cause to be delivered to the Depositary sufficient funds to satisfy the aggregate Consideration payable to Trust Unitholders in accordance with Section 2.4, which cash shall be held by the Depositary as agent and nominee for such former Trust Unitholders for distribution to such former Trust Unitholders in accordance with the provisions of this Section 3.2.
- (b) In accordance with the timing set out in Section 2.4, the Depositary shall, in accordance with the terms of the Arrangement, cause individual cheques (or, if requested by such Trust Unitholders or required by applicable Law, wire transfers) to be sent to those Persons who have deposited the certificates which prior to the Effective Time represented outstanding Trust Units, together with a duly completed and executed Letter of Transmittal and such other documents and instruments as the Depositary may reasonably require. Such cheques and wire transfers shall be:
 - (i) in the case of cheques, forwarded by first class mail, postage pre-paid, to the Person and at the address specified in the relevant Letter of Transmittal or, if no address has been specified therein, at the address specified for the particular Trust Unitholder in the register of the Trust Unitholders of the Trust Units;

- (ii) in the case of wire transfers, sent to an account specified in the relevant Letter of Transmittal; or
- (iii) if requested by such Trust Unitholder in the Letter of Transmittal, made available or caused to be made available at the Depositary for pick up by such Trust Unitholder.

Cheques mailed pursuant hereto will be deemed to have been delivered at the time of delivery thereof to the post office.

- (c) All amounts receivable by the Trust Unitholders pursuant to the Arrangement shall be without interest and any interest earned on funds held in trust by the Depositary for the benefit of such Persons shall be for the sole benefit of the Purchaser.
- (d) Any payment made by way of cheque by the Depositary pursuant to the Arrangement that has not been deposited or has been returned to the Depositary or that otherwise remains unclaimed, in each case, on or before the sixth anniversary of the Effective Date, and any right or claim to payment hereunder that remains outstanding on the sixth anniversary of the Effective Date shall cease to represent a claim or interest of any kind or nature against the REIT, the Parent and the Purchaser and any right of the Trust Unitholder to receive the Consideration for any Trust Units pursuant to the Arrangement shall be deemed to have been surrendered for no consideration to the Purchaser.

3.3 Distributions with Respect to Unsurrendered Certificates

No distributions declared or made with respect to the Trust Units with a record date after the Effective Time shall be paid to a Trust Unitholder for any unsurrendered certificate which immediately prior to the Effective Time represented outstanding Trust Units.

3.4 Lost Instruments of Certificates

In the event that any instrument or certificate which immediately prior to the Effective Time represented one or more outstanding Trust Units that were transferred pursuant to Section 2.4 shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Trust Unitholder claiming such instrument or certificate to be lost, stolen or destroyed, the Depositary will issue in exchange for such lost, stolen or destroyed instrument or certificate a certified cheque representing the appropriate aggregate amount of Consideration deliverable to such Trust Unitholder, deliverable to such Trust Unitholder in accordance with the provisions of Section 3.2(b). When authorizing such payment in exchange for any lost, stolen or destroyed instrument or certificate, the Trust Unitholder to whom such payment is to be issued shall, as a condition precedent to the issuance thereof, give a bond satisfactory to the Purchaser, the REIT and the Depositary in such sum as the Purchaser, the REIT or the Depositary may direct, acting reasonably, or otherwise indemnify the Purchaser, the Parent, the REIT and the Depositary in a manner satisfactory to the Purchaser, the REIT and the Depositary, acting reasonably,

against any claim that may be made against the Purchaser, the REIT or the Depositary with respect to the instrument or certificate alleged to have been lost, stolen or destroyed.

3.5 Extinction of Rights

If any instrument or certificate which immediately prior to the Effective Time represented outstanding Trust Units that were transferred pursuant to Section 2.4 (or an affidavit of loss and bond or other indemnity pursuant to Section 3.4), together with such other documents or instruments that are required to be delivered by such former Trust Unitholder in order to receive payment for its Trust Units and all other instruments required by Section 3.1(b), are not deposited on or prior to the sixth anniversary of the Effective Date, such instrument and certificate shall cease to represent a claim or interest of any kind or nature against the REIT, the Parent and the Purchaser. On such date, the aggregate Consideration to which the former Trust Unitholder referred to in the preceding sentence was ultimately entitled shall be deemed to have been surrendered for no consideration to the Purchaser and shall be returned to the Purchaser by the Depositary.

3.6 Withholding Rights

The Purchaser, the Parent, the REIT and the Depositary, as applicable, shall be entitled to deduct or withhold from any payment to any Person pursuant to this Plan of Arrangement such amounts as it is required to deduct or withhold or is required to deduct or withhold with respect to such payment under the Tax Act or any provision of any Law and remit such deduction or withholding amount to the appropriate Governmental Entity. To the extent that amounts are so properly deducted or withheld, such deducted or withheld amounts shall be treated for all purposes of this Agreement and the Arrangement as having been paid to the person to whom such amounts would otherwise have been paid, provided that such deducted or withheld amounts are actually remitted to the appropriate Governmental Entity.

ARTICLE 4. DISSENTING UNITHOLDERS

4.1 Dissent Rights

Subject to Section 4.2, each registered holder of Trust Units may exercise dissent rights with respect to the Trust Units held by such holder (“**Dissent Rights**”) in connection with the Arrangement pursuant to and in the manner set forth in the Interim Order, as modified by this Article 4; provided that, notwithstanding the procedures set forth in the REIT Declaration of Trust as applicable under the Interim Order, the written objection to the Arrangement Resolution must be received by the REIT not later than 5:00 p.m. two Business Days immediately preceding the date of the Meeting (as it may be adjourned or postponed from time to time). The Dissenting Units held by Dissenting Unitholders who validly exercise their Dissent Rights shall be transferred and assigned to the Purchaser as provided in Section 2.4 and if they:

- (a) ultimately are entitled to be paid fair value for such Dissenting Units shall: (i) in respect of such Dissenting Units be treated as not having participated in the

transactions in Article 2, other than Section 2.4(n), (ii) be entitled to be paid, subject to Section 3.6, the fair value of such Dissenting Units by the REIT, which fair value shall be determined as of the close of business on the day before the Arrangement Resolution was adopted at the Meeting, and (iii) not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such holders not exercised their Dissent Rights in respect of such Dissenting Units; or

- (b) ultimately are not entitled, for any reason, to be paid fair value for such Dissenting Units, shall in respect of such Dissenting Units be treated as having participated in the Arrangement as if such Dissenting Unitholder had not dissented and shall receive the Consideration for such Dissenting Units.

4.2 Recognition of Dissenting Unitholders

In no circumstances shall the Purchaser, the Parent, the REIT or any other Person be required to recognize a Person exercising Dissent Rights unless such Person is the registered holder of those Trust Units in respect of which such rights are sought to be exercised. For greater certainty, in no case shall the Purchaser, the REIT or any other Person be required to recognize a Dissenting Unitholder as a holder of Trust Units in respect of which Dissent Rights have been validly exercised after the completion of the redemptions in the steps in Sections 2.4(n). In addition to any other restrictions in the REIT Declaration of Trust as applicable under the Interim Order, any holders of Unit Options and/or deferred Units or any Person who has voted in favour of the Arrangement shall not be entitled to exercise Dissent Rights.

ARTICLE 5. RESIGNATIONS

- 5.1** At the effective time of the step in Section 2.4(p), all trustees of the REIT shall be deemed to have resigned from such positions and to have been replaced by the new trustees specified by the Purchaser, but, for greater clarity, nothing in this Section 5.1 shall affect the status or role of any of them insofar as they are officers of such or any other entity.

ARTICLE 6. AMENDMENTS

- 6.1** The Purchaser, the Parent, the REIT and Agellan GP may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment, modification and/or supplement must be: (a) set out in writing, (b) approved by the Purchaser, the Parent, the REIT and Agellan GP, (c) filed with the Court and, if made following the Meeting, approved by the Court; and (d) communicated to holders of the Units if and as required by the Court.
- 6.2** Any amendment, modification and/or supplement to this Plan of Arrangement may be proposed by the Purchaser, the Parent, the REIT or Agellan GP at any time prior to the Meeting (provided that the Purchaser, the Parent, the REIT and Agellan GP shall have

consented thereto in accordance with the Arrangement Agreement) with or without any other prior notice or communication, and if so proposed and accepted by the Persons voting at the Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

- 6.3** Any amendment, modification and/or supplement to this Plan of Arrangement that is approved or directed by the Court following the Meeting shall be effective only if: (a) it is consented to in writing by each of the Purchaser, the Parent, the REIT and Agellan GP (in each case, acting reasonably), and (b) if required by the Court, it is consented to by some or all of the Unitholders voting in the manner directed by the Court.
- 6.4** Any amendment, modification and/or supplement to this Plan of Arrangement may be made following the Effective Date unilaterally by the Purchaser, provided that it concerns a matter which, in the reasonable opinion of the Purchaser, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and in no way is adverse to the economic interests of the former Unitholders and such amendments, modifications or supplements to the Plan of Arrangement need not be filed with the Court or communicated to Unitholders.
- 6.5** This Plan of Arrangement may be withdrawn prior to the Effective Time in accordance with the terms of the Arrangement Agreement.

ARTICLE 7. PARAMOUNTCY

- 7.1** From and after the Effective Time:
- (a) this Plan of Arrangement shall take precedence and priority over the terms of any and all Units, Deferred Units and Unit Options issued prior to the Effective Time;
 - (b) the rights and obligations of the registered holders of Units, the holders of the Deferred Units, the holders of the Unit Options and the REIT, the Purchaser, the Parent, Subsidiaries of the REIT (excluding any JV Entities) and any transfer agent or other depositary therefor in relation thereto, shall be governed by and subject to this Plan of Arrangement; and
 - (c) all actions, causes of action, claims or proceedings (actual or contingent and whether or not previously asserted) based on or in any way relating to any Units, Deferred Units and Unit Options shall be deemed to have been settled, compromised, released and determined without liability except as set forth herein.

ARTICLE 8. FURTHER ASSURANCES

- 8.1** Notwithstanding that the transactions and events set out herein shall occur and be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the Parties shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or

documents as may reasonably be required by any of them in order further to document or evidence any of the transactions or events set out herein.

APPENDIX F
RBC FAIRNESS OPINION



November 13, 2018

The Board of Trustees
Agellan Commercial Real Estate Investment Trust
156 Front Street West, Suite 303
Toronto, Ontario M5J 2L6

To the Board:

RBC Dominion Securities Inc. ("RBC"), a member company of RBC Capital Markets, understands that Agellan Commercial Real Estate Investment Trust (the "Trust"), Agellan Management GP Inc., Elad Genesis Limited Partnership ("El-Ad") and El-Ad Group, Ltd. propose to enter into an agreement to be dated November 13, 2018 (the "Arrangement Agreement") to effect a plan of arrangement (the "Arrangement") under the *Business Corporations Act* (Ontario) and the *Trustee Act* (Ontario) pursuant to which El-Ad will acquire all of the outstanding trust units of the Trust (the "Units"), other than the Units owned by El-Ad or any of its affiliates, for \$14.25 in cash per Unit. El-Ad currently owns, in aggregate, approximately 18.4% of the Units. The terms of the Arrangement will be more fully described in a management information circular (the "Circular"), which will be mailed to holders of Units in connection with the Arrangement.

RBC also understands that each of the trustees, officers and certain affiliates of Sandpiper Group ("Sandpiper"), which collectively own approximately 17.8% of the Units, will each enter into voting support agreements (each a "Voting Support Agreement") pursuant to which, among other things, each of them will agree to vote in favour of the Arrangement.

The Trust has retained RBC to provide advice and assistance to the board of trustees (the "Board") of the Trust in evaluating the Arrangement, including the preparation and delivery to the Board of RBC's opinion (the "Fairness Opinion") as to the fairness of the consideration under the Arrangement from a financial point of view to the holders of Units other than El-Ad and its affiliates (the "Public Unitholders"). RBC has not prepared a valuation of the Trust or any of its securities or assets and the Fairness Opinion should not be construed as such.

Engagement

The Trust initially contacted RBC regarding a potential advisory assignment in March 2018, and RBC was formally engaged by the Board through an agreement between the Trust and RBC (the "Engagement Agreement") dated April 16, 2018. The terms of the Engagement Agreement provide that RBC is to be paid a fee for its services as financial advisor, including fees that are contingent on completion of the Arrangement or certain other events. In addition, RBC is to be reimbursed for its reasonable out-of-pocket expenses and to be indemnified by the Trust in certain circumstances. RBC consents to the inclusion of the Fairness Opinion in its entirety and a summary thereof in the Circular and to the filing thereof, as necessary, by the Trust with the securities commissions or similar regulatory authorities in each province of Canada.

Relationship With Interested Parties

Neither RBC, nor any of its affiliates is an insider, associate or affiliate (as those terms are defined in the *Securities Act* (Ontario)) of the Trust, EI-Ad or any of their respective associates or affiliates. RBC has not been engaged to provide any financial advisory services nor has it participated in any financing involving the Trust, EI-Ad or any of their respective associates or affiliates, within the past two years, other than the services provided under the Engagement Agreement and as described herein. In the past two years, RBC has been engaged in the following capacities for the Trust: (i) financial advisor on the sale of its Parkway Place property in Ontario in May 2018; and (ii) lead bookrunner on a \$55 million Unit offering in February 2017. In the past two years, RBC has been engaged in the following capacity for EI-Ad and its associates and affiliates: joint bookrunner on a proposed \$350 million senior notes offering in May 2018 for Ithaca Energy Inc., an affiliate of EI-Ad. There are no understandings, agreements or commitments between RBC and the Trust, EI-Ad or any of their respective associates or affiliates with respect to any future business dealings. RBC may, in the future, in the ordinary course of its business, perform financial advisory or investment banking services for the Trust, EI-Ad or any of their respective associates or affiliates. Royal Bank of Canada, controlling shareholder of RBC, provides banking services to the Trust, EI-Ad and certain of their respective associates and affiliates in the normal course of business.

RBC acts as a trader and dealer, both as principal and agent, in major financial markets and, as such, may have had and may in the future have positions in the securities of the Trust, EI-Ad or any of their respective associates or affiliates and, from time to time, may have executed or may execute transactions on behalf of such companies or clients for which it received or may receive compensation. As an investment dealer, RBC conducts research on securities and may, in the ordinary course of its business, provide research reports and investment advice to its clients on investment matters, including with respect to the Trust, EI-Ad or any of their associates or affiliates or the Arrangement.

Credentials of RBC Capital Markets

RBC is one of Canada's largest investment banking firms, with operations in all facets of corporate and government finance, corporate banking, mergers and acquisitions, equity and fixed income sales and trading and investment research. RBC Capital Markets also has significant operations in the United States and internationally. The Fairness Opinion expressed herein represents the opinion of RBC and the form and content herein have been approved for release by a committee of its directors, each of whom is experienced in merger, acquisition, divestiture and fairness opinion matters.

Scope of Review

In connection with our Fairness Opinion, we have reviewed and relied upon or carried out, among other things, the following:

1. the most recent draft, dated November 13, 2018, of the Arrangement Agreement;
2. the most recent draft, dated November 13, 2018, of the form of Voting Support Agreement;
3. audited financial statements of the Trust for each of the five years ended December 31, 2017;
4. unaudited interim reports of the Trust for the quarters ended March 31, 2018, June 30, 2018 and the draft unaudited interim report for the quarter ended September 30, 2018;

5. audited financial statements for the years ended December 31, 2016 and 2017 and an unaudited interim report for the quarter ended June 30, 2018 of El-Ad Group, Ltd. and Subsidiaries;
6. the Notice of Annual and Special Meeting of Unitholders and Management Information Circular of the Trust for the year ended December 31, 2017 and the Notice of Annual Meeting of Unitholders and Management Information Circular of the Trust for the year ended December 31, 2016;
7. annual information forms of the Trust for each of the two years ended December 31, 2016 and 2017;
8. the draft portfolio summary for income producing properties of the Trust prepared by management of the Trust in accordance with International Financial Reporting Standards (“IFRS”) as of June 30, 2018;
9. unaudited property cashflows for the properties of the Trust prepared by management of the Trust for the 10 years ending September 30, 2028;
10. unaudited financial projections for the Trust prepared by management of the Trust for the years ending December 31, 2018 through December 31, 2021;
11. discussions with senior management of the Trust;
12. discussions with the Trust’s legal counsel;
13. public information relating to the business, operations, financial performance and stock trading history of the Trust and other selected public entities considered by us to be relevant;
14. public information with respect to other transactions of a comparable nature considered by us to be relevant;
15. public information regarding the North American real estate industry;
16. representations contained in certificates addressed to us, dated as of the date hereof, from senior officers of the Trust as to the completeness and accuracy of the information upon which the Fairness Opinion is based; and
17. such other corporate, industry and financial market information, investigations and analyses as RBC considered necessary or appropriate in the circumstances.

RBC has not, to the best of its knowledge, been denied access by the Trust to any information requested by RBC.

Assumptions and Limitations

With the Board’s approval and as provided for in the Engagement Agreement, RBC has relied upon the completeness, accuracy and fair presentation of all of the financial (including, without limitation, the financial statements of the Trust) and other information, data, advice, opinions or representations obtained by it from public sources, senior management of the Trust, and their consultants and advisors (collectively, the “Information”). The Fairness Opinion is conditional upon such completeness, accuracy and fair presentation of such Information. Subject to the exercise of professional judgment and except as expressly described herein, we have not attempted to verify independently the completeness, accuracy or fair presentation of any of the Information.

Senior officers of the Trust have represented to RBC in a certificate delivered as of the date hereof, among other things, that (i) with the exception of budgets, strategic plans, financial forecasts, projections, models or estimates referred to below, the Information (as defined above) provided to RBC orally by, or in the presence of, any officer of the Trust or in writing by the Trust or any of its affiliates or

any of their respective agents or advisors, for the purpose of preparing the Fairness Opinion was, at the date the Information was provided to RBC, and is at the date hereof complete, true and correct in all material respects, did not and does not contain any untrue statement of a material fact and did not and does not omit to state any material fact necessary to make the Information or any statement contained therein not misleading in light of the circumstances in which it was provided to RBC; (ii) in the case of any portions of the Information that constitute budgets, strategic plans, models, estimates or forecasts, such portions of the Information were reasonably prepared on bases reflecting the best currently available estimates and judgements of management of the Trust, were prepared using the assumptions identified therein (which assumptions management of the Trust believes were reasonable at the time of preparation and remain reasonable in all material respects), are not, in the reasonable belief of management of the Trust, misleading in any material respect in light of the assumptions used or in light of any developments since the time of their preparation, and are not based on any information that contains any untrue statement of a material fact or any information that omits to state any material fact necessary to make such information not misleading in light of the circumstances in which it was provided to RBC and that (iii) since the dates on which the Information was provided to RBC, except as disclosed in writing to RBC, there has been no material change or change in material facts, financial or otherwise, in or relating to the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the Trust or any of its subsidiaries, material change in Information, or other material change or change in material facts, in each case, that might reasonably be considered material to the Fairness Opinion.

In preparing the Fairness Opinion, RBC has made several assumptions, including that all of the conditions required to implement the Arrangement will be met.

The Fairness Opinion is rendered on the basis of securities markets, economic, financial and general business conditions prevailing as at the date hereof and the condition and prospects, financial and otherwise, of the Trust and its subsidiaries and affiliates, as they were reflected in the Information and as they have been represented to RBC in discussions with management of the Trust. In its analyses and in preparing the Fairness Opinion, RBC made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of RBC or any party involved in the Arrangement.

The Fairness Opinion has been provided for the use of the Board and may not be used by any other person or relied upon by any other person other than the Board without the express prior written consent of RBC. The Fairness Opinion is given as of the date hereof and RBC disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Fairness Opinion which may come or be brought to RBC's attention after the date hereof. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting the Fairness Opinion after the date hereof, RBC reserves the right to change, modify or withdraw the Fairness Opinion.

RBC believes that its analyses must be considered as a whole and that selecting portions of the analyses or the factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying the Fairness Opinion. The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis. The Fairness Opinion is not to be construed as a recommendation to any holder of Units as to whether to vote in favour of the Arrangement.

Fairness Analysis

Approach to Fairness

In considering the fairness of the consideration under the Arrangement from a financial point of view to the Public Unitholders, RBC considered and relied upon the following: (i) a comparison of the consideration under the Arrangement to the results of a net asset value analysis of the Trust; (ii) a comparison of the multiples and capitalization rate implied by the consideration under the Arrangement to multiples and capitalization rates paid in selected precedent transactions; and (iii) a comparison of the consideration under the Arrangement to the recent market trading prices of the Units. RBC also reviewed and compared selected multiples for Canadian real estate entities whose securities are publicly traded to the multiples implied by the consideration under the Arrangement. Given that public trading values generally reflect minority discount values rather than “en bloc” values, RBC did not rely on this methodology.

Fairness Conclusion

Based upon and subject to the foregoing, RBC is of the opinion that, as of the date hereof, the consideration under the Arrangement is fair from a financial point of view to the Public Unitholders.

Yours very truly,

RBC Dominion Securities Inc.

RBC DOMINION SECURITIES INC.

APPENDIX G
WELLS FARGO FAIRNESS OPINION



Wells Fargo Securities, LLC
301 South College Street
Charlotte, NC 28288-8905

November 13, 2018

Agellan Commercial Real Estate Investment Trust
156 Front Street West, Suite 303
Toronto, Ontario M5J 2L6

Attention: Board of Trustees

Members of the Board of Trustees:

You have requested, in your capacity as the Board of Trustees (the “Board”) of Agellan Commercial Real Estate Investment Trust (the “REIT”), our opinion with respect to the fairness, from a financial point of view, to the holders of trust units of the REIT (“Unitholders”), other than Elad Genesis Limited Partnership (the “Purchaser”) and its affiliates, of the Consideration (as defined below) to be received by such holders in the proposed arrangement (the “Arrangement”) of the REIT with El-Ad Group, Ltd. (the “Parent”) and the Purchaser. We understand that, among other things, pursuant to an arrangement agreement dated November 13, 2018 (the “Agreement”) between the Parent, the Purchaser, Agellan Management GP Inc. and the REIT, all of the trust units of the REIT (“Units”) other than Units owned by the Purchaser and its affiliates will be acquired by the Purchaser for \$14.25 in cash per Unit (the “Consideration”).

In preparing our opinion, we have:

- reviewed the Agreement;
- reviewed certain publicly available business and financial information relating to the REIT and the industry in which it operates;
- compared the financial and operating performance of the REIT with publicly available information concerning certain other entities that we deemed relevant, and compared current and historic market prices of the Units with similar data for such other entities;
- compared the proposed financial terms of the Arrangement with the publicly available financial terms of certain other business combinations that we deemed relevant;
- reviewed certain internal financial analyses and forecasts for the REIT (the “REIT Projections”) prepared by the management of the REIT;
- discussed with the management of the REIT regarding certain aspects of the Arrangement, and the business, financial condition and prospects of the REIT, and certain other matters that we deemed relevant;



- analyzed the estimated net asset value of the REIT's real estate portfolio and other assets based upon the REIT Projections and assumptions relating thereto discussed with and confirmed as reasonable by the management of the REIT;
- analyzed the estimated present value of the future distributions per share of the REIT based upon the REIT Projections and assumptions relating thereto discussed with and confirmed as reasonable by the management of the REIT;
- reviewed a certificate addressed to us, dated as of the date of this opinion, from two senior officers of the REIT as to the completeness and accuracy of the information provided to us by the REIT; and
- considered such other financial analyses and investigations and such other information that we deemed relevant.

In giving our opinion, we have assumed and relied upon the accuracy and completeness of all information that was publicly available or was furnished to or discussed with us by the REIT, the Parent or the Purchaser or otherwise reviewed by us. We have not independently verified any such information, and pursuant to the terms of our engagement by the REIT, we did not assume any obligation to undertake any such independent verification. In relying on the REIT Projections, we have assumed that they have been reasonably prepared on bases reflecting the best currently available estimates and judgments of management as to the future performance and financial condition of the REIT. We express no view or opinion with respect to the REIT Projections or the assumptions upon which they are based. We have assumed that any representations and warranties made by the REIT, the Parent and the Purchaser in the Agreement or in other agreements relating to the Arrangement will be true and accurate in all respects that are material to our analysis.

We also have assumed that the Arrangement will be consummated in compliance with all applicable laws and regulations and in accordance with the terms of the Agreement without waiver, modification or amendment of any term, condition or agreement thereof that is material to our analyses or this opinion. In addition, we have not made any independent evaluation, inspection or appraisal of the assets or liabilities (contingent or otherwise) of the REIT, nor have we been furnished with any such evaluations or appraisals. We have not evaluated the solvency of the REIT under any provincial, state or federal laws relating to bankruptcy, insolvency or similar matters.

Our opinion only addresses the fairness, from a financial point of view, of the Consideration to be paid to Unitholders in the proposed Arrangement and we express no opinion as to the fairness of any consideration paid in connection with the Arrangement to the holders of any other class of securities, creditors or other constituencies of the REIT. Furthermore, we express no opinion as to any other aspect or implication (financial or otherwise) of the Arrangement, or any other agreement, arrangement or understanding entered into in connection with the Arrangement or otherwise, including, without limitation, the fairness of the amount or nature of, or any other aspect relating to, any compensation or consideration to be received by or otherwise payable to any officers, directors, trustees or employees of any party to the Arrangement, or class of such persons, relative to the Consideration or otherwise. Furthermore, we are not expressing any advice or opinion regarding matters that require legal, regulatory, accounting, insurance, tax, executive compensation or other similar professional advice and have relied upon the assessments of the REIT and its advisors with respect to such advice.

Our opinion is necessarily based upon information made available to us as of the date hereof and financial, economic, market and other conditions as they exist and can be evaluated on the date hereof. We have not undertaken, and are under no obligation, to update, revise, reaffirm or withdraw this opinion, or otherwise comment on or consider events occurring or coming to our attention after the date hereof,

notwithstanding that any such subsequent developments may affect this opinion. Our opinion does not address the relative merits of the Arrangement as compared to any alternative arrangements or strategies that might be available to the REIT, nor does it address the underlying business decision of the Board or the REIT to proceed with or effect the Arrangement. We are not expressing any opinion as to the price at which Units may be traded at any time.

We have acted as financial advisor to the REIT in connection with the Arrangement and will receive a fee from the REIT for such services, a substantial portion of which is contingent upon the consummation of the Arrangement. We also became entitled to receive a fee upon the rendering of our opinion. In addition, the REIT has agreed to reimburse us for certain expenses and to indemnify us and certain related parties for certain liabilities and other items arising out of our engagement.

During the two years preceding the date of this opinion, neither we nor our affiliates have had any other material investment, commercial banking or financial advisory relationships with the REIT, the Parent or the Purchaser. We and our affiliates hold, on a proprietary basis, less than 1% of the outstanding Units. In the ordinary course of business, we and our affiliates may trade or otherwise effect transactions in the securities or other financial instruments (including bank loans or other obligations) of the REIT, the Parent, the Purchaser and certain of their affiliates for our own account and for the accounts of our customers and, accordingly, may at any time hold a long or short position in such securities or financial instruments.

This letter is for the information and use of the Board (in its capacity as such) in connection with its evaluation of the Arrangement. This opinion does not constitute advice or a recommendation to any Unitholder or any other person as to how to vote or act on any matter relating to the proposed Arrangement or any other matter. This opinion may not be used or relied upon for any other purpose without our prior written consent, nor shall this opinion be disclosed to any person or quoted or referred to, in whole or in part, without our prior written consent. This opinion may be reproduced in full in any management information circular mailed to Unitholders but may not otherwise be disclosed publicly in any manner without our prior written consent. The issuance of this opinion has been approved by a fairness committee of Wells Fargo Securities.

Based upon and subject to the foregoing, it is our opinion that, as of the date hereof, the Consideration to be paid to the Unitholders (other than the Purchaser and its affiliates) in the proposed Arrangement is fair, from a financial point of view, to such holders.

Very truly yours,

A handwritten signature in cursive script that reads "Wells Fargo Securities, LLC".

WELLS FARGO SECURITIES, LLC

APPENDIX H
DESJARDINS VALUATION AND FAIRNESS OPINION

November 13, 2018

The Special Committee of the Board of Trustees

AGELLAN COMMERCIAL REIT

156 Front Street West, Suite 303
Toronto, Ontario M5J 2L6

Desjardins Securities Inc. (“**Desjardins**”) understands that the board of trustees (the “**Board**”) of Agellan Commercial Real Estate Investment Trust (the “**REIT**”) has established a special committee (the “**Special Committee**”) of independent trustees to evaluate a transaction (the “**Transaction**”) whereby Elad Genesis Limited Partnership (“**El-Ad**”), an affiliate of El-Ad Group, Ltd., would acquire all of the outstanding trust units of the REIT (the “**Units**”), other than Units already owned by El-Ad or its affiliates, pursuant to a statutory plan of arrangement under the *Business Corporations Act* (Ontario) and the *Trustee Act* (Ontario) for consideration (the “**Consideration**”) of C\$14.25 per Unit in cash. Desjardins further understands that El-Ad and its affiliates currently own, directly or indirectly, approximately 18.4% of the outstanding Units, that certain affiliates of Sandpiper Group, which currently hold approximately 12.7% of the outstanding Units, have entered into voting support agreements with El-Ad to vote in favour of the Transaction, and that the trustees and certain officers of the REIT, who currently hold approximately 5.1% of the outstanding Units, have entered into voting support agreements with El-Ad to vote in favour of the Transaction. The terms and conditions of the Transaction are or will be more fully described in an arrangement agreement between the REIT and El-Ad (the “**Arrangement Agreement**”) and in an information circular (the “**Information Circular**”) to be mailed to REIT unitholders in connection with the Transaction.

Desjardins further understands that the Transaction would be a business combination pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). The Special Committee has retained Desjardins as its independent financial advisor and to deliver to the Special Committee a formal valuation of the Units (the “**Valuation**”) in accordance with MI 61-101 and an opinion (the “**Fairness Opinion**”) as to the fairness, from a financial point of view, of the Consideration to be received by the unitholders of the REIT, other than El-Ad and its affiliates.

ENGAGEMENT

Desjardins was initially contacted by the Special Committee on September 7, 2018, and the Special Committee subsequently engaged Desjardins pursuant to an engagement agreement dated September 17, 2018 (the “**Engagement Agreement**”). The terms of the Engagement Agreement provide that Desjardins will be paid a fixed fee (the “**Engagement Fee**”) for the preparation and delivery of the Valuation and Fairness Opinion and will be reimbursed for its reasonable out-of-pocket expenses. The REIT has also agreed to indemnify Desjardins from and against certain liabilities arising out of the performance of professional services rendered by Desjardins and its personnel under the Engagement Agreement. The Engagement Fee payable to Desjardins is in no way contingent upon the success of the Transaction or the conclusions of the Valuation and Fairness Opinion.

Desjardins consents to the inclusion of the complete text of the Valuation and Fairness Opinion, and a summary thereof in a form acceptable to Desjardins, in the Information Circular, and to the filing thereof with the securities commissions or similar regulatory authorities in Canada.

The Valuation has been prepared in accordance with MI 61-101 and the disclosure standards of Investment Industry Regulatory Organization of Canada (“**IIROC**”), but IIROC has not been involved in its preparation or review.

RELATIONSHIP WITH INTERESTED PARTIES

Neither Desjardins nor any of its affiliates is an insider, associate or affiliate (as those terms are defined in the *Securities Act* (Ontario)) of the REIT, El-Ad or any of their respective associates or affiliates (collectively, the “**Interested Parties**”).

Neither Desjardins nor any of its affiliates is an advisor to any Interested Party with respect to the Transaction other than to the Special Committee pursuant to the Engagement Agreement.

Neither Desjardins nor any of its affiliates has provided any financial advisory services to an Interested Party within the past two years, other than pursuant to the Engagement Agreement. Desjardins may provide certain ordinary banking, insurance or related services to the REIT for which it receives fees that are not material to Desjardins or its affiliates.

Neither Desjardins nor any of its affiliates has provided soliciting dealer services in respect of the Transaction, and neither Desjardins nor any of its affiliates has a material financial interest in the completion of the Transaction.

There are currently no understandings, agreements or commitments between Desjardins or any of its affiliates with any Interested Party with respect to any future business dealings. Desjardins acts as a financial advisor, principal and agent in major financial markets and may in the future hold positions in or provide advice to an Interested Party on transactions for which it may receive compensation. As an investment dealer, Desjardins conducts research on securities and may, in the ordinary course of business, provide research reports and investment advice to its clients on investment matters, including with respect to the REIT, El-Ad or the Transaction. It is possible that, in the normal course of business, certain employees of Desjardins currently own, or may have owned, securities of the REIT or El-Ad.

Desjardins believes that it is an independent valuator in respect of the Transaction pursuant to MI 61-101.

CREDENTIALS OF DESJARDINS

Desjardins is a wholly-owned subsidiary of the Desjardins Group, the largest financial cooperative group in Canada. The Desjardins Group comprises a network of caisses, credit unions and corporate financial centres across the country, and subsidiary companies in life and general insurance, securities brokerage, venture capital and asset management. Desjardins is a major participant in the Canadian securities business with operations in all facets of corporate and government finance, mergers and acquisitions, equity and fixed income sales and trading, and investment research. Desjardins’ senior professionals have prepared numerous valuation and fairness opinions and have participated in a vast number of transactions involving private and publicly traded companies across a wide range of industry sectors.

The Valuation and Fairness Opinion expressed herein represent the opinion of Desjardins and the form and content herein have been approved for release by a committee of its professionals, each of whom is experienced in merger, acquisition, divestiture, valuation and fairness opinion matters. Prior to delivering the Valuation and Fairness Opinion, Desjardins conducted extensive due diligence and a rigorous review of the subject matter hereof.

SCOPE OF REVIEW

In preparing the Valuation and Fairness Opinion, Desjardins has reviewed and, where it was considered appropriate, relied upon, among other things, the following:

- (i) Certain strategic review process materials prepared by Wells Fargo Securities, LLC and RBC Dominion Securities Inc., including a presentation to the Board on offers received by third parties dated August 13, 2018;
- (ii) Non-binding expression of interest from El-Ad dated August 17, 2018;
- (iii) Property level unaudited cash flow projections for the REIT prepared by management of the REIT for the years ending September 30, 2019 through 2028, updated Argus model outputs updating such projections for recent leasing activity and property level terminal year net operating income (“*NOI*”) estimates (collectively, the “*Management Forecast*”);
- (iv) Property level discount rates and terminal capitalization rates provided by management of the REIT;
- (v) Independent appraisal reports for each of the REIT’s properties, including stabilized NOI estimates, direct capitalization rates and discount rates, with various dates ranging from August 27, 2012 to September 15, 2015 for 9 of the REIT’s properties and from June 23, 2016 to September 13, 2018 for the remaining 37 properties;
- (vi) Updated capitalization rate reports for certain of the REIT’s properties, prepared by an independent appraiser, with various dates ranging from July 6, 2018 to July 10, 2018;
- (vii) Site tours of selected properties of the REIT in Houston, Atlanta and Chicago from September 24 to 26, 2018;
- (viii) Unaudited interim financial statements of the REIT for the quarters ended June 30, 2018 and September 30, 2018, including pro forma adjustments for subsequent events to October 31, 2018;
- (ix) Various discussions with certain members of senior management of the REIT regarding, among other matters, the Management Forecast;
- (x) Various discussions with the Special Committee;
- (xi) Various discussions with Blake, Cassels & Graydon LLP, legal advisor to the Special Committee;
- (xii) A discussion with KPMG LLP, the REIT’s auditors, regarding certain deferred tax liabilities of the REIT;
- (xiii) A draft of the Arrangement Agreement (the “*Draft Arrangement Agreement*”) dated September 17, 2018;
- (xiv) Certain stock trading history for the REIT’s Units using third party data providers;
- (xv) Publicly available information relating to the REIT;
- (xvi) Certain sector and market information, including regional capitalization rate surveys, and data on comparable public companies and precedent transactions that Desjardins considered relevant;
- (xvii) Representations from senior officers of the REIT contained in certificates delivered to Desjardins as to, among other things, the accuracy and completeness of the information upon which the Valuation and Fairness Opinion are based, dated as of the date hereof; and
- (xviii) Such other information, analyses and discussions (including discussions with third parties) as Desjardins considered necessary or appropriate in the circumstances.

Desjardins was granted full access by the REIT to its senior management, and, to the best of its knowledge, was not denied any information that might be material to the Valuation and Fairness Opinion.

PRIOR VALUATIONS

The REIT has represented to Desjardins that there have been no valuations or appraisals relating to the REIT or any of its subsidiaries or affiliates, or any of their respective material assets or liabilities, that have been prepared as of a date within the last 24 months and that have not been provided to Desjardins.

PRIOR OFFERS

The REIT has represented to Desjardins that, to the knowledge of the REIT, there have been no offers for, or transactions involving, any material assets owned by, or the securities of, the REIT or any of its subsidiaries in the last 24 months that have not been provided to Desjardins.

ASSUMPTIONS AND LIMITATIONS

The Valuation and Fairness Opinion are subject to the assumptions and limitations set forth below.

With the Special Committee's approval, Desjardins has relied upon and assumed, and in accordance with the terms of the Engagement Agreement, has not, subject to the exercise of its professional judgement and except as expressly described herein, independently verified, the accuracy, fair representation or completeness of any of the materials, information, reports, opinions, data, advice or representations provided to it by the REIT and its agents or advisors, whether publicly available or obtained from other sources (collectively, the "*Information*"), and the Valuation and Fairness Opinion are conditional upon the accuracy and completeness of the Information. Senior officers of the REIT have represented to Desjardins, in a certificate dated as of the date hereof, that all Information provided by or on behalf of the REIT is true and correct in all material respects and contains no untrue statement of a material fact concerning the REIT or the Transaction, and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made or provided.

In preparing the Valuation and Fairness Opinion, Desjardins has made several assumptions, including that the Transaction will be consummated in accordance with the terms and conditions of, and substantially within the time frames specified in, the Draft Arrangement Agreement without any waiver or amendment of any material term or condition thereof, that the final version of the Arrangement Agreement will conform in all material respects to the Draft Arrangement Agreement and that any governmental, regulatory or other consents and approvals necessary for the consummation of the Transaction will be obtained without any adverse effect. In rendering the Valuation and Fairness Opinion, Desjardins expresses no opinion as to the likelihood that the conditions to the Transaction will be satisfied or waived or that the Transaction will be implemented within the time frame set out in the Draft Arrangement Agreement. Desjardins expresses no view as to, and the Valuation and Fairness Opinion do not address, the relative merits of the Transaction as compared to any alternative business combinations or opportunities which might exist for the REIT. Desjardins has not conducted a physical inspection of all of the properties of the REIT.

The Valuation and Fairness Opinion are based on the securities market, economic, general, business and financial conditions prevailing as of the date of the Valuation and Fairness Opinion, and the conditions and prospects, financial and otherwise, of the REIT, as they were reflected in the Information reviewed by Desjardins. In Desjardins' overall analysis, and in preparing the Valuation and Fairness Opinion, Desjardins made numerous assumptions with respect to industry performance, general business and economic conditions, and other matters, many of which are beyond the control of the REIT. While, in the

opinion of Desjardins, the assumptions used in preparing the Valuation and Fairness Opinion are appropriate in the circumstances, some or all of these assumptions may prove to be incorrect.

The Valuation and Fairness Opinion have been provided for the exclusive use of the Special Committee and, except as otherwise permitted by the Engagement Agreement, may not be used by, or quoted from, or disclosed to, any other person or relied upon by any other person other than the Special Committee without the express prior written consent of Desjardins. The Valuation and Fairness Opinion do not constitute a recommendation to the Special Committee or the Board as to whether the REIT should proceed with the Transaction.

The Valuation and Fairness Opinion are given as of the date hereof and Desjardins disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Valuation and Fairness Opinion which may come or be brought to Desjardins' attention after the date hereof. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting the Valuation and Fairness Opinion after the date hereof, or in the event Desjardins becomes aware of any material fact, matter or change not disclosed to Desjardins prior to the date hereof, or is otherwise not approved by Desjardins, Desjardins reserves the right to change, modify or withdraw the Valuation and Fairness Opinion, but is not obligated to do so.

Desjardins believes that its analyses must be considered as a whole and that selecting portions of the analyses or the factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying the Valuation and Fairness Opinion. The preparation of a valuation and an opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis.

The Valuation and Fairness Opinion do not constitute and should not be construed as a recommendation to any person as to whether to accept or support the Transaction or take any other action in respect of the Transaction.

OVERVIEW OF THE REIT

The REIT was established pursuant to a declaration of trust under the laws of the Province of Ontario, and acquires and owns industrial, office and retail properties in select major urban markets in the United States and Canada. The Units are publicly listed and traded on the Toronto Stock Exchange under the symbol ACR.UN.

The REIT's current portfolio aggregates approximately 7.0 million square feet of gross leasable area in 46 properties. The 41 industrial properties are all located in the United States, primarily in Texas, Georgia, Florida and the U.S. Midwest. The 5 office properties are primarily located in Texas and Illinois.

DEFINITION OF FAIR MARKET VALUE

For purposes of the Valuation and in accordance with MI 61-101, fair market value is defined as the highest monetary consideration that, in an open and unrestricted market, a prudent and informed buyer would pay to a prudent and informed seller, each acting at arm's length with the other and under no compulsion to act.

Desjardins did not downward adjust the fair market value of the Units to take into account the liquidity of the Units or the fact that the Units held by the minority unitholders may not form a controlling interest, or make any adjustment to the fair market value of the Units to reflect the effect of the Transaction on the Units.

VALUATION METHODOLOGIES

Desjardins primarily valued the Units on a going concern basis using net asset value (“NAV”) analysis. Desjardins also reviewed transaction multiples and acquisition premiums in precedent transactions in the overall real estate sector in Canada and the United States, as well as acquisition premiums for going-private transactions in Canada.

Trading values and multiples of public companies operating in the industrial and diversified real estate sectors in Canada and the United States were also reviewed to determine if the resulting public market values would exceed the NAV values for the Units. However, Desjardins concluded that the comparable public company multiples implied values that were below the NAV and, given that public company trading values generally reflect minority discount values rather than “en bloc” values, Desjardins did not rely on this methodology in determining the value of the Units.

In arriving at its Valuation and Fairness Opinion conclusions, Desjardins placed considerably more emphasis on the NAV approach than the other approaches. However, Desjardins did not attribute any particular weight to any specific factor or approach and relied on its professional experience in determining the relevance of each factor and approach in arriving at its overall conclusions.

NAV APPROACH

The NAV approach determines separate values for certain components of the REIT’s overall assets and liabilities, using an appropriate methodology for each component, and nets out the total liabilities from the aggregate asset values. For the purposes of determining the REIT’s overall NAV, Desjardins separated the NAV into the following components:

- (i) Income producing properties;
- (ii) Excess land;
- (iii) Asset management and property management fees;
- (iv) Debt;
- (v) Net working capital;
- (vi) Corporate general and administrative (“G&A”) expenses; and
- (vii) Distinctive material value.

INCOME PRODUCING PROPERTIES

Desjardins valued the REIT’s income producing properties using both the discounted cash flow (“DCF”) and direct capitalization methods. Desjardins also considered whether any portfolio premium should be added to the income producing properties in determining the NAV. Based on the size, class and location of the REIT’s properties in relation to other owners of industrial real estate portfolios in the United States, the prevailing real estate market for Class C industrial assets in the United States and the overall state of capital markets, Desjardins concluded that it was not appropriate to adjust the value of the income producing properties for a portfolio premium.

DCF Approach

The DCF approach takes into account the amount, timing, uncertainty and riskiness of projected unlevered free cash flows expected to be generated by the REIT’s properties. This approach requires that certain assumptions be made at the individual property level regarding, among other factors, future cash

flows, discount rates, terminal year NOI and terminal capitalization rates. The discount rates and terminal capitalization rates employed in the analysis reflect the possibility that some of the underlying assumptions may prove to be inaccurate.

Unlevered Free Cash Flows

In developing the projected unlevered free cash flows, Desjardins reviewed the Management Forecast for the 10 years ending September 30, 2019 through 2028. Desjardins conducted several analyses and reviews in testing, modifying or accepting the underlying assumptions in the Management Forecast, including, among other things, discussions with management of the REIT with respect to expected rents, occupancy, operating expenses and capital expenditures. Desjardins then formed its own independent view of the underlying assumptions in the Management Forecast.

Pursuant to its independent analysis and review, Desjardins generally accepted a number of the assumptions underlying the Management Forecast, but made certain adjustments where it deemed appropriate, including to terminal year NOI, bad debt and general vacancy. The resulting projected unlevered free cash flows were then used in the NAV analysis and are provided below.

	Year Ending September 30									
(US\$ millions)	<u>2019E</u>	<u>2020E</u>	<u>2021E</u>	<u>2022E</u>	<u>2023E</u>	<u>2024E</u>	<u>2025E</u>	<u>2026E</u>	<u>2027E</u>	<u>2028E</u>
Revenue	\$61	\$65	\$67	\$70	\$73	\$75	\$78	\$80	\$83	\$85
Less: Expenses	<u>(22)</u>	<u>(23)</u>	<u>(23)</u>	<u>(24)</u>	<u>(25)</u>	<u>(25)</u>	<u>(26)</u>	<u>(27)</u>	<u>(28)</u>	<u>(29)</u>
NOI	39	43	43	46	48	49	51	53	55	57
Less: Leasing/capital expenditures	<u>(7)</u>	<u>(6)</u>	<u>(7)</u>	<u>(6)</u>	<u>(7)</u>	<u>(9)</u>	<u>(10)</u>	<u>(19)</u>	<u>(8)</u>	<u>(13)</u>
Unlevered free cash flow	\$32	\$36	\$36	\$40	\$41	\$41	\$42	\$33	\$47	\$44

US\$ projections were converted into C\$ using the forward derivatives market curve.

Discount Rates and Terminal Capitalization Rates

Pursuant to the DCF approach, Desjardins discounted the projected unlevered free cash flows for each property using property specific discount rates for the discrete forecast period. Terminal values were then determined by applying property specific terminal year capitalization rates to the selected terminal year NOI for each property. In selecting the discount rates and terminal year capitalization rates, Desjardins consulted with management of the REIT, considered the independent appraisal reports and updated capitalization rate reports, reviewed relevant regional capitalization rate surveys and applied Desjardins' own knowledge of the industrial and office real estate markets in the United States.

Desjardins used property specific discount rates ranging from 6.8% to 9.8% and property specific terminal year capitalization rates ranging from 6.0% to 9.0% for 45 of the 46 properties. On an overall weighted average portfolio basis, the discount rate was 8.6% and the terminal capitalization rate was 7.7%.

DCF Approach Results

The value of the income producing properties using the DCF approach ranged from C\$728 million to C\$783 million.

Direct Capitalization Approach

The direct capitalization approach applies capitalization rates to the stabilized NOI of each of the REIT's properties. The stabilized NOI is determined on the basis of a property first reaching a maximum

occupancy level that can be sustained going forward. The direct capitalization rates employed in the analysis reflect the possibility that some of the underlying assumptions may prove to be inaccurate. Given that management of the REIT does not normally produce stabilized NOI estimates, Desjardins relied on the independent appraisal reports and its own independent determination of stabilized NOI from observed occupancy trends in the Argus model outputs.

Direct Capitalization Rates

In selecting the direct capitalization rates pursuant to the direct capitalization approach, Desjardins considered the independent appraisal reports and updated capitalization rate reports, reviewed relevant regional capitalization rate surveys and applied Desjardins' own knowledge of the industrial and office real estate markets in the United States.

Desjardins used property specific direct capitalization rates ranging from 5.8% to 8.8% for 45 of the 46 properties. The overall weighted average portfolio direct capitalization rate was 7.4%.

Direct Capitalization Approach Results

The value of the income producing properties using the direct capitalization approach ranged from C\$717 million to C\$767 million.

EXCESS LAND

The value of excess land not captured in the value of the income producing properties was determined through discussion with management of the REIT. Desjardins determined that the excess land value, supported by external appraisals, was C\$7 million.

ASSET MANAGEMENT AND PROPERTY MANAGEMENT FEES

The REIT has contracts for asset management and property management functions on certain of its properties, with contracts generally varying in length from 2 to 5 years. In selecting an appropriate multiple to capitalize the value of the fee revenue, Desjardins discussed and considered a number of factors with management of the REIT, including contract duration, renewal probability and the ability to secure new contracts. Desjardins also considered the REIT's historical track record on fee revenue and reviewed multiples on asset management and property management fee review in precedent acquisitions of similar business models in the general and industrial real estate markets in the United States and Canada.

Based on its own independent view, Desjardins applied a multiple of 6.0x in order to capitalize the fee revenue and determined that the value of the REIT's asset management and property management functions was C\$15 million.

DEBT

The face value of the REIT's mortgages was approximately C\$236 million, including its proportional minority interest in one property. The weighted average interest rate of mortgage debt maturing after 2022 was 4.0%. The REIT has a US\$75 million revolving credit facility for which no amount was drawn.

A mark-to-market adjustment was applied to the mortgage balance using 8 discrete groups of mortgages. For each mortgage group, the base interest rate was adjusted in relation to the most closely matching maturity of the Daily Treasury Yield Curve Rates published by the United States Department of the Treasury and added to the appropriate lending spread. Using this methodology, the mark-to-market

adjustment was a reduction of approximately C\$4 million and the resulting indicative value of the REIT's mortgage debt was C\$232 million.

NET WORKING CAPITAL

The net working capital balance of the REIT comprised, among other items, cash, accounts receivable, prepaid expenses, accounts payable, distributions payable, accrued liabilities, deposits and prepaid rent. Based on discussions with third party tax experts regarding the unlikelihood that any of the REIT's deferred tax liabilities would be triggered upon a change of control of the REIT, Desjardins did not downward adjust the fair market value of the Units for any such tax liabilities. The cash balance of the REIT, as at September 30, 2018, was adjusted for pro forma events, including the acquisition of a property, escrowed deposits and anticipated leasing costs. The total net working capital of the REIT was C\$3 million.

CORPORATE G&A EXPENSES

Desjardins reviewed and generally accepted the corporate G&A expenses portion of the Management Forecast, and made only minor changes to convert amounts into C\$ currency and account for timing differences. A multiple of 6.0x was then applied to capitalize the REIT's non-recoverable corporate G&A expenses, which resulted in a value of C\$32 million.

DISTINCTIVE MATERIAL VALUE

Desjardins reviewed and considered whether any distinctive material value would accrue to El-Ad through the acquisition of the Units, and concluded that the only material specific financial benefit would be the elimination of public company costs. A multiple of 6.0x was used to capitalize the estimated annual public company costs. In keeping with the definition of fair market value, Desjardins assumed that a potential buyer would be willing to pay for 50% of the synergies and would also reduce the resulting amount by the estimated one-time cost to achieve such savings. The estimated net distinctive material value was C\$4 million.

NAV APPROACH RESULTS

The results of the NAV analysis are summarized below.

(C\$ millions, other than per Unit values)	DCF Approach		Direct Capitalization Approach	
	Low	High	Low	High
Income producing properties	\$728	\$783	\$717	\$767
Excess land	7	7	7	7
Asset management and property management fees	15	15	15	15
Debt	(232)	(232)	(232)	(232)
Net working capital.....	3	3	3	3
Corporate G&A expenses	(32)	(32)	(32)	(32)
Distinctive material value	4	4	4	4
Net Asset Value	\$493	\$548	\$482	\$532
Net Asset Value per Unit ⁽¹⁾	\$14.59	\$16.21	\$14.26	\$15.74

(1) 33.8 million fully diluted Units outstanding

The equity value per Unit derived from the NAV analysis was determined to be in the range of C\$14.26 to C\$16.21 per Unit.

SENSITIVITY ANALYSIS AND ALTERNATIVE SCENARIOS

In order to test certain key assumptions in the NAV approach, Desjardins performed sensitivity analyses as outlined below. A change in any variable represents a change made to each of the REIT's individual property variables concurrently and the impact on NAV is shown for the overall REIT.

Variable	Sensitivity	Impact on NAV per Unit	
		Negative	Positive
Discounted Cash Flow Approach			
Terminal capitalization rates	+/-0.25%	(\$0.39)	\$0.41
Discount rates	+/-0.25%	(\$0.40)	\$0.40
Direct Capitalization Approach			
Stabilized NOI	+/-5%	(\$1.09)	\$1.09
Direct capitalization rates	+/-0.25%	(\$0.69)	\$0.74

With the assistance of management of the REIT, Desjardins also considered two alternative scenarios for the projected unlevered free cash flows. One such scenario involved leveraging the REIT to a debt / gross book value ratio of 50% and reinvesting resulting proceeds into additional industrial property acquisitions in the United States. A second scenario, which was an extension of the first, maintained the same leverage ratio, considered the disposal of all of the REIT's office properties in the United States and similarly reinvested all resulting proceeds into additional industrial property acquisitions in the United States. The values that Desjardins derived from the above scenarios did not alter Desjardins' conclusions for the REIT's NAV.

PRECEDENT TRANSACTIONS APPROACH

For the precedent transactions analysis, Desjardins reviewed the available public information with respect to transactions in the overall real estate sector in Canada and the United States, as well as acquisition premiums for going-private transactions in Canada. Given that the precedent transaction multiples reflect overall portfolio performance and do not consider individual property attributes, class, size, location, vacancy, leasing prospects, capital expenditures and building age, Desjardins applied minimal weight to this approach.

PRECEDENT CANADIAN REAL ESTATE TRANSACTION MULTIPLES

For the Canadian real estate sector, Desjardins reviewed 20 transactions between 2006 and 2018 and selected a subset of these transactions as being the most comparable to the Transaction. The selected transactions are outlined below.

(C\$ billions)

Ann. Date	Acquiror	Target	Sector	EV	Prem. to NAV	Cap. Rate	Price/ FY+1 FFO	Price/ FY+1 AFFO	\$/ Sq. Ft.
15-Feb-18	Choice Properties	CREIT	Diversified	\$6.0	10.9%	5.5%	16.3x	19.7x	\$241
09-Jan-18	Blackstone	Pure Industrial	Industrial	\$3.8	26.7%	5.0%	18.8x	20.8x	\$144
19-Mar-13	Dundee Industrial	C2C Industrial	Industrial	\$0.2	7.2%	6.5%	14.2x	16.6x	\$76
17-Jan-12	Dundee	Whiterock	Diversified	\$1.4	25.0%	5.7%	12.6x	14.4x	\$133
16-Jan-12	Cominar	Canmarc	Diversified	\$1.9	21.7%	6.6%	13.7x	16.3x	\$197
30-Aug-06	ING Real Estate	Summit REIT	Industrial	\$3.3	29.1%	6.0%	15.1x	18.1x	\$96

PRECEDENT UNITED STATES REAL ESTATE TRANSACTION MULTIPLES

For the real estate sector in the United States, Desjardins reviewed 20 transactions between 2012 and 2018 and selected a subset of these transactions as being the most comparable to the Transaction. The selected transactions are outlined below.

(US\$ billions)

Ann. Date	Acquiror	Target	Sector	EV	Prem. to NAV	Cap. Rate	Price/ FFO FY+1	Price/ AFFO FY+1	\$/ Sq. Ft.
04-May-18	Blackstone	Gramercy Prop.	Industrial	\$7.6	3.1%	6.1%	14.1x	14.6x	\$83
29-Apr-18	Prologis	DCT Industrial	Industrial	\$8.4	17.4%	4.3%	13.6x	n/a	\$115

PRECEDENT REAL ESTATE TRANSACTION MULTIPLES RESULTS

Desjardins selected a range of multiples from the foregoing transactions in Canada and the United States. The results of the precedent real estate transaction multiples analysis are summarized below.

(C\$)	Selected Multiples		Equity Value per Unit	
	Low	High	Low	High
Implied capitalization rate	7.0%	6.5%	\$14.74	\$16.87
Price/FFO FY+1	12x	13x	\$15.64	\$16.95
Price/AFFO FY+1	15x	16x	\$14.72	\$15.70
Premium to consensus research NAV	10%	15%	\$14.97	\$15.65
Price per square foot	\$100	\$110	\$14.64	\$16.71

PRECEDENT CANADIAN REAL ESTATE TRANSACTION PREMIUMS

Desjardins reviewed the same group of 20 transactions as described above between 2006 and 2018 in the Canadian real estate sector in order to observe the premiums paid in relation to undisturbed unit prices prior to transaction announcement. The reviewed transactions are outlined below.

(C\$ billions)

Ann. Date	Acquiror	Target	Sector	Offer Price	EV	Premium to Last Close ⁽¹⁾	Premium to 30-Day VWAP ⁽²⁾
15-Feb-18	Choice Properties	CREIT	Diversified	\$53.61	\$6.0	23%	20%
09-Jan-18	Blackstone	Pure Industrial	Industrial	\$8.10	\$3.8	21%	22%
04-Aug-17	SmartREIT/Strathallen	OneREIT	Retail	\$4.28	\$1.1	23%	26%
23-Jan-17	Brookfield Property	Brookfield Can.	Office	\$32.50	\$5.8	24%	23%
19-Jan-17	Starwood Group	Milestone Apt.	Residential	\$21.66	\$3.8	10%	17%
10-May-16	Bluesky Hotels	InnVest REIT	Hotel	\$7.25	\$2.1	33%	37%
10-Aug-15	Northern Property	True North	Residential	\$9.00	\$0.8	16%	14%
12-Aug-14	Slate Properties	Huntingdon Cap	Retail	\$13.40	\$0.2	13%	11%
05-May-14	Holloway Lodging	Royal Host Inc.	Hotel	\$1.40	\$0.2	17%	18%
19-Mar-13	Dundee Industrial	C2C Industrial	Industrial	\$4.92	\$0.2	33%	26%
29-Jan-13	Plazacorp Retail Prop.	KEYreit	Retail	\$8.35	\$0.3	35%	33%
05-Feb-13	KingSett/H&R	Primaris Retail	Retail	\$27.98	\$4.5	21%	20%
26-Apr-12	Starlight Investments	TransGlobe Apt.	Residential	\$14.25	\$2.3	15%	19%
17-Jan-12	Dundee	Whiterock	Diversified	\$16.25	\$1.4	14%	22%
16-Jan-12	Cominar	Canmarc	Diversified	\$16.50	\$1.9	24%	26%
01-Aug-07	BCIMC	CHIP REIT	Hotel	\$19.10	\$1.2	22%	18%
12-Jul-07	Consortium	Legacy REIT	Hotel	\$12.60	\$2.5	12%	21%

04-Dec-06	Homburg Invest	Alexis Nihon	Retail	\$18.60	\$1.0	25%	34%
30-Aug-06	ING Real Estate	Summit REIT	Industrial	\$30.00	\$3.3	18%	18%
28-Apr-06	Great-West Life	TGS NA REIT	Diversified	\$9.15	\$0.4	18%	18%

(1) Last closing price prior to announcement

(2) 30-day volume weighted average price prior to announcement

PRECEDENT UNITED STATES REAL ESTATE TRANSACTION PREMIUMS

For the real estate sector in the United States, Desjardins reviewed the same 20 transactions as above for the premiums paid in relation to undisturbed unit prices prior to transaction announcement. The reviewed transactions are outlined below.

(US\$ billions)

Ann. Date	Acquiror	Target	Sector	Offer Price	EV	Premium to Last Close ⁽¹⁾	Premium to 30-Day VWAP ⁽²⁾
25-Jun-18	Greystar RE	Education Realty	Student	\$41.50	\$4.2	14%	22%
04-May-18	Blackstone	Gramercy Prop.	Industrial	\$27.50	\$7.6	15%	23%
29-Apr-18	Prologis	DCT Industrial	Industrial	\$67.91	\$8.4	16%	20%
04-Jul-17	Greystar and Part.	Monogram Res.	Residential	\$12.00	\$3.8	22%	22%
30-Jun-17	CPPIB	Parkway	Office	\$23.05	\$1.1	13%	15%
28-Jun-17	Government Prop.	First Potomac RE	Office	\$11.15	\$1.3	5%	9%
27-Feb-17	Tricon Capital	Silver Bay Realty	Residential	\$21.50	\$1.4	18%	23%
19-Jan-16	Brookfield	Rouse Properties	Retail	\$18.25	\$2.9	35%	25%
03-Dec-15	Am. Homes 4 Rent	American Res.	Residential	\$19.01	\$1.4	9%	16%
16-Oct-15	Harrison Street RE	Campus Crest	Student	\$7.03	\$1.8	24%	35%
08-Sep-15	Blackstone	Strategic Hotels	Hotel	\$14.25	\$5.8	9%	13%
22-Jun-15	Lone Star Funds	Home Properties	Residential	\$75.23	\$7.5	9%	10%
11-May-15	Independence RE	Trade Street Res.	Residential	\$7.60	\$0.7	7%	7%
22-Apr-15	Brookfield A.M.	Associated Estates	Residential	\$28.75	\$2.4	17%	17%
10-Apr-15	Blackstone	Excel Trust	Retail	\$15.85	\$1.9	15%	n/a
16-Sep-14	Washington Prime	Glimcher Realty	Retail	\$14.20	\$4.3	34%	29%
09-Dec-13	Essex Prop.	BRE Properties	Residential	\$58.09	\$6.3	9%	9%
05-Sep-13	Parkway Prop.	Thomas Prop.	Office	\$6.26	\$1.2	10%	12%
28-May-13	American Realty	CapLease	Commercial	\$8.50	\$2.2	20%	21%
06-Sep-12	Realty Income	American Realty	Commercial	\$12.56	\$2.9	5%	11%

(1) Last closing price prior to announcement

(2) 30-day volume weighted average price prior to announcement

PRECEDENT REAL ESTATE TRANSACTION PREMIUMS RESULTS

Desjardins selected a range of premiums from the foregoing transactions in Canada and the United States. The results of the precedent real estate transaction premiums analysis are summarized below.

(C\$)	Selected Premiums		Equity Value per Unit	
	Low	High	Low	High
Premium to last close	15%	25%	\$14.55	\$15.81
Premium to 30-day VWAP	15%	25%	\$15.08	\$16.39

PRECEDENT GOING PRIVATE TRANSACTION PREMIUMS

Desjardins also reviewed 98 going private transactions in Canada between 1999 and 2018 and selected 22 of these transactions as being the most comparable to the Transaction, primarily due to the relative size of the transactions. The selected transactions are outlined below.

(C\$ billions)

Ann. Date	Acquiror	Target	Sector	Offer Price	EV	Premium to Last Close ⁽¹⁾	Premium to 30- Day VWAP ⁽²⁾
04-Aug-17	SmartREIT/Strathallen	OneREIT	Real Estate	\$4.28	\$1.1	23%	26%
23-Jan-17	Brookfield Property	Brookfield Can. Office	Real Estate	\$32.50	\$5.8	24%	23%
13-May-16	Sirius XM Cda Hold.	Sirius XM Canada Inc.	Tech	\$4.50	\$0.8	22%	17%
13-Aug-15	Consortium	Manac, Inc.	Industrial	\$10.20	\$0.2	17%	18%
29-Nov-13	Permira/Fonds/CDPQ	Atrium Innovations	Healthcare	\$24.00	\$1.0	22%	27%
12-Jul-13	Mitsubishi Tanabe	Medicago	Healthcare	\$1.16	\$0.4	22%	46%
07-Sep-12	Apax Partners	Garda World Security	Tech	\$12.00	\$1.1	30%	38%
26-Apr-12	Starlight Investments	TransGlobe Apt. REIT	Real Estate	\$14.25	\$2.3	15%	19%
21-Nov-11	Birch Hill Eq. Part.	Distinction Group	Industrial	\$4.50	\$0.2	23%	23%
11-Apr-11	BCIMC/PSP Inv.	TimberWest Forest	Forestry	\$6.48	\$0.9	20%	26%
18-Sep-09	Fairfax Financial	Odyssey Holdings	Financial	\$69.49	\$3.1	30%	46%
29-Jul-08	Teck Resources	Fording Canadian Coal	Mining	\$93.83	\$14.0	12%	13%
04-Mar-08	Spectra Energy	Spectra Energy IF	Oil & Gas	\$11.25	\$0.5	14%	19%
29-Jun-07	Consortium	CCS Income Trust	Oil & Gas	\$46.00	\$2.9	21%	20%
01-May-07	Nautic Partners	Cda Cartage Div. IF	Industrial	\$11.30	\$0.3	27%	27%
26-Feb-07	Holcim Group	St. Lawrence Cement	Industrial	\$40.25	\$1.9	24%	34%
11-Oct-06	Bell Aliant	Bell Nordiq IF	Tech	\$19.00	\$0.6	11%	10%
09-Mar-05	Noranda	Falconbridge	Mining	\$40.37	\$8.6	10%	19%
11-Nov-04	Rogers Comm.	Rogers Wireless	Tech	\$50.23	\$9.4	16%	16%
25-Oct-04	Magna	Decoma	Industrial	\$15.66	\$1.9	29%	52%
29-Aug-03	Cara Holdings	Cara Operations	Consumer	\$7.50	\$0.6	36%	37%
19-Mar-03	DuPont	DuPont Canada	Industrial	\$21.75	\$5.6	26%	21%

(1) Last closing price prior to announcement

(2) 30-day volume weighted average price prior to announcement

PRECEDENT GOING PRIVATE TRANSACTION PREMIUMS RESULTS

Desjardins selected a range of premiums from the foregoing transactions, the results of which are summarized below.

(C\$)	Selected Premiums		Equity Value per Unit	
	Low	High	Low	High
Premium to last close.....	15%	25%	\$14.55	\$15.81
Premium to 30-day VWAP.....	15%	25%	\$15.08	\$16.39

VALUATION CONCLUSION

While Desjardins did not apply any specific weighting to the results of the above valuation approaches, it did, for the reasons outlined above, primarily rely on the NAV approach in valuing the REIT's Units. Based upon and subject to the foregoing, including other matters as Desjardins considered relevant, Desjardins is of the opinion that, as of the date hereof, the fair market value of the Units is in the range of C\$14.25 to C\$16.25 per Unit.

FAIRNESS CONCLUSION

Based upon and subject to the foregoing, including other matters as Desjardins considered relevant, Desjardins is of the opinion that, as of the date hereof, the Consideration to be received by the unitholders of the REIT, other than El-Ad and its affiliates, pursuant to the Transaction is fair, from a financial point of view, to such unitholders.

Yours very truly,

Desjardins Securities Inc.

DESJARDINS SECURITIES INC.

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