MILESTONE APARTMENTS
REAL ESTATE INVESTMENT TRUST

A COMPELLING OFFER
ATTRACTIVE VALUE

US$16.15*

ALL - CASH

STRONG PREMIUM

In an increasingly uncertain environment, now is the time to crystallize the value of your investment.

Vote your proxy before 10:00 am (EST) on March 3, 2017
For more information contact Kingsdale Advisors at 1-866-851-3215

* Unitholders will have an opportunity to elect to instead receive the Canadian dollar equivalent of their REIT Consideration pursuant to certain terms and conditions.

Dear Fellow Milestone Apartments REIT Unitholder:

On behalf of the REIT's board of trustees, we are pleased to present you with a very attractive opportunity to receive US$16.15 in cash for each of your Milestone Apartments REIT units.

Following a series of extensive negotiations, an affiliate of Starwood Capital Group ("Starwood") has agreed to a transaction that will result in unitholders receiving US$16.15 per unit in cash (the "Starwood Offer").

The transaction is structured in a tax efficient manner to result in unitholders being taxed at capital gains rates and without incurring any U.S. or Canadian withholding tax.

The Starwood Offer is a unique and compelling opportunity for all Milestone unitholders to maximize value in an uncertain economic environment.

Comprehensive Process to Maximize Value

The Milestone board regularly evaluates the REIT's business and strategic opportunities with a focus on maximizing value for all unitholders. Since our IPO in 2013, we have been approached several times regarding a sale of Milestone. Over this period, we entered into confidentiality agreements with other potential suitors, but none of these discussions resulted in a compelling offer until our discussions with Starwood.

To reach our agreement with Starwood, a special committee of independent trustees, with the help of our financial and legal advisors, oversaw an extensive arm's length negotiation process that resulted in an offer price of US$16.15 per unit.

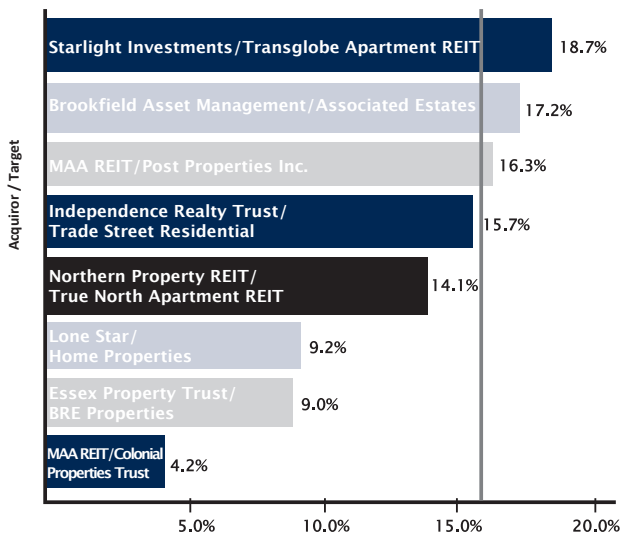
BMO Capital Markets and National Bank Financial have both provided opinions that the US$16.15 in consideration is fair to Milestone's unitholders from a financial point of view.

All-Cash Premium Value for Unitholders

At US$16.15, Starwood is offering an attractive premium to Milestone's book value per apartment unit of approximately 10%. The Starwood Offer implies an average price per apartment unit of US$120,000 compared to the REIT's US$109,500 IFRS book value per apartment unit at the end of Q3 2016.

Based on confirmed pricing data from Real Capital Analytics, Starwood's offer price of US$120,000 per apartment unit also represents an approximate 10% premium to all individual asset sale transactions of garden style apartments over the last 24 months with a minimum of 100 units, of similar age to the REIT's apartments and in the same markets. Additionally, the Starwood Offer is consistent with share price premiums for recent comparable North American multifamily M&A transactions, as demonstrated below:

Implied Milestone Transaction Premium ~16%



Source: FactSet
Note: Premium to 30-day VWAP Unaffected

I, along with all the REIT's other board members, have entered into a support agreement in favour of the transaction. Management's interests are aligned with those of the REIT's unitholders as well. The CEO, together with other senior management, own or control an approximate 13% interest in the REIT and will not have continuing roles with the new company following closing.

It is important to understand the nature of Milestone's assets. Few other potential acquirers have the capacity to make a purchase of this size

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and few other public real estate companies focus on the type and age of properties owned by Milestone. We believe Starwood is able to offer value others cannot because of its geographic overlap with the REIT's assets, access to capital and specific focus on the mid-market apartment segment.

Maximize Value Amid Market Uncertainties

Since the REIT's IPO, we have generated total annual compound returns in excess of 28% to the REIT's unitholders. However, there are a number of factors beyond our control that make the future increasingly uncertain:

- According to Green Street Advisors, an industry leader in independent U.S. real estate research, multifamily rental rate growth has started to decelerate, which could negatively impact the REIT's ability to continue to increase rental rates and ROI.

- Capitalization rates are likely to expand amid a rising interest rate environment, which could negatively impact the REIT's valuation, cost of capital, and ability to continue to grow accretively.

- Certain factors in the REIT's markets that have been better than the national average since our IPO, including payroll growth, are forecasted to decrease to be closer to the national averages, also potentially slowing the REIT's growth.

- The REIT has benefitted from an appreciation of the U.S. dollar relative to the Canadian dollar but, according to the median forecast data compiled by Bloomberg, that trend is expected to continue to reverse, which could negatively impact unitholders' Canadian dollar denominated investment in the REIT.

The Starwood Offer is an opportunity for unitholders to maximize value amid market uncertainties.

On behalf of the REIT and the board, I would like to thank you for your continued support of Milestone.

What you need to do:

For you to receive your US$16.15 in cash, 66.7% of unitholders voting need to vote FOR the Starwood transaction.

This means every vote will count no matter how many units you own.

You must vote your proxy before 10:00 a.m. (EST) on March 3, 2017 for it to count.

Sincerely,

(Signed) Michael D. Young

Michael D. Young
Chair of the Board of Trustees
Milestone Apartments
Real Estate Investment Trust

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NOTICE OF SPECIAL MEETING OF UNITHOLDERS

AND

MANAGEMENT INFORMATION CIRCULAR

SPECIAL MEETING OF UNITHOLDERS

TO BE HELD ON MARCH 7, 2017

February 6, 2017

TABLE OF CONTENTS

NOTICE OF SPECIAL MEETING OF UNITHOLDERS

NOTICE IS HEREBY GIVEN that a special meeting (the "**Meeting**") of the holders of units ("**Unitholders**") of Milestone Apartments Real Estate Investment Trust (the "**REIT**") will be held at Bay Adelaide Centre, 333 Bay Street, Suite 3400, Toronto, Ontario on March 7, 2017 at 10:00 a.m. (Toronto time), for the following purposes:

1. **TO CONSIDER**, and if deemed advisable, pass, with or without variation, a special resolution (the "**Transaction Resolution**") the full text of which is set forth in Schedule "B" to the accompanying management information circular (the "**Circular**"), approving certain transactions contemplated in the acquisition agreement among Maple-SOF Partners, L.P. (the "**Purchaser**"), Maple-SOF Partnership Merger Sub, L.P., the REIT, Milestone Apartments Holdings, LLC and Milestone Multifamily Investors LP made as of January 19, 2017, including, without limitation, the: (i) sale of all of the assets of the REIT to the Purchaser; (ii) redemption of all of the outstanding Units as described in and in accordance with, the proposed amendments to the Declaration of Trust set forth in Schedule "B" to the Circular; and (iii) termination of the REIT.

2. **TO CONSIDER** such other business as may properly come before the meeting or any adjournment or postponement thereof.

Specific details of the matters proposed to be put before the Meeting are set forth in the Circular which accompanies and forms part of this notice, including the full text of the Transaction Resolution attached thereto as Schedule "B".

Based on a unanimous recommendation of the special committee of the board of trustees of the REIT, the board of trustees of the REIT UNANIMOUSLY recommends that Unitholders vote **FOR** the Transaction Resolution.

The Trustees have established the record date for determining Unitholders entitled to receive notice of, and to vote at, the Meeting or any adjournment or postponement as the close of business (Toronto time) on January 27, 2017. Any person that becomes a Unitholder after such time will not be entitled to receive notice of or vote at the Meeting or any adjournment or postponement thereof.

Unitholders who are unable to be present in person at the Meeting are requested to sign, date and return the enclosed Form of Proxy or Voting Instruction Form in accordance with the instructions provided. Proxies to be used at the Meeting must be deposited with Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, not later than 10:00 a.m. (Toronto time) on March 3, 2017. The deadline for the deposit of proxies may be waived or extended by the Chair of the Meeting at the Chair's sole discretion without notice. If the Meeting is adjourned or postponed, proxies or instructions to Computershare Investor Services Inc. must be deposited 48 hours (excluding Saturdays, Sundays and holidays) before the time set for any reconvened or postponed meeting.

Your vote is important regardless of the number of Units you own. Whether or not you attend the Meeting, please take the time to vote in accordance with the instructions contained in the Form of Proxy or Voting Instruction Form, as applicable. If you have any questions, or require assistance completing the Form of Proxy or Voting Instruction Form, please contact our strategic shareholder advisor and proxy solicitation agent, Kingsdale Advisors, toll-free within North America at 1-866-851-3215, or collect call outside North America at 1-416-867-2272, or by email at contactus@kingsdaleadvisors.com.

DATED at Toronto, Ontario this 6th day of February, 2017.

BY ORDER OF THE BOARD OF TRUSTEES

(Signed) *"Mr. Michael D. Young"*

Chair of the Board of Trustees
Milestone Apartments Real Estate Investment Trust

ABOUT THE TRANSACTION AND THE MEETING

The following questions and answers address briefly some questions you may have regarding the Transaction and the Meeting. These questions and answers may not address all questions that may be important to you. You are urged to carefully read this entire Information Circular, including the attached Schedules, and the other documents to which this Information Circular refers in order for you to understand fully the Transaction Resolution. Unless otherwise indicated, all dollar amounts are expressed in U.S. dollars and references to "$" are to U.S. dollars. All capitalized terms used in the following questions and answers are defined in the "Glossary of Terms".

Q: What is the proposed Transaction?

A: The proposed Transaction is a going private transaction in which US$16.15 is being paid for every Unit, Class B Unit, Option (net of the exercise price) and Deferred Trust Unit. Pursuant to the Acquisition Agreement, among other things, (i) the Purchaser will acquire all of the REIT's right, title and interest (legal and beneficial) in and to all of the assets of the REIT; (ii) the Partnership Merger Sub will merge with and into MMI LP and Class B Units will be converted into the right of the holders of such Class B Units to receive a cash payment equal to the amount of US$16.15 per Class B Unit; (iii) the REIT will purchase for a cash payment of US$16.15 per Unit the outstanding Options for cancellation (net of the exercise price) and settle all Deferred Trust Units in cash; (iv) all Units will be redeemed at a price of US$16.15 per Unit; and (v) the REIT will be terminated. *For more information, see "The Transaction" and the full copy of the Acquisition Agreement, which has been filed by the REIT on SEDAR at www.sedar.com.*

Q: Was the Transaction structured efficiently from a tax perspective?

A: Yes. The Transaction has been structured to result in Unitholders being taxed at capital gains rates and without incurring U.S. or Canadian withholding tax. *For more information, see "Certain Canadian Federal Income Tax Considerations" and "Certain U.S. Federal Income Tax Considerations".*

Q: What am I being asked to approve at the Meeting?

A: At the Meeting, Unitholders will be asked to consider and vote on the approval of the Transaction Resolution, the full text of which is set forth in Schedule "B" hereto, which approves certain transactions contemplated in the Acquisition Agreement including, without limitation, the: (i) sale of all of the assets of the REIT to the Purchaser; (ii) redemption of all of the outstanding Units as described in and in accordance with, the proposed amendments to the Declaration of Trust set forth in Schedule "B" to the Information Circular; and (iii) termination of the REIT. *For more information, see "The Transaction".*

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

A: Unitholders will receive, for each Unit they own, US$16.15 per Unit in cash. All payments to be made pursuant to the Acquisition Agreement will be made in U.S. dollars; provided however, that Unitholders will have an opportunity to elect to instead receive the Canadian dollar equivalent, determined as of the date of such exchange and redemption from the Redemption and Exchange Agent of their REIT Consideration pursuant certain terms and conditions. *For more information, see "The Transaction".*

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

A: In connection with the Transaction, your Units will be redeemed by the REIT and you will receive US$16.15 per Unit in cash. Following the Closing, the Units will be delisted from the TSX, the REIT will cease to be a reporting issuer in each of the provinces and territories of Canada that it is presently a reporting issuer, and the REIT will be terminated. *For more information, see "The Transaction".*

Q: Will the REIT continue to pay distributions prior to the effective time of the Transaction?

A: As permitted by the Acquisition Agreement, the REIT expects to continue paying its monthly distributions of US$0.05041 per Unit in the ordinary course of business consistent with past practice through and until the Closing. *For more information, see "Information Concerning the REIT – Distribution Policy".*

Q: Are management's interests aligned with Unitholders?

A: Yes. Management's interests are aligned with those of Unitholders. The REIT's CEO, together with other senior management, own or control an approximate 13% interest in the REIT (including non-voting Class B Units, Options and Deferred Trust Units) and will not have continuing roles with the new company following closing.

Q: How do the Trustees and executive officers intend to vote their Units in respect of the Transaction Resolution?

A: All of the Trustees and executive officers of the REIT who own Units have agreed in separate Support and Voting Agreements to vote the Units that they beneficially own "FOR" the approval of the Transaction Resolution. *For more information, see "Support and Voting Agreements".*

Q: Do any of the Trustees and executive officers or any other persons have any interest in the Transaction that is different than mine?

A: Yes, the Trustees and executive officers have interests in the Transaction, including as holders of Options and Deferred Trust Units and as recipients of certain Transaction-related payments, that are, or may be, different from, or in addition to, the interests of other REIT securityholders. Members of the Special Committee and the Board were aware of and considered these interests, among other matters, in evaluating and negotiating the Acquisition Agreement, and in recommending to Unitholders that they vote FOR the Transaction Resolution. *For more information, see "Interests of Certain Persons in the Transaction".*

Q: What happens if the Transaction is not completed?

A: If the Transaction is not completed for any reason, you will not receive any payment for your Units. Instead, the Units will continue to be traded on the TSX. Upon termination of the Acquisition Agreement, prior to consummation of the Transaction, the REIT will be required to pay to the Purchaser a termination fee of US$53 million under certain circumstances, including if the Acquisition Agreement is terminated (i) by the Purchaser due to a Change in Recommendation, the entering into of an alternative REIT Acquisition Agreement or the Board's failure to reconfirm its recommendation that Unitholders approve the Transaction Resolution, (ii) by the REIT due to the REIT entering into a definitive agreement with respect to an alternative REIT transaction, or (iii) by either the Purchaser or the REIT due to a failure to obtain Unitholder Approval, or by the Purchaser due to the REIT's breach of any representation or warranty or failure to perform any covenants and prior to such termination an alternative REIT Acquisition Agreement has been announced and an alternative transaction is agreed to within 12 months that is later consummated. Upon termination of the Acquisition Agreement, prior to consummation of the Transaction, the Purchaser will be required to pay to the REIT a termination fee of US$100 million upon certain circumstances, including (i) if the Acquisition Agreement is terminated by the REIT due to the Purchaser's breach of any representation or warranty or failure to perform any covenants or (ii) the Purchaser does not provide or cause to be provided the REIT Consideration or the Partnership Merger Consideration as required by the Acquisition Agreement. If the Acquisition Agreement is terminated by either the Purchaser or the REIT due to a failure to obtain Unitholder Approval, or by the Purchaser due to the REIT's breach of any representation or warranty or failure to perform any covenants, the REIT will be required to reimburse the Purchaser for all of its out-of-pocket expenses (up to a maximum of US$3.0 million if termination is due to a failure to obtain Unitholder Approval).*For more information, see "The Acquisition Agreement – Termination Provisions".*

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

A: Yes. On November 10, 2016, the Board resolved to form a special committee of independent non-management Trustees (comprising of all Trustees other than the REIT's Chief Executive Officer, Robert P. Landin) to consider, examine, evaluate and negotiate (or supervise the negotiation of) any going private transaction proposed by Starwood or others. *For more information, see "Background to the Transaction – Background to the Transaction".*

Q: What was the recommendation of the Special Committee?

A: After carefully evaluating the Transaction with the assistance of its financial and legal advisors, the Special Committee unanimously determined that the Transaction, on the terms and conditions negotiated by the Special Committee, was in the best interests of the REIT and its Unitholders. Accordingly, the Special Committee unanimously recommends that Unitholders vote FOR the Transaction. Each Special Committee member has entered into a Support and Voting Agreement with the Purchaser. *For more information, see "Background to the Transaction – Background to the Transaction" and "Background to the Transaction – Recommendation of Special Committee".*

Q: What were the Special Committee's reasons for recommending the Transaction?

A: The Special Committee considered a number of factors in arriving at its determinations and recommendation to vote FOR the Transaction Resolution. Such factors include, but are not limited to: (i) that the Transaction reflects an attractive value for the REIT; (ii) that the all-cash US$16.15 price per Unit offers certainty of liquidity and removes the risks associated with the continued ownership of Units; (iii) that the future outlook for public real estate issuers is uncertain; (iv) that Starwood is a credible and reputable investment firm that has a history of executing on large transactions such as this; (v) that the Transaction is compelling relative to alternatives; (vi) that the REIT has the ability to respond to Superior Proposals; (vii) that the Purchaser is obligated to pay the REIT a US$100 million termination fee in certain circumstances; (viii) the Fairness Opinions, which indicate that the consideration to be received by Unitholders pursuant to the Transaction is fair, from a financial point of view, to Unitholders; (ix) the Support and Voting Agreements, pursuant to which the Supporting Unitholders who collectively beneficially own less than 1% of the outstanding Units and 14% of the outstanding fully-diluted Units (including non-voting Class B Units, Options and Deferred Trust Units), have agreed to vote their Units FOR the Transaction; (x) the tax efficient structure of the Transaction; (xi) the required Unitholder approval; (xii) the Special Committee's belief that the terms and conditions of the Acquisition Agreement are reasonable; (xiii) the continued payment of the REIT's monthly distribution in the ordinary course of business consistent with past practice through and until the Closing; (xiv) the payment of the Transaction consideration in U.S. dollars; and (xv) the interests of the REIT's other securityholders. The Special Committee also identified and considered potentially negative factors to be balanced against the positive factors listed above but, on balance, unanimously determined that the Transaction was in the best interests of the REIT and is fair its Unitholders. For more information, see "Background to the Transaction – Reasons for the Recommendation" and "Risk Factors".

Q: Was there a fairness opinion relating to the Transaction prepared for the Special Committee?

A: Yes. Each of BMO Capital Markets and National Bank Financial Inc. prepared fairness opinions for the Special Committee in exchange for fees that were paid at the time that the Acquisition Agreement was entered into. National Bank Financial Inc. was engaged to provide an independent fairness opinion and was paid a fee for the delivery of its fairness opinion regardless of its conclusion that was not contingent in any respect on the successful completion of the Transaction. BMO Capital Markets will also receive fees for its advisory services, a substantial portion of which is contingent on the completion of the Transaction. Each fairness opinion concluded that the consideration payable pursuant to the Transaction is fair from a financial point of view to Unitholders. *For more information, see "Matters to be Considered at the Meeting: the Transaction – Fairness Opinions".*

Q: Are there summaries of the material terms of the agreements relating to the Transaction?

A: Yes. This Information Circular includes summaries of the Acquisition Agreement and the Support and Voting Agreements. *For more information, see "The Acquisition Agreement" and "Support and Voting Agreements" and the complete text of the Acquisition Agreement and Support and Voting Agreements which have been filed on SEDAR at www.sedar.com.*

Q: How does the Board recommend I vote?

A: The Board unanimously recommends that Unitholders vote "FOR" the Transaction Resolution. *For more information, see "Background to the Transaction – Recommendation of Board of Trustees".*

Q: What are the anticipated Canadian federal income tax consequences to me of the Transaction?

A: The following is a general summary of the anticipated Canadian federal income tax consequences of the Transaction. Provided that the REIT makes the appropriate designations, which the REIT intends to do:

- A Resident Holder generally will realize, in the aggregate, a capital gain (or capital loss) as a result of the Transaction equal to the amount by which the REIT Consideration received by such Resident Holder, net of any reasonable costs of disposition, exceeds (or is exceeded by) the aggregate of the Resident Holder's adjusted cost base of the Units disposed of. REIT Consideration received in U.S. dollars generally must be converted to Canadian currency using the rate of exchange quoted by the Bank of Canada at noon on the day of the Transactions, or using such other rate of exchange as is acceptable to the Minister of National Revenue (Canada).

- A Non-Resident Holder generally will not be subject to Canadian income tax (including Canadian withholding tax) as a result of the Transaction.

This summary is subject to the conditions, limitations, and assumptions contained in "*Certain Canadian Federal Income Tax Considerations*" described in this Circular, which beneficial holders of Units 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, holders 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 more information, see "Certain Canadian Federal Income Tax Considerations".*

Q: What are the anticipated U.S. federal income tax consequences to me of the Transaction?

A: The following is a general summary of the anticipated U.S. federal income tax consequences of the Transaction:

- A U.S. Holder generally will realize a capital gain (or capital loss) as a result of the Transaction equal to the amount by which the REIT Consideration received by such U.S. Holder, net of any reasonable costs of disposition, exceed (or are exceeded by) the aggregate of the U.S. Holder's adjusted tax basis of the Units disposed of.

- A Non-U.S. Holder who owns 10% or less (actually or constructively) of the outstanding Units generally will not be subject to U.S. income tax (including U.S. withholding tax) as a result of the Transaction. Special considerations may apply to a Non-U.S. Holder who (i) owns more than 10% (actually or constructively) of the outstanding Units during the 1-year period prior to the Redemption, (ii) realizes a gain on the Redemption that is effectively connected with such unitholder's conduct of

trade or business in the U.S., (iii) is an individual present in the U.S. for 183 days or more in the taxation year in which the Redemption occurs, or (iv) is a "qualified shareholder" (as defined herein). The REIT does not believe that it has any 10% unitholders.

This summary is subject to the conditions, limitations, and assumptions contained in "Certain U.S. Federal Income Tax Considerations" described in this Circular, which beneficial holders of Units 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 U.S. federal income tax considerations. Consequently, holders 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 U.S. federal, state or local tax laws and under foreign tax laws, having regard to their own particular circumstances. *For more information, see "Certain U.S. Federal Income Tax Considerations".*

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

A: The REIT is working toward completing the Transaction as quickly as possible and currently anticipates that the Transaction will be completed early in the second quarter of 2017. Completion of the Transaction is subject to, and may be delayed by, satisfaction of certain customary conditions. *For more information, see "The Acquisition Agreement – Closing Conditions".*

Q: If the Transaction is completed, when can I expect to receive my US$16.15?

A: You will be paid US$16.15 in cash for each Unit you hold as soon as reasonably practicable after the Closing. *For more information, see "The Transaction – Payment of Consideration".*

Q: Where and when is the Meeting?

A: The Meeting is scheduled to take place on March 7, 2017 at 10:00 a.m. (Toronto time) located at Bay Adelaide Centre, 333 Bay Street, Suite 3400, Toronto, Ontario. *For more information, see "Management Information Circular".*

Q: Who is eligible to vote at the Meeting?

A: Only Unitholders of record at the close of business on January 27, 2017, will be entitled to receive notice of and vote at the Meeting or any adjournment or postponement thereof, even if he, she or it has since that date disposed of his, her or its Units. *For more information, see "Voting Securities and Principal Holders Thereof".*

Q: When is the proxy cut-off?

A: The proxy cut-off is on March 3, 2017 at 10:00 a.m. (Toronto time). Please ensure your proxy has been submitted prior to the cut-off. *For more information, see "Proxy Solicitation and Voting – Appointment of Proxies".*

Q: Who is soliciting my proxy vote?

A: The solicitation of proxies for the Meeting will be made primarily by mail, but proxies may also be solicited personally, in writing or by telephone by employees, agents, or members of the REIT, including Kingsdale Advisors, the strategic shareholder advisor and proxy solicitation agent retained by the REIT. The REIT will bear the cost in respect of the solicitation of proxies for the Meeting and will bear the legal, printing and other costs associated with the preparation of the Information Circular and any additional solicitation materials that the REIT and its agents may prepare. *For more information, see "Proxy Solicitation and Voting – Solicitation of Proxies".*

If you have any questions or need assistance completing your form of proxy or voting instruction form, please contact Kingsdale Advisors toll-free within North America at 1-866-851-3215 or outside North America at 1-416-867-2272 (collect call) or by email at contactus@kingsdaleadvisors.com.

Q: Is the REIT using notice and access to communicate proxy materials to Unitholders?

A: The REIT has elected not to use Notice and Access to distribute the Information Circular, the Notice of Meeting, and the Form of Proxy. Instead, registered Unitholders and Beneficial Holders will be mailed the Meeting Materials. *For more information, see "Proxy Solicitation and Voting – Notice and Access".*

Q: How do I vote my proxy?

A: To be valid, proxies or instructions must be deposited at the offices of Computershare Investor Services Inc. at 100 University Avenue, Suite 800, Toronto, Ontario M5J 2Y1, so as not to arrive later than 10:00 a.m. (Toronto time) on March 3, 2017. The deadline for the deposit of proxies may be waived or extended by the Chair of the Meeting at the Chair's sole discretion without notice. If the Meeting is adjourned or postponed, proxies or instructions to the Agent must be deposited 48 hours (excluding Saturdays, Sundays and holidays) before the time set for any reconvened or postponed meeting.

It is not necessary to attend the Meeting to vote. If you are a Unitholder of record on the Record Date, you may also vote by submitting your proxy pursuant to the instructions on the proxy card provided. If you wish to mail your proxy, you can submit your proxy by completing, signing, dating and returning the enclosed proxy card in the accompanying pre-addressed, postage-paid envelope.

If you are a registered Unitholder of record and you attend the Meeting, you may vote at the Meeting by ballot. If you are a Beneficial Holder of Units, you may vote by proxy by following the voting instruction form provided to you by your broker, bank or nominee. The deadline for the deposit of proxies may be waived or extended by the Chair of the Meeting at the Chair's sole discretion without notice.

For more information, see "Proxy Solicitation and Voting – Appointment of Proxies".

Q: Can I appoint someone else to vote my proxy?

A: Yes. Each Unitholder has the right to appoint some other person or entity (who need not be a Unitholder) to attend, vote and act on their behalf at the Meeting other than the persons named in the enclosed instrument of proxy. This may be exercised by inserting the person's name in the blank space provided in the proxy or by completing another proper instrument of proxy naming such other person as proxyholder. The instrument appointing a new proxyholder must be in writing and must be signed by the Unitholder or his or her attorney therefor duly authorized in writing. If you appoint a non-management proxyholder, please make them aware and ensure they will attend the Meeting for the vote to count. *For more information, see "Proxy Solicitation and Voting – Appointment of Proxies".*

Q: Can I revoke my proxy after I have submitted it?

A: Yes. You may revoke your proxy at any time prior to the close of voting at the Meeting by doing any one of the following:

- complete, sign, date and submit another proxy (a properly executed, valid proxy will revoke any previously submitted proxies) prior to the proxy cut-off at 10:00 a.m. (Toronto time) on March 3, 2017.
- deposit an instrument in writing executed by the Unitholder or his or her attorney duly authorized in writing or if the Unitholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized with Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1 at any time up to and including two Business Days preceding the Meeting or any adjournment or postponement thereof at which the proxy is to be used, and upon such deposit, the proxy is revoked.

- registered Unitholders can attend the Meeting and vote in person.

Only registered Unitholders have the right to revoke a proxy. Beneficial holders who wish to change their vote must make appropriate arrangements with their respective dealers or other intermediaries. *For more information, see "Proxy Solicitation and Voting – Revocation of Proxies".*

Q: How do I vote if my Units are held through an intermediary?

A: An intermediary will vote the Units held by you only if you provide instructions to them on how to vote. Without instructions, your Units will not be voted. Every intermediary has its own mailing procedures and provides its own return instruction, which you should carefully follow in order to ensure that your Units are voted at the Meeting. *For more information, see "Information for Beneficial Holders of Securities".*

Q: What is the quorum for the Meeting?

A: Quorum requirements are met by the presence in person of not less than two Unitholders holding or representing by proxy not less than 10% of the Units entitled to vote at the Meeting.

Q: What is the vote requirement to pass the Transaction Resolution?

A: To become effective, the Transaction Resolution must be approved by (i) the affirmative vote of not less than $66^{2}/_{3}\%$ of the votes cast upon the Transaction Resolution by Unitholders present in person or represented by proxy at the Meeting; and (ii) the affirmative vote of a majority of the votes cast upon such Transaction Resolution by Unitholders present in person or represented by proxy at the Meeting, excluding votes attached to such Units held by persons described in items (a) through (d) of section 8.1(2) of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, being Robert P. Landin and certain entities affiliated with Mr. Landin. *For more information see "Interests of Certain Persons in the Transaction*".

MILESTONE APARTMENTS REAL ESTATE INVESTMENT TRUST

MANAGEMENT INFORMATION CIRCULAR

Unless otherwise indicated, or the context otherwise requires, "**REIT**" refers to Milestone Apartments Real Estate Investment Trust, an unincorporated open-ended real estate investment trust governed by the laws of the Province of Ontario and, where applicable includes its direct and indirect subsidiaries. Unless otherwise indicated, all dollar amounts are expressed in U.S. dollars and references to "$" are to U.S. dollars. All capitalized terms used in this Information Circular but not otherwise defined herein shall have the meanings set forth in the "*Glossary of Terms*", which is attached as Schedule "A" to this management information circular (the "**Information Circular**").

The Information Circular is furnished in connection with the solicitation of proxies by or on behalf of management of the REIT and the board of trustees of the REIT (the "**Board**"), for use at the special meeting (the "**Meeting**") of holders of Units ("**Unitholders**") of the REIT to be held on March 7, 2017 at Bay Adelaide Centre, 333 Bay Street, Suite 3400, Toronto, Ontario at 10:00 a.m. (Toronto time), and at all postponements or adjournments thereof, for the purposes set forth in the notice of the Meeting accompanying this Information Circular (the "**Notice of Meeting**").

EXCHANGE RATE INFORMATION

The consideration that Unitholders will receive pursuant to the Transaction is exposed to the impact of fluctuations in the Canadian/U.S. dollar exchange rate. The following table sets forth, for the periods indicated, the high, low, average and period-ended noon spot rates of exchange for US$1.00, expressed in Canadian dollars, published by the Bank of Canada.

	Year ended December 31	**Year ended December 31**
	2015	**2016**
	C$	C$
Highest rate during the period	1.3990	1.4589
Lowest rate during the period	1.1728	1.2544
Average rate for the period	1.2787	1.3248
Rate at the end of the period	1.3840	1.3427

On February 6, 2017, the noon rate of exchange posted by the Bank of Canada for conversion of U.S. dollars into Canadian dollars was US$1.00 equals C$1.3117.

NOTICE CONCERNING FORWARD–LOOKING STATEMENTS

This Information Circular and any documents incorporated by reference contain "forward-looking information", as defined under Canadian Securities Laws (collectively, "**forward-looking statements**"). Among other terms, the words "plans", "expects", "does not expect", "scheduled", "estimates", "intends", "anticipates", "does not anticipate", "projects", "believes", "pro forma" or variations of such words and phrases or statements to the effect that certain actions, events or results "may", "will", "could", "should", "would", "might", "occur", "be achieved", "or "continue" and similar expressions identify forward-looking statements. Some of the specific forward-looking statements in this Information Circular, include, but are not limited to, statements with respect to the intention of the REIT to complete the Transaction on the terms and conditions described herein and the expected Closing Date thereof; the benefits of the Transaction; the tax consequences of the Transaction, the benefits and risks of the REIT continuing as a stand-alone entity; necessary approvals and other conditions required to complete the Transaction, the de-listing of the Units from the TSX, payment of distributions and any other statements regarding the REIT's

expectations, intentions, plans and beliefs. The forward-looking statements in this Information Circular are based on certain assumptions and analyses that were applied in drawing a conclusion or making a forecast or projection, including: the REIT's experience and perception of historical trends, current conditions and expected future developments, as well as other factors that are believed to be reasonable in the circumstances. Such assumptions relate to, among other things: that all conditions to the completion of the Transaction will be satisfied or waived; the economy generally; in particular in the Sunbelt region of the United States in which the REIT's properties are located; there will be no Change in Facts or Change in Laws; interest rates in the U.S. and Canada; and exchange rates in the U.S. and Canada. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the parties' ability to consummate the Transaction; the satisfaction or waiver of conditions in the Acquisition Agreement; the occurrence of any event, change or other circumstance that could give rise to the termination of the Acquisition Agreement; changes in interest rates and exchange rates; material adverse changes in the affairs of the REIT; the REIT's ability to obtain required regulatory approvals and consents; and other risks described in the REIT's current AIF and annual MD&A posted under its profile on SEDAR at www.sedar.com. There can be no assurance that forward-looking statements will prove to be accurate as actual outcomes and results may differ materially from those expressed in these forward-looking statements. Readers, therefore, should not place undue reliance on any such forward-looking statements.

Certain statements included in this Information Circular may be considered a "financial outlook" for purposes of applicable Canadian Securities Laws, and as such, the financial outlook may not be appropriate for purposes other than this Information Circular. All forward-looking statements in this Information Circular are made as of the date hereof. Except as expressly required by applicable Law, the REIT assumes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. All forward-looking statements in this Information Circular are qualified by these cautionary statements.

PROXY SOLICITATION AND VOTING

Solicitation of Proxies

The solicitation of proxies for the Meeting will be made primarily by mail, but proxies may also be solicited personally, in writing or by telephone by employees, agents, or members of the REIT, including Kingsdale Advisors, the strategic shareholder advisor and proxy solicitation agent retained by the REIT. The REIT has agreed to pay Kingsdale Advisors fees of approximately US$50,000 in connection with its proxy solicitation services, plus taxes, incidental and out-of-pocket expenses and disbursements, including with respect to calls to Unitholders and delivery charges. In addition, the REIT has agreed to indemnify Kingsdale Advisors in respect of certain liabilities it may incur in performing its services. The REIT may also cause a soliciting dealer group to be formed to solicit proxies on behalf of the REIT in support of the Transaction Resolution, for which the REIT would pay customary fees. The REIT will bear the cost in respect of the solicitation of proxies for the Meeting and will bear the legal, printing and other costs associated with the preparation of the Information Circular. The REIT will also pay the fees and costs of intermediaries for their services in transmitting proxy-related material in accordance with National Instrument 54-101 — *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**").

Notice and Access

The REIT has elected not to use Notice and Access to distribute the Information Circular, the Notice of Meeting and the form of proxy accompanying this Information Circular ("**Form of Proxy**") (collectively, the "**Meeting Materials**"). Registered Unitholders and non-registered Unitholders ("**Beneficial Holders**") will be mailed the Meeting Materials.

Appointment of Proxies

Together with the Information Circular, Unitholders will also be sent a Form of Proxy. The persons named in such proxy are currently trustees of the REIT ("**Trustees**") or officers of the REIT. **A Unitholder who wishes to**

appoint some other person or company to represent him, her or it at the Meeting may do so by crossing out the persons named in the enclosed Form of Proxy and inserting such person's or company's name in the blank space provided in the Form of Proxy or by completing another proper Form of Proxy. Such other person need not be a Unitholder of the REIT. If you appoint a non-management proxyholder, please make them aware and ensure they will attend the Meeting for the vote to count.

To be valid, proxies or instructions must be deposited at the offices of Computershare Investor Services Inc. (the "**Agent**") at 100 University Avenue, Suite 800, Toronto, Ontario M5J 2Y1, so as not to arrive later than 10:00 a.m. (Toronto time) on March 3, 2017. The deadline for the deposit of proxies may be waived or extended by the Chair of the Meeting at the Chair's sole discretion without notice. If the Meeting is adjourned or postponed, proxies or instructions to the Agent must be deposited 48 hours (excluding Saturdays, Sundays and holidays) before the time set for any reconvened or postponed meeting.

The document appointing a proxy must be in writing and completed and signed by a Unitholder or his or her attorney authorized in writing or, if the Unitholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. Instructions provided to the Agent by a Unitholder must be in writing and completed and signed by the Unitholder or his or her attorney authorized in writing or, if the Unitholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. Persons signing as officers, attorneys, executors, administrators, and trustees or similarly otherwise should so indicate and provide satisfactory evidence of such authority.

Revocation of Proxies

A proxy given by a Unitholder for use at the Meeting may be revoked at any time prior to its use. In addition to revocation in any other manner permitted by Law, a proxy may be revoked by an instrument in writing executed by the Unitholder or by his or her attorney authorized in writing or, if the Unitholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized and deposited with Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1 at any time up to and including two business days preceding the Meeting or any adjournment thereof at which the proxy is to be used, and upon such deposit, the proxy is revoked.

Only registered Unitholders have the right to revoke a proxy. Beneficial Holders who wish to change their vote must make appropriate arrangements with their respective dealers or other intermediaries.

Voting of Proxies

The persons named in the accompanying Form of Proxy will vote the Units in respect of which they are appointed, on any ballot that may be called for, in accordance with the instructions of the Unitholder as indicated on the proxy. In the absence of such specification, such Units represented by a valid Form of Proxy deposited in the manner described herein will be voted FOR of the Transaction Resolution.

The persons appointed under the Form of Proxy are conferred with discretionary authority with respect to amendments to or variations of matters identified in the Form of Proxy and the Notice of Meeting and with respect to other matters, which may properly come before the Meeting. In the event that amendments or variations to matters identified in the Notice of Meeting are properly brought before the Meeting, it is the intention of the persons designated in the enclosed Form of Proxy to vote in accordance with their best judgment on such matter or business. At the time of printing the Information Circular, the Trustees know of no such amendments, variations or other matters.

INFORMATION FOR BENEFICIAL HOLDERS OF UNITS

Information set forth in this section is very important to persons who hold Units otherwise than in their own names. A Beneficial Holder who beneficially owns Units, but such Units are registered in the name of an intermediary (such as a securities broker, financial institution, trustee, custodian or other nominee who holds

securities on behalf of the Beneficial Holder or in the name of a clearing agency in which the intermediary is a participant) should note that only proxies or instructions deposited by securityholders whose names are on the records of the REIT as the registered holders of Units can be recognized and acted upon at the Meeting.

Units that are listed in an account statement provided to a Beneficial Holder by a broker are likely not registered in the Beneficial Holder's own name on the records of the REIT and such Units are more likely registered in the name of CDS Clearing and Depository Services Inc. ("**CDS**") or its nominee. In the United States, the majority of Units are registered under the name of Cede & Co. (the registration name for the Depositary Trust Company, which acts as nominee for many United States brokerage firms). Units held by brokers, agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Holder. Without specific instructions, brokers and their agents and nominees are prohibited from voting Units for the broker's clients. The Trustees, senior officers and certain Unitholders of the REIT do not know for whose benefit the Units registered in the name of CDS & Co., Cede & Co. or of other brokers, agents and nominees are held. Therefore, Beneficial Holders should ensure that instructions respecting the voting and deposit of their Units are communicated to the appropriate person.

Applicable regulatory policy in Canada requires brokers and other intermediaries to seek voting instructions from Beneficial Holders in advance of securityholders' meetings. Every broker or other intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Holders in order to ensure that their Units are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Holder by its broker is identical to that provided to registered securityholders. However, its purpose is limited to instructing the registered securityholder how to vote on behalf of the Beneficial Holder. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications Solutions ("**Broadridge**"). Broadridge typically prepares a machine-readable voting instruction form, mails those forms to the Beneficial Holders and asks Beneficial Holders to return the proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions representing the voting of the securities to be represented at the Meeting. A Beneficial Holder receiving a Broadridge voting instruction form cannot use that voting instruction form to vote Units directly at the Meeting. The voting instruction form must be returned to Broadridge well in advance of the Meeting in order to have the Units voted. Proxy-related materials will be sent by the REIT to the intermediaries and not directly to the non-registered beneficial Unitholders. The REIT intends to pay for intermediaries to deliver proxy-related materials to "objecting beneficial owners" and Form 54-101F7 (the request for voting instructions), in accordance with NI 54-101.

Although Beneficial Holders may not be recognized directly at the Meeting for the purposes of voting Units registered in the name of CDS or their broker or other intermediary, a Beneficial Holder may attend at the Meeting as proxy holder for the registered holder and vote their Units in that capacity. Beneficial Holders who wish to attend the Meeting and indirectly vote their own Units as proxy holder for the registered holder should enter their own names in the blank space on the Form of Proxy or voting instruction form provided to them and return the same to their broker or other intermediary (or the agent of such broker or other intermediary) in accordance with the instructions provided by such broker, intermediary or agent well in advance of the Meeting.

To vote FOR the Transaction Resolution, Unitholders can do so by using any of the methods outlined below in accordance with the instructions on the Form of Proxy or Voting Instruction Form accompanying the Information Circular:

Registered Unitholders (account held in physical certificate form):

In person: If you wish to vote in person at the Meeting, do not complete or return the proxy form.

Fax: To the Toronto office of Computershare, Attention: Proxy Department, 1-866-249-7775 (toll free, within Canada and the United States only) (send both pages of your completed, signed Form of Proxy) or 1-416-263-9524 (outside Canada and the United States).

Mail: Computershare Investor Services Inc., Attention: Proxy Department, 8th Floor, 100 University Avenue, Toronto, ON M5J 2Y1

If you have any questions or need assistance completing your form of proxy or voting instruction form, please contact Kingsdale Advisors toll-free within North America at 1-866-851-3215 or outside North America at 1-416-867-2272 (collect call) or by email at contactus@kingsdaleadvisors.com.

Non-Registered (Beneficial) Unitholders (Account held at a Financial Institution):

Non-Registered Unitholders (Canada)

Internet: enter the **16**-digit control number at **www.proxyvote.com**

Mobile voting: Scan the QR code on your VIF with your Smartphone and follow the instructions.

Telephone: 1-800-474-7493 (English) / 1-800-474-7501 (French) You will require a 16-digit Control Number (located on the back of your voting instruction form) to identify yourself on the system.

Fax: 1-905-507-7793 or 1-800-623-5305

Mail: Vote by mailing in your completed, signed VIF, using the postage paid envelope included in your package.

Non-Registered Unitholders (United States)

Internet: Enter the 16-digit control number at **www.proxyvote.com**

Telephone: 1-800-454-8683

Mail: Vote by mailing in your completed, signed VIF, using the postage paid envelope included in your package.

Additionally, the REIT may use the Broadridge QuickVote™ service to assist non-registered Unitholders with voting their Units. Non-registered Unitholders may be contacted by Kingsdale Advisors to conveniently obtain a vote directly over the telephone. Broadridge then tabulates the results of all instructions received and provides the appropriate instructions respecting the voting Units to be represented at the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The REIT is authorized to issue an unlimited number of Units. As of the Record Date (defined below), there were 80,478,063 Units outstanding.

In addition, Milestone Multifamily Investors LP, a limited partnership established under the laws of Delaware ("**MMI LP**"), a Subsidiary of the REIT, had 11,116,687 class B limited partnership units ("**Class B Units**") outstanding as of the Record Date. Each Class B Unit is non-voting with respect to REIT matters but after a specified hold period is redeemable by the holder thereof for cash or, at the option of MMI LP through its general partner, one Unit of the REIT (subject to customary anti-dilution adjustments), and is entitled to distributions of cash from MMI LP equal to the cash distributions paid in respect of each Unit pursuant to the Support and Voting Agreements, the holders of the majority of Class B Units have consented to the Transaction. The approvals required to effect the Partnership Merger have been obtained prior to the date of this Information Circular. For greater certainty, holders of Class B Units will not be entitled to receive notice of or vote at the Meeting.

At the Meeting, each Unitholder of record at the close of business on January 27, 2017, the record date established for the Notice of Meeting (the "**Record Date**"), except as described otherwise in this Information Circular, will be entitled to one vote for each Unit held on all matters proposed to come before the Meeting. Any Unitholder, except as described otherwise in this Information Circular, who was a Unitholder on the Record Date shall be entitled to receive notice of and vote at such meeting or any adjournment or postponement thereof, even though he, she or it has since that date disposed of his, her or its Units, and no Unitholder becoming such after that date shall be entitled to receive notice of and vote at the Meeting or any adjournment or postponement thereof or to be treated as a Unitholder of record for purposes of such other action.

Management understands that the Units registered in the name of CDS & Co. are beneficially owned through various dealers and other intermediaries on behalf of their clients and other parties. The names of the beneficial

owners of such Units are not known to the REIT. The REIT, its Trustees and its executive officers have no knowledge of any person or company that beneficially owns, or controls or directs, directly or indirectly, 10% or more of the outstanding Units of the REIT.

BACKGROUND TO THE TRANSACTION

Background to the Transaction

The Acquisition Agreement (as defined below) is the result of extensive negotiations between representatives of the REIT and the Special Committee (as defined below) and their advisors, and representatives of Starwood and its advisors. The following is a summary of certain events, meetings, negotiations, discussions and actions among the parties leading up to the execution and public announcement of the Acquisition Agreement.

The Board regularly and comprehensively evaluates business and strategic opportunities and alternatives for the REIT, taking into account factors affecting the REIT's business prospects, trading value relative to net asset value, economic outlook, new supply, interest rate environment, opportunities and circumstances. Since its 2013 initial public offering, the REIT has been approached by other parties wishing to discuss a potential acquisition of the REIT. Over the last two years, three of these unsolicited advances resulted in the REIT entering into confidentiality agreements with sophisticated and well-capitalized real estate investors under which the REIT provided certain non-public information. However, none of these prior discussions resulted in the REIT receiving a firm offer representing a compelling value proposition for Unitholders, and discussions were subsequently terminated.

In January 2016, the REIT and Starwood completed the acquisition of Landmark Apartment Trust, Inc. ("**Landmark**") which resulted in the REIT and Starwood acquiring 15 and 63 properties, respectively, from Landmark's portfolio. During the negotiation and execution of the Landmark transaction, the REIT gained an appreciation for Starwood's reputation as a sophisticated real estate investor with the capital and expertise required to quickly and efficiently execute on complex real estate transactions. During this period, Starwood also gained confidence in the quality of the REIT's management team, including with respect to its underwriting and financial due diligence capabilities. Following completion of the Landmark transaction, Milestone assumed the property management function for approximately 17,000 apartment units owned by Starwood.

On October 19, 2016, management of the REIT ("**Management**") executed on the acquisition of a six property portfolio and associated financing arrangements in a continuation of its efforts to grow the REIT. In late October 2016, Management was approached by representatives of Starwood who communicated that Starwood was interested in engaging in discussions regarding a potential going private transaction involving the REIT. Starwood indicated that it was interested in acquiring the entire REIT platform, including principally all employees, other than Mr. Landin, Mr. Goldberg and certain other employees.

On the morning of November 10, 2016, the Board, together with Management and the REIT's legal counsel, Goodmans LLP ("**Goodmans**") and Vinson & Elkins LLP ("**V&E**", and together with Goodmans, "**Legal Counsel**"), met to discuss the approach from Starwood. Management informed the Board that, although an offer price had not yet been discussed, Starwood had indicated that it was very interested in the potential acquisition and expected to put forward a compelling all-cash offer as a result of their review and analysis of publicly available information.

The Board discussed the uncertain current and forecasted economic environment in both the United States and Canada, the impact such could have on the outlook for the REIT and the reasons why a sale at a compelling value might be of interest. The Board also discussed the benefits and drawbacks of a negotiated going private transaction relative to conducting a marketed sale process. The Board also received advice from Legal Counsel regarding its duties in the context of a going private transaction, as well as the requirements of Multilateral Instrument 61-101 - *Protection of Minority Securityholders in Special Transactions* ("**MI 61-101**"). The Board discussed the inherent conflicts associated with going private transactions, including those described under "Interests of Certain Persons in the Transaction", and were advised that due to such conflicts, any going private transaction (even one with an arm's length acquirer) would likely constitute a "business combination" for the purposes of MI 61-101. The Board felt that

Mr. Landin's significant equity interest in the REIT (comprised primarily of non-voting Class B Units), as well as the fact that he would not be continuing with the REIT's business or Starwood following a potential acquisition by Starwood, ensured that his interests were fully aligned with those of Unitholders. However, due to the fact that a transaction would be subject to the requirements of MI 61-101, the Board determined that it was advisable to form a special committee of independent non-Management Trustees (comprised of all Trustees other than Mr. Landin) (the "**Special Committee**") with a mandate to consider, examine, evaluate and negotiate (or supervise the negotiation of) any going private transaction proposed by Starwood or any other third party. The Board also discussed the potential negative impact that initiating a sale process with other potential acquirers may have on the REIT's employees and the REIT's operations as a whole, in particular on the REIT's ability to execute its current business plan, and determined that it was in the best interests of the REIT and Unitholders to not approach other potential acquirers for the purposes of running a marketed sale process at that time.

During that meeting, the Board also asked representatives of the REIT to seek input from BMO Nesbitt Burns Inc. ("**BMO Capital Markets**") on financial matters and obtain a proposal from BMO Capital Markets for advisory services in respect of a potential acquisition by Starwood. The Board and Legal Counsel also discussed obtaining a fairness opinion from a financial advisor that was not paid compensation contingent on the completion of a transaction, and agreed that, to the extent a transaction materialized, National Bank Financial Inc. ("**NBF**") should be engaged by the Special Committee, in part given NBF's knowledge of the REIT as a result of the work it had completed in the summer of 2016 for the REIT's independent non-Management Trustees in connection with the REIT's decision to internalize its asset management function.

Upon the conclusion of the meeting, the Board authorized representatives of the REIT to enter into a confidentiality agreement with Starwood on behalf of the REIT and engage in discussions with Starwood regarding the parameters of a potential transaction. On November 11, 2016, the REIT entered into a confidentiality agreement with Starwood on customary terms, including a standstill provision. Pursuant to this agreement, the REIT provided representatives of Starwood and its advisors with access to an electronic data room which contained certain public and non-public information concerning the REIT. Over the next few weeks and up until the signing of the Acquisition Agreement, Starwood engaged in extensive financial, legal and operational due diligence of the REIT, with representatives of the REIT working to facilitate this review by providing relevant materials and responding to informational requests from Starwood.

During the course of preliminary discussions and due diligence and following the U.S. election, mortgage interest rates increased. Starwood verbally indicated in late November that the initial conclusions of its financial analysis implied an offer price in the range of US$15.30 per Unit, which was in-line with analysts consensus net asset value ("**NAV**") per Unit estimates. Representatives of the REIT communicated to Starwood that this did not represent compelling value for the REIT and its Unitholders. On December 20, 2016, following additional financial due diligence, Starwood verbally increased its proposed purchase price to approximately US$15.95 based on revisions to certain net operating income and working capital assumptions.

On December 22, 2016, representatives of the REIT provided the Special Committee with an update on the status of discussions with Starwood and informed the Special Committee that Starwood had verbally indicated that it was now willing to pursue a going private transaction involving the REIT at a price of US$16.00 per Unit. The Special Committee discussed the proposal in light of the REIT's trading price, analyst research reports (including target prices and estimated net asset values), current net asset value, macro-economic factors and the REIT's financial outlook, and also considered the implications of a U.S. dollar denominated offer price to Unitholders. At this meeting, the Special Committee received additional advice from Legal Counsel regarding the legal duties of Trustees in a potential going private transaction and the potential tax consequences of a transaction to Unitholders. The Special Committee determined that there was a sufficient basis to move forward with further discussions with Starwood at this price and asked representatives of the REIT to request a written proposal from Starwood that could be considered in more detail by the Special Committee and its advisors. Upon the instruction of the Special Committee, Management contacted Starwood to request such written proposal. The Special Committee also instructed Michael Young, in his role as the Chair of the Special Committee, to contact NBF regarding a potential engagement.

On December 23, 2016, the Special Committee met to further discuss matters relating to a potential transaction. The Special Committee discussed the role of legal advisors, resolved to formally retain BMO Capital Markets. The Special Committee discussed Starwood's position as an optimal strategic buyer for the REIT, as described below under " – Reasons for the Recommendation – Arm's Length Negotiation with a Credible and Reputable Buyer". The Special Committee also discussed Starwood's compelling value proposition and the negative impact that a marketed sale process could have on the REIT's discussions with Starwood and the REIT's ability to execute its current business plan. After considering the potential benefits and risks the Special Committee determined that it was in the best interests of the REIT and Unitholders to continue engaging with Starwood without running a marketed sale process.

Following the Special Committee meeting on December 23, 2016, the REIT received a written non-binding indication of interest from Starwood (the "**Initial Written Proposal**") proposing an offer price of US$16.00 per Unit in cash, representing a compelling implied capitalization rate and price per apartment unit as well as an 18% premium to the REIT's 30-Day volume weighted average price ("**VWAP**") at the time. The Initial Written Proposal was not subject to any financing condition and proposed a set period of time for due diligence to be conducted by Starwood and for definitive documentation to be negotiated, as well as a period of exclusivity for such negotiations. The proposal also indicated that Starwood would require that the definitive agreements in relation to the proposed transaction contain customary non-solicit provisions as well as provisions for the payment in certain circumstances of a termination fee to Starwood of 4.0% of the deal equity value along with a reverse termination fee payable to the REIT in certain circumstances of 6.0% of the deal equity value. In delivering its Initial Written Proposal, Starwood informed the REIT that it was not willing to move forward with negotiations if the REIT were to insist on running a marketed sale process, either prior to the signing of definitive agreements or after the signing of definitive agreements pursuant to a "go shop" process.

On December 27, 2016, the Special Committee convened a meeting with BMO Capital Markets and Legal Counsel to discuss the Initial Written Proposal received from Starwood. BMO Capital Markets provided the Special Committee with its preliminary perspectives on the Initial Written Proposal, including its views regarding Starwood as a highly qualified and unique potential acquirer and what it perceived as a limited likelihood of any other strategic or financial acquirer putting forward a proposal that would represent materially more value and certainty to the REIT and its Unitholders relative to the US$16.00 per Unit all-cash offer being proposed by Starwood. BMO Capital Markets also provided the Special Committee with its preliminary financial perspectives regarding the US$16.00 per Unit offer price. BMO Capital Markets and the Special Committee discussed comparable company trading, precedent transactions, discounted cash flows, FFO and AFFO multiples and sum-of-the-parts analyses.

The Special Committee discussed the negative impact that initiating a sale process or reaching out to other potential acquirers on an informal basis would have on the Starwood proposal, the confidentiality of the discussions, the REIT's employees and the REIT's operations as a whole, as well as perspectives on the limited number of other potential acquirers of the REIT. Following this discussion, and provided that Starwood agreed to a transaction construct that would allow the Board to enter into an agreement with respect to an unsolicited superior proposal made to the Board following signing of definitive agreements with Starwood (and upon payment of a reasonable termination fee), the Special Committee determined that, given the compelling proposal from Starwood and the limited universe of qualified buyers for mid-market garden style apartment portfolios with the average age of the REIT's portfolio, it was in the best interests of the REIT and Unitholders to not approach other potential acquirers.

Following discussion, the Special Committee determined that the Initial Written Proposal was attractive, but an increase in the offer price along with certain other adjustments to the Initial Written Proposal terms, including a reduction in the termination fee payable by the REIT in certain circumstances, would be required before the Special Committee could contemplate recommending the proposed transaction to the Board and Unitholders. Accordingly, the Special Committee instructed representatives of the REIT to inform Starwood that a revised proposal, including, among other things, an increased purchase price and a reduced termination fee would be required in order for the discussions to progress towards a transaction.

Following several days of further discussions and negotiations regarding value, Starwood provided the REIT with a revised "best and final" non-binding indication of interest (the "**Revised Proposal**") on December 30, 2016 that

included an offer price of US$16.15 per Unit in cash as well as a termination fee to be paid by the REIT in the event of a superior proposal, which termination fee was reduced to 3.5% of the deal equity value (approximately US$53,000,0000) (from 4.0% in the original Starwood indication of intent letter), along with a reverse termination fee payable to the REIT in certain circumstances of 5.25% of the deal equity value (approximately US$79,000,000). At that time, the US$16.15 offer from Starwood represented a 19% premium to the REIT's 30-day VWAP. In delivering the Revised Proposal, Starwood indicated to the REIT that it was not prepared to increase the price per Unit beyond the US$16.15 price contemplated by the Revised Proposal.

The Special Committee met that same day with BMO Capital Markets and Legal Counsel to discuss the Revised Proposal. The Special Committee, BMO Capital Markets, Legal Counsel and Management further discussed the benefits and drawbacks of a sale on the proposed terms as compared to continuing to operate as a publicly traded entity. The Special Committee determined that the revised offer price represented a compelling capitalization rate and price per apartment unit within the current environment taking into account the age of the REIT's properties and anticipated challenging market conditions, an attractive premium to the REIT's net asset value and an implied price premium for Unitholders that was in line with comparable North American multifamily change-of-control transactions, and authorized representatives and advisors of the REIT to begin negotiations of definitive agreements.

On December 31, 2016, the Special Committee met with BMO Capital Markets and Legal Counsel to discuss the proposed structuring of a transaction and an initial draft of the Acquisition Agreement that had been prepared by Legal Counsel. The Special Committee also resolved to formally retain NBF to provide further advice with respect to the financial fairness of the Revised Proposal, and resolved that NBF's compensation should not be contingent on the completion of a transaction and should be paid regardless of NBF's conclusions. Also on December 31, 2016, Legal Counsel delivered a draft of the Acquisition Agreement to Starwood's legal advisors.

Over the following days, the REIT and its advisors negotiated the terms of the transaction and definitive documentation with Starwood and its advisors. Starwood agreed to an increased reverse termination fee of US$100,000,000 (approximately 6.6% of the deal equity value), with no change to the termination fee of US$53,000,000 payable by the REIT. During this period, the Special Committee met four more times and its members had numerous other discussions with Management and the REIT's advisors concerning the transaction. During these meetings and discussions, the Special Committee was updated by the REIT's representatives, BMO Capital Markets, NBF and Legal Counsel as to the status of the parties' negotiations and analyses, and the various outstanding issues and provided direction with respect to these matters. During these meetings and discussions, the Special Committee and its advisors further considered and discussed the benefits of the proposed transaction described below under "– Reasons for the Recommendation."

On January 18, 2017, Starwood's Investment Committee met and approved the proposed transaction, subject to certain changes being reflected in the definitive agreements.

Also on January 18, 2017, the Special Committee met with BMO Capital Markets, NBF and Legal Counsel. Legal Counsel provided the Special Committee with an overview of the negotiations regarding the definitive agreements and the Special Committee reviewed the terms of the definitive agreements after considering, among other items, the factors set out below under "– Reasons for the Recommendation." BMO Capital Markets made a presentation to the Special Committee and provided a verbal opinion to the Special Committee (which was subsequently confirmed in writing) to the effect that, as of the date thereof and subject to the assumptions, limitations and qualifications described therein, the consideration to be received by Unitholders pursuant to the Acquisition Agreement was fair, from a financial point of view, to Unitholders. Subsequently, NBF made a presentation to the Special Committee and provided a verbal opinion to the Special Committee (which was subsequently confirmed in writing) to the effect that, as of the date thereof and subject to the assumptions, limitations and qualifications described therein, the consideration to be received by Unitholders pursuant to the Acquisition Agreement was fair, from a financial point of view, to Unitholders.

The Special Committee proceeded to review and consider in detail the terms of the transactions contemplated by the Acquisition Agreement. The Special Committee, after receiving the advice of its financial advisors and Legal Counsel, then unanimously passed a resolution: (a) determining that the transactions contemplated by the

Acquisition Agreement were fair, from a financial point of view, to Unitholders and it was in the best interests of the REIT to enter into the Acquisition Agreement and for the Board to recommend that the Unitholders vote in FOR the Transaction Resolution; (b) approving the Acquisition Agreement; and (c) resolving to recommend that Unitholders vote FOR the Transaction Resolution.

Following the Special Committee meeting on January 18, 2017, the Board held a meeting to consider the proposed transaction. In attendance at the meeting were all of the Trustees and Legal Counsel. The Special Committee reported to the Board, following which the Board unanimously passed a resolution: (a) determining that the transactions contemplated by the Acquisition Agreement were fair, from a financial point of view, to Unitholders and in the best interests of the REIT and Unitholders; (b) approving the Acquisition Agreement; and (c) resolving to recommend that Unitholders vote FOR the Transaction Resolution.

Following the approval of the Board, which was obtained late in the evening on January 18, 2017, the parties entered into the Acquisition Agreement and the Support and Voting Agreements on the morning of January 19, 2017. The REIT issued a news release announcing the entering into of the Acquisition Agreement and the transactions contemplated therein prior to the opening of trading on the TSX on January 19, 2017.

Reasons for the Recommendation

The Special Committee considered a number of factors in arriving at its determinations and recommendation to vote FOR the Transaction Resolution. The following discussion of certain factors considered by the Special Committee is not intended to be exhaustive, but includes the material factors considered by the Special Committee in making its determination and recommendation with respect to the Transaction. The Special Committee did not consider it practicable to, and did not, assign specific weights to the factors considered in reaching its determinations and recommendation. The following includes forward-looking information and readers are cautioned that actual results may vary. See "Notice Concerning Forward-Looking Statements".

- *Attractive Value*. At US$16.15, Starwood is offering an attractive premium to Milestone's book value per apartment unit of approximately 10%. The Transaction implies an average price per apartment unit of US$120,000 compared to the US$109,500 IFRS book value per apartment unit the REIT reported in Q3 2016. Based on data from Real Capital Analytics, Starwood's offer price of US$120,000 per apartment unit also represents a comparable premium to all individual asset sale transactions of garden style apartments (with confirmed pricing) over the last 24 months with a minimum of 100 units, of similar age to the REIT's apartments and in the same markets (see "– Attractive Premium to Precedent Transactions Involving Garden Style Multifamily Properties of Comparable Vintage and Location to that of the REIT" below). The Transaction implies a compelling average portfolio capitalization rate of approximately 5.8% (excluding capital expenditure reserves), which compares favourably to the REIT's Q3 2016 publicly reported IFRS weighted average capitalization rate of 6.3% and is in line with the average capitalization rate of approximately 5.8% at which the REIT has acquired much newer assets in 2016 (average age of approximately 10 years at the time of acquisition vs. current average age of approximately 25 years for the overall REIT portfolio). The Transaction also implies an approximate 5% premium to the consensus median NAV per Unit provided by equity research analysts that cover the REIT. These metrics were considered of primary importance to the Special Committee due to the REIT's strategic positioning as an owner-operator of stabilized real estate assets with no active development program.

- *Attractive Premium to Precedent Transactions Involving Garden Style Multifamily Properties of Comparable Vintage and Location to that of the REIT.* The REIT's assets differ from those of most other U.S. and Canadian publicly traded multifamily real estate companies in that the REIT's properties:

    - have an average age of approximately 25 years (generally much older than the properties owned by most other publicly traded U.S. multifamily real estate companies);

- are low density apartments with 200+ units per apartment complex and wood-framed construction with 2-4 story walk-ups (as compared to mid-rise and high-rise multifamily assets by many other publicly traded multifamily real estate companies); and

- are not located in the urban core (as compared to many other U.S. and Canadian publicly traded multifamily real estate companies that have a heavy concentration in urban cores).

Based on data collected by Real Capital Analytics as set forth in the chart below, over the past 24 months, all garden style multifamily properties in the REIT's existing markets with a similar age profile to the REIT's portfolio transacted at an average price per apartment unit of approximately US$109,000 per apartment unit, in-line with the REIT's Q3 2016 reported IFRS average book value per apartment unit (which excludes acquisitions and dispositions completed post Q3 2016). The Transaction implies an average price per apartment unit of approximately US$120,000, representing an approximate 10% premium to this amount, reflecting future value for the REIT and a premium for the REIT's operating platform. The chart below shows all of the individual garden style apartment asset sale transactions with confirmed pricing, completed over the last 24 months using the following filters:

- garden style apartment assets with a minimum of 100 apartment units; and

- garden style apartment assets with a year built range such that the weighted average year built (by units) most closely reflects the REIT's portfolio's average age in each corresponding metropolitan area.

Weighted Average Price Per Unit for Comparable Property Transactions in Milestone's Current Markets in Last 24 Months

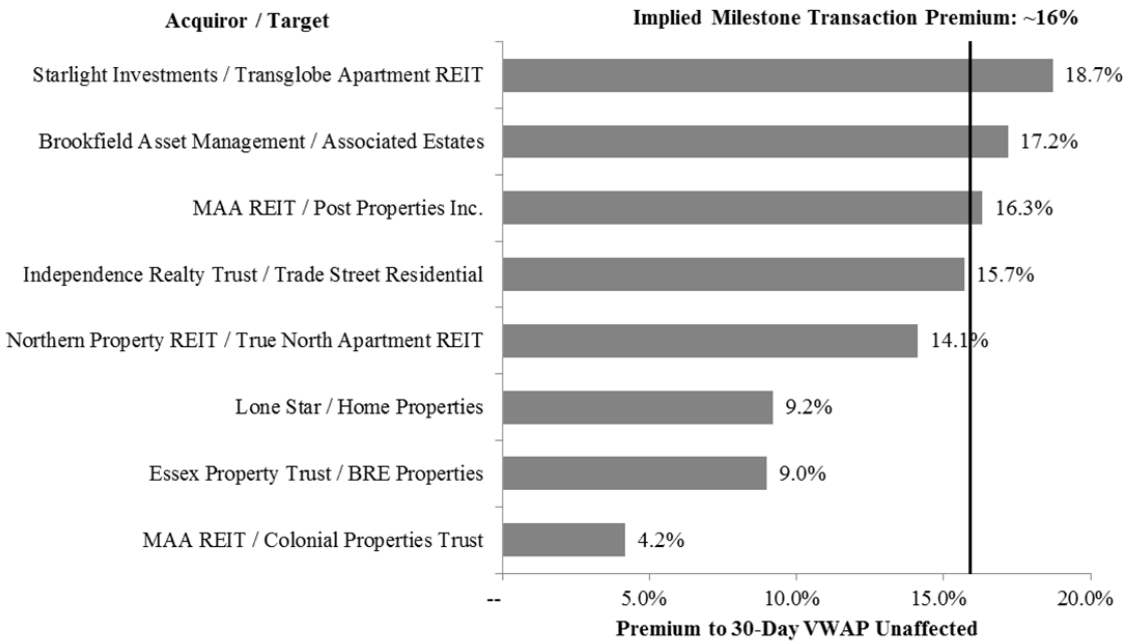
	Milestone Portfolio		*Comparable Property Transactions* [2]		
Metro	**Avg. Year Built**	**Portfolio Weight** [1]	**Number of Transactions**	**Avg. Year Built**	**Avg. Price per Unit**
	(yrs)	*(%)*	*(#)*	*(yr)*	*(US$)*
Atlanta	2004	7.2%	32	2004	$122,244
Austin	1994	3.5%	9	1994	$115,366
Charlotte	2003	5.8%	16	2003	$124,306
Colorado Springs	2006	1.1%	5	2001	$158,872
DFW	1988	23.6%	14	1988	$101,924
Denver	1995	4.7%	31	1995	$202,490
Houston	1990	17.8%	9	1990	$85,422
Jacksonville	1986	5.8%	8	1987	$94,187
Nashville	1983	7.7%	11	1985	$112,818
Oklahoma City	2000	0.9%	2	1995	$71,360
Orlando	2005	5.7%	23	2002	$140,517
Phoenix	1986	2.8%	79	1985	$84,212
Kansas City	2006	1.2%	7	2006	$133,206
Salt Lake City	1986	3.2%	3	1982	$103,908
San Antonio	1998	6.5%	10	1998	$96,881
Tampa	1986	2.6%	44	1986	$87,620
Total / Weighted Avg.	**1992**	**100.0%**	**303**	**1992**	**$109,123**

Notes:

(1) Based on Milestone portfolio units by metropolitan area.
(2) Sourced from Real Capital Analytics.

- *Certainty of Liquidity and Premium Consistent with Comparable Multifamily Public REIT Transactions*. The all-cash US$16.15 price per Unit offers certainty of liquidity. Also, the consideration per Unit represents a premium of approximately 16% over the 30-day volume weighted average price per Unit on the TSX ended January 18, 2017 of US$13.93, based on an average US$ to C$ exchange rate over the period of US$1.00 to C$1.3282, which is consistent with premiums for recent comparable North American multifamily change of control transactions as set forth in the following chart:

Recent North American Multifamily Public REIT Change of Control Transactions in the Last Five Years



Source: FactSet

- *Crystallizing Value Amid Market Uncertainties*. Since the REIT's 2013 initial public offering (the "**REIT IPO**"), the REIT has more than doubled its enterprise value, more than tripled its equity market capitalization and generated total annual compound returns for investors in excess of 28%. However, a significant component of the REIT's success has related to certain external factors that are beyond the REIT's control, particularly interest rates, currency performance and capital markets conditions. According to Green Street Advisors, an industry leader in independent U.S. real estate research, U.S. multifamily rental rate growth has started to decelerate in 2016 and is expected to continue to move toward inflation-like growth over the coming years. Green Street Advisors also forecasts that certain factors in the U.S. sunbelt region (including payroll growth among others) that have been better than national averages since the REIT IPO, will move closer to the national averages over the next few years. In addition, Management believes that capitalization rates within the U.S. multifamily sector are likely to expand in the foreseeable future amid a moderately rising interest rate environment as well as a flattening market fundamentals outlook, both of which tend to put downward pressure on the market values of publicly-traded real estate companies. The REIT's Canadian dollar Unit price has also benefited from an approximately 26% appreciation of the U.S. dollar relative to the Canadian dollar since the REIT IPO, and the median forecast from a broad selection of global and Canadian broker-dealers compiled by Bloomberg suggests that this trend will reverse, with the Canadian dollar forecasted to appreciate over the next three years, which would

likely have a negative impact on the REIT's Canadian dollar denominated Unit price. The Special Committee believes that the foregoing, together with the potential for a sustained increase in interest rates and other broad economic factors, could result in headwinds for public real estate issuers such as the REIT. After having considered the risks associated with the REIT's outlook, and discussing such risks with Management and its financial advisors, the Special Committee determined that the Transaction represents the best opportunity for Unitholders to crystallize compelling value in an uncertain environment.

- *Impact of Rising Interest Rates and a Flattening Market Fundamentals Outlook for U.S. Multifamily Apartments on the Competitive Landscape.* While the REIT has a strong track record of making accretive acquisitions, the fact that private acquirers are able to use:

    - leverage levels up to 80% of the purchase price of a property with U.S. agency lenders (as opposed to a maximum of 60% for the REIT pursuant to its Declaration of Trust and a leverage risk appetite of its investors that is generally lower than that), and

    - greater proportions of lower coupon floating rate debt (as opposed to the REIT, which predominantly employs higher coupon fixed rate debt),

  creates a challenging competitive dynamic when it comes to pursuing new acquisitions relative to private acquirers.

  Increasing interest rates and a flattening market fundamentals outlook for U.S. multifamily apartments are exacerbating this and positioning the REIT to be less competitive in pursuing such new acquisitions on a basis that is accretive to AFFO per Unit for the following reasons:

    - increasing interest rates and associated costs are leading to increases in capitalization rates, which could result in a decrease in the REIT's net asset value and therefore put upward pressure on the REIT's debt to gross book value ratio, thereby requiring the REIT to offset this by employing lower leverage levels on new acquisitions, or curtail its acquisition activities if it is unable to find accretive acquisitions; and

    - increasing interest rates outpacing rental rate growth could lead to margin pressure, and when combined with increasing capitalization rates, may negatively impact the REIT's Unit price, thereby increasing its cost of equity.

- *Arm's Length Negotiation with a Credible and Reputable Buyer*. The Acquisition 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, the Board and the REIT's outside financial and legal advisors. The Special Committee believes that Starwood is a credible and reputable investment firm, based in part on its position as one of the largest garden style multifamily real estate investors in the United States. The Special Committee believes that Starwood is the optimal strategic buyer for the REIT due to: (a) the REIT's operating platform being of strategic value to Starwood; (b) the geographic synergies with Starwood's other multifamily properties as Starwood already owns over 67,000 apartment units in the sunbelt region; (c) Starwood's access to capital, including certain favourable debt financing that would be difficult for others to obtain; (d) Starwood's deep knowledge of the U.S. multifamily sector and specific focus on the mid-market garden style apartment segment, as they currently own a total of approximately 85,000 apartment units; (e) the lack of other potential acquirers in the mid-market apartment segment that have the financial capacity to acquire the REIT (including limited other public real estate entities that have a strategic focus on the type and age of properties owned by the REIT); (f) Starwood's successful track record of executing similar transactions; and (g) the confidence Starwood had in the REIT's underwriting ability, as demonstrated in connection with the acquisition of Landmark, which facilitated an expedited due diligence review. See " – Background to the Transaction".

- *Compelling Offer Relative to Alternatives*. Prior to entering into the Acquisition Agreement, the Special Committee, with the assistance of its legal and financial advisors, assessed the alternatives reasonably available to the REIT, including pursuing its current business plan in the economic environment facing the REIT and running a marketed sale process. The Special Committee also discussed the negative impact that initiating a sale process with other potential acquirers would have on the Starwood proposal, the confidentiality of the discussions, the REIT's employees and the REIT as a whole. Following this assessment, the Special Committee determined that the Transaction is in the best interests of the REIT and Unitholders, and that it was in the best interests of the REIT and Unitholders to not approach other potential acquirers for the purposes of running a marketed sale process. See " – Background to the Transaction".

- *Ability to Respond to Superior Proposals*. Notwithstanding the Special Committee's determination regarding the low likelihood of other potential acquirers coming forward, under the terms of the Acquisition Agreement, the REIT retains the ability to consider and respond to unsolicited Superior Proposals on the specific terms and conditions set forth in the Acquisition Agreement and subject to, if applicable, the payment of a REIT Termination Fee. See "The Acquisition Agreement – Non-Solicitation Covenants".

- *US$100 million Purchaser Termination Fee*. The Purchaser is obligated to pay to the REIT a termination fee of US$100 million in certain circumstances, including in connection with certain breaches by the Purchaser or a failure to consummate the Transaction if the relevant conditions are satisfied. See "The Acquisition Agreement – Termination Provisions".

- *NBF Fairness Opinion*. The Special Committee received the NBF Fairness Opinion from NBF, which states that, as of the date thereof, and subject to the assumptions, limitations and qualifications set out in the NBF Fairness Opinion, the consideration to be received by Unitholders pursuant to the Transaction is fair, from a financial point of view, to Unitholders. See "Background to the Transaction – Fairness Opinions".

- *BMO Fairness Opinion*. The Special Committee received the BMO Fairness Opinion from BMO Capital Markets, which states that, as of the date thereof, and subject to the assumptions, limitations and qualifications set out in the BMO Fairness Opinion, the consideration to be received by Unitholders pursuant to the Transaction is fair, from a financial point of view, to Unitholders. See "Background to the Transaction – Fairness Opinions".

- *Support and Voting Agreements*. Each of the Supporting Unitholders have entered into the Support and Voting Agreements, pursuant to which the Supporting Unitholders, who collectively beneficially own or exercise direction or control over Units representing less than 1% of the outstanding Units and approximately 14% of the outstanding fully-diluted Units (including non-voting Class B Units, Options and Deferred Trust Units), have agreed, among other things, to vote FOR the approval of the Transaction Resolution. See "Support and Voting Agreements".

- *Tax Efficient Structure of the Transaction*. The Transaction generally will result in Unitholders realizing a capital gain for both Canadian and U.S. federal income tax purposes. Furthermore, the proceeds received by Unitholders for their Units generally will not be subject to U.S. or Canadian withholding tax. See "Certain Canadian Federal Income Tax Considerations" and "Certain U.S. Federal Income Tax Considerations".

In addition to the foregoing, the Special Committee also considered the following factors in reaching its conclusion:

- The Transaction Resolution must be approved by (a) the affirmative vote of not less than 66 2/3% of the votes cast by Unitholders; and (b) in accordance with MI 61-101, the affirmative vote of a majority of the votes cast by Unitholders other than by Robert P. Landin and certain entities affiliated with Mr. Landin, in each case present in person or represented by proxy at the Meeting.

- The terms and conditions of the Acquisition Agreement, including the covenants of the REIT and conditions to completion are, in the judgement of the Special Committee, after consultation with its advisors, reasonable and can be achieved within an expedited timeframe, with closing of the Transaction currently expected in April 2017. See "The Acquisition Agreement".

- The REIT expects to continue paying its monthly distributions of US$0.05041 per Unit in the normal course through Closing.

- The Transaction considers the interests of the REIT's other securityholders. Holders of the Options, Deferred Trust Units and the Class B Units will receive the same consideration for their securities as will be received by Unitholders. Further, existing REIT indebtedness will either be repaid, assumed or otherwise dealt with in accordance with its terms.

In making its determination, the Special Committee also considered a number of potential risks and other factors resulting from the Transaction and the Acquisition Agreement, including those described under "Risk Factors".

Fairness Opinions

BMO Fairness Opinion

Pursuant to an engagement letter dated as of January 13, 2017 and effective as of November 10, 2016, BMO Capital Markets agreed to provide MMI LP with various advisory services in connection with the Transaction including, among other things, the provision of the BMO Fairness Opinion.

The BMO Fairness Opinion was delivered to the Board on January 18, 2017.

BMO Capital Markets performed various analyses in connection with rendering the BMO Fairness Opinion. In arriving at its conclusion, BMO Capital Markets did not attribute any particular weight to any specific approach or analysis, but rather developed qualitative judgments on the basis of its experience in rendering such opinions and on the information provided to it presented as a whole.

In considering fairness, BMO Capital Markets considered whether the value of the consideration payable to Unitholders in connection with the Transaction fell within a range of fair values for the Units. To determine a range of fair values for the REIT Units, BMO Capital Markets considered the following methodologies: (i) comparable company trading analysis; (ii) precedent transactions analysis; (iii) sum-of-the-parts analysis; and (iv) discounted cash flow ("**DCF**") analysis.

Comparable Company Trading Analysis

BMO Capital Markets reviewed publicly available information for selected publicly listed entities BMO Capital Markets considered relevant and applied a range of price to AFFO multiples considered appropriate in the circumstances to the REIT's projection of 2017 AFFO per Unit, which is in line with the street consensus estimate for 2017 AFFO per Unit, to obtain a range of fair values for the Units.

Precedent Transactions Analysis

BMO Capital Markets reviewed publicly available information for selected transactions involving entities in the North American multifamily real estate sector BMO Capital Markets considered relevant and derived a range of price to street consensus net asset value per Unit multiples for transactions considered appropriate in the circumstances. BMO Capital Markets applied this range of multiples to the REIT's street consensus net asset value per unit to obtain a range of fair values for the Units.

Sum-of-the-Parts-Analysis

BMO Capital Markets applied selected capitalization rates to the 2017 projected NOI for each of the respective metropolitan statistical areas ("**MSA**") in which the REIT operates to obtain a value for the REIT's properties in each MSA. The capitalization rates for each MSA were selected based on a variety of factors, including, but not limited to, the economic conditions in each MSA and the applicable property ages. The implied values from each MSA were then aggregated and certain adjustments including, but not limited to, an adjustment for the REIT's capital structure was made to obtain a range of fair values for the Units. BMO Capital Markets also performed sensitivity analyses based on the selected cap rate for each MSA.

Discounted Cash Flow Analysis

The discounted cash flow methodology is a calculation of the present value of the REIT's projected future cash flows to determine a range of values for the Units. It involved estimating annual net cash flows for each year of the projection period, and discounting them at discount rates BMO Capital Markets determined reasonable. A terminal value was also calculated by applying an exit capitalization rate to the REIT's terminal year NOI with the resulting terminal value being discounted at the same discount rates used for the annual net cash flows. As part of the DCF methodology, BMO Capital Markets performed sensitivity analyses on the key factors considered to be primary drivers of the DCF methodology.

The BMO Fairness Opinion states that, in the opinion of BMO Capital Markets, and based upon and subject to the analyses, assumptions, qualifications and limitations set out in the BMO Fairness Opinion, the consideration to be received by Unitholders pursuant to the Transaction is fair from a financial point of view to Unitholders.

BMO Capital Markets has not prepared a formal valuation or appraisal of the REIT or any of its securities or assets, and the BMO Fairness Opinion should not be construed as such.

The terms of the engagement letter between MMI LP and BMO Capital Markets provide that BMO Capital Markets will receive a fee for rendering the BMO Fairness Opinion and certain fees for its advisory services, a substantial portion of which is contingent upon the successful completion of the Transaction. BMO Capital Markets is also to be reimbursed for its reasonable out-of-pocket expenses. Furthermore, MMI LP has agreed to indemnify BMO Capital Markets, in certain circumstances, against certain liabilities that might arise out of its engagement.

The full text of the BMO Fairness Opinion, which states, among other things, the assumptions made, procedures followed, factors considered and limitations on the review undertaken, is attached as Schedule "C" to this Information Circular. Unitholders are encouraged to read the BMO Fairness Opinion carefully in its entirety. The BMO Fairness Opinion was provided to the Board in connection with its evaluation of the consideration to be received pursuant to the Transaction, does not address any other aspect of the Transaction and does not constitute a recommendation as to how Unitholders should vote or act with respect to the Transaction.

NBF Fairness Opinion

Pursuant to an engagement letter dated as of January 4, 2017, NBF agreed to provide the REIT with various advisory services in connection with the Transaction including, among other things, the provision of the NBF Fairness Opinion.

The NBF Fairness Opinion was delivered to the Board on January 18, 2017.

In preparing the NBF Fairness Opinion, NBF performed certain analysis on the REIT based on those methodologies and assumptions that NBF considered appropriate in the circumstances for the purposes of preparing the NBF Fairness Opinion. In the context of this Fairness Opinion, NBF considered the following principal methodologies:

Comparable Companies Approach

In applying the comparables valuation methodology to the REIT, NBF reviewed the public market trading multiples of multifamily real estate entities with significant income producing properties. In selecting the appropriate ranges of normalized FFO multiples per unit, normalized AFFO multiples per unit and implied capitalization rates from the comparable sample, NBF considered the characteristics of the publicly traded multifamily real estate entities including, among other things, the size, quality and mix of their assets, market capitalization, forward trading multiples of FFO and AFFO, current yields, payout ratios, capitalization rates, leverage, asset management arrangements and governance.

Precedent Transaction Premium Approach

NBF reviewed change of control premiums paid in the Canadian public market for real estate entities and in the U.S. public market for multifamily real estate entities to consider the "en-bloc" value of the REIT in the context of recent purchases or sales of comparable entities. Based on the analysis, NBF applied a range of premiums to the 20-day VWAP) of the trading price of the Units.

Precedent Transactions Approach

NBF reviewed publicly available information on selected acquisition transactions involving U.S. multifamily real estate investment trusts. In selecting the appropriate premium/discount to NAV from precedent transactions to apply to Milestone, NBF considered the characteristics of the entities involved in the precedent transactions including, among other things, the size, quality and mix of their assets. NBF then applied a range of selected premiums/discounts to NAV from these transactions to the corresponding data of the REIT.

NAV Approach

The NAV approach ascribes a separate value for each asset and liability category of an entity, utilizing the methodology appropriate in each case. The sum of total assets less total liabilities equals NAV. There are five key components to NBF's calculation of the REIT's NAV: 1) income producing properties; 2) capitalized general and administrative expenses; 3) secured and corporate level debt; 4) other assets and liabilities; and 5) distinct material value. Milestone's income producing properties portfolio consists of 78 multi-residential properties. To value the income producing properties, NBF used (i) a NOI capitalization approach; and (ii) a ten-year DCF approach. In completing the NAV analysis, NBF performed a variety of sensitivity analyses, the results of which are reflected in NBF's judgment as to the appropriate values resulting from the NAV approach.

The NAV approach required that certain assumptions be made to derive the present value of future free cash flows including, among other things, annual acquisition quantum, discount rate, capitalization rates, terminal capitalization rates, net operating income growth, and maintenance capital expenditures.

The NBF Fairness Opinion states that, in the opinion of NBF, and based upon and subject to the analyses, assumptions, qualifications and limitations set out in the NBF Fairness Opinion, the consideration to be received by Unitholders pursuant to the Transaction is fair from a financial point of view to Unitholders.

NBF has not prepared a formal valuation or appraisal of the REIT or any of its securities or assets, and the NBF Fairness Opinion should not be construed as such.

The terms of the engagement letter between the REIT and NBF provide that NBF will receive a fee for rendering the NBF Fairness Opinion. NBF is also to be reimbursed for its reasonable out-of-pocket expenses. Such compensation is payable to NBF regardless of the conclusions of such opinion and is not contingent on the successful completion of the Transaction. Furthermore, the REIT has agreed to indemnify NBF, in certain circumstances, against certain liabilities that might arise out of its engagement.

The full text of the NBF Fairness Opinion, which states, among other things, the assumptions made, procedures followed, factors considered and limitations on the review undertaken, is attached as Schedule "D" to this Information Circular. Unitholders are encouraged to read the NBF Fairness Opinion carefully in

its entirety. The NBF Fairness Opinion was provided to the Board in connection with its evaluation of the consideration to be received pursuant to the Transaction, does not address any other aspect of the Transaction and does not constitute a recommendation as to how Unitholders should vote or act with respect to the Transaction.

Recommendation of Special Committee

After carefully evaluating the Transaction with the assistance of its financial and legal advisors and after reviewing the Fairness Opinions and considering a number of other factors noted above, the Special Committee unanimously determined that the Transaction was in the best interests of the REIT and its Unitholders. Accordingly, the Special Committee unanimously recommends that Unitholders vote FOR the Transaction Resolution at the Meeting.

Recommendation of Board of Trustees

After carefully evaluating the Transaction with the assistance of its financial and legal advisors and after reviewing the Fairness Opinions and considering a number of other factors noted above, including the recommendation of the Special Committee, the Board unanimously determined that the Transaction, on the terms and conditions negotiated by the Special Committee, was in the best interests of the REIT and its Unitholders. Accordingly, the Board recommends that Unitholders vote in FOR the Transaction Resolution at the Meeting.

Unitholder Approval

To become effective, the Transaction Resolution must be approved by (i) the affirmative vote of not less than $66^2/_3\%$ of the votes cast upon such Transaction Resolution by Unitholders present in person or represented by proxy at the Meeting; and (ii) the affirmative vote of a majority of the votes cast upon the Transaction Resolution by Unitholders present in person or represented by proxy at the Meeting, excluding votes attached to such Units held by persons described in items (a) through (d) of section 8.1(2) of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, being Robert P. Landin and certain entities affiliated with Mr. Landin. *For more information see "Interests of Certain Persons in the Transaction*"

THE TRANSACTION

The following is a summary of the Transaction and the Transaction mechanics, as outlined in greater detail in the Acquisition Agreement. This summary does not purport to be complete and may not contain all of the information included in the Acquisition Agreement that is important to you. The summary of the material terms of the Transaction below and elsewhere in this Information Circular is qualified in its entirety by reference to the Acquisition Agreement, which has been filed by the REIT on SEDAR at www.sedar.com. We urge you to read a copy of the Acquisition Agreement carefully and in its entirety, as the rights and obligations of the parties are governed by the express terms of the Acquisition Agreement and not by this summary or any other information contained in this Information Circular.

Acquisition of Purchased Assets and Assumption of Assumed Liabilities

Pursuant to the Acquisition Agreement, at the Closing Time, the REIT will sell to the Purchaser, and the Purchaser will purchase from the REIT, all of the REIT's right, title and interest (legal and beneficial) in and to all of the assets of the REIT of every kind and description and wheresoever situated, including all of the equity of US Holdco (collectively, the "**Purchased Assets**"). In consideration for the sale of the Purchased Assets, the Purchaser will pay to the REIT an amount in cash equal to (i) US$16.15 multiplied by the number of Units outstanding immediately prior to the Closing assuming the settlement (for Units) or exercise of all Deferred Trust Units and Options, less (ii) the aggregate exercise price of all Options outstanding immediately prior to the Closing (the "**REIT Consideration**"). Prior to the Closing Date, the REIT shall deliver to the Purchaser a non-foreign affidavit issued in the manner described in Treasury Regulation Section 1.445-2(b); provided, however, if the REIT does not provide such non-foreign affidavit then certain amounts will be withheld from the REIT Consideration and paid over to the appropriate taxing authority.

Contemporaneously with the acquisition of the Purchased Assets, the Purchaser will assume all liabilities and obligations of the REIT regardless of whether they arise before, on or after the Closing Date (collectively, the "**Assumed Liabilities**"). In connection with the assumption of the Assumed Liabilities, the Purchaser and MMI LP will indemnify and hold harmless each Trustee against any claims arising because of the failure of the REIT or the Purchaser to assume any or all of the liabilities forming part of or otherwise relating to the Assumed Liabilities, provided that such trustee acted honestly and in good faith with a view to the best interests of the REIT and the Unitholders or the Subsidiaries of the REIT, as applicable. If any action or proceeding is commenced against any of the Trustees in connection with the Assumed Liabilities, the Purchaser and MMI LP will assume the conduct of such case.

The Partnership Merger

Immediately following the acquisition of the Purchased Assets and the assumption of the Assumed Liabilities, at the Partnership Merger Effective Time, the Partnership Merger Sub will merge with and into MMI LP, with MMI LP continuing under the name "Milestone Multifamily Investors LP" as the surviving entity in the Partnership Merger (the "**Partnership Surviving Entity**"). The Partnership Surviving Entity will possess all properties, rights, claims, obligations and liabilities of MMI LP and the Partnership Merger Sub. The approvals required to effect the Partnership Merger have been obtained prior to the date of this Information Circular.

At the Partnership Merger Effective Time, each issued and outstanding Class B Unit not held by US Holdco shall automatically be converted into the right to receive an amount in cash equal to US$16.15 per Class B Unit. Each of the REIT and each holder of Class B Units must deliver to the Purchaser a non-foreign affidavit issued in the manner described in Treasury Regulation Section 1.445-2(b); provided, however, if the REIT or a holder of Class B Units does not provide such non-foreign affidavit, then certain amounts will be withheld from the REIT Consideration or the Partnership Merger Consideration (as applicable) and paid over to the appropriate taxing authorities.

Treatment of Options and Deferred Trust Units

Accelerated Vesting

Pursuant to the Acquisition Agreement, the Board will take all steps necessary to accelerate on terms satisfactory to the Purchaser, acting reasonably, the vesting of all unvested Options and Deferred Trust Units, provided the holders of any such unvested Options and Deferred Trust Units have agreed to the REIT's purchase or settlement of any and all such Options and Deferred Trust Units held by such holders.

Option Consideration

The holders of Options will be permitted to elect in writing (in a form and with a release acceptable to the Purchaser, acting reasonably) (an "**Option Election**"), in lieu of exercising Options, to have the REIT purchase such Options for cancellation in consideration for a cash payment equal to:

(i) the amount by which US$16.15 (or any such higher amount in the event of an amendment to the terms of the Transaction or the Acquisition Agreement) exceeds the exercise price per Unit of each such Option, multiplied by

(ii) the number of Units underlying such Option (the "**Option Consideration**").

The REIT will, on terms satisfactory to the Purchaser, acting reasonably, purchase the Options of any holder making such Option Election on the Closing Date. Immediately thereafter, all such Options acquired by the REIT will be cancelled. In the event that any Options would remain outstanding at Closing, the REIT will amend the Option Plan, to provide that, effective as of Closing, all outstanding Options shall be cancelled and holders of Options shall thereafter, upon execution of a release, in form reasonably acceptable to the Purchaser, only be entitled to the Option Consideration they would have received had they executed an Option Election prior to Closing.

Deferred Trust Unit Consideration

On the Closing Date and effective as of Closing, the REIT will amend the Deferred Trust Unit Plan to provide that all outstanding Deferred Trust Units shall be cancelled and holders of such cancelled Deferred Trust Units shall thereafter be entitled to the consideration they would have received in the Transaction had all outstanding Deferred Trust Units been settled for cash in accordance with the terms of the Deferred Trust Unit Plan at Closing.

Resignations, Redemption and Termination

Resignation of Trustees

Effective immediately after the cancellation of the Options and Deferred Trust Units, in accordance with the amendments to the Declaration of Trust described in Schedule "B" hereto, all Trustees will resign, subject to the prior receipt of an indemnification agreement from the REIT, the Purchaser and MMI LP in form and substance substantially similar to the indemnity agreements currently in place between the Trustees and the REIT. The Purchaser will then designate in writing and appoint a replacement corporate trustee to act in the resigning Trustees' stead in accordance with the amendments to the Declaration of Trust described in Schedule "B" hereto.

Redemption, Winding-up and Termination

Immediately following such resignations and the appointment of a replacement trustee, the REIT will promptly redeem all of its then outstanding Units as further described in, and in accordance with, the amendments to the Declaration of Trust, described in Schedule "B" hereto. Following such redemption, the REIT will be wound-up and terminated. All liabilities associated with the redemption and subsequent winding up and termination of the REIT will be the responsibility of the Purchaser.

The Purchaser will, or will cause the REIT and its Subsidiaries to:

(i) timely prepare and file all Tax Returns of the REIT and its Subsidiaries; and

(ii)

(a) provide notices and information in respect of tax matters to the Unitholders,

(b) delist the Units from the TSX,

(c) cause the REIT to cease to be a reporting issuer of each of the applicable provinces and territories of Canada, and

(d) otherwise complete all administrative matters necessary to properly wind-up the REIT in accordance with the terms of the Declaration of Trust.

All costs and expenses incurred in relation to the foregoing steps will be the responsibility of the Purchaser.

Payment of Consideration

Redemption and Exchange Agent; Redemption and Exchange Fund

The Purchaser has designated Computershare Investor Services Inc. as paying and exchange agent (the "**Redemption and Exchange Agent**"), to administer the payments involved in the Transaction. At the Closing Time, the Purchaser will deposit, or cause to be deposited, with the Redemption and Exchange Agent, sufficient cash to pay the REIT Consideration and the Partnership Merger Consideration (such cash amount, the "**Redemption and Exchange Fund**"), in each case, for the sole benefit of the holders of Units, Options (including those cancelled at Closing), Deferred Trust Units (including those cancelled at Closing) and Class B Units. The Redemption and

Exchange Fund will be invested by the Redemption and Exchange Agent as directed by the Purchaser, on behalf of the REIT and the Partnership Surviving Entity.

Payment of REIT Consideration and Partnership Merger Consideration

As soon as reasonably practicable after the Partnership Merger Effective Time, the Purchaser, the REIT and the Partnership Surviving Entity shall cause the Redemption and Exchange Agent to pay the REIT Consideration and the Partnership Merger Consideration to:

(i) each registered holder of Units against delivery of their Units and a duly completed letter of transmittal, if applicable, or such other customary documentation or confirmation as may be requested by the Purchaser, acting reasonably, from any registered holders of Units, other than CDS and Cede & Co.;

(ii) each holder of Options who has made an Option Election, provided the REIT, US Holdco, MMI LP and the Purchaser have received such holder's Option Election and release in a form acceptable to the Purchaser, acting reasonably;

(iii) each holder of Deferred Trust Units who entered into an agreement with the REIT to settle such holder's Deferred Trust Units for cash; and

(iv) each holder of Class B Units, provided the REIT, US Holdco, MMI LP and the Purchaser have received such holder's non-foreign affidavit in the manner described in the Acquisition Agreement.

The payments to each of the foregoing holders of Units, Options, Deferred Trust Units and Class B Units by the Redemption and Exchange Agent, will be made in accordance with such holders' entitlements under the Acquisition Agreement and in any event, within three (3) Business Days after receipt of all required documents.

Withholding

All payments payable pursuant to the Acquisition Agreement will be subject to the applicable withholding rights of the REIT, the Partnership Surviving Entity, the Purchaser, or the Redemption and Exchange Agent, as applicable. *For more information, see "Certain U.S. Federal Income Tax Considerations".*

Currency

All payments to be made pursuant to the Acquisition Agreement will be made in U.S. dollars; provided however, that Unitholders may have an opportunity, as and to the extent provided by the Redemption and Exchange Agent without further liability to the REIT, US Holdco, MMI LP, any REIT Subsidiary or the Purchaser, to elect to instead receive the Canadian dollar equivalent of their REIT Consideration pursuant to instructions, terms and conditions that will be provided by the Redemption and Exchange Agent prior to Closing, in which case the Redemption and Exchange Agent will convert the REIT Consideration to which a Unitholder is entitled into an equivalent amount of Canadian dollars. The Purchaser and the REIT shall use commercially reasonable efforts to cause the Redemption and Exchange Agent to offer Unitholders the ability to elect to receive their REIT Consideration in Canadian dollars based on the prevailing market rate(s) available to the Redemption and Exchange Agent at the time of redemption and exchange, in a manner consistent with the past practice of the REIT in the ordinary course of business. The risks, obligations and liabilities relating to changes in foreign exchange rates will be borne solely by the Unitholder electing to receive the REIT Consideration in Canadian dollars and not by the REIT, US Holdco, MMI LP, any REIT Subsidiary or the Purchaser (other than the fees payable to the Redemption and Exchange Agent of the REIT's transfer agent consistent with past practice).

Remainder of Redemption and Exchange Fund

Any portion of the Redemption and Exchange Fund that remains undistributed to the former holders of Units, Options, Deferred Trust Units or Class B Units for twelve (12) months after the Closing Date will be delivered to the Purchaser or the Partnership Surviving Entity or their designees, as applicable, upon demand. Any former holders of Units, Options, Deferred Trust Units or Class B Units who have not received payments in accordance with the Acquisition Agreement will thereafter look only to the Purchaser (and only as general creditors thereof) for payment of the REIT Consideration or the Partnership Surviving Entity (and only as general creditors thereof) for payment of the Partnership Merger Consideration, as applicable, without interest.

THE ACQUISITION AGREEMENT

The following is a summary of the material terms of the Acquisition Agreement. This summary does not purport to be complete and may not contain all of the information about the Acquisition Agreement that is important to you. The summary of the material terms of the Acquisition Agreement below and elsewhere in this Information Circular is qualified in its entirety by reference to the Acquisition Agreement, which has been filed by the REIT on SEDAR at www.sedar.com. We urge you to read a copy of the Acquisition Agreement carefully and in its entirety, as the rights and obligations of the parties are governed by the express terms of the Acquisition Agreement and not by this summary or any other information contained in this Information Circular.

Representations and Warranties

The Acquisition Agreement contains representations and warranties made by the REIT, US Holdco and MMI LP (jointly and severally) to the Purchaser and Partnership Merger Sub and representations and warranties made by the Purchaser and Partnership Merger Sub to the REIT, US Holdco and MMI LP. Those representations and warranties were made solely for purposes of the Acquisition Agreement, were made as of a specified date (and in certain circumstances shall be made again as of the Closing), may have been used for the purpose of allocating risk between the parties rather than for the purpose of establishing facts, and may be subject to contractual standards of materiality different from what may be viewed as material to Unitholders. For the foregoing reasons, Unitholders should not rely on the representations and warranties contained in the Acquisition Agreement as statements of factual information at the time they were made or otherwise.

The Acquisition Agreement contains representations and warranties made by the REIT, US Holdco and MMI LP in favour of the Purchaser and Partnership Merger Sub including *inter alia*, with respect to: organization and qualification, organizational documents, capital structure, authority, the absence of any conflicts, required filings and consents, permits, compliance with Law, reporting issuer status, disclosure documents, financial statements, the absence of certain changes or events, the absence of undisclosed material liabilities, litigation, Taxes, benefit plans, labor matters, intellectual property, environmental matters, properties, material contracts, insurance, fairness opinions, brokers, the Investment Company Act, takeover statutes, related party transactions, Existing Indebtedness, OFAC and anti-terrorism laws.

The Acquisition Agreement also contains representations and warranties made by the Purchaser and Partnership Merger Sub (jointly and severally) in favour of the REIT, US Holdco and MMI LP including *inter alia*, with respect to: organization and qualification, authority, the absence of conflicts, required filings and consents, litigation, brokers, available funds, guarantees, and the absence of agreements with related parties.

Closing Conditions

The Acquisition Agreement contains certain mutual conditions to the completion of the Transaction in favour of the parties to the Acquisition Agreement including *inter alia*, that:

(i) the Transaction Resolution shall have received Unitholder approval in the manner set out in this Information Circular;

(ii) no Governmental Authority shall have enacted, issued, promulgated or made any Order or enforced or entered any Law which is then in effect and has the effect of preventing, prohibiting, restraining or

enjoining the consummation of the Transaction and no Action shall have been instituted which is then pending that challenges or seeks to enjoin or make illegal or otherwise prohibit or materially delay the consummation of the Transaction;

(iii) the Required Regulatory Approvals, if any, shall have been obtained;

(iv) the Acquisition Agreement shall not have been terminated in accordance with its terms;

(v) there shall not have been a Change in Facts; and

(vi) there shall not have been a Change in Law.

The respective obligations of the parties to complete the Transaction are subject to the satisfaction or waiver by mutual written consent of the parties of each of the foregoing conditions on or before the Closing Time.

The Acquisition Agreement also contains certain conditions to the completion of the Transaction for the sole benefit of the Purchaser, including *inter alia*:

(i) conditions related to covenants to be performed by the REIT and the correctness of representations and warranties provided by the REIT, subject to customary materiality standards;

(ii) that since the date of the Acquisition Agreement and prior to the Waiver Time, there shall have not occurred a REIT Material Adverse Effect;

(iii) that the Purchaser shall have received the written opinions of V&E regarding tax compliance and qualification of the REIT as a "real estate investment trust" under the Code and that the Units should be considered "regularly traded on an established securities market located in the United States" for purposes of the Code.

The obligations of the Purchaser to complete the Transaction are subject to the satisfaction or waiver by the Purchaser of each of the foregoing conditions on or before the Closing Time.

The Acquisition Agreement also contains certain conditions to the completion of the Transaction for the sole benefit of the REIT, including *inter alia* conditions related to covenants to be performed by the Purchaser and the correctness of representations and warranties provided by the Purchaser, each subject to a customary materiality standard. The obligations of the REIT to complete the Transaction are subject to the satisfaction or waiver by the REIT of each of the foregoing conditions on or before the Closing Time.

Non-Solicitation Covenants

Non-Solicitation

The Acquisition Agreement provides that, except in accordance with the Acquisition Agreement, the REIT, US Holdco and MMI LP shall not, directly or indirectly, through any REIT Subsidiary, Representative or otherwise:

(i) solicit, assist, initiate, knowingly encourage or otherwise knowingly facilitate any inquiries, proposals or offers with respect to, or the announcement, making or completion of, an Acquisition Proposal, or any inquiry, proposal or offer that is reasonably likely to lead to an Acquisition Proposal;

(ii) engage in any discussions or negotiations with any person regarding, or otherwise cooperate in any way with, or assist or participate in, knowingly encourage or otherwise knowingly facilitate, furnish any non-public information or data in connection with, any effort or attempt by any other person to make or complete any Acquisition Proposal, provided that the REIT may respond to any person

making an unsolicited Acquisition Proposal that such Acquisition Proposal does not constitute a Superior Proposal when the Board of Trustees has so determined;

(iii) make a Change in Recommendation or fail to recommend that Unitholders vote in favour of the Transaction Resolution in the Information Circular or any amendment thereto;

(iv) release any person from or terminate, waive, or otherwise forbear the enforcement of, any confidentiality or standstill agreement with such person that would facilitate the making or implementation of any Acquisition Proposal, and during such period, use reasonable best efforts to enforce any confidentiality agreement and/or standstill agreements or provisions it has with any person other than Purchaser, provided that any automatic release or partial release from the standstill provisions of any such agreement in accordance with its terms (including any provision permitting the submission of a confidential proposal to the Board) shall not constitute a breach of such provisions; or

(v) enter into, approve, recommend, endorse or accept, or publicly propose to enter into, approve, recommend or accept, any agreement, understanding or arrangement in respect of an Acquisition Proposal or requiring or having the effect of requiring the REIT, US Holdco or MMI LP to abandon, terminate or breach their respective obligations under the Acquisition Agreement or fail to consummate the Transaction (other than a confidentiality or standstill agreement permitted pursuant to the Acquisition Agreement) (each a "**REIT Acquisition Agreement**").

Termination of Existing Discussions

The Acquisition Agreement also provides that the REIT, US Holdco and MMI LP will immediately:

(i) cease and terminate any existing solicitation, discussion or negotiation with any person (other than the Purchaser and its Representatives), by or on behalf of the REIT, US Holdco, MMI LP or any REIT Subsidiary with respect to an Acquisition Proposal, whether or not initiated by any such party or its Representatives;

(ii) discontinue access to any data rooms; and

(iii) request prompt return or destruction, to the extent required by any confidentiality agreement, of all confidential information previously furnished to any Person or its Representatives.

Notice to Purchaser of Acquisition Proposals

The REIT has agreed to promptly notify the Purchaser (i) at first orally within twenty four (24) hours of, and then (ii) promptly in writing no later than the next Business Day after, the receipt of any proposal, inquiry or offer that could reasonably be expected to lead to or that constitutes an Acquisition Proposal, and/or any request for non-public information with respect to any Acquisition Proposal relating to the REIT, US Holdco, MMI LP and the REIT Subsidiaries, in each case, of which the REIT's trustees, officers or other executives are or become aware, or any material amendments to the foregoing. Such notice shall include a description of the material terms and conditions of any proposal, inquiry or offer to the extent known and shall include copies (with the identities of the person making such proposal, inquiry or offer included) of any such proposal, inquiry, or offer or any amendment to any of the foregoing (if in writing). The REIT shall keep the Purchaser reasonably informed promptly of the status, including any change to the material terms of any such proposal, inquiry or offer.

Ability to Respond to a Superior Proposal

Following the receipt by the REIT of a written Acquisition Proposal made after the date of the Acquisition Agreement (including an amendment, change or modification to an Acquisition Proposal made prior to the date of the Acquisition Agreement) that was not solicited in contravention of the Acquisition Agreement, the REIT and its Representatives may

(i) furnish information with respect to the REIT, US Holdco, MMI LP and the REIT Subsidiaries to the person making such Acquisition Proposal and its Representatives and financing sources, provided that the REIT has entered into a confidentiality and standstill agreement with such person that, taken as a whole, is no less favourable to the REIT than the Confidentiality Agreement (provided that no such confidentiality and standstill agreement shall prevent such person from making, pursuing or completing an Acquisition Proposal in accordance with the non-solicitation provisions of the Acquisition Agreement) unless such person has already entered into a confidentiality agreement prior to the date of the Acquisition Agreement which agreement is still binding, and the REIT promptly provides the Purchaser with any non-public information concerning the REIT, US Holdco, MMI LP and the REIT Subsidiaries provided to such other person which was not previously provided to the Purchaser; and

(ii) contact, communicate and otherwise participate in discussions or negotiations with the persons making such Acquisition Proposal and its Representatives regarding such Acquisition Proposal.

provided that:

(i) the Board determines in good faith after consultation with its outside legal counsel and financial advisors that such Acquisition Proposal is or could reasonably be expected to lead to a Superior Proposal and that the failure by the Board to take the foregoing actions would be inconsistent with its fiduciary duties; and

(ii) the REIT notifies the Purchaser of such Acquisition Proposal as required pursuant to the terms of the Acquisition Agreement.

The REIT may enter into an agreement (in addition to any confidentiality and standstill agreement contemplated above) with respect to an Acquisition Proposal including, an amendment, change or modification to an Acquisition Proposal made prior to the date of the Acquisition Agreement, if:

(iii) the REIT, US Holdco and MMI LP have complied with their non-solicitation obligations described above;

(iv) the Board has determined after consultation with its outside legal and financial advisors, that such Acquisition Proposal is a Superior Proposal and that the failure to make a Change in Recommendation and/or enter into such agreement pursuant to the Acquisition Agreement would be inconsistent with its fiduciary duties;

(v) the REIT has delivered written notice to the Purchaser of the determination of the Board that the Acquisition Proposal is a Superior Proposal and of the intention of the Board to approve or recommend such Superior Proposal and/or of the REIT to enter into an agreement with respect to such Superior Proposal, together with a copy of such agreement (the "**Superior Proposal Notice**");

(vi) at least four (4) Business Days have elapsed since the date the Superior Proposal Notice was received by the Purchaser, which four (4) Business Day period is referred to as the "**Right to Match Period**";

(vii) if the Purchaser has offered to amend the terms of the Acquisition Agreement and the Transaction during the Right to Match Period, the Board has determined, after consultation with its outside legal and financial advisors and negotiating with the Purchaser regarding such amendment during the Right to Match Period, after taking into account any proposals by the Purchaser pursuant to the Acquisition Agreement, that such Acquisition Proposal continues to be a Superior Proposal compared to the amendment of the terms of the Acquisition Agreement offered by the Purchaser at or prior to the termination of the Right to Match Period; and

(viii) the REIT has terminated or shall concurrently terminate the Acquisition Agreement pursuant to the terms thereof and has paid or concurrently pays the REIT Termination Fee.

The Board may also make a Change in Recommendation, provided that the foregoing requirements are satisfied.

If prior to the date of the Meeting, the REIT provides the Purchaser with a Superior Proposal Notice or an Acquisition Proposal has been publicly disclosed or announced, and the Right to Match Period has not elapsed, then, subject to applicable Laws, the REIT may (or at the Purchaser's request, will,) postpone or adjourn the Meeting to a date acceptable to the Purchaser, acting reasonably, which shall not be less than ten (10) days after the scheduled date of the Meeting, provided such period does not extend past the fourth (4^{th}) Business Day prior to the Outside Date.

Right to Match

During the Right to Match Period, the Purchaser will have the opportunity, but not the obligation, to offer to amend the terms of the Acquisition Agreement. The Board will negotiate in good faith with the Purchaser regarding any amendment to the terms of the Acquisition Agreement and review any such written offer by the Purchaser to amend the terms of the Acquisition Agreement in order to determine, in good faith after consultation with its outside legal counsel and financial advisors, whether the Purchaser's offer to amend the Acquisition Agreement, upon its acceptance, would result in the applicable Acquisition Proposal ceasing to be a Superior Proposal compared to the amendment to the terms of the Transaction and the Acquisition Agreement offered by the Purchaser. If the Board determines that the Acquisition Proposal would cease to be a Superior Proposal, the REIT and the Purchaser shall enter into an amendment to the Acquisition Agreement reflecting the offer by the Purchaser to amend the terms of the Acquisition Agreement.

Each successive amendment to any Acquisition Proposal that results in an increase in, or modification of, the consideration to be received by Unitholders will constitute a new Acquisition Proposal for purposes of the non-solicitation provisions, provided that the Right to Match Period in respect of such new Acquisition Proposal will extend only until the later of the end of the initial four (4) Business Day Right to Match Period and three (3) Business Days after the date the Superior Proposal Notice was received by the Purchaser in respect of such new Acquisition Proposal.

Reaffirmation of Recommendation

The Board will promptly reaffirm its recommendation of the Transaction by press release after:

(i) any Acquisition Proposal is publicly announced or made to Unitholders and the Board determines it is not a Superior Proposal; or

(ii) the Board determines that a proposed amendment to the terms of the Acquisition Agreement would result in a previously announced Acquisition Proposal not being a Superior Proposal and the Purchaser and the REIT have so amended the terms of the Acquisition Agreement.

Conduct of Activities and Business of the REIT

Between the date of the Acquisition Agreement and the earlier of the Closing Time or the date, if any, on which the Acquisition Agreement is terminated (the "**Interim Period**"), subject to certain exceptions described in the Acquisition Agreement or unless the Purchaser gives its prior written consent (such consent not to be unreasonably withheld, conditioned or delayed), each of the REIT, US Holdco, and MMI LP have agreed to, and agreed to cause each of the REIT Subsidiaries to:

(i) conduct its activities and business in the ordinary course and in a manner consistent with past practice in all material respects; and

(ii) use reasonable best efforts to:

(a) maintain its material assets and properties in their current condition;

(b) preserve in all material respects its current business organization, goodwill, ongoing businesses and significant relationships with third parties;

(c) keep available the services of its present officers;

(d) maintain all material insurance policies;

(e) maintain the status of the REIT as a "real estate investment trust" under the Code; and

(f) comply with applicable Law and maintain the permits and certain other authorizations, licenses, permits, certificates, approvals, variances, exemptions, orders, franchises, certifications and clearances in full force and effect, except where the failure to do so would not have a material adverse effect.

The REIT, US Holdco, and MMI LP have also agreed that, during the Interim Period, subject to certain exceptions described in the Acquisition Agreement or unless the Purchaser gives its prior written consent (such consent not to be unreasonably withheld, conditioned or delayed), the REIT, US Holdco and MMI LP will not, and will not cause or permit any REIT Subsidiary to, do any of the following:

(i) amend or propose to amend its organizational documents, if such amendment would be materially adverse to the REIT, US Holdco, MMI LP or the Purchaser;

(ii) split, combine, reclassify or subdivide any Units, shares of stock or other equity securities or ownership interests of the REIT, US Holdco, MMI LP or any REIT Subsidiary (other than any wholly-owned REIT Subsidiary);

(iii) declare, set aside or pay any dividend on or make any other distributions (whether in cash, stock, property, or otherwise) with respect to the Units and Class B Units except for:

(a) the declaration and payment of regular cash distributions not to exceed US$0.05041 per Unit or Class B Unit per month;

(b) monthly distributions of Deferred Trust Units (which are issued concurrently with and in lieu of monthly distributions on the Units) in accordance with and required by the Deferred Trust Unit Plan; and

(c) dividends and distributions on the Units that are necessary for the REIT to maintain its status as a "real estate investment trust" including under the Code, and to avoid or reduce the imposition of any entity level income or excise tax under the Code (the authorization, declaration and payment of any such dividends or distributions will reduce the REIT Consideration and the Partnership Merger Consideration, as applicable, on a dollar-for-dollar basis);

(iv) redeem, repurchase or otherwise acquire fair value in, directly or indirectly, any Units, shares of its capital stock or other equity interests of the REIT, US Holdco, MMI LP or a REIT Subsidiary, other than:

(a) the redemption or exchange of ownership interests in US Holdco pursuant to and in accordance with the provisions of US Holdco's organizational documents;

(b) the redemption of Class B Units in exchange for Units or cash pursuant to the Partnership Agreement; and

(c) the exercise and settlement of Options and Deferred Trust Units in accordance with their terms;

(v) except for transactions among the REIT, US Holdco, MMI LP and one or more wholly-owned REIT Subsidiaries or among one or more wholly-owned REIT Subsidiaries, or as otherwise contemplated in the Acquisition Agreement, issue, deliver, sell, pledge, dispose, encumber or grant any Units, Partnership Units, shares of US Holdco or any of the REIT Subsidiaries' capital stock, or any options, warrants, convertible securities or other rights of any kind to acquire any Units, Partnership Units, shares of US Holdco or any of the REIT Subsidiaries' capital stock or other equity interests;

(vi) acquire or agree to acquire (including by merger, consolidation or acquisition of stock or assets) any real property, personal property (other than personal property that (i) relates to standard apartment interior items being replaced in the ordinary course of business or items impacting the health or safety of residents, (ii) items relating to building mechanical, electrical or plumbing systems, or (iii) any individual item of personal property at a total cost of less than US$100,000), corporation, partnership, limited liability company, other business organization or any division or material amount of assets thereof, except acquisitions by the REIT, US Holdco, MMI LP or any wholly-owned REIT Subsidiary of or from an existing wholly-owned REIT Subsidiary;

(vii) sell, mortgage, pledge, assign, transfer, dispose of, license or encumber, or effect a deed in lieu of foreclosure with respect to, any property or assets, except:

(a) with respect to personal property, in the ordinary course of business consistent with past practice;

(b) certain permitted liens, as set out in the Acquisition Agreement; and

(c) pledges or encumbrances from time to time under MMI LP's existing revolving credit facility that are not currently included in MMI LP's borrowing base under MMI LP's existing revolving credit facility;

(viii) incur, create, assume, refinance, replace or prepay any Indebtedness for borrowed money or issue or amend the terms of any debt securities of the REIT, US Holdco, MMI LP or any of the REIT Subsidiaries, or assume, guarantee or endorse, or otherwise become responsible for the Indebtedness of any other Person (other than a wholly-owned REIT Subsidiary), except:

(a) Indebtedness incurred under MMI LP's existing revolving credit facilities in the ordinary course of business consistent with past practice; and

(b) Indebtedness incurred in order to fund any transactions permitted by the Acquisition Agreement;

(ix) make any loans, advances or capital contributions to, or investments in, any other Person, make any change in its existing borrowing or lending arrangements for or on behalf of such Persons, or enter into any "keep well" or similar agreement to maintain the financial condition of another entity, other than:

(a) by the REIT, US Holdco, MMI LP or a REIT Subsidiary to the REIT, US Holdco, MMI LP, a REIT Subsidiary or another entity in which US Holdco directly or indirectly owns an interest;

(b) loans, advances or investments required to be made under any of the tenant leases, as set out in the Acquisition Agreement, or ground leases pursuant to which any third party is a lessee or

sub lessee on any Property or any existing joint venture arrangements to which a REIT Subsidiary is a party as of the date of the Acquisition Agreement,

(c) capital calls pursuant to existing contractual arrangements; and

(d) investments permitted pursuant to the Acquisition Agreement;

(x) authorize, or enter into any commitment for, any new capital expenditure;

(xi) enter into, renew, modify, amend or terminate, or waive, release, compromise or assign any rights or claims under, any material contract to which the REIT, US Holdco, MMI LP or any REIT Subsidiary is a party, other than:

(a) any termination or renewal in accordance with the terms of any existing material contract that occurs automatically without any action by the REIT, US Holdco, MMI LP or any REIT Subsidiary;

(b) the entry into any modification or amendment of, or waiver or consent under, any mortgage or related agreement to which the REIT, US Holdco, MMI LP or any REIT Subsidiary is a party as required or necessitated by the Acquisition Agreement or transactions contemplated thereby; or

(c) as may be reasonably necessary to comply with the terms of the Acquisition Agreement;

(xii) make any payment of any liability of the REIT, US Holdco, MMI LP or any REIT Subsidiary before the same comes due in accordance with its terms, other than in the ordinary course of business consistent with past practice or other Indebtedness as it becomes due in accordance with its terms;

(xiii) waive, release, assign, settle or compromise any claim or Action, other than those that:

(a) with respect to the payment of monetary damages, involve only the payment of any payment payable under an insurance policy insuring the REIT, US Holdco, MMI LP or a REIT Subsidiary or either are equal to or less than the amounts specifically reserved with respect thereto on the most recent publicly filed balance sheet of the REIT or do not exceed US$100,000 individually;

(b) do not involve the imposition of injunctive relief against the REIT, US Holdco, MMI LP or any REIT Subsidiary or the Partnership Surviving Entity;

(c) do not provide for any admission of material liability by the REIT, MMI LP, US Holdco or any of the REIT Subsidiaries excluding matters relating to Taxes; and

(d) are not with respect to any action involving any present, former or purported holder or group of holders of Units or Class B Units in accordance with the Acquisition Agreement;

(xiv) hire or terminate (without cause) any employee or service provider of the REIT, US Holdco or MMI LP with an aggregate annual compensation opportunity of US$150,000 or more or appoint any Person to a position of executive officer, trustee or director of the REIT, US Holdco, MMI LP or any REIT Subsidiary;

(xv) accelerate the timing of or increase in any manner the amount, rate, payment or terms of compensation, bonuses or benefits of any of the REIT's, US Holdco's or MMI LP's trustees or directors;

(xvi) increase benefits payable under any existing severance, change in control, retention or termination pay policies;

(xvii) enter into, modify or adopt any employment, deferred compensation, bonus, severance or retirement contract or other compensation or Benefit Plan;

(xviii) grant, confer, award, or modify the terms of any options, convertible securities, restricted stock, phantom shares, equity-based compensation or other rights to acquire, or denominated in, any of the REIT's, US Holdco's, MMI LP's or any of the REIT Subsidiaries' Units, capital stock or other voting securities or equity interests except in the circumstances set out in the Acquisition Agreement;

(xix) fail to maintain all financial books and records in all material respects in accordance with IFRS or make any material change to its methods of accounting in effect at January 1, 2016, except as required by a change in IFRS or in applicable Law or make any change with respect to accounting policies, principles or practices unless required by IFRS or applicable Canadian Securities Laws;

(xx) enter into any new line of business;

(xxi) fail to duly and timely file all material reports and other material documents required to be filed with any Governmental Authority;

(xxii) make, change or rescind any material election relating to Taxes, change a material method of Tax accounting, amend any material Tax Return, settle or compromise any material federal, state, provincial, local or foreign Tax liability, audit, claim or assessment, enter into any material closing agreement related to Taxes, or knowingly surrender any right to claim any material Tax refund, except, in each case:

(a) to the extent required by Law;

(b) as required by IFRS or the REIT's auditors;

(c) to the extent necessary to preserve the REIT's qualification as a "real estate investment trust" under the Code; or

(d) to the extent necessary to qualify or preserve the status of any REIT Subsidiary as a disregarded entity or partnership for United States federal income tax purposes or as a QRS or a Taxable REIT Subsidiary or a "real estate investment trust" under the Code;

(xxiii) take any action that would, or fail to take any action, the failure of which to be taken would, reasonably be expected to cause the REIT to (A) fail to qualify as a "REIT" for purposes of the Code or as a "mutual fund trust" for purposes of the Tax Act or (B) qualify as a "SIFT Trust" for purposes of the Tax Act;

(xxiv) take any action that would, or fail to take any action, the failure of which to be taken would, reasonably be expected to cause any of the REIT Subsidiaries to cease to be treated as a partnership or disregarded entity for U.S. federal income tax purposes, or as a QRS, a Taxable REIT Subsidiary or a real estate investment trust under the Code;

(xxv) adopt a plan of arrangement, plan of merger, complete or partial liquidation or resolutions providing for or authorizing such merger, liquidation or a dissolution, consolidation, recapitalization or bankruptcy reorganization, except in connection with any transaction permitted by the Acquisition Agreement in a manner that would not reasonably be expected to be materially adverse to the Purchaser, the REIT, US Holdco or MMI LP or to prevent or impair the ability of the Purchaser, the REIT, US Holdco or MMI LP to consummate the Transaction;

(xxvi) form any new funds or joint ventures;

(xxvii) amend or modify the compensation terms or any other obligations of the REIT, US Holdco or MMI LP contained in the engagement letters with BMO Capital Markets and NBF in a manner adverse to the Purchaser, the REIT, US Holdco, MMI LP, any REIT Subsidiary or the Partnership Surviving Entity or engage other financial advisers in connection with the Transaction;

(xxviii) except to the extent permitted under the non-solicitation provisions of the Acquisition Agreement, take any action that would, or would reasonably be expected to, prevent or delay the consummation of the Transaction on or prior to the Outside Date;

(xxix) fail to use reasonable best efforts to maintain in full force and effect the existing insurance policies, as set out in the Acquisition Agreement, or to replace such insurance policies with reasonably comparable insurance policies covering the REIT, US Holdco, MMI LP, Properties, REIT Subsidiaries and their respective properties, assets and businesses;

(xxx) enter into any contract, agreement, commitment or arrangement that is a related party transaction, as described further in the Acquisition Agreement;

(xxxi) implement any employee layoffs implicating the Worker Adjustment and Retraining Notification Act;

(xxxii) except in the ordinary course of business consistent with past practices, enter into, renew, modify, amend or terminate, or waive, release, compromise or assign any rights or claims under, any lease for any leased Properties;

(xxxiii) initiate or consent to any material zoning reclassification of any Owned Property or Leased Property or any material change to any approved site plan, special use permit, planned unit development approval or other land use entitlement affecting any such properties except for reclassifications and changes for which application has been made as of the date of the Acquisition Agreement and disclosed to the Purchaser;

(xxxiv) modify, extend, or enter into any collective bargaining agreement, trade union or other labor union contract, or recognize or certify any labor union, labor organization, works council, or group of employees as a bargaining representative;

(xxxv) take or fail to take any action that would cause the Units to fail to be, for any calendar quarter, regularly quoted by more than one broker or dealer making a market in the Units, which market is located in the United States, through an interdealer quotation system; or

(xxxvi) authorize, or enter into any contract, agreement, commitment or arrangement, to do any of the foregoing.

The above restrictions, however, will not prohibit the REIT, US Holdco or MMI LP from taking any action that in the reasonable judgement of the Board, upon advice from counsel to the REIT, is reasonably necessary for the REIT to avoid or to continue to avoid breach of applicable Law or incurring entity level income or excise Taxes under the Code or Tax Act or to maintain its qualification as a "real estate investment trust" under the Code or a "mutual fund trust" under the Tax Act for any period ending on or prior to the Closing Time, including making dividend or other distribution payments to Unitholders or holders of Partnership Units in accordance with the Acquisition Agreement or to qualify or preserve the status of any REIT Subsidiary as a disregarded entity or partnership for U.S. federal income tax purposes or as a QRS or a Taxable REIT Subsidiary under the Code.

Covenants

Transaction Covenants of the REIT

The REIT has agreed to a number of covenants that are customary for an agreement of this nature, including, *inter alia*, that the REIT will, and will cause the REIT Subsidiaries to:

(i) elect that US Holdco be taxed as an entity other than a corporation for U.S. federal income tax purposes to be effective at least two (2) days prior to the Closing Time;

(ii) use its reasonable best efforts to do all such acts and things as may be necessary or advisable to consummate and make effective the Transaction;

(iii) defend all lawsuits or other legal, regulatory or other proceedings against the REIT or the REIT Subsidiaries challenging or affecting the Acquisition Agreement or the consummation of the Transaction;

(iv) not take any action or fail to take any action that is intended to, or would reasonably be expected to, individually or in the aggregate, prevent, materially delay or materially impede the ability of the REIT to consummate the Transaction;

(v) provide the Purchaser with prompt written notice of any change, effect, event or occurrence which, when considered either individually or in the aggregate, has resulted in or would reasonably be expected to result in a REIT Material Adverse Effect;

(vi) use reasonable best efforts to enforce any confidentiality agreement and/or standstill agreements or provisions the REIT has with any person other than the Purchaser and not waive, relieve any person of or amend any such agreements and/or provisions in any way; and

(vii) satisfy or, to the extent not within the REIT's control, use reasonable best efforts to satisfy, all conditions precedent in the Acquisition Agreement.

Transaction Covenants of the Purchaser

The Purchaser has agreed to a number of covenants that are customary for an agreement of this nature, including, *inter alia*, that the Purchaser will:

(i) use its reasonable best efforts to do all such acts and things as may be necessary or advisable to consummate and make effective the Transaction and the transactions contemplated by the Acquisition Agreement;

(ii) defend all lawsuits or other legal, regulatory or other proceedings against the Purchaser challenging or affecting the Acquisition Agreement or the consummation of the Transaction;

(iii) provide such assistance as may reasonably be required by the REIT for the purposes of completing the Meeting;

(iv) not take any action or fail to take any action that is intended to, or would reasonably be expected to, individually or in the aggregate, prevent, materially delay or materially impede the ability of the Purchaser to consummate the Transaction; and

(v) satisfy or, to the extent not within its control, use reasonable best efforts to satisfy, all conditions precedent in the Acquisition Agreement.

Employment Matters

From and after the Closing Time, the Purchaser and MMI LP have agreed to, and to cause the Partnership Surviving Entity and its Subsidiaries to, honor all employment agreements and Benefit Plans in accordance with their terms as in effect immediately before the Closing Time, except as otherwise specifically provided in the Acquisition Agreement.

The parties have agreed that any change of control, retention, severance or other payments owing by the REIT or any of the REIT Subsidiaries as a result of the Closing of the Transaction shall be payable on the Closing Date simultaneously with or immediately following the Closing Time.

Financing and Reporting Cooperation

Prior to the Closing, the REIT has agreed to cooperate, and will cause US Holdco, MMI LP and the REIT Subsidiaries to cooperate, and will use its and their reasonable best efforts to cause their respective Representatives to cooperate with the Purchaser in connection with:

(i) seeking and negotiating, as applicable and as directed by the Purchaser, waivers, consents or amendments to existing contracts, agreements and other arrangements pursuant to which the REIT has Indebtedness for borrowed money (in each case, in form and substance satisfactory to the Purchaser in its sole discretion), and

(ii) if and when requested by the Purchaser in writing, at the Purchaser's sole cost and expense, the arrangement of additional or alternative Indebtedness, or the assumption and modification of Existing Indebtedness, for borrowed money in connection with the consummation of the transactions contemplated in the Acquisition Agreement (the "**Debt Financing**").

At Closing or, if Closing does not timely occur, the Purchaser has agreed to promptly upon request by the REIT, reimburse the REIT for all reasonable out-of-pocket costs incurred by the REIT, US Holdco, MMI LP, the REIT Subsidiaries and their respective Representatives in connection with such cooperation. The Purchaser and Partnership Merger Sub have also agreed, on a joint and several basis, to indemnify and hold harmless the REIT, US Holdco, MMI LP, the REIT Subsidiaries and their respective Representatives from and against any and all liabilities and claims incurred by them in connection with the arrangement of the Debt Financing and any information utilized in connection therewith.

The REIT has agreed to, and will use its reasonable best efforts to cause US Holdco, MMI LP, the REIT Subsidiaries and their respective Representatives to take all reasonably requested actions necessary to assist and cooperate with the Purchaser Parties and their respective Affiliates in preparing all filings or other reports required to be made by the Purchaser Parties or such Affiliate with applicable Governmental Authorities and to cooperate reasonably with the Purchaser Parties and their respective Affiliates in connection therewith. All confidential information regarding the REIT obtained by the Purchaser or its Representatives in connection with such assistance will be kept confidential in accordance with the Confidentiality Agreement.

Other Covenants

The REIT has agreed to (i) promptly advise the Purchaser orally and in writing of, and keep Purchaser reasonably informed regarding, any litigation, claim, suit, action or proceeding commenced after the date of the Acquisition Agreement against the REIT, US Holdco or MMI LP or any of its Trustees by any Unitholders or holder of Class B Units relating to the Acquisition Agreement or the Transaction and (ii) not settle any such litigation, claim, suit, action or proceeding without the prior written consent of the Purchaser (not to be unreasonably withheld, conditioned or delayed), and (iii) give the Purchaser the opportunity to consult (acting reasonably) with the REIT regarding the defense or settlement of any such litigation, claim, suit, action or proceeding.

Each of the REIT and the Purchaser has also agreed that, during the Interim Period, except as contemplated by the Acquisition Agreement, such party shall not, directly or indirectly, without the prior written consent of the other party, take or cause to be taken any action that would reasonably be expected to materially delay consummation of the transactions contemplated by the Acquisition Agreement.

The Purchaser, the REIT, US Holdco and MMI LP have each agreed to use its reasonable best efforts (or will cause Partnership Merger Sub or the REIT Subsidiaries and their applicable Affiliates, respectively) to give any notices to third parties and obtain any third party consents that are necessary, proper or advisable to consummate the Transaction.

The REIT, US Holdco and MMI LP have each agreed to terminate, or cause to be terminated, at or immediately prior to Closing, certain related party agreements without the payment of any additional consideration other than the REIT Consideration and the Partnership Merger Consideration and without the incurrence of any additional liability.

Each of the parties to the Acquisition Agreement have also agreed: (i) to furnish all necessary information and to provide reasonable assistance in connection with the preparation of any required filings made with, or written materials to, any Governmental Authority in connection with the Transaction; (ii) that the Confidentiality Agreement shall automatically terminate without further action upon consummation of Closing; and (iii) that, in respect of the Acquisition Agreement, the Purchaser and/or its Affiliates have an insurable interest in the real properties of the REIT, US Holdco, MMI LP and the REIT Subsidiaries.

Termination Provisions

Termination by the Purchaser or the REIT

Prior to the Closing, either the Purchaser or the REIT may terminate the Acquisition Agreement and the Transaction may be abandoned:

(i) by mutual written consent of the Purchaser and the REIT;

(ii) the Closing shall not have occurred by the Outside Date, except such right shall not be available to any such party whose failure to perform any of its covenants or agreements under the Acquisition Agreement or whose breach of any of its representations and warranties has been the cause of, or resulted in, the failure of the Closing to occur by such date;

(iii) any court of competent jurisdiction or other Governmental Authority in Canada or the United States shall have issued an Order permanently enjoining or otherwise prohibiting the Transaction, which Order is final and non-appealable, provided that such party seeking to terminate has used its commercially reasonable efforts to appeal, overturn or lift such Order and the issuance of such Order was not primarily due to the failure of such party to comply with the provisions of the Acquisition Agreement; or

(iv) the Unitholder Approval shall not have been obtained at the Meeting or at any adjournment or postponement thereof at which a vote on the Transaction Resolution was taken.

Termination by the Purchaser

The Purchaser may terminate the Acquisition Agreement and the Transaction may be abandoned if:

(i) prior to obtaining the Unitholder Approval,

(a) the Board shall have effected a Change in Recommendation in accordance with the Acquisition Agreement,

(b) the REIT, US Holdco, MMI LP or any REIT Subsidiary shall have entered into a REIT Acquisition Agreement,

(c) the REIT fails to include in the Information Circular a recommendation from the Board that Unitholders should vote in favour of the Transaction Resolution;

(d) the Board fails to publicly recommend or reaffirm its approval of the Transaction Resolution and the Transaction, within three (3) Business Days of the written request of the Purchaser; or

(e) the REIT, US Holdco, MMI LP or any REIT Subsidiary publicly announces its intention to do any of the foregoing;

(ii) subject to certain notification requirements under the Acquisition Agreement, a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the REIT, US Holdco or MMI LP set forth in the Acquisition Agreement shall have occurred that if continuing at Closing would cause, individually or in the aggregate, certain conditions precedent to be incapable of being satisfied by the Outside Date, provided that the Purchaser is not, at the time the Purchaser delivers notice to terminate, then in breach of the Acquisition Agreement; or

(iii) since the date of the Acquisition Agreement but prior to the Waiver Time, a REIT Material Adverse Effect shall have occurred.

Termination by the REIT

The REIT may terminate the Acquisition Agreement and the Transaction may be terminated if:

(i) prior to obtaining Unitholder Approval, the REIT proposes to enter into a definitive agreement with respect to an Acquisition Proposal, provided that prior to or concurrently with the entering into of that definitive agreement, the REIT shall have paid to the Purchaser the REIT Termination Fee;

(ii) Subject to certain notification requirements, a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the Purchaser set forth in the Acquisition Agreement shall have occurred that if continuing at Closing would cause, individually or in the aggregate, certain conditions precedent to be incapable of being satisfied by the Outside Date, provided that the REIT, US Holdco and MMI LP are not, at the time the REIT delivers notice to terminate, then in breach of the Acquisition Agreement; or

(iii) all conditions precedent under the Acquisition Agreement have been satisfied and the Purchaser does not provide or cause to be provided the REIT Consideration or the Partnership Merger Consideration as required by the Acquisition Agreement, and the REIT

(a) stood ready, willing and able to consummate the Transaction on the date on which the Closing Date would have occurred, and

(b) has, on or after such date, given the Purchaser at least three (3) Business Days prior notice stating the REIT's intention to terminate the Acquisition Agreement.

Termination Payment

The Purchaser shall be entitled to a cash termination payment in an amount equal to US$53 million (the "**REIT Termination Fee**") in consideration for the disposition of the Purchaser's rights under the Acquisition Agreement, upon the occurrence of any of the following events (each a "**REIT Termination Fee Event**"):

(i) the Acquisition Agreement is terminated by the Purchaser due to a Change in Recommendation, the entering into of a REIT Acquisition Agreement or the Board's failure to reconfirm its recommendation that Unitholders approve the Transaction Resolution;

(ii) the Acquisition Agreement is terminated by the REIT due to the REIT entering into a definitive agreement with respect to an Acquisition Proposal;

(iii) the Acquisition Agreement is terminated by either the Purchaser or the REIT due to a failure to obtain Unitholder Approval, or by the Purchaser due to the REIT's breach of any representation or warranty or failure to perform any covenants (but only in respect of a willful breach by the REIT, MMI LP or US Holdco), and

  (a) following the date of the Acquisition Agreement and prior to the date of such termination, an Acquisition Proposal is publicly announced, disclosed, made or communicated to the Unitholders, or any person has publicly announced an intention to make an Acquisition Proposal;

  (b) such Acquisition Proposal has not been fully and finally withdrawn at least five (5) Business Days prior to the Meeting (with no suggestion or implication that it or a similar transaction could proceed at a later date); and

  (c) the REIT consummates an Acquisition Proposal within twelve (12) months following the date of such termination or enters into a definitive agreement with respect to an Acquisition Proposal within twelve (12) months following the date of such termination that is subsequently consummated, provided that for the purposes of the termination payment provisions references to "20%" in the definition of Acquisition Proposal shall be changed to "50%".

In addition, the REIT agrees that if the Acquisition Agreement is terminated by either Purchaser or the REIT due to a failure to obtain Unitholder Approval or by Purchaser due to the REIT's breach of any representation or warranty or failure to perform any covenants, under circumstances in which the REIT Termination Fee is not payable, then the REIT shall pay to Purchaser the Purchaser Expenses (which, in the event of termination due to a failure to obtain the Unitholder Approval, shall not exceed US$3,000,000), provided that if the REIT Termination Fee is or subsequently becomes payable, such fee will be reduced on a dollar-for-dollar basis for the Purchaser Expenses actually paid.

The REIT shall be entitled to a cash termination payment in an amount equal to US$100 million (the "**Purchaser Termination Fee**") in consideration for the disposition of the REIT's rights under the Acquisition Agreement, upon the occurrence of either of the following events:

(i) the Acquisition Agreement is terminated by the REIT due to the Purchaser's breach of any representation or warranty or failure to perform any covenants; or

(ii) the Purchaser does not provide or cause to be provided the REIT Consideration or the Partnership Merger Consideration as required by the Acquisition Agreement.

Insurance and Indemnification of Trustees and Officers

Prior to Closing, the Purchaser has agreed to obtain and fully pay the premium for the extension of the trustees' and officers' liability coverage of the REIT's and the REIT Subsidiaries' existing trustees' and officers' insurance policies for a claims reporting or run off and extended reporting period and claims reporting period of not less than six (6) years from and after the Closing with respect to any claim related to any period of time at or prior to the Closing, provided that the Purchaser shall not be required to pay annual premiums for insurance in excess of 300% of the most recent annual premiums paid prior to the Acquisition Agreement.

From and after Closing, the Purchaser and MMI LP have agreed to indemnify and hold harmless each present and former trustee, director, officer and employee of the REIT and the REIT Subsidiaries against any claims arising out of or related to such indemnified person's service as a trustee, director, officer or employee of the REIT and/or any of the REIT Subsidiaries or services performed by such persons at the request of the REIT and/or any of the REIT Subsidiaries, provided such indemnified persons acted honestly and in good faith with a view to the best interests of the REIT, REIT Unitholders and REIT Subsidiaries, as applicable.

Neither the Purchaser, MMI LP nor the REIT shall settle any claim involving an Indemnified Person's service as a trustee, director, officer or employee of the REIT and/or any of the REIT Subsidiaries or services performed by such persons at the request of the REIT and/or any of the REIT Subsidiaries at or prior to or following the closing without the prior written consent of that Indemnified Person unless such settlement includes an unconditional release of such Indemnified Person.

Permitted Transactions

The Purchaser has the option, in its sole discretion and without requiring the further consent of any of the REIT, US Holdco, MMI LP, any REIT Subsidiary, the Board, Unitholders or equityholders of any of the foregoing, upon reasonable notice to the REIT (provided that the Purchaser shall use reasonable best efforts to provide at least ten (10) Business Days' notice), to request that the REIT, immediately prior to the Closing:

(i) convert or cause the conversion of one or more REIT Subsidiaries that are organized in a particular state to be domiciled in a different state;

(ii) convert or cause the conversion of one or more REIT Subsidiaries that are organized as corporations into limited liability companies (or other entities) and one or more REIT Subsidiaries that are organized as limited partnerships or limited liability companies into other entities, on the basis of organizational documents as reasonably requested by the Purchaser;

(iii) sell or cause to be sold all of the capital stock, shares of beneficial interests, partnership interests, limited liability interests or other ownership interests owned, directly or indirectly, by the REIT, US Holdco, MMI LP in one or more REIT Subsidiaries to any person at a price and on terms all as designated by the Purchaser;

(iv) sell or cause to be sold any of the assets of the REIT, US Holdco, MMI LP or one or more REIT Subsidiaries to any person at a price and on terms all designated by the Purchaser; and

(v) cause the REIT, US Holdco, MMI LP or any REIT Subsidiary to transfer assets to one or more REIT Subsidiaries (each of clauses (i), (ii), (iii), (iv) and (v) being "**Restructuring Transactions**").

Notwithstanding the foregoing:

(i) none of the Restructuring Transactions shall delay or prevent the Closing;

(ii) the Restructuring Transactions shall be implemented as close as possible to the Closing (but after the Purchaser has waived (to the extent permissible) or confirmed that all of the conditions to the Purchaser's and Partnership Merger Sub's obligations to consummate the Transactions have been satisfied);

(iii) none of the REIT, US Holdco, MMI LP or any REIT Subsidiary shall be required to take any action in contravention of any Laws, its organizational documents or certain material contracts;

(iv) the consummation of any such Restructuring Transactions shall be contingent upon the receipt by the REIT of a written notice from the Purchaser confirming that all of the conditions to the Purchaser's and Partnership Merger Sub's obligations to consummate the Transactions have been satisfied (or, at

the option of the Purchaser, waived) and that the Purchaser and Partnership Merger Sub are prepared to proceed immediately with the Closing and any other evidence reasonably requested by the REIT that the Closing will occur;

(v) the Restructuring Transactions (or the inability to complete the Restructuring Transactions) will not affect or modify in any respect the obligations of the Purchaser and Partnership Merger Sub under the Acquisition Agreement, including payment of the REIT Consideration and the Partnership Merger Consideration;

(vi) none of the REIT, US Holdco or any REIT Subsidiary shall be required to take any such action that could adversely affect the classification of the REIT as, or its qualification for taxation as, a "REIT" prior to the Closing; and

(vii) none of the REIT, US Holdco, MMI LP or any REIT Subsidiary will be required to take any such action that could result in an amount of Taxes being imposed on, or other adverse Tax or other consequences to, the REIT, US Holdco, MMI LP or any REIT Subsidiary or any Unitholder, stockholder or other equity interest holder thereof unless the REIT consents to such transaction (such consent not to be unreasonably withheld, conditioned or delayed) and such Persons are indemnified by the Purchaser Parties for such incremental Taxes or other consequences.

The Purchaser will, upon request, advance to the REIT, US Holdco or MMI LP all reasonable out-of-pocket costs to be incurred by such parties, or reimburse such parties for all reasonable out-of-pocket-costs incurred in connection with any actions taken in connection with the Restructuring Transactions (including reasonable fees and expenses of the Representatives of the REIT, US Holdco or MMI LP). Purchaser and Partnership Merger Sub, on a joint and several basis, each agree to indemnify and hold harmless the REIT, US Holdco or MMI LP, their subsidiaries (including all REIT Subsidiaries), and their Representatives from and against any and all Taxes, liabilities, losses, damages, claims, costs, expenses, interest, awards, judgments and penalties suffered or incurred by them in connection with or as a result of taking such actions.

Specific Performance

Purchaser and Partnership Merger Sub are entitled to seek injunctions to prevent breaches of the Acquisition Agreement by the REIT, US Holdco and MMI LP and to enforce specifically the terms and provisions of the Acquisition Agreement in addition to any and all other remedies at law or in equity. Neither the REIT, US Holdco nor MMI LP is entitled to an injunction or injunctions to prevent breaches of the Acquisition Agreement by Purchaser or Partnership Merger Sub or to enforce specifically the terms and provisions of the Acquisition Agreement. The sole and exclusive remedy of the REIT, US Holdco or MMI LP relating to a breach of the Acquisition Agreement by Purchaser or Partnership Merger Sub will be the remedies set forth under "The Acquisition Agreement – Termination Provisions – Termination Payment."

Limited Guarantee

In connection with the Acquisition Agreement, the Purchaser delivered to the REIT a Limited Guarantee executed by SOF-X U.S. Holdings, L.P., a Delaware limited partnership (the "**Guarantor**"), pursuant to which the Guarantor has agreed to, subject to the terms and conditions of the Limited Guarantee, absolutely, irrevocably and unconditionally guarantee to the REIT the payment of certain amounts required under the Acquisition Agreement by the Purchaser, including with respect to:

(i) the payment of the Purchaser Termination Fee in accordance with the Acquisition Agreement; and

(ii) the indemnification and reimbursement obligations relating to the REIT's participation in Purchaser's arrangement of Debt Financing and any Restructuring Transactions, in each case, as, when and to the extent due under the Acquisition Agreement.

The Guarantor has agreed to provide such guarantee only up to an amount equal to the sum of (i) US$100 million plus (ii) Purchaser's indemnification and reimbursement obligations relating to the REIT's arrangement of Debt Financing and the Restructuring Transactions.

The Guarantor will in no event be required to pay more than the foregoing amount, and will not have any obligation or liability to any Person relating to the Limited Guarantee or the Acquisition Agreement, other than as expressly set forth in the Limited Guarantee.

The Limited Guarantee will terminate on the earlier of:

(i) Closing;

(ii) the payment in full of the guaranteed obligations (as specified in the Limited Guarantee); and

(iii) 120 days following a termination in accordance with the terms of the Acquisition Agreement (except as to payments for which a claim has been made prior to such termination).

Governing Law

The Acquisition Agreement is governed by the laws of the State of Delaware, without giving effect to any principles of conflict of Laws thereof that would result in the application of the Laws of any other jurisdiction. Notwithstanding the foregoing, all references to the Board's "fiduciary duties" shall be to the duties set forth in the Declaration of Trust, as interpreted under the laws of the Province of Ontario.

All actions and proceedings arising out of or relating to the Acquisition Agreement will be heard and determined exclusively: (i) in the courts of the Province of Ontario; or (ii) any Delaware state or federal court of the United States of America sitting in the State of Delaware.

SUPPORT AND VOTING AGREEMENTS

The following is a summary of the material terms of the Support and Voting Agreements. This summary does not purport to be complete and may not contain all of the information about the Support and Voting Agreements that is important to you. The summary of the material terms of the Support and Voting Agreements below and elsewhere in this Information Circular is qualified in its entirety by reference to the Support and Voting Agreements, which have been filed by the REIT on SEDAR at www.sedar.com. We urge you to read a copy of the Support and Voting Agreements carefully and in their entirety, as the rights and obligations of the parties are governed by the express terms of the Support and Voting Agreements and not by this summary or any other information contained in this Information Circular.

On January 19, 2017, the Purchaser entered into Support and Voting Agreements with each of the Supporting Unitholders, pursuant to which the individual Supporting Unitholders, who beneficially own or exercise direction or control over 180,321 Units, 10,850,938 Class B Units, 1,345,000 Options and 702,513 Deferred Trust Units at the date of this Information Circular, representing less than 1% of the outstanding Units and approximately 14% of the Units outstanding on a fully-diluted basis (including non-voting Class B Units, Options and Deferred Trust Units), have agreed, solely in their capacity as holders of REIT Securities (and not in their capacity as a Trustees or officers of the REIT), to among other things:

(i) not solicit, assist, initiate, knowingly encourage or otherwise knowingly facilitate any inquiries, proposals or offers with respect to, or the announcement, making or completion of, an Acquisition Proposal, or any inquiry, proposal or offer that could be reasonably likely to lead to an Acquisition Proposal, either directly or indirectly, except (if applicable) in his or her capacity as Trustee or officer of the REIT to the extent permitted by the non-solicitation provisions of the Acquisition Agreement;

(ii) not engage in any discussions or negotiations regarding, or otherwise cooperate in any way, or assist or participate in, knowingly encourage or otherwise facilitate, furnish any non-public information or data in connection with, any effort or attempt by any other Person to make or complete any Acquisition Proposal, either directly or indirectly, except (if applicable) in his or her capacity as Trustee or officer of the REIT to the extent permitted by the non-solicitation provisions of the Acquisition Agreement;

(iii) not enter into, approve, endorse or accept any agreement, understanding or arrangement in respect of an Acquisition Proposal or requiring or having the effect of requiring the REIT, US Holdco or MMI LP to abandon, terminate or breach their respective obligations under the Acquisition Agreement or fail to consummate the Transaction, either directly or indirectly, except (if applicable) in his or her capacity as Trustee or officer of the REIT to the extent permitted by the non-solicitation provisions of the Acquisition Agreement;

(iv) immediately cease and terminate any existing solicitation, discussion or negotiation with any Person (other than the Purchaser and its Representatives) with respect to any Acquisition Proposal, whether or not initiated by the Supporting Unitholder, except (if applicable) in his or her capacity as Trustee or officer of the REIT to the extent permitted by the non-solicitation provisions of the Acquisition Agreement;

(v) not offer, sell, gift, assign, encumber, pledge, hypothecate, dispose, loan or otherwise transfer, exercise any right in respect of (other than pursuant to the Acquisition Agreement), or otherwise convey any of the REIT Securities, or any right or interest therein (legal or equitable), whether by actual disposition, derivative transaction or otherwise, to any Person or group or enter into any agreement, commitment or understanding to do any of the foregoing, it being agreed that any such transfer or exercise or other conveyance shall be null and void *ab initio*;

(vi) except in accordance with the Acquisition Agreement, not grant or agree to grant any proxy, power of attorney or other right to vote, dispose, or exercise control or direction over, the REIT Securities, or enter into any voting trust, vote pooling or other agreement with respect to the right to vote, call meetings of securityholders or give consents or approval of any kind as to the REIT Securities;

(vii) not tender or cause to be tendered, or deposit or cause to be deposited, any of the REIT Securities in connection with any Acquisition Proposal;

(viii) not take or agree to take any actions, or omit to take any action, which action or omission may cause any of the representations and warranties contained in the Support and Voting Agreement to become untrue;

(ix) promptly notify the Purchaser of the number of any Units or Class B Units or other securities of the REIT or the REIT Subsidiaries acquired by the Supporting Unitholder, to the extent they are permitted to do so, after January 19, 2017, and any such securities so acquired will be subject to the terms of the Support and Voting Agreement as though owned by the Supporting Unitholder as of January 19, 2017;

(x) not do indirectly that which the Supporting Unitholder may not do directly in respect of the restrictions on the Supporting Unitholder's rights with respect to the REIT Securities pursuant to the Support and Voting Agreement; and

(xi) not publicly announce the Supporting Unitholder's intention to do any of the foregoing, except (if applicable) in his or her capacity as Trustee or officer of the REIT to the extent permitted by the non-solicitation provisions of the Acquisition Agreement.

Pursuant to the Support and Voting Agreements, the individual Supporting Unitholders have also covenanted and agreed in favour of the Purchaser, solely in their capacity as holders of REIT Securities (and not in their capacity as a Trustees or officers of the REIT), to, among other things, do as follows:

(i) at the Meeting or in any other circumstances upon which a vote, consent or other approval with respect to the Transaction Resolution is sought, the Supporting Unitholder will cause its Units or other REIT Securities, as applicable, to be counted as present for purposes of establishing quorum and will vote (or cause to be voted) its Units or other REIT Securities, as applicable, which it may then beneficially own

(a) in favour of the approval of the Transaction Resolution, and

(b) in favour of any other matter necessary for the consummation of transactions contemplated by the Acquisition Agreement;

(ii) at any meeting of securityholders of the REIT or MMI LP or in any other circumstances upon which a vote, consent or other approval of all or some of the securityholders of the REIT or MMI LP is sought, the Supporting Unitholder will cause its REIT Securities to be counted as present for purposes of establishing quorum and will vote (or cause to be voted) its REIT Securities, as applicable, against any

(a) Acquisition Proposal and/or any matter that could reasonably be expected to delay, prevent or frustrate the successful completion of the Transaction, or

(b) action or agreement that would result in a breach of any representation, warranty, covenant, agreement or other obligation of the Supporting Unitholder in the Support and Voting Agreement;

(iii) subject to closing the Transaction, take all actions necessary, including those required under the Acquisition Agreement, to effect

(a) the sale to the REIT for cancellation of the Options beneficially owned by the Supporting Unitholders for the Option Consideration and

(b) the settlement for cash of all Deferred Trust Units beneficially owned by the Supporting Unitholders; and

(iv) as soon as practicable following the mailing of this Information Circular and in any event no later than ten (10) calendar days prior to the date of the Meeting, deliver a duly executed proxy, proxies or voting instruction form, as applicable, directing the relevant holder thereof to vote in favour of the Transaction Resolution and any other matter necessary for the consummation of transactions contemplated by the Acquisition Agreement, and deliver a copy to the Purchaser. Such proxy or proxies will name those individuals as may be designated by the REIT, and such proxy, proxies or voting instructions may not be revoked without the written consent of the Purchaser or upon termination of the Support and Voting Agreement.

To the extent applicable, the Supporting Unitholder, in its capacity as a holder of Class B Units, consents to the consummation of the Transaction, including the Partnership Merger.

The Support and Voting Agreements shall automatically terminate upon the earlier of (i) the termination of the Acquisition Agreement in accordance with its terms, and (ii) immediately after the Closing.

INTERESTS OF CERTAIN PERSONS IN THE TRANSACTION

Certain persons may have interests in the Transaction that are, or may be different from, or in addition to, the interests of other securityholders. These interests include those described below. Members of the Special Committee and the Board were aware of and considered these interests, among other matters, in evaluating and negotiating the Acquisition Agreement, and in recommending to Unitholders that they vote FOR the Transaction Resolution.

Ownership of Securities of the REIT

The following table sets out (i) the names of all Trustees and, executive officers having an interest in the Transaction and where known after reasonable enquiry, the names of any insiders of the REIT, any associates or affiliates of such insiders, any associates and affiliates of the REIT or any person acting jointly or in concert with the REIT; (ii) the positions held by such Persons with the REIT; and (iii) the designation number and percentage of the outstanding securities of the REIT beneficially owned, directly or indirectly, or over which control or direction is exercised by each of such persons.

Securities of the REIT Beneficially Owned, Directly or Indirectly or over which Control or Direction is Exercised[1]							
Name	**Position**	**Units**	**Class B Units**	**Options**	**Deferred Trust Units**	**Total**	**%[2]**
Michael D. Young	Trustee and Chairman	25,000	--	275,000	48,111	348,111	0.37
William J. Biggar	Trustee	37,000	--	--	44,779	81,779	0.09
Janet Graham	Trustee	10,000	--	--	46,725	56,725	0.06
Richard N. Matheson	Trustee	27,000	--	--	37,490	64,490	0.07
Graham Senst	Trustee	61,821	--	--	40,126	101,947	0.11
Robert P. Landin[3]	Trustee and Chief Executive Officer	14,500	1,850,034	450,000	360,524	2,675,058	2.85
Jeffrey L. Goldberg[3]	Head of Acquisitions	5,000	3,487,229	450,000	--	3,942,229	4.21
Steven T. Lamberti[3]	Chief Operating Officer	--	--	150,000	75,817	225,817	0.24
Ryan Newberry	Chief Financial Officer	--	--	20,000	48,941	68,941	0.07
MST Investors, LLC[4]	Significant Unitholder	--	5,513,675	--	--	5,513,675	5.88
Total	**--**	**180,321**	**10,850,938**	**1,345,000**	**702,513**	**13,078,772**	**13.87**

(1) The information in the table is current as of February 6, 2017.

(2) Percentage of ownership of the REIT on a fully-diluted basis (i.e. assuming the exercise or redemption of all outstanding Class B Units, Options and Deferred Trust Units).

(3) Totals do not include securities held by MST Investors, LLC. See note (4) below.

(4) The following individuals own or exercise control or direction over equity interests in MST Investors, LLC: Robert P. Landin (approximately 41.36%); Jeffrey L. Goldberg (approximately 41.36%); Steven T. Lamberti (approximately 16.18%) and other REIT employees (approximately 1.1%)

If you have any questions or need assistance completing your form of proxy or voting instruction form, please contact Kingsdale Advisors toll-free within North America at 1-866-851-3215 or outside North America at 1-416-867-2272 (collect call) or by email at contactus@kingsdaleadvisors.com.

Vesting of Options and Deferred Trust Units

In connection with the Transaction and as contemplated by the Acquisition Agreement, it is anticipated that all of the outstanding unvested Options and Deferred Trust Units (including the Options and Deferred Trust Units held by the Trustees and executive officers of the REIT) will accelerate and vest. *See "The Transaction – Treatment of Options and Deferred Trust Units".*

Options were granted to certain Trustees and members of Management, as described in the table above under "Ownership of Securities of the REIT", in 2013 in connection with or shortly following the REIT's initial public offering. Pursuant to the Option Plan and the various Option agreements entered into with the respective holders of Options, these Options vest in equal parts over a period of four years.

Pursuant to the Deferred Unit Incentive Plan, Trustees may elect to receive their Board compensation in the form of Deferred Trust Units in lieu of cash, which vest immediately upon grant. Pursuant to the Deferred Unit Incentive Plan, if a Trustee elects to receive his or her board compensation in the form of Deferred Trust Units, the REIT will grant the Trustee additional Deferred Trust Units having a value equal to 65% of the amount of deferred Board compensation (the "**REIT Contributed DTUs**"), such that the aggregate number of Deferred Trust Units issued to each Trustee have a value equal to 1.65 times the amount of Board compensation that such Trustee deferred and elected to receive in the form of Deferred Trust Units. The REIT Contributed DTUs generally vest in equal parts over a period of three years. Further, Deferred Trust Units may be granted from time to time to members of Management, at the discretion of the Board on the recommendation of the REIT's compensation, governance and nominating committee, in connection with the REIT's long-term incentive plan program. Such Deferred Trust Units will generally "cliff vest" four years after the date of grant.

As at the date of this Information Circular, there are a total of 1,381,475 Options and 771,314 Deferred Trust Units outstanding. Of these, there are expected to be 5,000 unvested Options and 595,055 unvested Deferred Trust Units outstanding immediately prior to Closing.

Termination and Change of Control Benefits

Each of Robert P. Landin and Ryan Newberry are parties to employment agreements (the "**Executive Employment Agreements**") with a wholly-owned subsidiary of the Partnership, pursuant to which they serve as the REIT's Chief Executive Officer and Chief Financial Officer, respectively. The Executive Employment Agreements were entered into (in the case of Mr. Landin) or amended (in the case of Mr. Newberry) in connection with the internalization of the REIT's asset management function in September 2016 (the "**Internalization**").

The Executive Employment Agreements provide that in the event that Mr. Landin or Mr. Newberry is terminated without "cause", or if Mr. Landin or Mr. Newberry terminates his employment for "good reason" (as such terms are defined in the Executive Employment Agreements), each of Mr. Landin and Mr. Newberry will receive his accrued but unpaid annual cash compensation and vacation and benefits up to the date of termination, which will be pro-rated for the number of days worked during such termination year.

In addition, each of Mr. Landin and Mr. Newberry will receive a severance payment equal to two times his base salary in effect immediately prior to being terminated (or any higher amount in effect during the 12 months prior to being terminated), along with the continuation of all benefits for two years (in the case of Mr. Landin) or 18 months (in the case of Mr. Newberry) following termination.

Further, each of Mr. Landin and Mr. Newberry will be paid, as applicable: (a) 25% of the long-term incentive plan compensation paid to him in the year prior to termination, if termination occurs in the first quarter of the year; (b) 50% of the long-term incentive plan compensation paid to him in the year prior to termination, if termination occurs in the second quarter of the year; (c) 75% of the long-term incentive plan compensation paid to him in the year prior to termination, if termination occurs in the third quarter of the year; or (d) 100% of the long-term incentive plan compensation paid to him in the year prior to termination, if termination occurs in the fourth quarter of the year. Mr.

Newberry will also receive two times the greater of (i) the short-term incentive plan compensation paid to him for the year prior to the date of termination; and (ii) the average short-term incentive plan compensation paid to him for the two years prior to the date of termination.

The Special Committee has been advised that, following completion of the Transaction, each of Mr. Landin's and Mr. Newberry's employment will be terminated without "cause". As such, and assuming this termination occurs at Closing which is expected to be in the second quarter of 2017, pursuant to their respective Executive Employment Agreements, Mr. Landin will be entitled to an aggregate payment of US$3,750,000 and Mr. Newberry will be entitled to an aggregate payment of US$1,480,000 (together, the "**Termination Payments**").

New Employment Arrangements

The Special Committee has been advised that, in connection with the Transaction, the Purchaser intends to enter into a new employment arrangement with Mr. Lamberti (the "**New Employment Arrangements**"). While the terms of the New Employment Arrangements have not yet been determined, such arrangements may include an enhancement of employment benefits to reflect Mr. Lamberti's increased responsibilities. Mr. Landin, Mr. Goldberg and Mr. Newberry will not have continuing roles with the REIT's business or Starwood after the Transaction is completed.

Transaction Bonuses

In connection with the Transaction, the Special Committee approved an aggregate transaction bonus pool of approximately US$4 million (the "**Transaction Bonuses**"). The Transaction Bonuses, which are conditional on and will be paid at Closing, are generally intended to reward certain extraordinary efforts in connection with the Transaction, incentivize certain employees to stay with the organization through Closing and (if applicable) for an appropriate transition period, and compensate certain employees for loss of employment that is expected to result from the Transaction. The Transaction Bonuses are also intended to reward individuals for their efforts, support and contributions to Milestone's collective success over the years, and as a result, each of the REIT's approximately 1,200 employees (other than Mr. Landin and Mr. Goldberg) is expected to receive a Transaction Bonus, with Mr. Lamberti expected to receive a transaction bonus of US$650,000, and Mr. Newberry expected to receive a transaction bonus of US$950,000.

Indemnification and Insurance

The Acquisition Agreement provides that the Purchaser and the Partnership will indemnify and hold harmless each Trustee, director, officer and employee of the REIT and its Subsidiaries against any claims arising out of or related to such Person's service as a Trustee, director, officer and/or employee of the REIT and/or any of its Subsidiaries, provided that such person acted honestly and in good faith with a view to the best interests of the REIT and the Unitholders or the Subsidiaries of the REIT, as applicable. Further, the Acquisition Agreement provides that the Purchaser shall obtain and fully pay the premium for the customary "tail" policies of trustees' and officers liability insurance for a period of not less than six (6) years following the Closing, provided that in no event shall the Purchaser be required to pay annual premiums for such insurance in excess of 300% of the most recent annual premiums paid by the REIT.

Principal Agreements

In connection with the Transaction and the entering into of the Acquisition Agreement, certain executive officers of the REIT have entered into additional agreements with the Purchaser or Starwood (collectively, the "**Principal Agreements**") that are intended to take effect on Closing, as described below.

Non-Competition, Non-Solicitation and Confidentiality Agreements

Simultaneously with the execution of the Acquisition Agreement, Mr. Landin, Mr. Goldberg and Mr. Lamberti each entered into a non-competition, non-solicitation and confidentiality agreement with the Purchaser (the "**Restrictive Covenant Agreements**"). Under the terms of the Restrictive Covenant Agreements, Mr. Landin, Mr. Goldberg and

Mr. Lamberti will be restricted from (i) soliciting any person who worked for the REIT in the twelve (12) months prior to Closing to leave the employ of the REIT, other than certain specified individuals, for a period ending five (5) years after the Closing Date; and (ii) competing in the business of managing residential real property within the United States, subject to certain specified exceptions, for a period of three (3) years after the Closing Date. In consideration for the covenants contained in the Restrictive Covenant Agreements with Mr. Landin and Mr. Goldberg, the Purchaser has agreed to pay US$487,500 to each of Mr. Landin and Mr. Goldberg on Closing.

First Amendment to Amended and Restated License Agreement

In connection with the Internalization, the REIT entered into an amended and restated license agreement, which was initially entered into in connection with the REIT's initial public offering (the "**License Agreement**"), with the Partnership and The Milestone Real Estate Group, L.P. ("**MREG**"), an entity affiliated with Mr. Landin and Mr. Goldberg, under which MREG granted a license to the REIT and the Partnership to use the "Milestone" name and logo and related marks and designs on a royalty-free basis, with such license to terminate within 180 days of a change of control of the REIT. In connection with the Transaction, the Purchaser requested, and parties to the License Agreement have agreed, for no additional consideration to, (i) extend the License Agreement on a royalty-free basis for a period of three (3) years following the Closing Date and (ii) transfer certain domain names from a wholly-owned subsidiary of the Partnership to MREG.

Fund IV Letter

In connection with the Transaction, the Purchaser has entered into a side letter (the "**Fund IV Agreement**") with MREI GP IV, LLC ("**MREI GP**"), the general partner of Milestone Real Estate Investors IV, LP ("**Fund IV**"), relating to the REITs existing and previously disclosed commitments to Fund IV. MREI GP is an entity owned and controlled by Mr. Landin and Mr. Goldberg. Pursuant to the Fund IV Agreement, MREI GP agrees to not unreasonably withhold consent with respect to any transfer of the interests of the Partnership in Fund IV, under certain specified circumstances. Further, the Fund IV Agreement entitles the Purchaser to appoint a member of the advisory committee of Fund IV, for so long as the Purchaser is a non-defaulting limited partner of Fund IV and retains an original capital commitment equal to or in excess of US$25,000,000.

Office Agreement

In connection with the Transaction, the Purchaser has entered into an agreement (the "**Office Agreement**") with TMG Partners II, L.P. ("**TMG**"), an entity controlled by Mr. Landin and Mr. Goldberg, pursuant to which, Starwood has agreed to allow certain individuals to remain in their current office space following Closing rent-free for a term ending on December 31, 2017.

Independence of the Special Committee

Each member of the Special Committee is a non-executive Trustee of the REIT and was determined to be independent at the time of the Special Committee's formation under applicable Securities Laws. In addition, each member of the Special Committee owns Units and Deferred Trust Units, and one Trustee owns Options, all as set out above. One of the main purposes of equity-based compensation awards such as Deferred Trust Units and Options (including the acceleration of any unvested awards on a change of control) is to ensure that the incentives of the directors or trustees of a company are aligned with those of shareholders. Governance advisory coalitions recommend that directors or trustees acquire shares of the companies on which they serve as board members. For example, the Canadian Coalition for Good Governance policy states that "minimum shareholding requirements for directors (achievable over a predetermined time frame) establish and maintain an alignment of interests between directors and shareholders by requiring trustees to have a meaningful investment in the company." Other than the accelerated vesting of Deferred Trust Units and Options, the Special Committee members are not entitled to any benefits upon a change of control.

Collateral Benefits under MI 61-101

MI 61-101 is intended to regulate certain transactions to ensure equality of treatment among securityholders, generally by requiring enhanced disclosure, approval by a majority of securityholders excluding interested or related parties and/or, in certain instances, independent valuations. The protections of MI 61-101 generally apply to "business combinations" (as defined in MI 61-101) that terminate the interests of securityholders without their consent.

MI 61-101 provides that, in certain circumstances, where a "related party" (as defined in MI 61-101) of an issuer is entitled to receive a "collateral benefit" (as defined in MI 61-101) in connection with an arrangement transaction (such as the Transaction), such transaction may be considered a "business combination" for the purposes of MI 61-101 and may be subject to minority approval requirements.

A "collateral benefit", as defined under MI 61-101, includes any benefit that a "related party" of the REIT (which includes the Trustees and senior officers of the REIT) is entitled to receive as a consequence of the Transaction, 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 REIT. However, MI 61-101 excludes from the meaning of "collateral benefit" certain benefits to a related party received solely in connection with the related party's services as an employee, trustee or consultant of an issuer or an affiliated entity of the issuer or a successor to the business of the issuer where, among other things:

(i) 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,

(ii) the conferring of the benefit is not, by its terms, conditional on the related party supporting the transaction in any manner,

(iii) full particulars of the benefit are disclosed in the disclosure document for the transaction, and, either

a. at the time the transaction was agreed to, the related party and its associated entities beneficially own or exercise control or direction over less than 1% of the outstanding shares of the issuer, or

b. if the transaction is a "business combination", (I) the related party discloses to an independent committee of the issuer the amount of consideration that the related party expects it will be beneficially entitled to receive, under the terms of the transaction, in exchange for the equity securities beneficially owned by the related party, (II) the independent committee, acting in good faith, determines that the value of the benefit, net of any offsetting costs to the related party, is less than five percent of the value referred to in subclause (I), and (III) the independent committee's determination is disclosed in the disclosure document for the transaction.

If a "related party" receives a "collateral benefit" in connection with the Transaction, the Transaction Resolution will require "minority approval" (as defined in MI 61-101) in accordance with MI 61-101. If "minority approval" is required, the Transaction Resolution must be approved by a majority of the votes cast, excluding those votes beneficially owned, or over which control or direction is exercised, by the "related parties" of the REIT who receive a "collateral benefit" in connection with the Transaction. This approval is in addition to the requirement that the Transaction Resolution must be approved by two-thirds of the votes cast by Unitholders present in person or represented by proxy at the Meeting and entitled to vote.

The accelerated vesting of the Options and Deferred Trust Units, the payment of the Termination Payments, the New Employment Arrangements, the payment of the Transaction Bonuses, the indemnification of the Trustees, the provision of any "tail" liability insurance and the entering into of any of the Principal Agreements (in particular, the payment of consideration under the Restrictive Covenant Agreements and the rent-free office space pursuant to the Office Agreement), all as described above, may be considered "collateral benefits" to the applicable Trustees or senior officers of the REIT for the purposes of MI 61-101.

Following disclosure by each of the Trustees and senior officers of the REIT of the number of the REIT Securities held by them and the total consideration that they expect to receive pursuant to the Transaction, the only Trustees or senior officers of the REIT who are receiving a benefit in connection with the Transaction and beneficially own or exercise control or direction over more than 1% of the Units are Mr. Landin and Mr. Goldberg. The Special Committee has determined that the value of any benefits to be received by Mr. Goldberg, net of any offsetting costs, is less than 5% of the value of consideration that Mr. Goldberg expects he will be beneficially entitled to receive under the terms of the Transaction, in exchange for the equity securities beneficially owned by him. The Special Committee has also determined that, due primarily to the accelerated vesting of Mr. Landin's Deferred Trust Units, the value of any benefits to be received by Mr. Landin, net of any offsetting costs, is more than 5% of the value of consideration that Mr. Landin expects he will be beneficially entitled to receive under the terms of the Transaction, in exchange for the equity securities beneficially owned by him. As a result of the foregoing, the Units Mr. Landin beneficially owns, directly or indirectly, or over which he has control or direction, will be excluded for the purpose of determining if minority approval of the Transaction is obtained.

The REIT is not required to obtain a formal valuation under MI 61-101 as no "interested party" (as defined in MI 61- 101) of the REIT is (a) as a consequence of the Transaction, directly or indirectly acquiring the REIT or its business or combining with the Purchaser, or (b) party to any "connected transaction" that is a "related party transaction" (each as defined in MI 61-101) for which the REIT would be required to obtain a formal valuation.

MI 61-101 requires the REIT to disclose any "prior valuations" (as defined in MI 61-101) of the REIT or its material assets or securities made within the 24-month period preceding the date of this Information Circular. After reasonable inquiry, neither the REIT nor any Trustee or senior officer of the REIT has knowledge of any such prior valuation. Disclosure is also required for any bona fide prior offer for the Units during the 24-month period before entry into the Acquisition Agreement. There has not been any such offer during such 24-month period.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Goodmans LLP, Canadian counsel to the REIT, the following is a summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable, as of the date hereof, to a beneficial holder of Units (i) who receives REIT Consideration and disposes of Units pursuant to the Transaction and (ii) who, at all relevant times and for purposes of the Tax Act, deals at arm's length and is not affiliated with the REIT and owns the Units as capital property (a "**Holder**"). The Units generally will be capital property to a Holder provided that the Holder does not hold such 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 does not apply to a holder of Units (i) that is a "financial institution" subject to the mark-to-market rules, (ii) that is a "specified financial institution", (iii) that is a partnership, (iv) an interest in which would be a "tax shelter investment", (v) that has elected or elects to determine its Canadian tax results in a foreign currency pursuant to the "functional currency" reporting rules, (vi) that holds or has held, actually or constructively, more than 5% of the outstanding Units, as determined for U.S. federal income tax purposes (see the discussion below under the heading "Certain U.S. Federal Income Tax Considerations"), (vii) that is a "qualified shareholder" (as described below under the heading "Certain U.S. Federal Income Tax Considerations – Taxation of Non-U.S. Holders – Qualified Shareholder") or (viii) that has entered or will enter into a "derivative forward agreement" with respect to the Units, all within the meaning of the Tax Act. Any such holders should consult their own tax advisors to determine the tax consequences to them of the Transaction.

This summary is based upon the current provisions of the Tax Act, a certificate from an officer of the REIT provided to counsel as to certain factual matters, and counsel's understanding of the current administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**") published in writing by the CRA prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**"). This summary assumes that the Tax Proposals will be enacted as currently proposed, but no assurances can be given that this will be the case. 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 or foreign tax legislation or considerations (including any transfer tax considerations), which may differ significantly from those discussed herein.

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, holders 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.

Status of the REIT

For the purposes of this summary, counsel has relied upon representations and warranties in the Acquisition Agreement and a certificate from an officer of the REIT that the REIT has, at all relevant times, qualified and is expected to continue to qualify as a "mutual fund trust", and has not, at any time, been and is not expected to become a "SIFT trust", each as defined in the Tax Act. If the REIT were not to qualify as a mutual fund trust, or if the REIT were to be a SIFT trust, at any particular time, the income tax considerations described below would, in some respects, be materially and adversely different.

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 rate of exchange quoted by the Bank of Canada at noon on the day such amount first arose, or using such other rate of exchange as is acceptable to the Minister of National Revenue (Canada).

Taxation of the REIT

The taxation year of the REIT is the calendar year. In each taxation year, the REIT generally will be subject to tax under Part I of the Tax Act on its net income for the year, including net realized taxable capital gains, less the portion thereof that the REIT deducts in respect of amounts paid or payable, or deemed to be paid or payable, to holders of Units in the year.

The REIT will realize a capital gain on the disposition of the Purchased Assets equal to the amount by which the proceeds of disposition of the Purchased Assets, net of any reasonable costs of disposition, exceed the adjusted cost base to the REIT of the Purchased Assets. Management has advised counsel that it does not expect the REIT to realize any income for purposes of the Tax Act, other than net taxable capital gains, as a result of the disposition of the Purchased Assets.

The REIT will include in computing its income an amount equal to the net taxable capital gains realized by the REIT on the disposition of the Purchased Assets. Pursuant to the Acquisition Agreement, and in accordance with the Declaration of Trust, the REIT will allocate such net taxable capital gains to the holders of Units as part of the Transaction. Accordingly, the REIT generally will not be liable for tax under Part I of the Tax Act as a result of the disposition of the Purchased Assets.

Taxation of Holders Resident in Canada

The following summary is generally applicable to a Holder who, at all relevant times, for purposes of the Tax Act and any applicable income tax treaty or convention, is or is deemed to be resident in Canada (a "**Resident Holder**"). Certain Resident Holders who might not otherwise be considered to hold their 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 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 Holders 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.

Redemption of Units

A Resident Holder generally will be required to include in income for the Resident Holder's taxation year in which the disposition of the Purchased Assets is completed the portion of the net taxable capital gains realized by the REIT on the disposition allocated to the Resident Holder and paid on the redemption of the outstanding Units as further described in, and in accordance with, the amendments to the Declaration of Trust (the "**Redemption**"). Provided that the REIT makes the appropriate designations, which Management has advised counsel is the REIT's intention, net taxable capital gains realized by the REIT will effectively retain their character and foreign source, and be treated as such in the hands of the Resident Holder, for purposes of the Tax Act. The non-taxable portion of the net capital gains of the REIT that is paid to the Resident Holder on the Redemption will not be included in computing the Resident Holder's income for the year.

Capital Gains and Losses

The Redemption will result in a disposition of Units by a Resident Holder for purposes of the Tax Act. On such disposition, a Resident Holder will realize a capital gain (or capital loss) equal to the amount by which the Resident Holder's proceeds of disposition of the Units disposed of on the Redemption (calculated in the manner described below), net of any reasonable costs of disposition, exceed (or are exceeded by) the aggregate of the Resident Holder's adjusted cost base of such Units. For this purpose, the Resident Holder's proceeds of disposition will not include net taxable capital gains realized by the REIT and allocated to the Resident Holder, nor will it include the amount paid or allocated to the Resident Holder by the REIT that represents the non-taxable portion of such capital gains, each as described above under the heading "Taxation of Holders Resident in Canada - Redemption of Units". Any capital gain (or capital loss) realized by the Resident Holder will be subject to the general rules relating to the taxation of capital gains and losses, as described below under the heading "Taxation of Holders Resident in Canada - Taxation of Capital Gains and Capital Losses".

The foregoing summary assumes that the Units are considered to be regularly traded on an established securities market located in the U.S. as described below under the heading "Certain U.S. Federal Income Tax Considerations – Taxation of Non-U.S. Holders – Redemption of Units". See the discussion below under such heading.

Taxation of Capital Gains and Capital Losses

The amount of any net taxable capital gains allocated by the REIT in respect of a Resident Holder, and one-half of any capital gain realized by a Resident Holder on the disposition of a Unit on the Redemption, will be included in the Resident Holder's income as a taxable capital gain. One-half of any capital loss realized by a Resident Holder on the disposition of a Unit on the Redemption generally may be deducted only from taxable capital gains realized or considered to be realized by the Resident Holder (including any net taxable capital gains allocated by the REIT) subject to, and in accordance with, the provisions of the Tax Act.

Ordinary Distributions

In addition to the amounts described above, a Resident Holder generally will be required to include in income for the Resident Holder's taxation year in which the Transaction is completed the portion of the net income of the REIT arising otherwise than as a result of the Transaction that is paid or credited to the Resident Holder by the REIT consistent with the treatment of such amounts in prior taxation years. Any other amount in excess of the net income of the REIT that is paid or allocated to a Resident Holder otherwise than as a result of the Transaction generally should not be included in such Resident Holder's income for the year. However, such an amount (other than as proceeds of disposition of the Units on the Redemption or any part thereof) will reduce the adjusted cost base of the Units held by such Resident Holder. To the extent that the adjusted cost base of a Unit otherwise would be less than

zero, the Resident Holder will be deemed to have realized a capital gain equal to the negative amount and such Holder's adjusted cost base of the Units will be increased by the amount of such gain.

Refundable Tax

A Resident Holder that is a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay a refundable tax on its "aggregate investment income" for the year, which generally will include an amount in respect of taxable capital gains realized by the Resident Holder (including any net taxable capital gains allocated by the REIT).

Alternative Minimum Tax

A Resident Holder who is an individual or trust (other than certain specified trusts) may have an increased liability for alternative minimum tax as a result of any net income of the REIT that is paid or payable, or deemed to be paid or payable, to the Resident Holder and that is designated as net taxable capital gains in respect of the Resident Holder and any capital gains realized by the Resident Holder on a disposition of Units on the Redemption.

Taxation of Holders Not Resident in Canada

The following summary is generally applicable to a Holder (i) who, for purposes of the Tax Act and any applicable income tax treaty or convention, and at all relevant times, is not and has not been a resident or deemed to be a resident of Canada, (ii) who does not use or hold and is not deemed to use or hold any Units in, or in the course of, carrying on a business or part of a business in Canada and (iii) whose Units are not "taxable Canadian property" (as defined in the Tax Act) (a "**Non-Resident Holder**"). Generally, provided that the REIT is a mutual fund trust for purposes of the Tax Act, the Units will not be taxable Canadian property of a Non-Resident Holder at the time of the disposition of the Units, unless at any particular time during the 60-month period that ends at the time of the disposition (A) one or any combination of (i) the Non-Resident Holder, (ii) persons with whom the Non-Resident Holder does not deal at arm's length (for purposes of the Tax Act), and (iii) partnerships in which the Non-Resident Holder or a person described in (ii) holds a membership interest, directly or indirectly, through one or more partnerships, owned 25% or more of the issued Units, and (B) more than 50% of the fair market value of the Units was derived, directly or indirectly, from one or any combination of (i) real or immovable property situated in Canada, (ii) "Canadian resource properties" (as defined in the Tax Act), (iii) "timber resource properties" (as defined in the Tax Act) or (iv) options or interests in respect of property described in (i) to (iii), whether or not such property exists. **Management has advised counsel that the REIT has not owned, and does not expect that the REIT will own, any of the property described in (i) to (iv).**

Special rules, which are not discussed in this summary, may apply to a non-resident that is an insurer carrying on business in Canada and elsewhere. Such persons should consult their own tax advisors.

Redemption of Units

Provided that the REIT makes the appropriate designations, which Management has advised counsel is the REIT's intention, the portion of the net taxable capital gains realized by the REIT on the disposition of the Purchased Assets allocated to the Non-Resident Holder and paid to the Non-Resident Holder on the Redemption will effectively retain its character and foreign source, and be treated as such in the hands of the Non-Resident Holder, for purposes of the Tax Act. A Non-Resident Holder will not be subject to tax under the Tax Act on such portion of the net taxable capital gains realized by the REIT, or on the non-taxable portion of the net capital gains of the REIT, that are allocated to the Non-Resident Holder and paid to the Non-Resident Holder on the Redemption.

The Redemption will result in a disposition of Units by the Non-Resident Holder for purposes of the Tax Act. A Non-Resident Holder will not be subject to tax under the Tax Act on such disposition.

Ordinary Distributions

A Non-Resident Holder will be subject to Canadian withholding tax at the rate of 25% (subject to reduction under the provisions of any applicable income tax treaty or convention) on any income distributions (excluding any amounts that the REIT has designated in accordance with the Tax Act as taxable capital gains) that are paid or credited by the REIT to the Non-Resident Holder, whether such distributions are received in the form of cash, additional Units or otherwise, and whether or not such distributions are reinvested in additional Units or received in respect of the redemption of Units (other than on the Redemption). However, income distributions received by a U.S. Resident Holder will not be subject to Canadian withholding tax to the extent that such amount that is paid or credited by the REIT to the U.S. Resident Holder is derived from income arising outside of Canada. Management expects that all income distributions will be derived from income arising outside of Canada. Furthermore, a U.S. Resident Holder that is a religious, scientific, literary, educational or charitable organization that is resident in, and exempt from tax in, the United States may be exempt from Canadian withholding tax under the Treaty.

Provided that the REIT makes the appropriate designations, which Management has advised counsel is the REIT's intention, the portion of taxable income distributed to Non-Resident Holders as may reasonably be considered to consist of net taxable capital gains of the REIT will effectively retain its character and foreign source, and be treated as such in the hands of the Non-Resident Holder, for purposes of the Tax Act. A Non-Resident Holder will not be subject to tax under the Tax Act on the portion of the net taxable capital gains realized by the REIT, or on the non-taxable portion of the net capital gains of the REIT, that are allocated to the Non-Resident Holder.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

UNITHOLDERS ARE URGED TO CONSULT THEIR TAX ADVISORS ABOUT THE APPLICATION OF THE U.S. FEDERAL TAX RULES TO THEIR PARTICULAR CIRCUMSTANCES AS WELL AS THE STATE AND LOCAL AND FOREIGN TAX CONSEQUENCES TO THEM OF THE REDEMPTION OF THEIR UNITS.

The following is a description of certain U.S. federal income tax consequences of the redemption of the Units. Vinson & Elkins LLP, U.S. counsel to the REIT, has reviewed this summary and is of the opinion that the discussion contained herein is accurate in all material respects.

U.S. Tax Status of the REIT

Although the REIT is organized as an unincorporated trust under Canadian law, the REIT is classified as a corporation for U.S. federal income tax purposes under the Code and the Treasury Regulations issued thereunder. Pursuant to Section 7874 of the Code, the REIT is treated as a U.S. corporation for all purposes under the Code and, as a result, it is permitted to and has elected to be treated as a real estate investment trust under the Code, notwithstanding the fact that it is organized as a Canadian entity.

Under the Acquisition Agreement, it is a condition to closing that Vinson & Elkins LLP, U.S. counsel to the REIT (or other counsel reasonably satisfactory to Purchaser), render an opinion to the Purchaser to the effect that, the REIT qualified as a real estate investment trust under the Code for all taxable periods commencing with its initial taxable year ended December 31, 2013 through the Closing Date, and that the REIT's organization and actual method of operation has enabled it to meet the requirements for qualification and taxation as a real estate investment trust under the Code. This opinion will be based on various assumptions and representations as to factual matters, which will be set forth on a tax representation letter dated as of the Closing Date, and signed by an officer of the REIT.

Taxation of Redemption of Units

The following discussion describes certain U.S. federal income tax consequences to investors under present law of the redemption of their Units. This discussion applies only to investors that hold the Units as capital assets. This discussion is based upon current provisions of the Code, existing and proposed Treasury Regulations thereunder, current administrative rulings, judicial decisions and other applicable authorities. All of the foregoing authorities are subject to change, which change could apply retroactively and could affect the tax consequences described below.

The following discussion does not deal with the tax consequences to any particular investor or to persons in special tax situations (except as specifically addressed herein) such as banks, certain financial institutions, insurance companies, broker dealers, U.S. expatriates, traders that elect to mark to market, tax-exempt entities, qualified foreign pension funds (or any entities all of the interests of which are held by a qualified pension fund), persons liable for alternative minimum tax or persons holding a Unit as part of a straddle, hedging, conversion or integrated transaction.

As used herein, "**U.S. Holder**" means a beneficial owner of a Unit that is, for U.S. federal income tax purposes: (i) an individual citizen or resident of the U.S., (ii) a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) organized in or under the laws of the U.S., any state thereof or the District of Columbia, (iii) an estate whose income is subject to U.S. federal income taxation regardless of its source or (iv) a trust that (1) is subject to the supervision of a court within the U.S. and the control of one or more U.S. persons or (2) has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person. A "**Non-U.S. Holder**" is a beneficial owner of a Unit that is neither a U.S. Holder nor a partnership (including an entity that is treated as a partnership for U.S. federal income tax purposes).

The U.S. federal income tax treatment of a partner in a partnership or other entity treated as a partnership that holds Units depends on the status of the partner and the activities of the partnership. Partners in a partnership that owns Units should consult their own tax advisors as to the particular U.S. federal income tax considerations applicable to them.

Taxation of Non-U.S. Holders

Redemption of Units

Distributions of proceeds attributable to gains from the sale or exchange by a real estate investment trust of U.S. real property interests ("**USRPIs**") are generally subject to U.S. federal income and withholding taxes pursuant to the Foreign Investment in Real Property Tax Act (collectively, "**FIRPTA**"). However, the distribution of proceeds attributable to the redemption of the Units pursuant to the termination of the REIT will be treated as payments in exchange for the Units (and not as ordinary or capital gain dividends) and should not be subject to tax under FIRPTA or any U.S. withholding tax if (i) the distribution in redemption of the Units is made with regard to a class of shares that is considered to be regularly traded on an established securities market located in the U.S., (ii) the recipient Non-U.S. Holder does not own more than 10% of that class of Units at any time during the 1-year period ending on the date the distribution is received and (iii) the recipient Non-U.S. Holder is not a "qualified shareholder" as described below. In the case of any Non-U.S. Holder owning more than 10% of the Units during the 1-year period ending on the date of the distribution, the Withholding Agent will be required to withhold and remit to the IRS 35% of the gross proceeds from the distribution to such person. In the case of a "qualified shareholder," except as described below, the Withholding Agent will be required to withhold and remit to the IRS 30% of the gross proceeds from the distribution to such person, unless reduced by an applicable Tax treaty (15% under the Treaty). In the case of a "qualified shareholder" with an "applicable investor" (as defined below), amounts received in the distribution which are attributable to such "applicable investor" are subject to the rules described above.

Qualified Shareholder

For these purposes, a "qualified shareholder" is a foreign person that (i) either is eligible for the benefits of a comprehensive income tax treaty which includes an exchange of information program and whose principal class of interests is listed and regularly traded on one or more recognized stock exchanges (as defined in such comprehensive income tax treaty), or is a foreign partnership that is created or organized under foreign law as a limited partnership in a jurisdiction that has an agreement for the exchange of information with respect to taxes with the United States and has a class of limited partnership units representing greater than 50% of the value of all the partnership units that is regularly traded on the NYSE or NASDAQ markets, (ii) is a qualified collective investment vehicle (as defined below), and (iii) maintains records on the identity of each person who, at any time during the foreign person's taxable year, is the direct owner of 5% or more of the class of interests or units (as applicable) described in (i), above.

An "applicable investor" is, with respect to a qualified shareholder holding stock in a real estate investment trust, a person (other than a qualified shareholder) that holds an interest (other than an interest solely as a creditor) in such qualified shareholder and owns (whether or not by reason of such person's ownership interest in the qualified shareholder and taking into account ownership under applicable constructive ownership rules) more than 10% of the stock of the real estate investment trust.

A "qualified collective investment vehicle" is a foreign person that (i) would be eligible for a reduced rate of withholding under the comprehensive income tax treaty described above, even if such foreign person holds more than 10% of the stock of such real estate investment trust, (ii) is publicly traded, is treated as a partnership under the Code, is a withholding foreign partnership, and would be treated as a "United States real property holding corporation" if it were a United States corporation, or (iii) is designated as a qualified collective investment vehicle by the Secretary of the Treasury and is either (a) fiscally transparent within the meaning of section 894 of the Code, or (b) required to include dividends in its gross income, but is entitled to a deduction for distributions to its investors.

Ten Percent Shareholders

The REIT does not believe that it has any 10% Unitholders because it has not received notice that any Unitholder owns more than 5% of its outstanding Units. Under the Declaration of Trust, any Unitholder that would be treated as having acquired sufficient Units to be treated as owning more than 5% of the outstanding Units is required to notify the REIT by the close of the business day prior to the date of the transfer that would cause the Unitholder to own more than 5% of the Units. For the purpose of determining whether a Unitholder has acquired more than 5% of the Units, rules of constructive ownership apply which can attribute ownership of Units (i) among family members, (ii) to non-U.S. persons from entities that own Units, to the extent that such non-U.S. persons own interests in such entities and (iii) to entities from non-U.S. persons that own interests in such entities. Under these attribution rules, Units of related entities (including related investment funds) may be aggregated to the extent of overlapping ownership. If any Unitholder that otherwise would be treated as having acquired sufficient Units to be treated as owning more than 5% of the Units fails to comply with the notice provisions described above, the excess Units (i.e., the excess of the number of Units it is treated as owning over an amount equal to 5% of the outstanding Units) will be sold, with such Unitholders receiving the lesser of (i) its original purchase price for the excess Units and (ii) the sale price of the excess Units (net of selling expenses). Any such Unitholder would also not have any economic entitlement to any distribution by the REIT on an excess Unit, and, if any such distributions are received by the Unitholder and are not repaid, the REIT is permitted to withhold from subsequent payments to the Unitholder up to the amount of such forfeited distributions. See "Description of Units and Declaration of Trust — Restrictions on Ownership and Transfer — FIRPTA" in the AIF for a more detailed discussion of these rules.

FIRPTA Exemption – Trading of the Units on a U.S. Securities Market

For purposes of the exemption from FIRPTA, the Units are considered "regularly traded" on an established securities market for a calendar quarter if the established securities market is located in the U.S. and the Units are regularly quoted by more than one broker or dealer making a market in the Units through an interdealer quotation system. The Units are currently quoted and traded, and have been quoted since the REIT's election to be treated as a "real estate investment trust" under the Code, on the OTC Pink marketplace (the "**OTC Pink**"). The "OTC Pink" is an over-the-counter market with an interdealer quotation system that should be treated as an "established securities market" located in the U.S. A broker or dealer makes a market in a class of stock only if the broker or dealer holds itself out to buy or sell shares of such class of stock at the quoted price. In this regard, during the first calendar quarter of 2017, at least five brokers or dealers have been regularly quoting and making a market in the Units on the OTC Pink. For each calendar quarter during which the Units are regularly quoted on the OTC Pink, the Units should be treated as "regularly traded" on an established securities market in the U.S. and, we expect the Units to continue to be treated as "regularly traded" through the second calendar quarter of 2017, during which the Transaction is expected to close. In such case, gain recognized by Non-U.S. Holders of Units that have owned 10% or less of the outstanding Units during the 1-year period ending on the date of the distribution in redemption of the Units should not be subject to U.S. federal income tax on the redemption payment, and the Withholding Agent will not be required to withhold any U.S. tax with respect to such redemption distribution payment.

A condition to the closing of the Transaction is the receipt by the Purchaser of an opinion from Vinson & Elkins LLP (or other counsel reasonably acceptable to the Purchaser) that the Units should be considered, as of the Closing Date, "regularly traded on an established securities market located in the United States" for purposes of Section 897(h) of the Code. Accordingly, no withholding should be made with respect to the distributions made to any Non-U.S. Holder who has not owned more than 10% of the Units during the 1-year period prior to the date of the distribution, other than any "qualified shareholder", as described above, that will be subject to withholding at a 30% (or lower treaty rate) with respect to the gross proceeds distributed to such "qualified shareholder."

Effectively Connected Income

Redemption payments to a Non-U.S. Holder that are effectively connected with a U.S. trade or business of the Non-U.S. Holder, and, if required by an applicable income tax treaty, attributable to a permanent establishment of the Non-U.S. Holder, will be subject to U.S. federal income tax on a net income basis at graduated rates and will not be subject to withholding if certain certification requirements are satisfied (generally, on IRS Form W-8ECI). Any such distributions received by a Non-U.S. Holder that is a corporation may also be subject to an additional branch profits tax of 30%, unless reduced by an applicable income tax treaty (5% under the Treaty and applicable protocols currently in force).

An individual Non-U.S. Holder who is present in the U.S. for 183 days or more in the taxable year of the redemption of the Units will be subject to a flat 30% tax on the gain derived from the redemption of his or her Units, which may be offset by U.S. source capital losses (even though the individual is not considered a resident of the U.S.).

Information Reporting and Backup Withholding

A Non-U.S. Holder is subject to information reporting and, depending on the circumstances, backup withholding with respect to the proceeds of the sale or other disposition of a Unit within the United States or conducted through certain U.S.-related payors, unless the payor of the proceeds receives a properly completed IRS Form W-8BEN, IRS Form W-8BEN-E or other applicable IRS Form W-8 or the Non-U.S. Holder otherwise establishes an exemption.

Taxation of U.S. Holders

Redemption of Units

The redemption of the Units pursuant to the termination of the REIT will be treated as payments in exchange for the Units. In general, capital gains recognized by individuals upon the redemption of their Units will be subject to a maximum U.S. federal income tax rate of 20% if such Units are held for more than one year and will be taxed at ordinary income rates (of up to 39.6%) if such Units are held for one year or less. Gains recognized by U.S. Holders that are corporations are subject to U.S. federal income tax at a maximum rate of 35%, whether or not classified as long-term capital gains. Capital losses recognized by a U.S. Holder upon the redemption of a Unit held for more than one year at the time of redemption will be considered long-term capital losses and are generally available only to offset capital gain income of the U.S. Holder but not ordinary income (except in the case of individuals, who may offset up to US$3,000 of ordinary income each year with such capital losses).

Certain U.S. individuals, estates, and trusts will be subject to an additional 3.8% tax on net investment income. For these purposes, net investment income includes gains from redemption of the Units. In the case of an individual, the tax will be 3.8% of the lesser of the individual's net investment income or the excess of the individual's modified adjusted gross income over US$250,000 in the case of a married individual filing a joint return or a surviving spouse, US$125,000 in the case of a married individual filing a separate return, or US$200,000 in the case of a single individual.

Treatment of Tax-Exempt U.S. Holders

U.S. tax-exempt entities, including qualified employee pension and profit sharing trusts and individual retirement accounts, generally are exempt from U.S. federal income taxation. They are subject to taxation, however, on their

unrelated business taxable income ("**UBTI**"). Provided that (1) a tax-exempt U.S. Holder has not held the REIT's Units as "debt-financed property" (i.e., where the acquisition or ownership of Units is financed through a borrowing by the tax-exempt U.S. Holder) and (2) the REIT's Units are not otherwise used in an unrelated trade or business, income from the redemption of Units generally should not give rise to UBTI to a tax-exempt U.S. Holder.

Information Reporting Requirements and Backup Withholding

A U.S. Holder may be subject to information reporting and, depending on the circumstances, backup withholding on payments made with respect to the redemption of Units, unless the U.S. Holder provides the Withholding Agent with a taxpayer identification number, certified under penalties of perjury, as well as certain other information or otherwise establishes an exemption from backup withholding. U.S. Holders should consult their tax advisors regarding their qualification for exemption from backup withholding and the procedure for obtaining an exemption.

RISK FACTORS

Unitholders should carefully consider the following risks related to the Transaction in evaluating whether to approve the Transaction Resolution. Additional risks and uncertainties, including those currently unknown to or considered immaterial by the REIT may also adversely affect the Transaction. The following risk factors are not a definitive list of all risk factors associated with the Transaction.

Risks of non-completion of the Transaction

There are risks to the REIT of the Transaction not being completed, including the costs to the REIT incurred in pursuing the Transaction, the consequences and opportunity costs of the suspension of strategic pursuits of the REIT in accordance with the terms of the Acquisition Agreement and the risks associated with the temporary diversion of the REIT management's attention away from the conduct of the REIT's business in the ordinary course. If the Transaction is not completed, the market price of the Units may be materially adversely affected. 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 consummated and the Board decides to seek an alternative transaction, there can be no assurance that the REIT will be able to find a party willing to pay an equivalent or more attractive price than the consideration to be paid under the Transaction, or that Unitholders would be able to receive cash or other consideration for their Units equal to or greater than the consideration payable under the Transaction in any other future transaction that the REIT may effect.

Conditions precedent to Closing of the Transaction may not be completed

The completion of the Transaction is subject to a number of conditions precedent, some of which are outside of the REIT's and the Purchaser's control, including, without limitation, the approval of the Transaction Resolution, there being no applicable Law in effect that makes the consummation of the Transaction illegal or otherwise prohibits, enjoins or materially delays the REIT or the Purchaser from consummating the Transaction, the absence of any Change in Facts or Change in Law. In addition, completion of the Transaction by the Purchaser is conditional on, among other things, there having not occurred any REIT Material Adverse Effect and the receipt by the Purchaser of written opinions from V&E regarding tax compliance and qualification of the REIT as a "real estate investment trust" under the Code and that the Units should be considered "regularly traded on an established securities market located in the United States" for purposes of the Code. There can be no certainty, nor can the REIT or the Purchaser provide any assurance, that all conditions precedent to the Transaction will be satisfied or waived, or, if satisfied or waived, when they will be satisfied or waived, and as such, completion of the Transaction is uncertain. See "The Acquisition Agreement – Closing Conditions".

Termination of the Acquisition Agreement

Each of the REIT and the Purchaser has the right, in certain circumstances, in addition to termination rights relating to the failure to satisfy the conditions precedent, to terminate the Acquisition Agreement. Accordingly, there can be no certainty, nor can the REIT provide any assurance, that the Acquisition Agreement will not be terminated by either of the REIT or the Purchaser prior to the completion of the Transaction. Further, if the Acquisition Agreement is terminated under certain circumstances, the REIT may be required to pay the REIT Termination Fee or the Purchaser Expenses. See "The Acquisition Agreement – Termination Provisions".

Restrictions on the REIT's ability to solicit Acquisition Proposals from other potential purchasers

While the terms of the Acquisition Agreement permit the REIT to consider other proposals, the Acquisition Agreement restricts the REIT from soliciting third parties to make an Acquisition Proposal. Further, the Acquisition Agreement requires that in order to constitute a Superior Proposal, among other conditions, such Acquisition Proposal must result in a transaction more favourable from a financial point of view to Unitholders than the Transaction. See "The Acquisition Agreement – Non-Solicitation Covenants".

The REIT Termination Fee may discourage other parties from proposing a significant business transaction with the REIT

Pursuant to the Acquisition Agreement, the REIT is required to pay the Purchaser the REIT Termination Fee in the event the Acquisition Agreement is terminated following the occurrence of certain events, including a Superior Proposal. The REIT Termination Fee may discourage other parties from participating in a transaction with the REIT. See "The Acquisition Agreement – Termination Provisions".

The REIT may be required to pay a portion of the Purchaser's expenses if Unitholders do not approve the Transaction Resolution

Pursuant to the Acquisition Agreement, if Unitholders do not approve the Transaction Resolution and the Purchaser terminates the Acquisition Agreement, the REIT shall pay to Purchaser the Purchaser Expenses, up to a maximum of US$3,000,000. See "The Acquisition Agreement – Termination Provisions".

No right of specific performance

If the Purchaser fails to complete the Transaction when required to, the recourse of the REIT will be limited to the Purchaser Termination Fee in circumstances in which it is payable. See "The Acquisition Agreement – Specific Performance".

Conduct of the REIT's business

Under the Acquisition Agreement, the REIT must generally conduct its business in the ordinary course, and the REIT is, prior to the completion of the Transaction or the termination of the Acquisition Agreement, subject to ordinary course of business covenants requiring the prior consent of the Purchaser to carry out certain actions, which may delay or prevent the REIT from pursuing business opportunities that may arise or preclude actions that would otherwise be advisable if the REIT were to remain a publicly traded issuer. See "The Acquisition Agreement – Conduct of Activities and Business of the REIT".

No continued benefit of Unit ownership

The Transaction 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 Units after the completion of the Transaction.

Consideration to be received by Unitholders is payable in U.S. dollars

The consideration for the Transaction will be paid in U.S. dollars, which may result in certain Unitholders assuming currency-related risk. The Purchaser and the REIT shall use commercially reasonable efforts to cause the Redemption and Exchange Agent to offer Unitholders the ability to elect to receive their REIT Consideration in Canadian dollars based on the prevailing market rate(s) available to the Redemption and Exchange Agent at the time of conversion, in a manner consistent with the past practice of the REIT in the ordinary course of business. The risks, obligations and liabilities relating to changes in foreign exchange rates will be borne solely by the Unitholder electing to receive the REIT Consideration in Canadian dollars and not by the REIT, US Holdco, MMI LP, any REIT Subsidiary or the Purchaser. *For more information, see "The Transaction – Payment of Consideration - Currency".*

The Transaction may result in Tax payable by Unitholders

The Transaction 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 in the Transaction. The REIT will fund the cash redemption of the Units pursuant to the Transaction using proceeds received in connection with the sale to the Purchaser of US Holdco. Any taxable income (including net realized capital gains) realized on such sale will be allocated to the Unitholders whose Units are redeemed. 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" and "Certain U.S. Federal Income Tax Considerations".

Unitholders do not have the right to dissent to the Transaction

Unitholders are not entitled to dissent rights in connection with the Transaction, as such rights are not provided for in the Declaration of Trust.

INFORMATION CONCERNING THE REIT

Prior Sales

The following table sets forth the details regarding all issuances of Units by the REIT, including issuances of all securities convertible into, or, at the option of the general partner of MMI LP, redeemable for, Units for the 12-month period prior to the date of this Information Circular.

Units and Class B Units

Date of Issuance	Security Issued	Reason for Issuance	Number of Securities Issued	Price (C$)	Price (US$)[(1)]
January 27, 2016	Units	Exchange of Subscription Receipts	9,591,000	$15.00	$11.29
September 30, 2016	Class B Units	Consideration for Internalization	5,337,263	$20.20	$15.21
October 28, 2016	Units	Bought Deal Financing	10,439,000	$18.45	$13.89

(1) Assuming an exchange rate of US$1.00 to C$1.3282. This was the average US$ to C$ exchange rate over the 30 days prior to the announcement of the Transaction and may not be representative of the actual exchange rate as of the dates noted in this table.

Options

Pursuant to the Option Plan:

Nil.

Deferred Trust Units

Pursuant to the REIT's Deferred Unit Incentive Plan:

Date of Issuance	Security Issued	Reason for Issuance	Number of Securities Issued	Price (C$)	Price (US$)[(1)]
February 16, 2016	Deferred Trust Units	Distribution	653	15.19	11.43
March 15, 2016	Deferred Trust Units	Distribution	569	17.28	13.01
March 31, 2016	Deferred Trust Units	Trustee Comp. (Award)	12,632	15.16	11.41
April 15, 2016	Deferred Trust Units	Distribution	606	16.76	12.62
May 16, 2016	Deferred Trust Units	Distribution	572	18.22	13.72
June 15, 2016	Deferred Trust Units	Distribution	584	18.34	13.81
June 30, 2016	Deferred Trust Units	Trustee Comp. (Award)	24,552	18.53	13.95
July 15, 2016	Deferred Trust Units	Distribution	592	20.14	15.16
August 15, 2016	Deferred Trust Units	Distribution	585	20.75	15.62
September 15, 2016	Deferred Trust Units	Distribution	663	19.08	14.37
September 30, 2016	Deferred Trust Units	Trustee Comp. (Award)	17,854	19.27	14.51
October 17, 2016	Deferred Trust Units	Distribution	746	18.21	13.71
November 15, 2016	Deferred Trust Units	Distribution	1,917	18.08	13.61
December 15, 2016	Deferred Trust Units	Distribution	1,935	17.81	13.41
December 30, 2016	Deferred Trust Units	Trustee Comp. (Award)	13,271	18.95	14.27
January 16, 2017	Deferred Trust Units	Distribution	1,681	19.55	14.72
January 27, 2017	Deferred Trust Units	Management Compensation	154,800	21.45	16.15

(1) Assuming an exchange rate of US$1.00 to C$1.3282. This was the average US$ to C$ exchange rate over the 30 days prior to the announcement of the Transaction and may not be representative of the actual exchange rate as of the dates noted in this table.

Price Range and Trading Volume of Units

The Units are listed for trading on the TSX under the symbol "MST.UN". The monthly volume of trading and price ranges of the Units (in C$) on the TSX over the six months prior to the date of this Information Circular are set forth in the following table:

Period	High (C$)	Low (C$)	High (US$)[1]	Low (US$)[1]	Volume
July 2016	21.03	18.75	15.83	14.11	5,664,023
August 2016	21.33	19.53	16.06	14.70	4,360,809
September 2016	19.88	18.58	14.97	13.99	4,042,799
October 2016	19.34	17.70	14.56	13.33	6,173,120
November 2016	18.52	17.70	13.94	13.33	5,926,770
December 2016	19.11	17.56	14.39	13.22	6,492,270
January 1-19, 2017	19.71	19.44	14.84	14.64	6,362,808

(1) Assuming an exchange rate of US$1.00 to C$1.3282. This was the average US$ to C$ exchange rate over the 30 days prior to the announcement of the Transaction and may not be representative of the actual exchange rate as of the dates noted in this table.

On January 18, 2017 being the last full day on which the Units traded prior to the public announcement of the Transaction, the closing price of the Units on the TSX was C$19.66 (or US$14.80, assuming an exchange rate of US$1.00 to C$1.3282).

Distribution Policy

The REIT has adopted a distribution policy, as permitted under the Declaration of Trust, pursuant to which it makes pro rata monthly cash distributions to Unitholders and, through the Partnership, to holders of Class B Units. Pursuant to the Declaration of Trust, the Trustees have full discretion respecting the timing and amounts of distributions including the adoption, amendment or revocation of any distribution policy.

Unitholders of record as at the close of business on the last business day of the month preceding a Distribution Date have an entitlement on and after that day to receive distributions in respect of that month on such Distribution Date. Distributions may be adjusted for amounts paid in prior periods if the actual AFFO for the prior periods is greater than or less than the estimates for the prior periods. Under the Declaration of Trust and pursuant to the distribution policy of the REIT, where the REIT's cash is not sufficient to make payment of the full amount of a distribution, such payment will, to the extent necessary, be distributed in the form of additional Units.

Effective in January 2016, the REIT revised its distribution policy to implement a U.S. dollar denominated distribution, with Unitholders having the option to elect to receive Canadian dollar denominated distributions. If a Unitholder elects to receive distributions in Canadian dollars, the Unitholder will receive the Canadian dollar equivalent amount of the distribution being paid based on the U.S.-Canadian dollar exchange rate approximately three business days prior to the distribution payment date. This change was intended to better align the REIT's distribution policy with the currency profile of its operations and cash flows, which are fully generated in U.S. dollars.

Because the REIT is treated as a real estate investment trust for U.S. federal income tax purposes, distributions paid by the REIT to Canadian investors that are made out of the REIT's current or accumulated earnings and profits (as determined under U.S. federal income tax principles) generally will be subject to U.S. withholding tax at a rate of 15% for investors that qualify for benefits under the Treaty. To the extent a Canadian investor is subject to U.S. withholding tax in respect of distributions paid by the REIT on the Units out of the REIT's current or accumulated earnings and profits, the amount of such tax generally will be eligible for foreign tax credit or deduction treatment, subject to the detailed rules and limitations under the Tax Act. Distributions in excess of the REIT's current and accumulated earnings and profits that are distributed to Canadian investors that have not owned (or been deemed to own) more than 10% of the outstanding Units (not more than 5% prior to December 18, 2015) during the applicable testing period generally will not be subject to U.S. withholding tax, although there can be no assurances that withholding on such amounts will not be required. The composition of distributions for U.S. federal income tax purposes may change over time, which may affect the after-tax return to Unitholders. Qualified residents of Canada that are tax-exempt entities established to provide pension, retirement or other employee benefits (including trusts governed by an RRSP, an RRIF or a DPSP, but excluding trusts governed by a TFSA, an RESP or an RDSP) may be eligible for an exemption from U.S. withholding tax. Distributions paid by the REIT to non-Canadian investors

may also be subject to Canadian withholding tax. However, in general, income distributions from the REIT to a U.S. investor will not be subject to Canadian withholding tax provided the investor is a qualifying resident of the U.S. for purposes of the Treaty. Similarly, a return of capital distributions to a U.S. investor will not be subject to Canadian withholding tax.

Following the closing of the IPO, the REIT paid a distribution for the period from the closing date of March 6, 2013 to March 31, 2013 in the amount of C$0.04543 per Unit / Class B Unit. From April 1, 2013 to January 29, 2016, the REIT made monthly distributions of C$0.05417 per Unit / Class B Unit representing C$0.65 per Unit / Class B Unit on an annualized basis. Thereafter, the REIT has made monthly distributions of US$0.04583 per Unit / Class B Unit representing US$0.55 per Unit / Class B Unit on an annualized basis. The ability of the REIT to make cash distributions going forward, and the actual amount distributed, is entirely dependent on the operations and assets of the REIT and is subject to various factors including financial performance, obligations under applicable credit facilities and restrictions on payment of distributions thereunder on the occurrence of an event of default, fluctuations in working capital, the sustainability of income derived from the tenants of the REIT's properties and any capital expenditure requirements.

Assuming that the Closing Date takes place on April 5, 2017, Unitholders could expect to receive distributions for the months of February and March between the date of this Information Circular and the Closing Date, with the March distribution being payable on the Closing Date.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of the Trustees of the REIT, no informed person (as defined in National Instrument 51-102 *Continuous Disclosure Obligations*) of the REIT or any associate or affiliate of any such informed person, during the year ended December 31, 2016, has or has had any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction or proposed transaction which has or would materially affect the REIT or any of its subsidiaries, except as disclosed in this Information Circular, the REIT's AIF, the management information circular of the REIT dated March 3, 2016 and the management information circular of the REIT dated August 11, 2016, all of which can be accessed on SEDAR at www.sedar.com.

OTHER BUSINESS

The Trustees are not aware of any matters intended to come before the Meeting other than those items of business set forth in the attached Notice of Meeting accompanying this Information Circular. If any other matters properly come before the Meeting, it is the intention of the persons named in the Form of Proxy to vote in respect of those matters in accordance with their judgment.

EXPENSES OF THE TRANSACTION

The REIT estimates that third party expenses in the aggregate amount of approximately US$14 million will be incurred by the REIT in connection with the Transaction, including legal, financial advisory, accounting, filing and printing costs, the costs of preparing and mailing this Information Circular and fees in respect of the Fairness Opinions. Pursuant to the Acquisition Agreement, all costs and expenses of the parties in connection with the Transaction are to be paid by the party incurring such expenses. For the avoidance of doubt, the Purchaser and the REIT shall each be responsible for fifty percent (50%) of any filing fees, if any, in connection with any Required Regulatory Approvals.

AUDITORS

KPMG LLP has been the auditor of the REIT since its inception in January 2013.

ADDITIONAL INFORMATION

Financial information is provided in the REIT's comparative annual financial statements and management's discussion and analysis for the year ended December 31, 2015. Copies of the REIT's financial statements for the year ended December 31, 2015, together with the auditors' report thereon and the accompanying management's discussion and analysis, the interim financials of the REIT and accompanying management's discussion and analysis for periods subsequent to the end of the REIT's last fiscal year, the current annual information form (together with any document incorporated therein by reference) and this Information Circular are available without charge upon written request from the Chief Financial Officer of the REIT at 5429 LBJ Freeway, Suite 800, Dallas, Texas 75240 (telephone 1-214-561-1200). The REIT may require payment of a reasonable charge if the request is made by a person who is not a securityholder of the REIT. These documents and additional information relating to the REIT may also be found on SEDAR at www.sedar.com and on the REIT's website at http://www.milestonereit.com.

NON-IFRS MEASURES

All financial information has been prepared in accordance with IFRS. However, this Information Circular also contains certain non-IFRS financial measures including funds from operations ("**FFO**"), adjusted funds from operations ("**AFFO**"), net operating income ("**NOI**"), "FFO Payout Ratio", "AFFO Payout Ratio" and related per Unit amounts to measure, compare and explain the operating results and financial performance of the REIT. These measures are commonly used by entities in the real estate industry as useful metrics for measuring performance. However, they do not have any standardized meaning prescribed by IFRS and are not necessarily comparable to similar measures presented by other publicly traded entities. These measures should be considered as supplemental in nature and not as a substitute for related financial information prepared in accordance with IFRS.

"FFO" is used in addition to net income to report operating results. FFO is an industry standard for evaluating operating performance and is defined as net income in accordance with IFRS, (i) plus or minus realized losses or gains on derivative instruments used to hedge equity transactions; (ii) plus or minus fair value adjustments on investment properties; (iii) plus or minus gains or losses from sales of investment properties; (iv) plus or minus other fair value adjustments; (v) minus acquisition costs expensed as a result of the purchase of a property being accounted for as a business combination; (vi) plus distributions on redeemable or exchangeable units treated as interest expense; (vii) plus or minus any negative goodwill or goodwill impairment; (viii) plus or minus deferred income taxes; (ix) plus adjustments for property taxes accounted for under IFRIC 21 "Levies"; and (x) plus or minus changes in fair value of Unit options, after adjustments for equity accounted entities and joint ventures calculated to reflect FFO on the same basis as consolidated properties. FFO is not indicative of funds available to meet cash requirements.

"AFFO" is a supplemental measure to net income that is used in the real estate industry to assess the sustainability of future cash distributions. AFFO is defined as FFO subject to certain adjustments, including: (i) amortization of fair value mark-to-market adjustments on long-term debt and amortization of financing costs; (ii) adjusting for any differences resulting from recognizing property rental revenues or expenses on a straight-line basis; (iii) amortization of grant date fair value related to compensation incentive plans; (iv) adjusting for any non-cash compensation expense; and (v) deducting a reserve for normalized maintenance capital expenditures, as determined by the REIT. Other adjustments may be made to AFFO as determined by the Board of Trustees of the REIT in their sole discretion. Maintenance capital expenditures are estimated by management and represent capital expenditures that are required to maintain the existing earning potential of a property. Significant judgment is required to classify property capital investments. AFFO should not be interpreted as an indicator of cash generated from operating activities as it does not consider changes in working capital.

"NOI" is used by industry analysts, investors and management to measure operating performance of Canadian real estate investment trusts. NOI represents revenue from properties less property operating expenses as presented in the consolidated statements of income and comprehensive income prepared in accordance with IFRS, except for adjustments related to IFRS Interpretations Committee ("**IFRIC**") 21, Levies ("**IFRIC 21**").

APPROVAL OF TRUSTEES

The contents and the sending of this Information Circular to the Unitholders have been approved by the Board of Trustees.

BY ORDER OF THE BOARD OF TRUSTEES

Dated: February 6, 2017

(Signed) *"Mr. Michael D. Young"*

Chair of the Board of Trustees
Milestone Apartments Real Estate Investment Trust

If you have any questions or need assistance completing your form of proxy or voting instruction form, please contact Kingsdale Advisors toll-free within North America at 1-866-851-3215 or outside North America at 1-416-867-2272 (collect call) or by email at contactus@kingsdaleadvisors.com.

CONSENT OF BMO NESBITT BURNS INC.

TO: THE SPECIAL COMMITTEE OF THE BOARD OF TRUSTEES OF MILESTONE APARTMENTS REAL ESTATE INVESTMENT TRUST

Reference is made to the fairness opinion dated January 18, 2017, which BMO Nesbitt Burns Inc. ("**BMO Capital Markets**") prepared (the "**BMO Fairness Opinion**") for the special committee of Milestone Apartments Real Estate Investment Trust (the "**REIT**") in connection with the proposed going private transaction, pursuant to which Maple-SOF Partners, L.P., an affiliate of Starwood Capital Group, will, among other things, acquire all of the assets of the REIT, all trust units of the REIT will be redeemed for consideration of US$16.15 per unit in cash and all class B limited partnership units of Milestone Multifamily Investors LP will be automatically converted into the right to receive consideration of US$16.15 per unit in cash, and pursuant to certain proposed amendments to the REIT's Declaration of Trust, the REIT will be terminated.

We consent to the inclusion in the management information circular of the REIT dated February 6, 2017 (the "**Information Circular**") of the BMO Fairness Opinion and a summary of the BMO Fairness Opinion. In providing such consent, BMO Capital Markets does not intend that any person or persons other than the special committee of the REIT shall be entitled to rely upon the BMO Fairness Opinion.

All terms used but not defined herein have the meanings ascribed thereto in the Information Circular.

DATED at Toronto, Ontario, Canada this 6th day of February, 2017.

(Signed) BMO NESBITT BURNS INC.

CONSENT OF NATIONAL BANK FINANCIAL INC.

TO: THE SPECIAL COMMITTEE OF THE BOARD OF TRUSTEES OF MILESTONE APARTMENTS REAL ESTATE INVESTMENT

Reference is made to the fairness opinion dated January 18, 2017, which National Bank Financial Inc. ("**NBF**") prepared (the "**NBF Fairness Opinion**") for the special committee of Milestone Apartments Real Estate Investment Trust (the "**REIT**") in connection with the proposed going private transaction, pursuant to which Maple-SOF Partners, L.P., an affiliate of Starwood Capital Group, will, among other things, acquire all of the assets of the REIT, all trust units of the REIT will be redeemed for consideration of US$16.15 per unit in cash and all class B limited partnership units of Milestone Multifamily Investors LP will be automatically converted into the right to receive consideration of US$16.15 per unit in cash, and pursuant to certain proposed amendments to the REIT's Declaration of Trust, the REIT will be terminated.

We consent to the inclusion in the management information circular of the REIT dated February 6, 2017 (the "**Information Circular**") of the NBF Fairness Opinion and a summary of the NBF Fairness Opinion. In providing such consent, NBF does not intend that any person or persons other than the special committee of the REIT shall be entitled to rely upon the NBF Fairness Opinion.

All terms used but not defined herein have the meanings ascribed thereto in the Information Circular.

DATED at Toronto, Ontario, Canada this 6th day of February, 2017.

(Signed) NATIONAL BANK FINANCIAL INC.

SCHEDULE "A"
GLOSSARY OF TERMS

In this Information Circular (including the Schedules hereto), the following terms shall have the following meanings, and grammatical variations shall have the respective corresponding meanings:

"**Acquisition Agreement**" means the acquisition agreement dated January 19, 2017 among the Purchaser, the Partnership Merger Sub, the REIT, US Holdco and MMI LP including all schedules annexed hereto, together with the REIT Disclosure Letter and the Purchaser Disclosure Letter, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof;

"**Acquisition Proposal**" means, in each case whether in a single transaction or a series of related transactions, but excluding any transaction among only the REIT and/or one or more of the REIT Subsidiaries, any proposal, offer or inquiry from any Person or "group" (as such term is defined in Rule 13d-3 promulgated under the Exchange Act) relating to:

(a) any direct or indirect take-over bid, tender offer or exchange offer that, if consummated, would result in a person or group of persons beneficially owning 20% or more of any class of voting or equity securities of the REIT;

(b) any amalgamation, plan of arrangement, share exchange, business combination, merger, consolidation, recapitalization, reorganization, or other similar transaction involving the REIT and/or one or more REIT Subsidiaries whose assets, revenues or earnings constitute, individually or in the aggregate, 20% or more of the consolidated assets, revenues or earnings of the REIT or any liquidation, dissolution or winding-up of the REIT and/or one or more REIT Subsidiaries whose assets, revenues or earnings constitute, individually or in the aggregate, 20% or more of the consolidated assets, revenues or earnings of the REIT;

(c) any direct or indirect sale of assets (or any lease, license or other arrangement having the same economic effect as a sale) of the REIT and/or one or more REIT Subsidiaries, which assets represent 20% or more of the consolidated assets of the REIT or contribute 20% or more of the consolidated revenue or earnings of the REIT;

(d) any direct or indirect sale, issuance or acquisition of the Units or any other voting or equity interests (or securities representing, convertible into or exercisable for, such Units or interests) (whether through merger, asset sale, tender offer, exchange offer, business combination, amalgamation, or otherwise) in the REIT representing 20% or more of the issued and outstanding equity or voting interests (or rights or interests therein or thereto) of the REIT or any direct or indirect sale, issuance or acquisition of voting or equity interests (or securities representing, convertible into or exercisable for such interests) representing 20% or more of the issued and outstanding voting or equity interests in one or more the REIT Subsidiaries whose assets, revenues or earnings constitute, individually or in the aggregate, 20% or more of the consolidated assets, revenues or earnings of the REIT; or

(e) any proposal or offer (written or oral) to do, or public announcement of an intention to do, any of the foregoing from any person or group of persons other than the Purchaser, a Subsidiary of the Purchaser or the Guarantor;

excluding the Transaction and the related redemption, settlement or exercise of any Class B Units, Deferred Trust Units or Options pursuant to the Acquisition Agreement, provided that for the purpose of the definition of "**Superior Proposal**", the references in this definition of "Acquisition Proposal" to "20%" shall be deemed to be references to "50%";

"**Action**" means any claim, action, cause of action, suit, litigation, proceeding, arbitration, mediation, interference, audit, assessment, hearing, investigation, administrative enforcement proceeding, or other legal proceeding (whether sounding in contract, tort or otherwise, whether civil or criminal and whether brought, conducted, tried or heard by or before, or otherwise involving, any Governmental Authority);

"**Affiliate**" of a specified Person means a Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such specified Person;

"**AFFO**" has the meaning set out in "Non-IFRS Measures";

"**Agent**" has the meaning set out in "Proxy Solicitation and Voting – Appointment of Proxies";

"**AIF**" means the REIT's annual information form dated March 3, 2016 for the year ended December 31, 2015;

"**Antitrust Laws**" means any U.S. or Canadian federal, state or foreign law, regulation or decree designed to prohibit, restrict or regulate actions for the purpose or effect of monopolization or restraint of trade or the significant impediment of effective competition;

"**Assumed Liabilities**" has the meaning set out in "The Transaction – Acquisition of Purchased Assets and Assumptions of Assumed Liabilities";

"**Beneficial Holders**" has the meaning set out in "Proxy Solicitation and Voting – Notice and Access";

"**Benefit Plan**" means any "employee benefit plan" (within the meaning of Section 3(3) of ERISA, whether or not subject to ERISA) and any employment, consulting, termination, severance, change in control, separation, stock option (including the Equity Incentive Plans), restricted stock, profits interest unit, performance award, outperformance, stock purchase, stock or stock-related awards, deferred compensation, bonus, incentive compensation, fringe benefit, health, medical, dental, disability, accident, life insurance, welfare benefit, cafeteria, vacation, sick or paid time off, perquisite, retirement, profit sharing, pension, or savings or any other remuneration, compensation or employee benefit plan, agreement, program, policy or other arrangement of any kind, whether or not subject to ERISA and whether written or unwritten, or funded or unfunded;

"**BMO Capital Markets**" has the meaning set out in "Background to the Transaction";

"**BMO Fairness Opinion**" means the opinion of BMO Capital Markets, dated as of January 18, 2017, a copy of which is attached hereto as Schedule "C";

"**Board**" or the "**Board of Trustees**" has the meaning set out in "Management Information Circular";

"**Broadridge**" has the meaning set out in "Information for Beneficial Holders of Securities";

"**Business Day**" means any day (other than a Saturday or Sunday) on which commercial banks located in Toronto, Canada, New York City, New York and Dallas, Texas are open for the conduct of business;

"**Canadian Securities Laws**" means, collectively, the Ontario Securities Act and all other applicable provincial securities laws, rules and regulations thereunder in Canada;

"**CDS**" has the meaning set out in "Information for Beneficial Holders of Securities";

"**Chair**" means the Chair of the Board of Trustees;

"**Change in Facts**" means a change in fact at any time on or after the date of the Acquisition Agreement through the Closing, that would require withholding with respect to the payments made to the non-U.S. Unitholders in connection with the redemption of Units pursuant to the Acquisition Agreement to the extent reasonably necessary in the Withholding Agent's discretion, exercised in good faith, to comply with the Code or the Treasury Regulations issued thereunder or any other provision of U.S. federal, state or local Tax Law, or any successor of the foregoing; provided, that Withholding Agent must have given notification to the REIT of any such determination of a Change in Facts prior to the Closing Time;

"**Change in Law**" means (i) any amendment to the Code or the applicable Treasury Regulations promulgated thereunder, or (ii) any change in official interpretation thereof as set forth in published guidance by the IRS, including but not limited to revenue rulings and notices (other than news releases), issued at any time on or after the date of the Acquisition Agreement through the end of the Closing Date, in each case, with an effective date on or prior to the Closing Date, that would require withholding with respect to the payments made to the non-U.S. Unitholders in connection with the redemption of Units pursuant to the Acquisition Agreement;

"**Change in Recommendation**" means (i) the withdrawal, modification, withholding or qualification of the Board of Trustees or committee thereof, or proposal of the Board of Trustees, or committee thereof, to publicly withdraw, withhold, modify or qualify, in any manner adverse to the Purchaser, the approval or recommendation of the Board of Trustees, or committee thereof, of the Acquisition Agreement or the Transaction or (ii) the approval, endorsement or recommendation of the Board of Trustees, or committee thereof, or proposal of the Board of Trustees, or committee thereof, to publicly approve, endorse or recommend, any Acquisition Proposal (it being understood that publicly taking no position or a neutral position with respect to an Acquisition Proposal following the public announcement of such Acquisition Proposal until the third (3rd) Business Day after having been requested in writing by the Purchaser to do so shall not be considered a Change in Recommendation);

"**Class A Unit**" means the Class A limited partnership units of MMI LP;

"**Class B Units**" has the meaning set out in "Voting Securities and Principal Holders Thereof";

"**Closing**" means the completion of the Transaction;

"**Closing Date**" means the date upon which the Closing occurs, being a date (unless otherwise agreed to by the REIT and the Purchaser) not later than the later to occur of (i) the second Business Day after the satisfaction or waiver of the conditions precedent set out in the Acquisition Agreement (excluding those conditions which by their terms are to be satisfied on the Closing Date but subject to the waiver of any such condition) and (ii) April 3, 2017 (provided, that, to the extent required for Purchaser to obtain Debt Financing, Purchaser may extend the date in this clause (ii) from April 3, 2017 to April 28, 2017 by delivery of written notice of such extension to the REIT);

"**Closing Time**" means 9:00 am (Toronto time) on the Closing Date, or such other time as the parties may agree;

"**Code**" means the United States Internal Revenue Code of 1986, as amended;

"**Confidentiality Agreement**" means the confidentiality agreement dated November 11, 2016 between SCG Global Holdings, L.L.C. (an Affiliate of the Purchaser) and the REIT;

"**Control**" (including the terms "**controlled by**" and "**under common control with**") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, as trustee or executor, by contract or credit arrangement or otherwise;

"**CRA**" has the meaning set out in "Certain Canadian Federal Income Tax Considerations";

"**Debt Financing**" has the meaning set out in "The Acquisition Agreement – Covenants – Financing and Reporting Cooperation";

"**Declaration of Trust**" means the REIT's Amended and Restated Declaration of Trust, dated as of March 6, 2013, by and among Michael Young, William Biggar, Janet Graham, Richard Matheson, Graham Senst, Jay Hurley and Robert Landin, as may be amended or amended and restated from time to time;

"**Deferred Trust Unit Plan**" means the Second Amended and Restated Deferred Unit Incentive Plan of the REIT dated as of May 10, 2016, as may be amended or amended and restated from time to time;

"**Deferred Trust Units**" means the deferred trust units governed by the Deferred Trust Unit Plan;

"**Equity Incentive Plans**" means the Deferred Trust Unit Plan and the Option Plan;

"**ERISA**" means the *Employee Retirement Income Security Act of 1974*, as amended;

"**Exchange Act**" means the *U.S. Securities Exchange Act of 1934*, as amended, and the rules and regulations promulgated thereunder;

"**Existing Indebtedness**" means material agreements, documents or other instruments evidencing or securing Indebtedness, including outstanding commitments under any lines of credit, to which the REIT, US Holdco, MMI LP or any of the REIT Subsidiaries is a party or by which the REIT, US Holdco, MMI LP or any of the REIT Subsidiaries or any of their respective properties or assets is bound, including loans secured by liens encumbering any properties leased or owned by the REIT, US Holdco, MMI LP or any REIT Subsidiary;

"**Fairness Opinions**" means the BMO Fairness Opinion and the NBF Fairness Opinion;

"**FFO**" has the meaning set out in "Non-IFRS Measures";

"**FIRPTA**" has the meaning set out in "Certain U.S. Federal Income Tax Considerations – Taxation of Non-U.S. Holders – Redemption of Units";

"**Form of Proxy**" has the meaning set out in "Proxy Solicitation and Voting – Notice and Access";

"**Forward-looking statements**" has the meaning set out in "Notice Concerning Forward-Looking Statements";

"**Goodmans**" has the meaning set out in "Background to the Transaction";

"**Governmental Authority**" means any Canadian or United States (federal, state, provincial or local) government or any foreign government, or any other governmental or quasi-governmental regulatory, judicial or administrative authority, instrumentality, board, bureau, agency, commission, self-regulatory organization, arbitration panel (public or private) or similar entity;

"**Guarantor**" has the meaning set out in "The Acquisition Agreement – Limited Guarantee";

"**Holder**" has the meaning set out in "Certain Canadian Federal Income Tax Considerations";

"**IFRIC**" has the meaning set out in "Non-IFRS Measures";

"**IFRIC 21**" has the meaning set out in "Non-IFRS Measures";

"**IFRS**" means International Financial Reporting Standards;

"**Indebtedness**" means, with respect to any Person and without duplication, (i) the unpaid principal of and premium (if any) of all indebtedness, notes payable, accrued interest payable or other obligations for borrowed money, (including any fees, expenses or other payment obligations, including prepayment penalties, breakage costs, unpaid costs, termination costs, redemption costs, charges or other premiums payable as a result of the consummation of the transactions contemplated hereby), whether secured or unsecured, (ii) all obligations under conditional sale or other title retention agreements, or incurred as financing, in either case with respect to property acquired by such Person, (iii) all obligations issued, undertaken or assumed as the deferred purchase price for any property or assets (including any potential future earn-out, purchase price adjustment or release of "holdback" or similar payment), (iv) all obligations under capital leases, (v) all obligations in respect of bankers acceptances or letters of credit, (vi) all obligations under interest rate cap, swap, collar or similar transaction or currency hedging transactions (valued at the termination value thereof), (vii) all obligations evidenced by any note, bond, debenture or other similar instrument, whether secured or unsecured, (viii) any guarantee of any of the foregoing, whether or not evidenced by a note, mortgage, bond, indenture or similar instrument, and (ix) any agreement to provide any of the foregoing, provided, that, for purposes of clarity, except as provided above, "Indebtedness" shall not include "trade payables" or obligations with respect to the Class B Units;

"**Information Circular**" has the meaning set out in "Management Information Circular";

"**Interested Unitholders**" means, collectively, (i) any interested party to the Transaction within the meaning of MI 61-101; and (ii) any person that is a joint actor with any of the foregoing for purposes of MI 61-101; and "Interested Unitholder" shall mean any one of them;

"**Interim Period**" has the meaning set out in "The Acquisition Agreement – Conduct of Activities and Business of the REIT";

"**Initial Written Proposal**" has the meaning set out in "Background to the Transaction – Background to the Transaction";

"**Investment Company Act**" means the *Investment Company Act of 1940*, as amended;

"**IRS**" means the United States Internal Revenue Service or any successor agency;

"**Kingsdale Advisors**" means Kingsdale Advisors, the strategic shareholder advisor and proxy solicitation agent retained by the REIT;

"**Landmark**" has the meaning set out in "Background to the Transaction – Background to the Transaction";

"**Law**" means any and all domestic (federal, state, provincial or local) or foreign laws, acts, statutes, codes, rules, regulations and Orders promulgated by any Governmental Authority;

"**Leased Property**" means any land, buildings, structures, improvements, fixtures or other interests in real property used or occupied by the REIT, US Holdco, MMI LP or any REIT Subsidiary under any REIT Lease;

"**Legal Counsel**" has the meaning set out in "Background to the Transaction";

"**Limited Guarantee**" means the Limited Guarantee dated as of January 19, 2017, by Guarantor in favour of the REIT;

"**Management**" has the meaning set out in "Background to the Transaction – Background to the Transaction";

"**Meeting**" has the meaning set out in "Management Information Circular";

"**Meeting Materials**" has the meaning set out in "Proxy Solicitation and Voting – Notice and Access";

"**MI 61-101**" has the meaning set out in "Background to the Transaction – Background to the Transaction";

"**MMI LP**" has the meaning set out in "Voting Securities and Principal Holders Thereof";

"**NAV**" has the meaning set out in "Background to the Transaction – Background to the Transaction";

"**NBF**" means National Bank Financial Inc.;

"**NBF Fairness Opinion**" means the opinion of NBF, dated as of January 18, 2017, a copy of which is attached hereto as Schedule "D";

"**NI 54-101**" has the meaning set out in "Proxy Solicitation and Voting – Solicitation of Proxies";

"**NOI**" has the meaning set out in "Non-IFRS Measures";

"**Non-Resident Holder**" has the meaning set out in "Certain Canadian Federal Income Tax Considerations – Taxation of Holders Not Resident in Canada";

"**Non-U.S. Holder**" has the meaning set out in "Certain U.S. Federal Income Tax Considerations – Taxation of Redemption Units";

"**Notice and Access**" means "notice-and-access" as defined under NI 54-101;

"**Notice of Meeting**" has the meaning set out in "Management Information Circular";

"**OFAC**" means the U.S. Department of Treasury's Office of Foreign Assets Control;

"**Ontario Securities Act**" means the *Securities Act* (Ontario) and the rules, regulations and published policies made thereunder, as now in effect and as they may be promulgated or amended from time to time;

"**Option Consideration**" has the meaning set out in "The Transaction – Treatment of Options and Deferred Trust Units – Option Consideration";

"**Option Election**" has the meaning set out in "The Transaction – Treatment of Options and Deferred Trust Units – Option Consideration";

"**Option Plan**" means the Second Amended and Restated Unit Option Plan of the REIT dated May 10, 2016, as may be amended or amended and restated from time to time;

"**Options**" means the unit options governed by the Option Plan;

"**Order**" means a judgment, writ, order, ruling, injunction or decree of any Governmental Authority;

"**OTC Pink**" has the meaning set out in "Certain U.S. Federal Income Tax Considerations – Taxation of Non-U.S. Holders – FIRPTA Exemption – Trading of the Units on a U.S. Securities Market";

"**Outside Date**" means July 1, 2017;

"**Owned Property**" means all land, together with all buildings, structures, improvements and fixtures located thereon, and all easements and other rights and interests appurtenant thereto, owned by US Holdco, MMI LP or any REIT Subsidiary;

"**Partnership Agreement**" means that certain Amended and Restated Agreement of Limited Partnership of MMI LP, dated as of March 6, 2013, as amended;

"**Partnership Merger**" means the merger of the Partnership Merger Sub with and into MMI LP at the Partnership Merger Effective Time;

"**Partnership Merger Consideration**" means the aggregate consideration received by all holders of Class B Units issued and outstanding immediately prior to the Partnership Merger Effective Time and not held by US Holdco, calculated as a cash amount equal to US$16.15 per Class B Unit;

"**Partnership Merger Effective Time**" means the effective time of the Partnership Merger in accordance with the Acquisition Agreement;

"**Partnership Merger Sub**" means Maple-SOF Partnership Merger Sub, L.P., a limited partnership established under the laws of Delaware;

"**Partnership Surviving Entity**" has the meaning set out in "The Transaction – The Partnership Merger";

"**Partnership Units**" means, collectively, all of the Class A Units and Class B Units;

"**Party**" means a party to the Acquisition Agreement, unless the context otherwise requires;

"**Person**" or "**person**" means an individual, corporation, partnership, limited partnership, limited liability company, person (including a "person" as defined in Section 13(d)(3) of the Exchange Act), trust, association or other entity or organization (including any Governmental Authority or a political subdivision, agency or instrumentality of a Governmental Authority);

"**Properties**" means, collectively, the Owned Property and the Leased Property;

"**Purchased Assets**" has the meaning set out in "The Transaction – Acquisition of Purchased Assets and Assumptions of Assumed Liabilities";

"**Purchaser**" means Maple-SOF Partners, L.P., a limited partnership established under the laws of Delaware;

"**Purchaser Disclosure Letter**" means the disclosure letter prepared by the Purchaser and delivered to the REIT prior to the execution and delivery of the Acquisition Agreement;

"**Purchaser Expenses**" means all reasonable, actual and documented out of pocket costs and expenses incurred prior to the termination of this Agreement by or on behalf of the Purchaser and Partnership Merger Sub (or their respective Affiliates) in connection with the entering into of the Acquisition Agreement and the carrying out of any and all acts contemplated therein, including reasonable fees and expenses of counsel, investment banking firms, or financial advisors, accountants, and consultants; provided, that in the event of a termination of the Acquisition Agreement under certain circumstances in which the REIT Termination Fee is not payable, Purchaser Expenses shall not exceed an amount equal to US$3,000,000;

"**Purchaser Parties**" means, collectively, the Purchaser, Partnership Merger Sub, the Guarantor or any of their respective former, current or future directors, officers, employees, agents, general or limited partners, managers, members, stockholders, Affiliates, successors or assignees or any former, current or future director, officer,

employee, agent, general or limited partner, manager, member, stockholder, Affiliate, successor or assignee of any of the foregoing;

"**Purchaser Termination Fee**" has the meaning set out in "The Acquisition Agreement – Termination Provisions – Termination Payment";

"**QRS**" means a "qualified REIT subsidiary" within the meaning of Section 856(i)(2) of the Code;

"**Record Date**" has the meaning set out in "Voting Securities and Principal Holders Thereof";

"**Redemption**" has the meaning set out in "Certain Canadian Federal Income Tax Considerations – Taxation of Holders Resident in Canada – Redemption of Units";

"**Redemption and Exchange Agent**" has the meaning set out in "The Transaction – Payment of Consideration – Redemption and Exchange Agent; Redemption and Exchange Fund";

"**Redemption and Exchange Fund**" has the meaning set out in "The Transaction – Payment of Consideration – Redemption and Exchange Agent; Redemption and Exchange Fund";

"**REIT**" has the meaning set out in "Management Information Circular";

"**REIT Acquisition Agreement**" has the meaning set out in "The Acquisition Agreement – Non-Solicitation Covenants – Non-Solicitation";

"**REIT Consideration**" has the meaning set out in "The Transaction – Acquisition of Purchased Assets and Assumptions of Assumed Liabilities";

"**REIT Disclosure Letter**" means the disclosure letter prepared by the REIT and delivered to the Purchaser prior to the execution and delivery of the Acquisition Agreement;

"**REIT IPO**" has the meaning set out in "Reasons for the Recommendation";

"**REIT Material Adverse Effect**" means any event, circumstance, change, effect, development, condition or occurrence that, individually or in the aggregate with all other such circumstance, change, effect development, condition or occurrence:

(a) has had or would reasonably be expected to have a material adverse effect on the business, assets, liabilities, condition (financial or otherwise) or results of operations of the REIT and the REIT Subsidiaries, taken as a whole, or

(b) is or would be reasonably be expected to prevent or materially impair or delay the consummation of the Transaction or to prevent or materially impair or delay the ability of the REIT, US Holdco, MMI LP or any REIT Subsidiary to consummate the Transaction before the Outside Date;

provided, that for purposes of clause (a) "REIT Material Adverse Effect" shall not include any event, circumstance, change, effect, development, condition or occurrence to the extent arising out of or resulting from

(i) any failure of the REIT to meet any projections or forecasts or any estimates of earnings, revenues or other metrics for any period (provided, that any event, circumstance, change, effect, development, condition or occurrence giving rise to such failure may be taken into account in determining whether there has been a REIT Material Adverse Effect),

(ii) any changes that affect the real estate industry generally,

(iii) any changes in Canada, the United States or global economy or capital, financial or securities markets generally, including changes in interest or exchange rates,

(iv) any changes in the legal, regulatory or political conditions in Canada, the United States or in any other country or region of the world,

(v) the commencement, escalation or worsening of a war or armed hostilities or the occurrence of acts of terrorism or sabotage occurring after the date hereof,

(vi) the public announcement of the Transaction or the other transactions contemplated by the Acquisition Agreement, including the impact thereof on relationships, contractual or otherwise, with tenants, suppliers, lenders, investors, venture partners or employees, provided that the exception in this clause (vi) does not apply for purpose of any representations made by the REIT, US Holdco and MMI LP in the Acquisition Agreement that address the public announcement or pendency of the Acquisition Agreement,

(vii) the taking of any action expressly required by the Acquisition Agreement, the taking of any action at the written request or with the prior written consent of the Purchaser or the failure to take any action where such failure to act was requested in writing by the Purchaser,

(viii) earthquakes, hurricanes, floods or other natural disasters,

(ix) any changes in the market price or trading volumes of the Units (provided that the causes underlying such changes may be considered to determine whether a REIT Material Adverse Effect has occurred, to the extent not otherwise excluded from this definition),

(x) changes in Law or IFRS (or the interpretation thereof), or

(xi) any Action made or initiated by any Unitholder, holder of Partnership Units or any holder of shares, capital stock, units or other equity interests in the REIT and the REIT Subsidiaries, including any derivative claims, arising out of or relating to the Acquisition Agreement or the transactions contemplated thereby,

which in the case of each of clauses (ii), (iii), (iv), (v), (vii) and (x) do not disproportionately affect the REIT, US Holdco, MMI LP and the REIT Subsidiaries, taken as a whole, relative to others in the real estate industry in the United States, and in the case of clause (viii), do not disproportionately affect the REIT and the REIT Subsidiaries, taken as a whole, relative to others in the real estate industry in the geographic regions in which US Holdco, MMI LP and the REIT Subsidiaries operate; provided, for the avoidance of doubt, any breach of the representations and warranties in the first two sentences of Section 3.11(c) of the Acquisition Agreement shall be deemed to have a REIT Material Adverse Effect (the foregoing proviso shall create no presumption whether a breach of the representations or warranties in Section 3.11(b) of the Acquisition Agreement shall or shall not be deemed to have a REIT Material Adverse Effect);

"**REIT Securities**" means the Units, the Class B Units, the Options and the Deferred Trust Units;

"**REIT Subsidiary**" means any corporation, partnership, limited or limited liability partnership, limited liability company, joint venture, business trust, real estate investment trust or other organization, whether incorporated or unincorporated, or other Person of which (i) the REIT, US Holdco or MMI LP directly or indirectly owns or controls

at least a majority of the capital stock or other equity interests having by their terms ordinary voting power to elect a majority of the board of directors or others performing similar functions, (ii) the REIT, US Holdco or MMI LP and/or any Person that is a REIT Subsidiary by reason of the application of clause (i) or clause (iii) of this definition of "REIT Subsidiary" is a general partner, manager, managing member, trustee, director or the equivalent, or (iii) the REIT, US Holdco or MMI LP, directly or indirectly, holds a majority of the beneficial, equity, capital, profits or other economic interest;

"**REIT Termination Fee**" has the meaning set out in "The Acquisition Agreement – Termination Provisions – Termination Payment";

"**REIT Termination Fee Event**" has the meaning set out in "The Acquisition Agreement – Termination Provisions – Termination Payment";

"**Representative**" means, with respect to any Person, such Person's directors, officers, employees, advisors (including attorneys, accountants, consultants, investment bankers, and financial advisors), agents and other representatives;

"**Required Regulatory Approvals**" means approvals (or the expiry of the applicable waiting periods) under Antitrust Laws;

"**Resident Holder**" has the meaning set out in "Certain Canadian Federal Income Tax Considerations – Taxation of Holders Resident in Canada";

"**Restructuring Transactions**" has the meaning set out in "The Acquisition Agreement – Permitted Transactions";

"**Revised Proposal**" has the meaning set out in "Background to the Transaction – Background to the Transaction";

"**Right to Match Period**" has the meaning set out in "The Acquisition Agreement – Non-Solicitation Covenants – Ability to Respond to a Superior Proposal";

"**Securities Laws**" means, collectively, the Canadian Securities Laws, the U.S. Securities Act and the Exchange Act and the rules and regulations promulgated thereunder and all other applicable state securities laws, rules and regulations;

"**SEDAR**" means System for Electronic Document Analysis and Retrieval;

"**Special Committee**" has the meaning set out in "Background to the Transaction";

"**Starwood**" means, collectively, Starwood Capital Group Global II, L.P. and certain of its affiliates as well as portfolio companies of, and companies managed by, Starwood Capital Group Global II, L.P. and its affiliates;

"**Subsidiary**" means a "subsidiary" as defined in National Instrument 45-106 − *Prospectus and Registration Exemptions*;

"**Superior Proposal**" means any bona fide written Acquisition Proposal made after the date of this Agreement:

(a) that did not involve a breach of the non-solicitation provisions of the Acquisition Agreement;

(b) in respect of which the funds or other consideration necessary to complete the Acquisition Proposal are or, in the good faith opinion of the Board, are reasonably likely to be available to fund completion of the Acquisition Proposal at the time and on the basis set out therein;

(c) that the Board has determined in good faith (after consultation with its financial advisors and outside legal counsel) is reasonably capable of completion without undue delay taking into account all legal, financial, regulatory and other aspects of such Acquisition Proposal and the Person making such Acquisition Proposal; and

(d) in respect of which the Board has determined, in good faith (after consultation with its outside legal counsel and financial advisors), 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 party making such Acquisition Proposal, that would, if consummated in accordance with its terms (but not assuming away any risk of non-completion), result in a transaction more favourable from a financial point of view to the holders of Units and Class B Units than the Transaction (after taking into consideration any adjustment to the terms and conditions of the Transaction proposed by the Purchaser pursuant to the Acquisition Agreement;

"**Superior Proposal Notice**" has the meaning set out in "The Acquisition Agreement – Non-Solicitation Covenants – Ability to Respond to a Superior Proposal";

"**Support and Voting Agreements**" means the support and voting agreements (including all amendments thereto) between the Purchaser and the Supporting Unitholders setting forth the terms and conditions upon which they have agreed, among other things, to vote their Units and/or their Class B Units in MMI LP in favour of the Transaction Resolution;

"**Supporting Unitholders**" means all of the Trustees and senior executive officers of the REIT and their Affiliates;

"**Tax**" or "**Taxes**" means any federal, state, provincial, local and foreign income, gross receipts, capital gains, withholding, property, recording, stamp, transfer, sales, goods and services, use, abandoned property, escheat, franchise, employment, payroll, excise, environmental and any other taxes, duties, assessments or similar governmental charges, together with penalties, interest or additions imposed with respect to such amounts, in each case, imposed by and payable to, any Governmental Authority;

"**Tax Act**" means the *Income Tax Act* (Canada) and regulations made thereunder, as now in effect and as they may be amended from time to time prior to the Closing;

"**Tax Proposals**" has the meaning set out in "Certain Canadian Federal Income Tax Considerations";

"**Tax Returns**" means, any return, declaration, report, claim for refund, or information return or statement relating to Taxes filed or required to be filed with a Governmental Authority, including any schedule or attachment thereto, and including any amendment thereof;

"**Taxable REIT Subsidiary**" means a "taxable REIT subsidiary" within the meaning of Section 856(1) of the Code;

"**Transaction**" means, collectively, the transactions contemplated by the Acquisition Agreement;

"**Transaction Resolution**" means the special resolution of the Unitholders to be considered at the Meeting, substantially in the form and content of Schedule "B" to this Information Circular, and any amendments or variations thereto made in accordance with the provisions of the Acquisition Agreement;

"**Treaty**" means the US-Canada Income Tax Convention (1980), as amended;

"**Trustees**" has the meaning set out in "Proxy Solicitation and Voting – Appointment of Proxies";

"**TSX**" means the Toronto Stock Exchange;

"**Unitholder Approval**" means the approval of the Transaction Resolution at the Meeting by (i) two-thirds of the votes cast on the Transaction Resolution by the Unitholders present in person or represented by proxy at the Meeting, and (ii) a simple majority of the votes cast on the Transaction Resolution by the Unitholders present in person or represented by proxy at the Meeting, excluding, for the purposes of this item (ii), votes cast by Interested Unitholders;

"**Unitholders**" has the meaning set out in "Management Information Circular";

"**Units**" means the units having a beneficial interest in the REIT, including those units issued on the redemption of Class B Units or upon the conversion, exchange, redemption or exercise of any other Deferred Trust Units or Options, and "**Unit**" means any one trust unit of the REIT;

"**US Holdco**" means Milestone Apartments Holdings, LLC, a limited liability company established under the laws of Delaware;

"**USRPIs**" has the meaning set out in "Certain U.S. Federal Income Tax Considerations – Taxation of Non-U.S. Holders – Redemption of Units";

"**U.S. Resident Holder**" means a Non-Resident Holder that is a resident of the United States for purposes of the Tax Act and the Treaty and is fully entitled to the benefits of the Treaty;

"**U.S. Securities Act**" means the *U.S. Securities Act of 1933*, as amended, and the rules and regulations promulgated thereunder;

"**V&E**" has the meaning set out in "Background to the Transaction – Background to the Transaction";

"**VWAP**" has the meaning set out in "Background to the Transaction – Background to the Transaction";

"**Waiver Time**" means 11:59 pm on the later of (i) the date set forth in subsection (i) of the definition of Closing Date and (ii) April 3, 2017; and

"**Withholding Agent**" means the REIT, the Partnership Surviving Entity, the Purchaser or the Redemption and Exchange Agent, as applicable.

SCHEDULE "B"
FORM OF TRANSACTION RESOLUTION

BE IT RESOLVED AS A SPECIAL RESOLUTION OF THE UNITHOLDERS OF MILESTONE APARTMENTS REAL ESTATE INVESTMENT TRUST THAT:

1. The transactions contemplated in the acquisition agreement (the "**Acquisition Agreement**") among Maple-SOF Partners, L.P. (the "**Purchaser**"), Maple-SOF Partnership Merger Sub, L.P. (the "**Partnership Merger Sub**"), Milestone Apartments Real Estate Investment Trust (the "**REIT**"), Milestone Apartments Holdings, LLC and Milestone Multifamily Investors LP made as of January 19, 2017 (as it may be or may have been amended in accordance with its terms) including, without limitation, (i) the sale of all of the assets of the REIT to the Purchaser, (ii) the redemption of all of the outstanding Units as described in, and in accordance with, the proposed amendments to the Declaration of Trust set forth in Schedule "B" to the Acquisition Agreement and (iii) the termination of the REIT immediately following the redemption of all of the outstanding Units, the whole as more particularly described and set forth in the management proxy circular of the REIT dated February 6, 2017 accompanying the notice of this meeting, are hereby approved and authorized in all respects;

2. The proposed amendments to the Declaration of Trust as set forth in Exhibit "A" hereto are hereby approved and authorized in all respects. Any two trustees of the REIT are authorized, without further notice to or approval of the Unitholders, to approve such other amendments to the Declaration of Trust as may be necessary or desirable in their discretion in order to permit the transactions contemplated in the Acquisition Agreement and as otherwise may be necessary or desirable in their discretion in order to give effect to the transactions contemplated in the Acquisition Agreement or in order to give effect to this Special Resolution;

3. The Acquisition Agreement, the actions of the trustees of the REIT in approving the Acquisition Agreement, and the actions of the trustees and officers of the REIT in executing and delivering the Acquisition Agreement, and any amendments, modifications or supplements thereto, are hereby ratified and approved;

4. Any trustee or officer of the REIT be and is hereby authorized and directed to execute on behalf of the REIT and to deliver and to cause to be delivered, all such documents, agreements and instruments and to do or cause to be done all such other acts and things as they shall determine to be necessary or desirable in order to carry out the intent of the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such documents, agreements or instruments or the doing of any such act or thing;

5. Notwithstanding that this resolution has been passed by the Unitholders, the board of trustees of the REIT, are authorized, without further notice to or approval of the Unitholders to: (a) amend the Acquisition Agreement to the extent permitted by the Acquisition Agreement; and/or (b) terminate the Acquisition Agreement and to not proceed with the transactions contemplated therein to the extent permitted by the Acquisition Agreement; and

6. All capitalized terms not otherwise defined in this Special Resolution have the meanings ascribed thereto in the management information circular of the REIT dated February 6, 2017.

EXHIBIT "A" TO THE TRANSACTION RESOLUTION CONTAINED ON SCHEDULE "B"
AMENDMENTS TO DECLARATION OF TRUST

Section 1.1. Definitions and Interpretation shall be amended to include the following:

*"**Acquisition Agreement**" means the acquisition agreement dated January 19, 2017 among Maple-SOF Partners, L.P., Maple-SOF Partnership Merger Sub, L.P., the Trust, Milestone Apartments Holdings, LLC and Milestone LP, as amended from time to time in accordance with its terms;*

*"**Final Redemption**" means the redemption of all outstanding Units in consideration of payment of the Unit Redemption Price, which shall be treated as the consummation of a plan of liquidation of the Trust under Section 562(b) of the Code;*

*"**Final Redemption Date**" means the Closing Date or such other date as agreed to in writing by the parties to the Acquisition Agreement, which in no event shall occur later than twenty-four (24) months after the date of the Acquisition Agreement;*

*"**REIT Consideration**" has the meaning ascribed thereto in the Acquisition Agreement;*

*"**Transaction**" has the meaning ascribed thereto in the Acquisition Agreement; and*

*"**Unit Redemption Price**" means US$16.15 per Unit.*

Section 1.1. The definition of "Trustees" shall be deleted and replaced with the following:

*"**Trustee**" means a person who is, in accordance with the provisions hereof, a trustee of the Trust at that time, including without limitation so long as he, she or it remains a trustee, and "**Trustees**" means, at any time, all of the persons, each of whom is at that time a Trustee.*

Section 3.3 Qualification of Trustees shall be deleted and replaced with the following:

A Trustee shall be a corporation formed under the laws of any province or territory of Canada or under the federal jurisdiction of Canada that is resident in Canada for purposes of the Tax Act read without reference to subsection 250(4) thereof or an individual not under any legal disability and not found to be of unsound mind or incapable of managing property by a court in Canada or elsewhere, and in either case not having the status of bankrupt.

Paragraph (a) of Section 3.7 Resignations, Removal, Incapacity and Death of Trustees shall be deleted and replaced with the following:

A Trustee may resign at any time by an instrument in writing signed by the Trustee and delivered or mailed to the board of Trustees or the Chief Executive Officer or, if there is no Chief Executive Officer, the Secretary or, if there is no Secretary, the Unitholders. A resignation of a Trustee becomes effective at the time a written resignation is sent to the Trust, or at the time specified in the resignation, whichever is later.

Paragraph (e) of Section 3.8 Appointment of Trustee shall be added and read as follow:

*(e) Immediately following the resignation of all Trustees in accordance with Section 2.4(a) of the Acquisition Agreement, [**Designated Trustee**] shall be appointed as sole Trustee of the Trust.*

Paragraph (z) of Section 4.2 Specific Powers and Authorities shall be added and read as follow:

(z) to make any filings, execute and deliver any documents, instruments or agreements, including, for greater certainty, executing a power of attorney, or take any action in relation to the Final Redemption, the Transaction, the Acquisition Agreement and the termination of the Trust.

Paragraph (b) of Section 4.9 Limitations on Liability of Trustees shall be amended by adding the following words at the end of the section:

*For greater certainty, [**Designated Trustee**] shall not be subject to any personal liability for any debts, liabilities, obligations, claims, demands, judgements, costs, charges or expenses against or with respect to the Trust arising out of anything done or permitted or omitted to be done in respect of the execution of the duties of the office of Trustees for or in respect to the affairs of the Trust for any period prior to its appointment as a Trustee of the Trust. For further greater certainty, no director, officer or shareholder of [**Designated Trustee**] shall be subject to any personal liability for any debts, liabilities, obligations, claims, demands, judgements, costs, charges or expenses against or with respect to the Trust arising out of anything done or permitted or omitted to be done in respect of the execution of the duties of the office of Trustees for or in respect to the affairs of the Trust. No property or assets of such director, officer or shareholder of [**Designated Trustee**], owned in its personal capacity or otherwise, will be subject to any levy, execution or other enforcement procedure with regard to any obligations under this Declaration of Trust or under any other related agreements. Notwithstanding anything to the contrary in this Section 4.9, no recourse may be had or taken, directly or indirectly, against any such director, officer or shareholder of [Designated Trustee] in their personal capacity or against any successor, heir, executor, administrator or legal representative of such persons. The Trust shall be solely liable therefore and resort shall be had solely to the Trust's properties for payment or performance thereof.*

Paragraph (f) of Section 7.10 Redemption of Units shall be deleted and replaced with the following:

(f) *(i) With the intent that the Trust be terminated in accordance with Section 16.2, the Trust shall complete the Final Redemption, without any further act or formality, following receipt by the Trust of the REIT Consideration on the Final Redemption Date.*

(ii) The Trust shall cause to be delivered to the registered Unitholders a cheque or a wire transfer in United States currency representing the Unit Redemption Price required to be made to each such Unitholder pursuant to Section 7.10(f)(i). Payments made by the Trust or its agents of the Unit Redemption Price are conclusively deemed to have been made upon the mailing of a cheque in a postage prepaid envelope addressed to the Unitholder unless such cheque is dishonoured upon presentment or upon transmission of said wire transfer, as applicable. Upon such payment, the Trust and the Trustees shall be discharged from all liability to the former Unitholders, including in respect of the Units so redeemed. Under no circumstances will interest be paid to any holder on any payment to be made hereunder, regardless of any delay in making such payment.

(iii) Notwithstanding anything else contained herein, where the Trust redeems Units in connection with the Final Redemption on the Final Redemption Date, the Trust shall (and shall be deemed to) designate and treat as having been paid to the Unitholders (pro rata to the number of Units owned) all income and net taxable capital gains realized by the Trust as a result of the Transaction and any other income and net taxable capital gains of the Trust to the extent such income or net taxable capital gains have not been previously paid or designated to the Unitholders, in each case to the extent such income or net taxable capital gains are paid or made payable to the Unitholders as a result of a distribution prior to the Final Redemption or in contemplation of the Final Redemption.

(iv) For Canadian income tax purposes, the income and net taxable capital gains realized by the Trust as a result of the Transaction shall be determined for purposes of subparagraph 7.10(f)(iii) in accordance with the Tax Act read without reference to paragraph 82(1)(b) and subsection 104(6) of the Tax Act.

Paragraph (g) of Section 7.10 Redemption of Units shall be added and read as follows:

(g) *All Units that are redeemed on the Final Redemption Date shall be cancelled on the Final Redemption Date and such Units shall no longer be outstanding and shall not be reissued and the holders thereof shall no longer be considered Unitholders of the Trust or entitled to any rights as*

Unitholders including any right to receive distributions or other amounts from the Trust, but shall only be entitled to receive the Unit Redemption Price.

Section 12.2 Allocations shall be deleted and replaced with the following:

Except to the extent that income and net taxable capital gains of the Trust are allocated pursuant to Article 7.10 or as otherwise described in this Section 12.2, income of the Trust for a Taxation Year and net taxable capital gains of the Trust for the purposes of the Tax Act will be allocated to the Unitholders in the same proportions as the distributions received by Unitholders. All income and net taxable capital gains realized by the Trust as a result of any part of the Transaction (as determined in accordance with subparagraph 7.10(f)(iv)) shall be (and shall be deemed to be) made payable to the Unitholders (pro rata to the number of Units owned) immediately following such part of the Transaction, and the Unitholders shall have the legal right to enforce payment of the REIT Consideration at such time.

Section 14.9 Authorization of Trustee(s) shall be added and read as follows:

Section 14.9 *- Authorization of Trustee(s)*

Any Trustee is authorized, without further notice to or approval of the Unitholders, to approve such other amendments to this Declaration of Trust as are in his, her or its discretion necessary or desirable in order to permit the Final Redemption and as otherwise may be necessary or desirable in order to give effect to the Transaction and the Acquisition Agreement.

Section 16.4 Procedure Upon Termination shall be deleted in its entirety.

SCHEDULE "C"
BMO FAIRNESS OPINION

See attached.

BMO Capital Markets®

January 18, 2017

Special Committee of the Board of Trustees
Milestone Apartments Real Estate Investment Trust
c/o Milestone Multifamily Investors LP
5429 LBJ Freeway, Suite 800
Dallas, TX 75240

To the Special Committee of the Board of Trustees:

BMO Nesbitt Burns Inc. ("BMO Capital Markets" or "we" or "us") understands that Milestone Apartments Real Estate Investment Trust ("Milestone" or the "REIT"), certain of Milestone's subsidiaries, including Milestone Multifamily Investors LP (the "Company") and Starwood Capital Group (the "Acquiror") propose to enter into an acquisition agreement to be dated January 19, 2017 (the "Acquisition Agreement") pursuant to which, among other things, all of the outstanding units of the REIT (the "REIT Units"), and all of the Class B Units of the Company (the "Class B Units"), will either be redeemed or acquired for US$16.15 in cash per REIT Unit and per Class B Unit (the "Consideration"), (the "Transaction"). The terms and conditions of the Transaction will be summarized in the REIT's management information circular (the "Circular") to be mailed to holders of REIT Units (the "REIT Unitholders") in connection with a special meeting of the REIT Unitholders to be held to consider and, if deemed advisable, approve the Transaction.

We have been retained to provide financial advice to the Company, including, at the Company's request, providing our opinion (the "Opinion") to the special committee of the board of trustees of the REIT (the "Special Committee") as to the fairness from a financial point of view of the Consideration to be received by the REIT Unitholders pursuant to the Transaction.

ENGAGEMENT OF BMO CAPITAL MARKETS

The Company initially contacted BMO Capital Markets regarding a potential advisory assignment in November 2016. BMO Capital Markets was formally engaged by the Company pursuant to an agreement dated January 13, 2017 and effective as of November 10, 2016 (the "Engagement Agreement"). Under the terms of the Engagement Agreement, BMO Capital Markets has agreed to provide the Company with various advisory services in connection with the Transaction including, among other things, the provision of the Opinion to the Special Committee at the Company's request.

BMO Capital Markets will receive a fee for rendering the Opinion. We will also receive certain fees for our advisory services under the Engagement Agreement, a substantial portion of which is contingent upon the successful completion of the Transaction. The Company has also agreed to reimburse us for our reasonable out-of-pocket expenses and to indemnify us against certain liabilities that might arise out of our engagement.

This fairness opinion has been prepared in accordance with the Disclosure Standards for Formal Valuations and Fairness Opinions of the Investment Industry Regulatory Organization of Canada ("IIROC") but IIROC has not been involved in the preparation or review of this fairness opinion.

CREDENTIALS OF BMO CAPITAL MARKETS

BMO Capital Markets is one of North America's largest investment banking firms, with operations in all facets of corporate and government finance, mergers and acquisitions, equity and fixed income sales and trading, investment research and investment management. BMO Capital Markets has been a financial advisor in a significant number of transactions throughout North America involving public and

private companies in various industry sectors and has extensive experience in preparing fairness opinions.

The Opinion represents the opinion of BMO Capital Markets, the form and content of which have been approved for release by a committee of our officers who are collectively experienced in mergers and acquisitions, divestitures, restructurings, valuations, fairness opinions and capital markets matters.

INDEPENDENCE OF BMO CAPITAL MARKETS

Neither BMO Capital Markets, nor any of our affiliates, is an insider, associate or affiliate (as those terms are defined in the *Securities Act* (Ontario) or the rules made thereunder) of the Company, the REIT, the Acquiror, or any of their respective associates or affiliates (collectively, the "Interested Parties").

BMO Capital Markets has not been engaged to provide any financial advisory services nor has it participated in any financings involving the Interested Parties within the past two years, other than: (i) acting as financial advisor to the Company pursuant to the Engagement Agreement; (ii) acting as sole bookrunner and co-lead manager for the REIT's $193 million offering of REIT Units which closed on October 28, 2016; (iii) acting as sole bookrunner and co-lead manager for the REIT's $182 million offering of REIT Units which closed on March 31, 2016; (iv) acting as financial advisor to the Company in connection with the acquisition of properties from Landmark Apartment Trust for $502 million which closed on January 27, 2016; (v) acting as lead arranger and administrative agent to a subsidiary of the REIT in connection with a US$100 million revolving line of credit, which has a US$25 million accordion option, which closed on January 27, 2016; (vi) acting as sole bookrunner and co-lead manager for the REIT's $144 million offering of subscription receipts which closed on October 30, 2015; (vii) acting as sole bookrunner and co-lead manager for the REIT's $125 million offering of REIT Units which closed on May 26, 2015; and (viii) providing foreign exchange services related to the REIT's offerings of REIT Units listed above, as well as two year rolling hedges on distributions from the closing of the REIT's initial public offering in March 2013 and ending in December 2015.

There are no understandings, agreements or commitments between BMO Capital Markets and any of the Interested Parties with respect to future business dealings. BMO Capital Markets may, in the future, in the ordinary course of business, provide financial advisory, investment banking, or other financial services, including mortgage financing or property brokerage services, to one or more of the Interested Parties from time to time.

BMO Capital Markets and certain of our affiliates act as traders and dealers, 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 one or more of the Interested Parties and, from time to time, may have executed or may execute transactions on behalf of one or more Interested Parties for which BMO Capital Markets or such affiliates received or may receive compensation. As investment dealers, BMO Capital Markets and certain of our affiliates conduct research on securities and may, in the ordinary course of business, provide research reports and investment advice to clients on investment matters, including with respect to one or more of the Interested Parties or the Transaction. In addition, Bank of Montreal ("BMO"), of which BMO Capital Markets is a wholly-owned subsidiary, or one or more affiliates of BMO, may provide banking or other financial services, including mortgage financing or property brokerage services, to one or more of the Interested Parties in the ordinary course of business.

OVERVIEW OF MILESTONE

The REIT is an unincorporated, open-ended real estate investment trust that is governed by the laws of Ontario. The REIT's portfolio consists of 78 multifamily garden-style residential properties, comprising 24,061 apartment units that are located in 16 major metropolitan markets throughout the Southeast and Southwest United States. The REIT is the largest real estate investment trust listed on the TSX focused solely on the United States multifamily sector. Milestone's vertically integrated platform employs more than 1,200 employees and manages more than 50,000 apartment units across the United States.

SCOPE OF REVIEW

In connection with rendering the Opinion, we have reviewed and relied upon, or carried out, among other things, the following:

1. a draft of the Acquisition Agreement dated January 17, 2017;

2. a draft of the voting support agreement dated January 14, 2017, between the Acquiror and certain trustees, and senior management of the Company and the REIT;

3. certain publicly available information relating to the business, operations, and financial condition of the Company and the REIT, as well as the trading history of the REIT and other selected public entities we considered relevant;

4. certain internal financial, operating, corporate and other information prepared or provided by or on behalf of the Company and the REIT relating to the business, operations and financial condition of the Company and the REIT;

5. internal management forecasts, projections, estimates and budgets prepared or provided by or on behalf of the Company and the REIT;

6. discussions with the legal counsel to the Company and the REIT;

7. discussions with management of the Company and the REIT relating to the Company's and the REIT's current business, plans, financial condition and prospects;

8. public information with respect to selected precedent transactions we considered relevant;

9. various reports published by equity research analysts and industry sources we considered relevant;

10. a letter of representation as to certain factual matters and the completeness and accuracy of certain information upon which the Opinion is based, addressed to us and dated as of the date hereof, provided by senior officers of the Company and the REIT; and

11. such other information, investigations, analyses and discussions as we considered necessary or appropriate in the circumstances.

BMO Capital Markets has not, to the best of its knowledge, been denied access by the Company or the REIT to any information under the Company's or the REIT's control requested by BMO Capital Markets.

PRIOR VALUATIONS

The Company and the REIT have represented to BMO Capital Markets that there have not been any prior valuations (as defined in Multilateral instrument 61-101 – *Protection of Minority Shareholders in Special Transactions*) of the Company or the REIT or any of their subsidiaries or any of their respective material assets or liabilities in the past twenty-four month period, (other than normal course property appraisals completed in connection with the preparation of the REIT's financial statements), other than those which have been provided to BMO Capital Markets.

ASSUMPTIONS AND LIMITATIONS

We have relied upon and assumed the completeness, accuracy and fair presentation of all financial and other information, data, advice, opinions, representations and other material obtained by us from public sources or provided to us by or on behalf of the Company or the REIT or otherwise obtained by us in connection with our engagement (the "Information"). The Opinion is conditional upon such

completeness, accuracy and fair presentation. We have not been requested to, and have not assumed any obligation to, independently verify the completeness, accuracy or fair presentation of any such Information. We have assumed that forecasts, projections, estimates and budgets provided to us and used in our analyses were reasonably prepared on bases reflecting the best currently available assumptions, estimates and judgments of management of the Company and the REIT, having regard to the Company's and the REIT's business, plans, financial condition and prospects.

Senior officers of the Company and the REIT have represented to BMO Capital Markets in a letter of representation delivered as of the date hereof, among other things, that: (i) the Information provided to BMO Capital Markets orally by, or in the presence of, an officer or employee of, the Company or the REIT, or in writing by the Company or the REIT or any of their subsidiaries (as defined in National Instrument 45-106 *Prospectus and Registration Exemptions*) or any of their representatives in connection with our engagement, with the exception of forecasts, projections, estimates or budgets, was at the date the Information was provided to BMO Capital Markets, and is, as of the date hereof (except to the extent superseded by more current Information provided prior to the date hereof), complete, true and correct in all material respects, and did not and does not contain a misrepresentation (as defined in the *Securities Act* (Ontario)); and (ii) since the dates on which the Information was provided to BMO Capital Markets, except as disclosed publicly or to BMO Capital Markets, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the Company or the REIT or any of their subsidiaries, and no change has occurred in the Information or any part thereof which would have or which could reasonably be expected to have a material effect on the Opinion.

In preparing the Opinion, we have assumed that the executed Acquisition Agreement will not differ in any material respect from the draft that we reviewed, and that the Transaction will be consummated in accordance with the terms and conditions of the Acquisition Agreement without waiver of, or amendment to, any term or condition that is in any way material to our analyses.

The Opinion is rendered on the basis of securities markets, economic, financial and general business conditions prevailing as of January 17, 2017 and the condition and prospects, financial and otherwise, of the Company and the REIT as they are reflected in the Information and as they have been represented to BMO Capital Markets in discussions with management of the Company and the REIT and their representatives. In our analyses and in preparing the Opinion, BMO Capital Markets made numerous judgments and assumptions with respect to industry performance, general business, market and economic conditions and other matters, many of which are beyond our control or that of any party involved in the Transaction.

The Opinion is provided to the Special Committee pursuant to a request made by the Company for the Special Committee's use only in considering the Transaction and may not be used or relied upon by any other person or for any other purpose without our prior written consent. The Opinion does not constitute a recommendation as to how any REIT Unitholder should vote or act on any matter relating to the Transaction. Except for the inclusion of the Opinion in its entirety and a summary thereof (in a form acceptable to us) in the Circular, the Opinion is not to be reproduced, disseminated, quoted from or referred to (in whole or in part) without our prior written consent.

We have not been asked to prepare and have not prepared a formal valuation or appraisal of the securities or assets of the REIT, the Company or of any of their affiliates, and the Opinion should not be construed as such. The Opinion is not, and should not be construed as, advice as to the price at which the securities of the REIT may trade at any time. BMO Capital Markets was not engaged to review any legal, tax or regulatory aspects of the Transaction and the Opinion does not address any such matters. We have relied upon, without independent verification, the assessment by the Company and the REIT and their legal and tax advisors with respect to such matters. In addition, the Opinion does not address the relative merits of the Transaction as compared to any strategic alternatives that may be available to the REIT.

The Opinion is rendered as of the date hereof and BMO Capital Markets disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Opinion which may come or be brought to the attention of BMO Capital Markets after the date hereof. Without limiting the foregoing,

if we learn that any of the information we relied upon in preparing the Opinion was inaccurate, incomplete or misleading in any material respect, BMO Capital Markets reserves the right to change or withdraw the Opinion.

APPROACH TO FAIRNESS AND ANALYSIS

BMO Capital Markets performed various analyses in connection with rendering the Opinion. In arriving at our conclusion, we did not attribute any particular weight to any specific approach or analysis, but rather developed qualitative judgements on the basis of our experience in rendering such opinions and on the Information presented as a whole.

In considering the fairness from a financial point of view of the Consideration to be received by REIT Unitholders pursuant to the Transaction, we considered whether the value of the Consideration fell within a range of fair values for the REIT Units. To determine a range of fair values for the REIT Units, we considered the following methodologies: (i) comparable company trading analysis; (ii) precedent transactions analysis; (iii) sum-of-the-parts analysis; and (iv) discounted cash flow ("DCF") analysis.

Comparable Company Trading Analysis

BMO Capital Markets reviewed publicly available information for selected publicly listed entities we considered relevant and applied a range of price to adjusted funds from operations ("AFFO") multiples considered appropriate in the circumstances to the REIT's projection of 2017 AFFO per unit, which is in line with the street consensus estimate for 2017 AFFO per unit, to obtain a range of fair values for the REIT Units.

Precedent Transactions Analysis

BMO Capital Markets reviewed publicly available information for selected transactions involving entities in the North American multifamily real estate sector we considered relevant and derived a range of price to street consensus net asset value per unit multiples for transactions considered appropriate in the circumstances. BMO Capital Markets applied this range of multiples to the REIT's street consensus net asset value per unit to obtain a range of fair values for the REIT Units.

Sum-of-the-Parts-Analysis

BMO Capital Markets applied selected capitalization rates to the 2017 projected net operating income ("NOI") for each of the respective metropolitan statistical areas ("MSA") in which the REIT operates to obtain a value for the REIT's properties in each MSA. The capitalization rates for each MSA were selected based on a variety of factors, including, but not limited to, the economic conditions in each MSA and the applicable property ages. The implied values from each MSA were then aggregated and certain adjustments including, but not limited to, an adjustment for the REIT's capital structure was made to obtain a range of fair values for the REIT Units. BMO Capital Markets also performed sensitivity analyses based on the selected cap rate for each MSA.

Discounted Cash Flow Analysis

The discounted cash flow methodology is a calculation of the present value of the REIT's projected future cash flows to determine a range of values for the REIT Units. It involved estimating annual net cash flows for each year of the projection period, and discounting them at discount rates BMO Capital Markets determined reasonable. A terminal value was also calculated by applying an exit capitalization rate to the REIT's terminal year NOI with the resulting terminal value being discounted at the same discount rates used for the annual net cash flows. As part of the DCF methodology, BMO Capital Markets performed sensitivity analyses on the key factors considered to be primary drivers of the DCF methodology.

The Consideration to be received by REIT Unitholders pursuant to the Transaction is consistent with the range of fair values for the REIT Units generated by the foregoing analyses.

CONCLUSION

Based upon and subject to the foregoing, BMO Capital Markets is of the opinion that, as of the date hereof, the Consideration to be received by the REIT Unitholders pursuant to the Transaction is fair from a financial point of view to the REIT Unitholders.

Yours truly,

BMO Nesbitt Burns Inc.

SCHEDULE "D"
NBF FAIRNESS OPINION

See attached.

NATIONAL BANK
FINANCIAL MARKETS

January 18, 2017

The Special Committee of the Board of Trustees of Milestone Apartments Real Estate Investment Trust
333 Bay Street
Suite 3400
Toronto, Ontario
M5H 2S7

To the Members of the Special Committee:

National Bank Financial Inc. ("NBF") understands that Milestone Apartments Real Estate Investment Trust ("Milestone") proposes to enter into an acquisition agreement to be dated January 19, 2017 (the "Acquisition Agreement") with an affiliate of Starwood Capital Group ("Starwood"). Under the terms of the Acquisition Agreement, Starwood will, among other things, indirectly acquire all of Milestone's subsidiaries and assets (the "Transaction"). In connection with the Transaction, all trust units of Milestone (the "Milestone Units") will be redeemed and all class B limited partnership units of Milestone Multifamily Investors LP (the "Class B Units") will be exchanged, in each case, for consideration of US$16.15 per unit in cash (the "Consideration").

National Bank Financial also understands that Milestone proposes to enter into support and voting agreements (the "Support and Voting Agreements") with the trustees and senior officers of Milestone, (collectively, the "Locked-Up Unitholders") whereby such Locked-Up Unitholders will agree to, among other things, vote their Milestone Units and/or Class B Units, as applicable, in favour of the Transaction (subject to the terms and conditions of the Support and Voting Agreements). Further, we understand the parties who will sign Support and Voting Agreements represent approximately 14% of the outstanding fully-diluted Milestone Units.

We understand that the terms and conditions of the Transaction will be summarized in an information circular (the "Information Circular") to be prepared by Milestone and mailed to the holders of Milestone Units in connection with a unitholders' meeting to be called by Milestone to seek unitholder approval of the Transaction.

NBF also understands that a committee (the "Special Committee") of the Board of Trustees (the "Board") of Milestone has been constituted to consider the Transaction and make recommendations thereon to the Board.

Engagement of NBF

The Special Committee initially contacted NBF regarding a potential advisory assignment on December 22, 2016. Pursuant to an engagement agreement dated January 4, 2017 (the "Engagement Agreement"), Milestone retained, at the direction of the Special Committee, the services of NBF to preparare and deliver to the Special Committee an opinion as to whether the consideration payable pursuant to the Transaction is fair or inadequate, from a financial point of view, to the holders of Milestone Units (the "Fairness Opinion").

NBF will be paid fees for the delivery of this Fairness Opinion, regardless of the conclusion in this Fairness Opinion, and such fee will not be contingent in any respect on the successful completion of the Transaction. In addition, NBF is to be reimbursed for its reasonable out-of-pocket expenses and to be indemnified by Milestone in certain circumstances.

NBF understands that this Fairness Opinion and a summary thereof will be included in the Information Circular and, subject to the terms of the Engagement Letter, NBF consents to such disclosure. NBF has not been engaged to prepare a formal valuation of the Milestone Units, the Class B Units or any other securities or assets of Milestone, and this Fairness Opinion should not be construed as such.

Relationship with Interested Parties

None of NBF or any of its affiliates, is an insider, associate or affiliate (as those terms are defined in the Securities Act (Ontario) or the rules made thereunder) of Milestone, Starwood or any of their respective associates or affiliates (collectively, the "Transaction Parties").

None of NBF or any of its affiliates has any past, present or future relationship with any interested party (as defined in Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions ("MI 61-101")) (collectively with the Transaction Parties, the "Interested Parties") which may be relevant to NBF's independence for purposes of providing this Fairness Opinion.

NBF has not been engaged to provide any financial advisory services nor has it participated in any financings involving the Interested Parties within the past two years, other than acting as:

a) co-manager for $192.6 million treasury equity offering of Milestone Units that closed on October 28, 2016;

b) financial advisor to the independent trustees of Milestone with respect to the internalization of Milestone's asset management agreement in July 2016;

c) co-manager for $181.5 million secondary offering of Milestone Units that closed on March 31, 2016;

d) co-manager for $143.9 million treasury offering of Milestone Units that closed on October 30, 2015; and

e) co-manager for $125.1 million treasury and secondary offering of Milestone Units that closed on May 26, 2015.

There are no current understandings, agreements or commitments between NBF and any Interested Party with respect to future business dealings. NBF or its affiliates may, in the ordinary course of their respective businesses, provide financial advisory or investment banking or other services to one or more of the Interested Parties. In addition, National Bank of Canada ("NBC"), of which NBF is a wholly-owned subsidiary, or one or more affiliates of NBC, may provide banking or other financial services including mortgage financing to one or more of the Interested Parties in the ordinary course of business

NBF 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 Interested Parties, from time to time, may have executed or may execute transactions for such parties and clients from whom it received or may receive compensation. NBF, as an investment dealer,

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 Interested Parties.

Credentials of NBF

NBF is a leading Canadian investment dealer whose businesses include corporate finance, mergers and acquisitions, equity and fixed income sales and trading and investment research. This Fairness Opinion is the opinion of NBF and the form and content herein has been reviewed and approved for release by a group of managing directors of NBF, each of whom is experienced in merger, acquisition, divestiture, valuation and fairness opinion matters.

This Fairness Opinion has been prepared in accordance with the Disclosure Standards for Formal Valuations and Fairness Opinions of the Investment Industry Regulatory Organization of Canada ("IIROC"), but IIROC has not been involved in the preparation or review of this Fairness Opinion.

Overview of Milestone

Milestone owns and manages garden-style apartment communities in growing major metropolitan markets throughout the Southeast and Southwest United States. Milestone is the largest real estate investment trust listed on the Toronto Stock Exchange that is focused solely on the United States multifamily sector. Milestone employs approximately 1,200 personnel nationwide, and maintains corporate offices in Dallas, Texas and New York, New York, as well as ten regional acquisition and management offices throughout the United States Milestone's portfolio is comprised of 78 multifamily garden-style residential properties, containing over 24,000 units located in 16 major metropolitan markets throughout the Southeast and Southwest United States. Milestone's internal property management company, Milestone Management, is one of the country's largest residential property management firms, providing management services to over 50,000 units in major metropolitan markets throughout the United States. Milestone was established as an unincorporated, open-ended real estate investment trust pursuant to an amended and restated declaration of trust of Milestone dated March 6, 2013 under the laws of the Province of Ontario.

Scope of Review

In connection with rendering this Fairness Opinion, NBF has reviewed and relied upon or carried out, among other things, the following:

a) a draft form of the Acquisition Agreement dated January 16, 2017;

b) a draft of the equity commitment letter provided by Maple SOF Partners to Maple-SOF Partnership Merger Sub, L.P. dated January 16, 2017;

c) a draft form of the Support and Voting Agreement dated January 16, 2017;

d) internal consolidated budgets prepared by management of Milestone for historical and forecast periods;

e) internal property level budgets of Milestone for the period ending December 31, 2017;

f) five year capital expenditure forecast for Milestone;

g) outstanding debt and termination/prepayment analysis and related mortgage documentation for Milestone;

h) a draft representation letter signed by senior management of Milestone as to certain factual matters and the completeness and accuracy of certain information upon which this Fairness Opinion is based;

i) Milestone's audited annual financial statements and management's discussion and analysis for each of the fiscal years ended December 31, 2015 and 2014;

j) Milestone's quarterly financial statements and management's discussion and analysis for the three month and nine month periods ended September 30, 2016;

k) Milestone's annual information form for the year ended December 31, 2015 dated March 3, 2016;

l) Milestone's notice of annual meeting and management information circular dated April 1, 2016;

m) Milestone's prospectus supplement for a treasury offering of Milestone Units dated October 21, 2016;

n) Milestone's prospectus supplement for a secondary offering of Milestone Units dated March 23, 2016;

o) discussions with representatives of legal counsel to Milestone and the Special Committee;

p) discussions with members of Milestone's management team;

q) various research publications prepared by industry and equity research analysts regarding Milestone and other selected public companies that were considered relevant;

NBF has not, to the best of its knowledge, been denied access by Milestone to any information under their respective control that has been requested by NBF.

Assumptions and Limitations

NBF has relied upon the completeness, accuracy and fair presentation of all financial and other information, data, advice, opinions and representations obtained by us from public sources or information provided to us by Milestone, its subsidiaries or their respective trustees, directors, officers, associates, affiliates, consultants, advisors and representatives (collectively, the "Information"). NBF did not meet with the auditors of Milestone and has assumed the accuracy and fair presentation of, and relied upon, the audited consolidated financial statements of Milestone and the reports of the auditors thereon as well as the unaudited interim financial statements of Milestone. This Fairness Opinion assumes such completeness, accuracy and fair presentation of such Information. Subject to the exercise of professional judgment, we have not attempted to independently verify the completeness, accuracy or fair presentation of any of the Information.

Senior officers of Milestone have represented to NBF in a representation letter dated as of the date hereof, among other things, that: (i) with the exception of information that constitutes forecasts, projections, estimates, budgets or other prospective information or data, the Information provided orally by, an officer or employee of Milestone or in writing by Milestone or

any of its subsidiaries (as such term is defined in the *Securities Act* (Ontario)) to NBF relating to Milestone or any of its subsidiaries or the Transaction for the purpose of preparing this Fairness Opinion was, at the date the Information was provided to NBF, and is (except to the extent superseded by more current information), true and correct in all material respects, and did not and does not contain any untrue statement of a material fact in respect of Milestone, its subsidiaries or the Transaction and did not and does not omit to state a material fact in respect of Milestone, its subsidiaries or the Transaction necessary to make the Information not misleading in light of the circumstances under which the Information was made or provided; (ii) since the dates on which the Information was provided to NBF, except as disclosed in writing to NBF or as publicly disclosed, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations, or prospects of Milestone or any of its subsidiaries and no material change has occurred in the Information or any part thereof which would have, or which would reasonably be expected to have, a material effect on this Fairness Opinion; and (iii) to the best of the senior officers' knowledge, information and belief after due inquiry, there are no independent appraisals or valuations or material non-independent appraisals or valuations relating to Milestone or any of its subsidiaries or any of their respective material assets or liabilities which have been prepared as of a date within the two years preceding the date hereof (other than normal course property appraisals completed in connection with the preparation of Milestone's financial statements) and which have not been provided to NBF.

With respect to operating and financial forecasts provided to us concerning Milestone or any of its subsidiaries and relied upon by us in our analysis, we have assumed (subject to the exercise of our professional judgment) that they have been prepared on bases reflecting reasonable assumptions, estimates and judgments of management of Milestone, having regard to Milestone's business plans, financial conditions and prospects.

NBF has assumed that, in all respects material to its analysis, the Acquisition Agreement executed by the parties will be in substantially the form of the draft provided to us, the representations and warranties of the parties to the Acquisition Agreement contained therein are true, accurate and complete in all material respects, such parties will each perform all of the respective covenants and agreements to be performed by them under the Acquisition Agreement, and all conditions to the obligations of such parties as specified in the Acquisition Agreement will be satisfied without any waiver thereof.

We have also assumed that the Support and Voting Agreements will be entered into by the Locked-Up Unitholders, substantially in the form of the draft provided to us, that all of the representations and warranties to be contained in the Support and Voting Agreements, will be correct as of the date hereof and that the Support and Voting Agreements, will vote all of their securities in favour of the Transaction.

This Fairness Opinion is rendered on the basis of securities markets, economic and general business and financial conditions prevailing as at the date hereof and the conditions and prospects, financial and otherwise, of Milestone and its subsidiaries, as they are reflected in the Information and as they were represented to NBF in our discussions with management of Milestone. In our analyses and in connection with preparing this Fairness Opinion, NBF made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of NBF or of any party involved in the Transaction.

We are not legal, tax or accounting experts and we express no opinion concerning any legal, tax or accounting matters concerning the Transaction or the sufficiency of this letter for your purposes.

This Fairness Opinion is effective on the date hereof and NBF disclaims any undertaking or obligation to advise any person of any change in any fact, information or matter affecting this Fairness Opinion that may come or be brought to NBF's attention after the date hereof. Without limiting the foregoing, if there is any material change in any fact, information or matter affecting this Fairness Opinion after the date hereof, NBF reserves the right to change, modify or withdraw this Fairness Opinion. This Fairness Opinion is addressed to the Special Committee and is for the sole use and benefit of the Special Committee, and may not be referred to, summarized, circulated, publicized or reproduced by Milestone, other than in the Information Circular as herein expressly specified, or disclosed to, used or relied upon by any other party without the express prior written consent of NBF. This Fairness Opinion is not to be construed as a recommendation to any holder of the Units to vote in favour or against the Transaction or any other matter. In addition, this Fairness Opinion does not address in any manner the prices at which any securities of Milestone will trade at any time.

NBF believes that its analyses must be considered as a whole and that selecting portions of our analyses or the factors considered by us, without considering all factors and analyses together, could create a misleading view of the process underlying this 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. This Fairness Opinion should be read in its entirety.

Fairness Approaches

In support of this Fairness Opinion, NBF has performed certain analysis on Milestone, based on those methodologies and assumptions that NBF considered appropriate in the circumstances for the purposes of preparing this Fairness Opinion. In the context of this Fairness Opinion, NBF considered the following principal methodologies:

i. Comparable companies approach;

ii. Precedent transaction premium approach;

iii. Precedent transactions approach; and

iv. Net asset value ("NAV") approach.

Comparable Companies Approach

In applying the comparables valuation methodology to Milestone, NBF reviewed the public market trading multiples of multifamily real estate entities with significant income producing properties. In selecting the appropriate ranges of normalized funds from operations ("FFO") multiples per unit, normalized adjusted funds from operations ("AFFO") multiples per unit and implied capitalization rates from the comparable sample, NBF considered the characteristics of the publicly traded multifamily real estate entities including, among other things, the size, quality and mix of their assets, market capitalization, forward trading multiples of FFO and AFFO, current yields, payout ratios, capitalization rates, leverage, asset management arrangements and governance.

Precedent Transaction Premium Approach

NBF reviewed change of control premiums paid in the Canadian public market for real estate entities and in the U.S. public market for multifamily real estate entities to consider the "en-bloc" value of Milestone in the context of recent purchases or sales of comparable entities. Based

on the analysis, NBF applied a range of premiums to the 20-day volume weighted average price ("VWAP") of the trading price of Milestone Units.

Precedent Transactions Approach

NBF reviewed publicly available information on selected acquisition transactions involving U.S. multifamily real estate investment trusts. In selecting the appropriate premium/discount to NAV from precedent transactions to apply to Milestone, NBF considered the characteristics of the entities involved in the precedent transactions including, among other things, the size, quality and mix of their assets. NBF then applied a range of selected premiums/discounts to NAV from these transactions to the corresponding data of Milestone.

NAV Approach

The NAV approach ascribes a separate value for each asset and liability category of an entity, utilizing the methodology appropriate in each case. The sum of total assets less total liabilities equals NAV. There are five key components to NBF's calculation of Milestone's NAV: 1) income producing properties; 2) capitalized general and administrative expenses; 3) secured and corporate level debt; 4) other assets and liabilities; and 5) distinct material value. Milestone's income producing properties portfolio consists of 78 multi-residential properties. To value the income producing properties, NBF used (i) a net operating income ("NOI") capitalization approach; and (ii) a ten-year discounted cash flow ("DCF") approach. In completing the NAV analysis, NBF performed a variety of sensitivity analyses, the results of which are reflected in NBF's judgment as to the appropriate values resulting from the NAV approach.

The NAV approach required that certain assumptions be made to derive the present value of future free cash flows including, among other things, annual acquisition quantum, discount rate, capitalization rates, terminal capitalization rates, net operating income growth, and maintenance capital expenditures.

Conclusion

Based upon and subject to the foregoing and such other matters as we consider relevant, NBF is of the opinion that, as of the date hereof, the Consideration payable pursuant to the Transaction is fair, from a financial point of view, to the holders of Milestone Units.

Yours very truly,

National Bank Financial Inc.

NATIONAL BANK FINANCIAL INC.

Any questions and requests for assistance may be directed to the Strategic Shareholder Advisor and Proxy Solicitation Agent:

KINGSDALE Advisors

The Exchange Tower
130 King Street West, Suite 2950, P.O. Box 361
Toronto, Ontario
M5X 1E2
www.kingsdaleadvisors.com

North American Toll Free Phone:

1-866-851-3215

Email: contactus@kingsdaleadvisors.com

Facsimile: 416-867-2271

Toll Free Facsimile: 1-866-545-5580

Outside North America, Banks and Brokers Call Collect: 416-867-2272