



ATTENTION NORTHVIEW UNITHOLDERS:

You have an opportunity to receive significant and certain value in exchange for your Units in Northview.

Northview unitholders stand to receive a premium

Offer Price of: **\$36.25/Unit**

17% Premium to 30-day volume weighted average price*

12% Premium to near all-time high closing price*

25% to consensus analyst net asset value per Unit*

*as at the market close on February 19, 2020, the day prior to the announcement of the Arrangement

Please ensure that your vote and election as to the form of consideration you wish to receive is provided well in advance of the deadline at 3:00 PM (MDT) on

MAY
21
2020

For questions or assistance voting your proxy, please contact Karl Bomhof, VP, Legal and Corporate Secretary of the REIT, by telephone at 403-531-0720 or by e-mail at: corpsecretary@northviewreit.com.

BOARD OF TRUSTEES
CHAIRMAN'S LETTER TO UNITHOLDERS

April 23, 2020

Dear Northview Unitholders:

You have an opportunity to receive significant and certain value in exchange for your REIT Units. Unitholders stand to receive a premium Offer Price of \$36.25 per REIT Unit as a result of an Arrangement Agreement pursuant to which affiliates of Starlight Group Property Holdings Inc. and KingSett Capital Inc. have agreed to purchase the REIT.

The Offer Price is payable, at the election of Unitholders, in: (i) cash; or (ii) a combination of cash and units of a new High Yield Fund formed to provide investors with an investment opportunity to participate in a geographically diversified portfolio comprised of income-producing multi-residential suites, commercial real estate and executives located in the Secondary Markets and that are currently owned and operated by the REIT.

UNITHOLDERS ARE URGED TO VOTE IN FAVOUR OF THE ARRANGEMENT

The REIT's Board unanimously recommends that Unitholders vote IN FAVOUR of the Arrangement Resolution for a number of reasons:

- **Compelling Premium to Unitholders.** The Offer Price offered to Trust Unitholders represents a 17% premium to the REIT's 30-day volume weighted average price per REIT Unit on the TSX ended on February 19, 2020 (the day prior to the announcement of the Arrangement), a 12% premium to the REIT's near all-time high closing price per REIT Unit on the TSX on February 19, 2020 and a 25% premium to the REIT's Consensus NAV per REIT Unit on February 19, 2020.
- **Certainty of Value and Liquidity.** The All-Cash Consideration offered to Trust Unitholders allows Trust Unitholders to immediately realize value for all of their investment and provides certainty of value and liquidity at a significant premium to the closing price per REIT Unit on February 19, 2020, as described above, and removes the risks associated with the REIT remaining a public entity (including the challenges of acquiring and developing assets on an accretive basis in light of an increasingly competitive environment for multi-tenant residential real estate).
- **Go-Shop Provision.** The Arrangement Agreement contains a "go-shop" provision which allowed the REIT to solicit and engage in discussions and negotiations with respect to potential Acquisition Proposals for an initial period of 30 days and to enter into a Superior Proposal during the Go-Shop Period. During the Go-Shop Period, Scotiabank, the REIT's financial advisor, contacted 54 potential buyers. Two of the potential buyers entered into confidentiality agreements with the REIT and were granted access to non-public information about the REIT. At the expiry of the Go-Shop Period, the Board determined that there was no reasonable prospect of receiving an Acquisition Proposal.
- **Ability to Respond to a Superior Proposal.** Under the Arrangement Agreement, the Board, in certain circumstances until Unitholder Approval is obtained in respect of the Arrangement Resolution, is able to consider, accept and enter into a definitive agreement with respect to a Superior Proposal upon payment of the Termination Fee to the Purchasers, or withdraw, modify or amend the Board Recommendation that Unitholders vote to approve the Arrangement Resolution. The Special Committee and the Board, based on advice received from its financial advisors, concluded that the Termination Fee is reasonable in the circumstances.

- **Fairness Opinions.** Scotiabank delivered the Scotiabank Fairness Opinion and NBF delivered the NBF Fairness Opinion, which advise that, as of February 19, 2020, and subject to the assumptions, limitations, qualifications and other matters set forth in the Fairness Opinions, the Consideration to be received by Trust Unitholders who elect to receive, or are deemed to have elected to receive, the All-Cash Consideration under the Arrangement is fair, from a financial point of view, to those Trust Unitholders (other than the Purchasers and their affiliates).
- **Formal Valuation.** NBF delivered to the Special Committee the Valuation, which reflects NBF's determination that, as of February 19, 2020, and based upon and subject to the assumptions, limitations, qualifications and other matters set forth therein, the fair market value of the REIT Units is in the range of \$33.25 to \$36.75 per REIT Unit.
- **Procedural Safeguards.** For the Arrangement to proceed (i) the Arrangement Resolution must receive Unitholder Approval and (ii) the Arrangement must be approved by the Court, which will consider, among other things, the fairness of the Arrangement. Registered Trust Unitholders who do not vote in favour of the Arrangement Resolution have the right to exercise Dissent Rights in connection with the Arrangement.
- **Role of the Special Committee.** The REIT appointed a Special Committee following the receipt by the REIT of the Purchasers' Initial Offer. The Special Committee took an active and independent role in directing strategic decisions with respect to the Arrangement, and provided oversight, guidance and specific instructions to the REIT with respect to the negotiations involving the Arrangement. Through the Special Committee's involvement, the REIT was able to secure favourable terms for Unitholders, including a higher Offer Price and the ability to receive All-Cash Consideration. The Special Committee unanimously recommended that the Board approve the Arrangement.
- **Proven Track Record of Starlight and KingSett.** Starlight and KingSett have demonstrated commitment, credit worthiness and a consistent track record of completing large-scale real estate transactions which is indicative of the ability of Starlight and KingSett to complete the transactions contemplated by the Arrangement.
- **Drimmer Voting and Support Agreement.** Pursuant to the Drimmer Voting and Support Agreement, Daniel Drimmer has agreed to vote all of his REIT Units in favour of the Arrangement Resolution.
- **Trustee and Officer Voting and Support Agreements.** Pursuant to the Trustee and Officer Voting and Support Agreements described under "The Arrangement – Voting and Support Agreements", the Trustees and each executive officer of the REIT have agreed, among other things, to vote their REIT Units in favour of the Arrangement Resolution.
- **Guarantee by Starlight and KingSett.** The Guarantors have unconditionally and irrevocably guaranteed the due and punctual performance by the Purchasers of the Purchasers' covenants, obligations and undertakings under the Arrangement Agreement, including the due and punctual payment of the Aggregate Cash Consideration and all other amounts payable in connection with the Arrangement Agreement.
- **Maintaining Status Quo May Negatively Impact Future Growth Opportunities.** The Special Committee and the Board, with the assistance of their financial and legal advisors, and based upon their collective knowledge of the business, operations, financial condition, earnings and prospects of the REIT, as well as their collective knowledge of the current and prospective environment in which the REIT operates (including economic and market conditions), assessed the relative benefits and risks of various alternatives reasonably available to the REIT including continued execution of the REIT's current growth strategy. The

Special Committee and the Board ultimately concluded that entering into the Arrangement Agreement with the Purchasers was more favourable to Unitholders than maintaining the status quo.

- **No Financing Condition.** The Purchasers have represented that, assuming the satisfaction of the conditions to the Arrangement set out in the Arrangement Agreement, upon receipt of the proceeds contemplated by the Purchaser Commitment Letters, the Purchasers will have access to sufficient cash funds (including available cash held by the REIT and its Subsidiaries) and borrowing capacity to pay all amounts to be paid by the Purchasers pursuant to the Arrangement Agreement and to perform their obligations thereunder. The completion of the Arrangement is not conditional on financing.
- **Limited Conditions to Closing.** Each of the Purchasers' and Guarantors' obligations to complete the Arrangement are subject to a limited number of conditions that the Board believes are reasonable in the circumstances.
- **Competition Act Approval.** The Board considered the nature of the Competition Act Approval and, after consultation with its legal advisors, concluded that it would be reasonable to expect that the Competition Act Approval could be obtained within a reasonable time.
- **Continued Ability to Pay Regular Monthly Distributions.** The REIT is permitted to continue declaring and paying its regular monthly distributions in the amount of \$0.1358 per REIT Unit, subject to the REIT's compliance with certain covenants, and to pay a Stub Distribution in accordance with the terms of the Plan of Arrangement.
- **Expense Reimbursement Fee.** If the Arrangement Agreement is terminated in the event of an Expense Reimbursement Event, the Purchasers are required to pay to the REIT the Expense Reimbursement Fee.

Unitholders can review the full details regarding the negotiation of, and reasons for supporting, the Arrangement in the Background to the Arrangement and Reasons for the Recommendation sections of the Circular. Subject to the satisfaction or waiver of all conditions, the Arrangement is expected to be completed in the third quarter of 2020.

In addition, Unitholders will have the option of investing alongside Starlight and KingSett by electing to receive 0.5655 High Yield Fund Units on a tax deferred basis and the remainder of the Consideration of \$29.18 on a taxable basis in cash, High Yield Fund Units or a combination of cash and High Yield Fund Units (other than Unitholders resident in or otherwise located in the United States that will receive cash), subject to proration. The High Yield Fund will target an annual pre-tax distribution yield of 10.5% across all unit classes on gross subscription proceeds received by the High Yield Fund. The High Yield Fund will be externally managed by a wholly-owned subsidiary of Starlight, an experienced multi-residential real estate owner and asset manager in combination with employees of the REIT.

The REIT's Board unanimously recommends that Unitholders vote IN FAVOUR of the Arrangement Resolution and accept the All-Cash Consideration available under the Arrangement.

VOTING INSTRUCTIONS

The Record Date for Unitholders to be eligible to vote at the Meeting is March 27, 2020. Please ensure that your vote is received in advance of the May 21, 2020 at 3:00 pm (Mountain Daylight Time) proxy voting deadline, so that it may be counted at the Meeting that is scheduled for May 25, 2020. If you have any questions or need assistance in your consideration of the Arrangement or with the completion and delivery of your Proxy, please contact Karl Bomhof, VP, Legal and Corporate Secretary of the REIT, by telephone at: 403-531-0720, or by e-mail at: corpsecretary@northviewreit.com. **If you have any questions about submitting your REIT Units to the Arrangement, including with respect to completing the applicable**

letter of transmittal and election form for Consideration to be received pursuant to the Arrangement, please contact TSX Trust Company, who is acting as depositary under the Arrangement, by telephone at 1-866-600-5869 (toll-free in North America) or 416-342-1091, by facsimile at 416-361-0470, or by email at TMXEInvestorServices@tmx.com.

The REIT is conducting a hybrid Unitholder Meeting that will allow registered Unitholders and duly appointed proxyholders to participate both online and in person. Registered Unitholders and duly appointed proxyholders can attend the Meeting in person at the REIT's head office at 200, 6131-6th Street SE, Calgary, Alberta, T2H 1L9 or online at <https://web.lumiagm.com/265965225> where they can participate, vote, and submit questions during the Meeting's live webcast. See "*General Proxy Matters – Voting of Units*" of the enclosed management information circular for details on how to vote at the Meeting.

Given concerns about COVID-19, the REIT strongly recommends that Unitholders do not attend the Meeting in person in order to comply with social distancing measures recommended or imposed by governments and public health authorities. In addition, the number of persons permitted to attend the Meeting in person will be restricted to the number permitted by applicable laws (including for greater certainty, orders of the Alberta Chief Medical Officer of Health). As of the date of this Circular, the gathering of persons in Alberta in excess of 15 people in a group, in an indoor location, is prohibited. In the event the number of persons that desire to attend the Meeting in person is greater than the number permitted by applicable laws, Unitholders will be granted in-person access to the Meeting on a first-come, first-serve basis. In the event a Unitholder is declined in-person access to the Meeting, they will be given the opportunity to leave their completed form of proxy or ballot with the scrutineer outside of the Meeting prior to leaving the premises.

We encourage Unitholders to vote by proxy in advance of the Meeting.

We are pleased to be able to provide an opportunity for significant value, certainty and liquidity to our Unitholders. Thank you for your support.

Sincerely,

(signed) "*Scott Thon*"

Scott Thon, Chair of the Board of Trustees

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF UNITHOLDERS OF NORTHVIEW
APARTMENT REAL ESTATE INVESTMENT TRUST**

to be held on May 25, 2020

NOTICE IS HEREBY GIVEN that an annual general and special meeting (the “**Meeting**”) of the holders of units (“**Trust Unitholders**”) and holders of special voting units (“**Special Voting Unitholders**”) and collectively with Trust Unitholders, “**Unitholders**”) of Northview Apartment Real Estate Investment Trust (“**Northview**” or the “**REIT**”) will be held at the REIT’s head office at 200, 6131-6th Street SE, Calgary, Alberta, T2H 1L9 and online at <https://web.lumiagm.com/265965225> on May 25, 2020 at 3:00 p.m. (Mountain Daylight Time) for the following purposes:

- (a) to consider, pursuant to an interim order of the Alberta Court of Queen’s Bench (the “**Court**”), as such order may be amended, modified, supplemented or varied (the “**Interim Order**”), and to vote on, with or without variation, a special resolution (the “**Arrangement Resolution**”), the full text of which is set forth in Appendix “A” to the accompanying management information circular (the “**Circular**”), approving a plan of arrangement (the “**Arrangement**”) under section 193 of the *Business Corporations Act* (Alberta) involving, among others, the REIT, Galaxy Real Estate Core Fund LP and Galaxy Value Add Fund LP, all as more particularly described in the Circular;
- (b) to receive the audited annual consolidated financial statements for the financial year ended December 31, 2019 and the report of the auditor thereon;
- (c) to appoint KPMG LLP as auditor of Northview for the ensuing year at a remuneration to be fixed by the board of trustees on the recommendation of Northview’s Audit & Risk Management Committee;
- (d) to elect the trustees of Northview for the ensuing year;
- (e) to consider an advisory resolution on executive compensation; and
- (f) to transact any such other business as may properly be brought before the Meeting or any adjournment or postponement thereof.

The Circular accompanying this notice of annual general and special meeting of Unitholders provides information regarding the business to be considered at the Meeting and includes the full text of the Arrangement Resolution and the Interim Order, attached thereto as Appendix “A” and Appendix “B”, respectively.

The Board of Trustees of Northview has fixed the close of business (Mountain Daylight Time) on March 27, 2020 as the Record Date for the purpose of determining Unitholders entitled to receive this notice of annual general and special meeting and to vote at the Meeting. Each Unitholder is entitled to one vote for each REIT Unit or Special Voting Unit held and shown as registered in such Unitholder’s name on the list of Unitholders prepared as of the close of business (Mountain Daylight Time) on the Record Date.

The REIT is conducting a hybrid Unitholder Meeting that will allow registered Unitholders and duly appointed proxyholders to participate both online and in person. Registered Unitholders and duly appointed proxyholders can attend the Meeting in person at the REIT’s head office at 200, 6131-6th Street SE, Calgary, Alberta, T2H 1L9 or online at <https://web.lumiagm.com/265965225> where they can participate, vote, or submit questions during the Meeting’s live webcast. See “*General Proxy Matters – Voting of Units*” of the enclosed management information circular for details on how to vote at the Meeting.

If you are a registered Unitholder and are unable to or do not wish to attend the Meeting in person or online, you are requested to date and sign the enclosed form of proxy and return it in the envelope provided for that purpose so that it is received by Northview’s transfer agent, Computershare Trust Company of Canada, at 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, by no later than 3:00 p.m. (Mountain Daylight Time) on May 21, 2020, or no later than 48 hours before any adjournment. The persons designated

in the enclosed proxy are Trustees of the REIT and/or senior officers of the REIT. Each Unitholder has the right to appoint a person (who need not be a Unitholder) to attend and act on his behalf at the Meeting or any adjournment or adjournments thereof other than the person specified in the enclosed proxy. This right may be exercised by inserting the name of the Unitholder's nominee in the space provided, or by completing another appropriate proxy and, in either case, delivering the proxy to Computershare no later than 3:00 p.m. (Mountain Daylight Time) on May 21, 2020 or no later than 48 hours before any adjournment of the Meeting.

If you are a Beneficial Unitholder, you should follow the instructions provided by your securities broker, financial institution, trustee, custodian or other nominee who holds securities on their behalf or in the name of a clearing agency (an "**Intermediary**") to ensure your vote is counted at the Meeting and should arrange for your Intermediary to complete the necessary transmittal documents to ensure that you receive payment for your REIT Units if the Arrangement is completed.

Given concerns about COVID-19, the REIT strongly recommends that Unitholders do not attend the Meeting in person in order to comply with social distancing measures recommended or imposed by governments and public health authorities. In addition, the number of persons permitted to attend the Meeting in person will be restricted to the number permitted by applicable laws (including for greater certainty, orders of the Alberta Chief Medical Officer of Health). As of the date of this Circular, the gathering of persons in Alberta in excess of 15 people in a group, in an indoor location, is prohibited. In the event the number of persons that desire to attend the Meeting in person is greater than the number permitted by applicable laws, Unitholders will be granted in-person access to the Meeting on a first-come, first-serve basis. In the event a Unitholder is declined in-person access to the Meeting, they will be given the opportunity to leave their completed form of proxy or ballot with the scrutineer outside of the Meeting prior to leaving the premises.

We encourage Unitholders to vote by proxy in advance of the Meeting.

Take notice that, pursuant to the Interim Order, each registered Trust Unitholder as of the Record Date has been granted the right to dissent in respect of the Arrangement Resolution and, if the Arrangement becomes effective, to be paid the fair value of the REIT Units in respect of which such registered Trust Unitholder dissents, in accordance with the dissent procedures under section 191 of the Business Corporations Act (Alberta) as modified by the Interim Order. To exercise such right, (a) a written notice of dissent with respect to the Arrangement Resolution from the registered Trust Unitholder must be received by the REIT at its address for such purpose, 200, 6131 – 6th Street SE, Calgary, Alberta, T2H 1L9, Attention: Karl Bomhof, or by e-mail at: corpsecretary@northviewreit.com, no later than 5:00 p.m. (Mountain Daylight Time) on May 21, 2020, or 5:00 p.m. (Mountain Daylight Time) on the day that is two (2) Business Days immediately preceding the date to which the Meeting is adjourned or postponed; and (b) the registered Trust Unitholder must have otherwise complied with the dissent procedures under section 191 of the Business Corporations Act (Alberta) as modified by the Interim Order and the Plan of Arrangement. The right to dissent is described in the section of the Circular entitled "Dissent Rights", the Plan of Arrangement is set forth in Appendix "D" to the Circular, the text of the Interim Order is set forth in Appendix "B" to the Circular and the text of section 191 of the Business Corporations Act (Alberta) is set forth in Appendix "L" to the Circular.

Strict adherence to the procedures under section 191 of the *Business Corporations Act* (Alberta), as modified by the Interim Order and the Plan of Arrangement is required in order to validly exercise Dissent Rights and failure to do so may result in the loss of all Dissent Rights.

If you have any questions or need assistance in your consideration of the Arrangement or with the completion and delivery of your proxy, please contact Karl Bomhof, VP, Legal and Corporate Secretary of the REIT, by telephone at: 403-531-0720, or by e-mail at: corpsecretary@northviewreit.com. **If you have any questions about submitting your REIT Units to the Arrangement, including with respect to completing the applicable letter of transmittal and election form for Consideration to be received pursuant to the Arrangement, please contact TSX Trust Company, who is acting as depositary under the Arrangement, by telephone at 1-866-600-5869 (toll-free in North America) or 416-342-1091, by facsimile at 416-361-0470, or by email at TMXInvestorServices@tmx.com.**

DATED at the City of Calgary, Alberta, this 23rd day of April, 2020.

BY ORDER OF THE TRUSTEES

(signed) "*Karl Bomhof*"

Name: Karl Bomhof

Title: Vice President, Legal & Corporate Secretary

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QUESTIONS AND ANSWERS

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

Unitholders are urged to read this Circular in its entirety before making a decision related to their REIT Units and Special Voting Units.

1. Q. What am I voting on?

A. Unitholders are being asked to consider and, if deemed advisable, to vote **IN FAVOUR** of the Arrangement Resolution approving the Arrangement, including the Plan of Arrangement. The full text of the Arrangement Resolution is set out in Appendix “A” to this Circular.

Unitholders are also voting on regular annual general meeting items, such as the election of Trustees of the REIT, the appointment of the REIT’s auditors, an advisory resolution on executive compensation, and such other business as may properly be brought before the Meeting.

2. Q. When and where is the Meeting?

A. The Meeting will be held in person at the REIT’s head office at 200, 6131-6th Street SE, Calgary, Alberta, T2H 1L9 and online at <https://web.lumiagm.com/265965225> on May 25, 2020 at 3:00 p.m. (Mountain Daylight Time).

3. Q. Given the emergence of the COVID-19 pandemic, what should I do if I do not want to attend the Meeting in person?

A. We encourage Unitholders to vote by proxy or VIF in advance of the Meeting.

Registered Unitholders and duly appointed proxyholders who do not wish to attend the Meeting in person can also attend the Meeting online at <https://web.lumiagm.com/265965225> where they can participate, vote, or submit questions during the Meeting’s live webcast. See “*General Proxy Matters – Voting of Units*” of this Circular for additional information.

The REIT strongly recommends that Unitholders do not attend the Meeting in person in order to comply with social distancing measures recommended or imposed by governments and public health authorities in response to the COVID-19 pandemic.

4. Q. Does the Board support the Arrangement?

A. Yes. The Board (other than Mr. Drimmer, who recused himself from voting for the reasons set out below) has unanimously recommended Unitholders vote **IN FAVOUR** of the Arrangement Resolution approving the Arrangement **and that Unitholders elect to receive the All-Cash Consideration.**

The Board diligently considered the terms of the Arrangement and its impact on the REIT and the REIT’s stakeholders. As part of that process, the REIT and the Purchasers negotiated the terms of the Arrangement Agreement. After considering a number of factors as described in this Circular under the heading “*Background to the Arrangement – Reasons for the Board Recommendation*”, including the Fairness Opinions and the Valuation, the Board (other than the one Trustee, Mr. Drimmer, who recused himself

from voting for the reasons set out below), on the **UNANIMOUS RECOMMENDATION** of the Special Committee, **UNANIMOUSLY** determined that the Arrangement is fair to Trust Unitholders who elect to receive, or are deemed to have elected to receive, the All-Cash Consideration (other than the Purchasers and their affiliates), and that the Arrangement is in the best interests of the REIT.

Daniel Drimmer is both a Trustee and the beneficial owner of Starlight and, as a result, abstained from voting as a Trustee and recused himself from all Board discussions in connection with the Arrangement.

5. Q. Have any Unitholders committed to voting for the Arrangement?

A. Each of the Trustees (other than Mr. Drimmer) and executive officers of the REIT, who collectively hold approximately 0.4% of the REIT Units, have entered into voting and support agreements with the Purchasers in support of the Arrangement and have agreed to vote their REIT Units **IN FAVOUR** of the Arrangement Resolution approving the Arrangement.

Daniel Drimmer, who directly or indirectly holds approximately 13.4% of the REIT Units, has entered into a voting and support agreement with the Purchasers and the REIT in support of the Arrangement and has agreed to vote his REIT Units **IN FAVOUR** of the Arrangement Resolution approving the Arrangement.

6. Q. What will I receive in exchange for my REIT Units on closing of the Arrangement?

A. Each Unitholder will be entitled to receive for each REIT Unit held by such Unitholder (or in the case of a holder of an Exchangeable LP Unit, for each REIT Unit into which such Exchangeable LP Unit is exchangeable on the Effective Date), at such Unitholder's election, either:

- (i) \$36.25 in cash pursuant to the All-Cash Election, on a taxable basis, or
- (ii) 0.5655 High Yield Fund Units on a tax-deferred basis and the remainder of the Consideration of \$29.18 on a taxable basis in cash, High Yield Fund Units or a combination of cash and High Yield Fund Units elected by the Unitholder (other than Unitholders resident in or otherwise located in the United States that will receive cash), subject to proration, pursuant to the High Yield Fund Subscription Election.

See "*The Arrangement – Treatment of REIT Securities – REIT Units*" and "*Certain Canadian Federal Income Tax Considerations*" of this Circular for additional information.

Unitholders will also be entitled to receive the Stub Distribution for each REIT Unit held by such Unitholder. Registered Unitholders will not receive the Stub Distribution until they sign and return their Letter of Transmittal and Election Form along with the accompanying certificate(s) or DRS Statement(s) representing their REIT Units.

Registered Unitholders are encouraged to refer to the enclosed Letter of Transmittal and Election Form for additional detail.

7. Q. How do I make an election as to the form of Consideration I will receive?

A. If you are a Registered Unitholder, to make a valid election as to the form of Consideration that you wish to receive under the Arrangement, you must sign the Letter of Transmittal and Election Form and make a proper election thereunder, and return it

along with the accompanying certificate(s) or DRS Statement(s) representing your REIT Units (or Exchangeable LP Units, if applicable) to the Depository prior to 3:00 p.m. (Mountain Daylight Time) on May 21, 2020 (or if the Meeting is adjourned or postponed, prior to 3:00 p.m. (Mountain Daylight Time) on the date that is three Business Days prior to the date of the adjourned or postponed Meeting, unless otherwise agreed in writing by the Purchasers and the REIT).

If you are a Beneficial Unitholder, you will not receive a Letter of Transmittal and Election Form. Your broker, investment dealer or other intermediary is required to seek your instructions as to how to vote your REIT Units with respect to the Arrangement Resolution and your election with respect to the Consideration. Please follow the instructions provided by your broker, investment dealer or other intermediary for assistance in making an election with respect to the form of Consideration you wish to receive. Each intermediary has its own signing and return instructions, which you should follow carefully to ensure your REIT Units are voted and you receive your preferred form of Consideration. If you are a Beneficial Unitholder, your intermediary may require that you complete your election at a date and time earlier than 3:00 p.m. (Mountain Daylight Time) on May 21, 2020. For further details of the Arrangement, see "*The Arrangement*" of this Circular.

8. Q. If I elect to receive High Yield Fund Units, will I be able to sell my High Yield Fund Units at a later time?

A. If you elect to receive High Yield Fund Units, you will receive High Yield Fund Units that will be convertible into Listed High Yield Fund Units at any time following closing of the Arrangement. The High Yield Fund has applied to list the Listed High Yield Fund Units on the TSX and the High Yield Fund Units issued to Unitholders pursuant to the Arrangement will be convertible into such Listed High Yield Fund Units. The listing is subject to the High Yield Fund fulfilling all of the initial listing requirements and conditions of the TSX. The TSX has not conditionally approved the High Yield Fund's listing application and there is no assurance that the TSX will approve the listing application. If the TSX approves the listing application, the Listed High Yield Fund Units will be freely tradeable through the facilities of the TSX.

High Yield Fund Units may be converted into Listed High Yield Fund Units in accordance with the High Yield Fund Declaration of Trust, as described in the section entitled "*Material Contracts – High Yield Fund Declaration of Trust - Conversion of Units*" in Appendix "H". If you will hold High Yield Fund Units beneficially through a broker, investment dealer or other Intermediary, you should follow the instructions provided by your Intermediary to convert your High Yield Fund Units to Listed High Yield Fund Units.

If you receive High Yield Fund Units in the Arrangement and do not exchange your High Yield Fund Units into Listed High Yield Fund Units, your High Yield Fund Units will not be freely tradeable through the facilities of the TSX unless and until the TSX approves the listing application and you convert your High Yield Fund Units into Listed High Yield Fund Units.

9. Q. What election does the REIT recommend I make?

A. The Board (other than Mr. Drimmer, who recused himself and did not vote for the reasons set out in the Circular), on the recommendation of the Special Committee, ***unanimously recommends that Unitholders elect to receive the All-Cash Consideration pursuant to the All-Cash Election under the Plan of Arrangement.***

10. Q. **What if I do not make a valid election or I fail to validly elect the form of Consideration I wish to receive?**

A. Registered Unitholders who do not make a valid election, or deliver a Letter of Transmittal and Election Form together with the certificate(s) or DRS Statement(s) representing the REIT Units (or Exchangeable LP Units, if applicable) but fail to validly elect the form of Consideration they wish to receive (or, in the case of Beneficial Unitholders, Beneficial Unitholders who fail to provide valid election instructions to their broker, investment dealer or other intermediary) will be deemed to have made the All-Cash Election.

11. Q. **What if I do not submit a Letter of Transmittal and Election Form?**

A. Registered Unitholders who do not deliver their certificate(s) or DRS Statement(s) representing REIT Units (or Exchangeable LP Units, if applicable) and all other documents required by the Depository on or before the sixth anniversary of the Effective Date shall lose their right to receive Consideration (including the Stub Distribution) for their REIT Units and Exchangeable LP Units and will not be paid any cash or other compensation.

12. Q. **What are the Canadian federal income tax consequences of the Arrangement?**

A. A summary of the principal Canadian federal income tax considerations generally applicable to the Arrangement are described below under the heading "*Certain Canadian Federal Income Tax Considerations*". Unitholders are urged to consult with their personal tax advisors regarding their particular circumstances.

The REIT will withhold Canadian withholding tax from the entire amount paid to a Non-Resident Holder pursuant to the Arrangement (which for greater certainty does not include the 0.5655 of a High Yield Fund Unit retained by a Non-Resident Holder under the High Yield Fund Subscription Election).

Non-Resident Holders should consult their own tax and investment advisors, including as to whether to dispose of their REIT Units on the TSX with a settlement date that is prior to the Effective Date.

See "*Certain Canadian Federal Income Tax Considerations*".

13. Q. **Is the completion of the Arrangement subject to any other conditions?**

A. Yes. In addition to the Unitholder Approval, the completion of the Arrangement requires the approval of the Plan of Arrangement by the Court, the Competition Act Approval, the Required CMHC Consents and the Required Lender Consents being obtained and that the other conditions specified in the Arrangement Agreement be satisfied or, where permitted, waived. See "*The Arrangement Agreement*" of this Circular for additional information.

14. Q. **When will the Arrangement become effective?**

A. Subject to obtaining Court approval and the satisfaction or, where permitted, waiver of all other conditions specified in the Arrangement Agreement, if the Arrangement Resolution receives Unitholder Approval, it is expected that closing will be completed by the third quarter of 2020.

- 15. Q. Can I sell my REIT Units on the TSX for cash?**
- A.** Generally speaking, Unitholders are free to sell their REIT Units through the facilities of the TSX for cash at any time prior to the Unitholder electing their preferred form of Consideration. In order for an election to be valid, it must be accompanied by the deposit of the electing Unitholder's REIT Units. If you are a Registered Unitholder, you will have to deposit the certificate(s) or DRS Statement(s) representing your REIT Units (or Exchangeable LP Units, if applicable) together with your Letter of Transmittal and Election Form when you elect your preferred form of Consideration. If you are a Beneficial Unitholder, this will be coordinated by your broker, investment dealer or other intermediary upon your instruction. Accordingly, after you make a valid election, (or, if you are a Beneficial Unitholder, after you provide instructions to your broker, investment dealer or other intermediary), you will not be entitled to sell your REIT Units on the TSX. If you fail to make a valid election prior to the Election Deadline (or, if you are a Beneficial Unitholder, the time by which you are required to provide instructions to your broker, investment dealer or other intermediary), you will be deemed to have made the All-Cash Election and you will also continue to be able to sell your REIT Units on the TSX for cash at any time prior to the Effective Time. Any purchaser of such REIT Units will also be deemed to have made the All-Cash Election in respect of those REIT Units. See *"Procedure for the Delivery of Securities and Payment of Consideration – Letter of Transmittal and Election Form"* of this Circular for additional information.
- 16. Q. Will the REIT continue to pay monthly distributions?**
- A.** The REIT may continue to pay a monthly distribution of \$0.1358 per REIT Unit until closing of the Arrangement, subject to the REIT's compliance with certain covenants. Unitholders may also receive a pro rated monthly distribution on closing of the Arrangement.
- 17. Q. What is the High Yield Fund?**
- A.** The High Yield Fund has been formed to provide investors with an investment opportunity to participate in a geographically diversified portfolio comprising of income-producing multi-residential suites, commercial real estate and execusuites that are currently owned and operated by the REIT located in the Secondary Markets with high corporate demand for housing, with an anchor portfolio leased largely by the federal, provincial and territorial governments as well as credit-rated corporations.

The High Yield Fund's investment objectives are to:

- indirectly acquire, own and operate a high quality, geographically diversified real estate portfolio exhibiting attractive Capitalization Rates and a significant component of government and credit-rated commercial tenants comprising of income-producing multi-residential suites, commercial real estate and execusuites, that can achieve stable operating income or increases in operating income as a result of an active asset management strategy and located in the Secondary Markets;
- make stable monthly cash distributions; and
- effect a Recapitalization Event by the Target Recapitalization Date (which is the date that is on or about the date that is three years from the Effective Date, subject to two one-year extensions in the sole discretion of the board of trustees of the High Yield Fund).

The High Yield Fund will target an annual pre-tax distribution yield of 10.5% across all unit classes on gross subscription proceeds received by the High Yield Fund. The *pro rata* monthly distribution on the units of the High Yield Fund is expected to commence following the end of the High Yield Fund's first full operating month after the Effective Date.

The High Yield Fund will be managed by the Manager, a subsidiary of Starlight, which will be engaged by the High Yield Fund for specified functions in connection with the ownership and operation of income-producing multi-residential properties and in combination with employees of the REIT. Led by a team of industry veterans with a record of creating long-term investor value, Starlight is an experienced multi-residential real estate owner and asset manager. Starlight's principal, Daniel Drimmer, has over 25 years of experience identifying undervalued properties in the multi-residential real estate sector, acquiring such properties and realizing value through individual asset or portfolio sales.

See Appendix "H" of this Circular for additional information, including risk factors, relating to the High Yield Fund.

18. **Q. Will the High Yield Fund Units be listed on a stock exchange?**
- A. The High Yield Fund has applied to list the Listed High Yield Fund Units on the TSX and the High Yield Fund Units issued to Unitholders pursuant to the Arrangement will be convertible into such Listed High Yield Fund Units. The listing is subject to the High Yield Fund fulfilling all of the initial listing requirements and conditions of the TSX. The TSX has not conditionally approved the High Yield Fund's listing application and there is no assurance that the TSX will approve the listing application.
19. **Q. What are the risks I should consider in deciding whether to vote in favour of the Arrangement Resolution?**
- A. There are a number of risks you should consider in connection with the Arrangement, which are described in this Circular under the heading "*Risk Factors*".
20. **Q. What are the risks or tax consequences I should consider in deciding whether to elect to receive High Yield Fund Units?**
- A. There are a number of risks you should consider in connection with an election to receive High Yield Fund Units, which are described under "*Certain Canadian Federal Income Tax Considerations*" and in Appendix "H".
21. **Q. Who is soliciting my proxy?**
- A. Management of the REIT is soliciting your proxy with respect to matters to be considered at the Meeting. The cost of soliciting proxies will be borne by the REIT. The solicitation of proxies will primarily be by mail but proxies may also be solicited by telephone, fax or personally by the Trustees, officers, employees or agents of the REIT. In the case of Beneficial Unitholders, the REIT will provide proxy solicitation materials to CDS and request that such materials be forwarded to brokers, investment dealers and other intermediaries and request that such materials are, in turn, promptly forwarded on to the Beneficial Unitholders. The REIT may retain other persons or companies to solicit proxies on behalf of management, in which event customary fees for such services will be paid.

If you have any questions or need assistance in your consideration of the Arrangement or with the completion and delivery of your proxy, please contact Karl Bomhof, VP, Legal and Corporate Secretary of the REIT, by telephone at: 403-531-0720, or by e-mail at: corpsecretary@northviewreit.com.

If you have any questions about submitting your REIT Units to the Arrangement, including with respect to completing the applicable Letter of Transmittal and Election Form for Consideration to be received pursuant to the Arrangement, please contact TSX Trust Company, who is acting as depositary under the Arrangement, by telephone at 1-866-600-5869 (toll-free in North America) or 416-342-1091, by facsimile at 416-361-0470, or by email at TMXEInvestorServices@tmx.com.

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

A. Pursuant to the REIT Declaration of Trust, only Unitholders registered on the Record Date are entitled to vote at the Meeting. If you are not a Registered Unitholder, see questions 22 to 26 below for more information on voting as a Beneficial Unitholder.

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

A. You are a Registered Unitholder if your name appears on the certificate(s) or DRS Statement(s) representing your REIT Units or Special Voting Units. You are a Beneficial Unitholder if you beneficially own REIT Units or Special Voting Units held in the name of an intermediary such as a broker, investment dealer, bank, trust company, trustee, clearing agency (such as CDS) or other nominee. For example, you are a Beneficial Unitholder if you hold your REIT Units in a brokerage account of any type.

See “*General Proxy Matters – Voting of Units*” of this Circular for additional information.

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

A. If you would prefer not to attend the Meeting in person or online, you can exercise your right to vote by signing and returning the enclosed Proxy in accordance with the directions on the Proxy. If you are a Registered Unitholder, you may also vote at the Meeting in person at the REIT’s head office at 200, 6131-6th Street SE, Calgary, Alberta, T2H 1L9 or online at <https://web.lumiagm.com/265965225>.

The REIT strongly recommends that Unitholders do not attend the Meeting in person in order to comply with social distancing measures recommended or imposed by governments and public health authorities in response to the COVID-19 pandemic. The REIT encourages Unitholders to vote by proxy in advance of the Meeting.

The Proxy must be executed by the Unitholder or the attorney of the Unitholder duly authorized in writing. Proxies to be used at the Meeting must be deposited with the REIT’s transfer agent, Computershare, at 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1, no later than 3:00 p.m. (Mountain Daylight Time) on May 21, 2020.

See “*General Proxy Matters – Voting of Units*” of this Circular for additional information.

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

A. Generally, Beneficial Unitholders will either:

- (a) be given a Proxy which has already been signed by the intermediary (typically by facsimile, stamped signature), which is restricted as to the number of

securities beneficially owned by the Beneficial Unitholder but which is otherwise incomplete. Because the intermediary has already signed the Proxy, this Proxy is not required to be signed by the Beneficial Unitholder when submitting the Proxy. In this case, the Beneficial Unitholder who wishes to submit a Proxy should otherwise properly complete the Proxy and deposit it with Computershare, as provided above; or

- (b) more typically, be given a VIF which (i) is not signed by the intermediary, and (ii) which, when properly completed and signed by the Beneficial Unitholder and returned to the intermediary or its service company (such as Computershare), will constitute a voting instruction (or a proxy authorization form) which the intermediary must follow.

In either case, the purpose of this procedure is to permit Beneficial Unitholders to direct the voting of REIT Units or Special Voting Units which they beneficially own. Beneficial Unitholders should carefully follow the instructions of their intermediary or its agents, including those regarding when and where the Proxy or VIF is to be delivered.

See “*General Proxy Matters – Voting of Units*” of this Circular for additional information.

26. Q. Who votes my REIT Units and how will they be voted if I return a Proxy or VIF?

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

The REIT strongly recommends that Unitholders or their representatives do not attend the Meeting in person in order to comply with social distancing measures recommended or imposed by governments and public health authorities in response to the COVID-19 pandemic. The REIT encourages Unitholders to vote by Proxy or VIF in advance of the Meeting.

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

See “*General Proxy Matters – Voting of Units*” of this Circular for additional information.

27. Q. Can I revoke a Proxy or a VIF?

- A.** Yes. A Registered Unitholder who has given a Proxy may revoke the Proxy by: (i) completing and signing a Proxy bearing a later date and depositing it with Computershare as described above under “*General Proxy Matters – Registered Unitholders*” of this Circular; (ii) depositing an instrument in writing executed by the Unitholder or by the Unitholder’s attorney authorized in writing, to the attention of the Vice President, Legal and Corporate Secretary of the REIT, at the registered office of

the REIT, 200, 6131 – 6 Street SE, Calgary, Alberta T2H 1L9, at any time up to the last Business Day preceding the day of the Meeting at which the Proxy is to be used, or any adjournment or adjournments thereof, or with the chair prior to its exercise on the day of the Meeting or any adjournment or adjournments thereof; (iii) by using a 15-digit control number to login to the online Meeting and accepting the terms and conditions of the Meeting; or (iv) in any other manner permitted by Law.

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

See “*General Proxy Matters – Voting of Units – Revocation of*” of this Circular for additional information.

28. Q. What will happen if the Arrangement Resolution is not approved or the Arrangement is not completed for any reason?

A. If the Arrangement Resolution is not approved or the Arrangement is not completed for any reason, the Arrangement Agreement may be terminated. In certain circumstances, the REIT will be required to pay to the Purchasers a Termination Fee in connection with the termination of the Arrangement Agreement. See “*The Arrangement Agreement – Termination Fees Payable by the REIT*” of this Circular for additional information.

29. Q. Do I have Dissent Rights?

A. The Interim Order expressly provides registered Trust Unitholders with Dissent Rights in respect of the Arrangement Resolution analogous to the rights of dissenting shareholders under the ABCA. A registered Trust Unitholder who intends to exercise Dissent Rights should carefully consider and comply with the provisions of section 191 of the ABCA, as modified by the Interim Order. A registered Trust Unitholder who wishes to dissent must, among other things, provide a dissent notice to the REIT at 200, 6131 – 6th Street SE, Calgary, Alberta, T2H 1L9, Attention: Karl Bomhof or by e-mail at: corpsecretary@northviewreit.com, no later than 5:00 p.m. (Mountain Daylight Time) on May 21, 2020, or the second Business Day immediately preceding the date to which the Meeting is adjourned or postponed (the “**Dissent Deadline**”). Strict adherence to the procedures established under section 191 of the ABCA, as modified by the Interim Order is required in order to validly dissent and failure to do so may result in the loss of all Dissent Rights.

Registered Special Voting Unitholders that wish to dissent should exchange their Exchangeable LP Units for REIT Units prior to the Dissent Deadline.

The revocation of a Proxy or a vote against the Arrangement Resolution will not constitute a dissent notice. In addition to any other restrictions in the REIT Declaration of Trust as applicable under the Interim Order, any Trust Unitholder who has voted in favour of the Arrangement will not be entitled to exercise Dissent Rights. The Dissenting Unitholder must exercise Dissent Rights in respect of all REIT Units held by such Dissenting Unitholder.

Beneficial Unitholders who wish to dissent should be aware that only registered Trust Unitholders are entitled to dissent. Accordingly, a Beneficial Unitholder desiring to exercise their Dissent Rights must make arrangements for the registered Trust Unitholder of their REIT Units to exercise Dissent Rights on their behalf. See “*Dissent Rights*” of this Circular for additional information.

30. Q. What if I have other questions?

A. If you have any questions or need assistance in your consideration of the Arrangement or with the completion and delivery of your Proxy, please contact Karl Bomhof, VP, Legal and Corporate Secretary of the REIT, by telephone at: 403-531-0720, or by e-mail at: corpsecretary@northviewreit.com.

If you have any questions about submitting your REIT Units to the Arrangement, including with respect to completing the applicable Letter of Transmittal and Election Form for Consideration to be received pursuant to the Arrangement, please contact TSX Trust Company, who is acting as depositary under the Arrangement, by telephone at 1-866-600-5869 (toll-free in North America) or 416-342-1091, by facsimile at 416-361-0470, or by email at TMXInvestorServices@tmx.com.

GLOSSARY OF TERMS

“2015 Transaction” means the transaction to acquire True North and an institutional portfolio which was approved by Unitholders in October, 2015.

“2019 AGM” annual general meeting of Unitholders held on May 9, 2019.

“2020 Budget” means the REIT’s 2020 budget forecast.

“A&R Exchange Agreement” means the amended and restated exchange agreement dated May 31, 2019 among the REIT, certain affiliates of the REIT and Starlight.

“ABCA” means the *Business Corporations Act* (Alberta).

“Acceptable Confidentiality Agreement” means an executed confidentiality and standstill agreement on terms that are no more favourable, in the aggregate, to the counterparty than those contained in the Confidentiality Agreement are to the Guarantors or their affiliates, as applicable; provided that such agreement may not include any provision calling for an exclusive right to negotiate with the REIT; and provided further that such agreement may permit the counterparty to make a confidential Acquisition Proposal that may constitute a Superior Proposal to the Board.

“Acceptable Superior Proposal” has the meaning set out in *“The Arrangement – Voting and Support Agreements – Drimmer Voting and Support Agreement”*.

“Acquisition Proposal” means, other than the transactions contemplated by the Arrangement Agreement, any offer, proposal, inquiry or expression of interest (written or oral) from any Person or group of Persons other than the Purchasers or the Guarantors (or any affiliate of the Purchasers or the Guarantors or any Person acting jointly or in concert with the Purchasers or the Guarantors or any affiliate of the Purchasers or the Guarantors) after February 19, 2020 relating to, in each case whether in a single transaction or a series of related transactions:

- (a) any direct or indirect sale, disposition or joint venture (or any lease, license or other arrangement having the same economic effect as a sale) (i) of assets representing 20% or more of the consolidated assets or contributing 20% or more of the consolidated annual revenue of the REIT, or (ii) of or involving 20% or more of the voting or equity securities of the REIT or any of its Subsidiaries whose assets, individually or in the aggregate, represent 20% or more of the consolidated assets or contribute 20% or more of the consolidated annual revenue of the REIT;
- (b) any direct or indirect take-over bid, tender offer, exchange offer, treasury issuance or other similar transaction that, if consummated, would result in such Person or group of Persons directly or indirectly beneficially owning 20% or more of any class of voting or equity securities of the REIT or any of its Subsidiaries whose assets, individually or in the aggregate, represent 20% or more of the consolidated assets or contribute 20% or more of the consolidated annual revenue of the REIT;
- (c) any plan of arrangement, merger, amalgamation, consolidation, share exchange, business combination, reorganization, recapitalization, liquidation, dissolution or winding up involving the REIT or any of its Subsidiaries whose assets, individually or in the aggregate, represent 20% or more of the consolidated assets or contribute 20% or more of the consolidated annual revenue of the REIT; or
- (d) any other transaction or series of transactions involving the REIT or any of its Subsidiaries that would have the same effect as the foregoing,

and, for purposes of the foregoing, the consolidated assets and consolidated annual revenue will be determined based upon the most recent publicly available consolidated financial statements of the REIT.

“Additional High Yield Fund Subscribers” means those purchasers resident in Canada or otherwise outside of the United States who will subscribe for a class of units of the High Yield Fund other than the High Yield Fund Units pursuant to or in connection with the public offering of such units to be completed contemporaneously with the Plan of Arrangement.

“Additional High Yield Fund Units” means the High Yield Fund Units in respect of which a unitholder electing the High Yield Fund Subscription Election is entitled to subscribe pursuant to Sections 3.1 and 3.2 of the Plan of Arrangement.

“affiliate” has the meaning specified in National Instrument 45-106 – Prospectus Exemptions as in effect on February 19, 2020.

“AIF” means the annual information form of the REIT dated March 30, 2020 (including the documents incorporated by reference therein) for the financial year ended December 31, 2019.

“All-Cash Consideration” means \$36.25 per REIT Unit payable in cash.

“All-Cash Election” means the right of each Pro Forma Eligible Unitholder to make an election in respect of each Eligible Unit on or prior to the Election Deadline to receive the All-Cash Consideration for each Eligible Unit held, in accordance with the Plan of Arrangement.

“Annual Financial Statements” means the audited financial statements of the REIT dated February 25, 2020 for the financial years ended December 31, 2018 and December 31, 2019, including the auditor’s report thereon;

“Annual MD&A” means management’s discussion and analysis of results of operations and financial condition of the REIT for the years ended December 31, 2019 and 2018.

“ARC” means an advance ruling certificate issued under Section 102(1) of the Competition Act in respect of the transactions contemplated by the Arrangement Agreement.

“Arrangement” means an arrangement under Section 193 of the ABCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations to the Plan of Arrangement made in accordance with the Arrangement Agreement or the Plan of Arrangement or made at the direction of the Court in the Final Order with the prior written consent of the REIT, NPR GP and the Purchasers, each acting reasonably.

“Arrangement Agreement” means the arrangement agreement dated February 19, 2020 among the Purchasers, the REIT, NPR GP, and the Guarantors, including all schedules annexed thereto, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof.

“Arrangement Resolution” means the special resolution approving the Plan of Arrangement to be considered at the Meeting, attached to the Circular as Appendix A.

“Articles of Arrangement” means the articles of arrangement in the prescribed form in respect of the Arrangement required by the ABCA to be sent to the Registrar after the Final Order is made and otherwise be in form and substance satisfactory to the REIT, NPR GP and the Purchasers, each acting reasonably.

“associate” when used to indicate a relationship with a person or company, has the meaning specified in the *Securities Act* (Alberta).

“Audit & Risk Management Committee” means the REIT’s Audit & Risk Management Committee.

“Benco” means a corporation specified in the Pre-Closing Notice.

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

“**BLG**” means Borden Ladner Gervais LLP, counsel to the REIT.

“**BNS**” means The Bank of Nova Scotia.

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

“**Board Recommendation**” means a statement in this Circular that the Board (excluding any members thereof who abstained from voting or recused themselves) after consulting with outside legal counsel and financial advisors, has unanimously determined that the Arrangement is fair to Trust Unitholders who elect to receive, or are deemed to have elected to receive, the All-Cash Consideration (other than the Purchasers, the Guarantors and their affiliates) and is in the best interests of the REIT and unanimously recommends (excluding any members thereof who abstained from voting or recused themselves) that Unitholders vote their REIT Units and Special Voting Units in favour of the Arrangement Resolution and that Unitholders elect to receive the All-Cash Consideration pursuant to the All-Cash Election under the Plan of Arrangement.

“**bps**” means basis points.

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

“**Canwest**” means Canwest Global Communications Corp.

“**Capitalization Rates**” means a percentage of the net operating income divided by the fair value or sales price of the asset.

“**CCA**” means capital cost allowance.

“**CCAA**” means Companies’ Creditors Arrangement Act.

“**CDS**” means CDS Clearing and Depository Services Inc.

“**Certificate of Arrangement**” means the proof of filing to be issued by the Registrar pursuant to subsection 193(11) of the ABCA in respect of the Articles of Arrangement.

“**CEO**” means Chief Executive Officer.

“**CFO**” means Chief Financial Officer.

“**Change in Recommendation**” means the Special Committee or the Board: (A) fails to make the Board Recommendation or withdraws, amends, modifies or qualifies, or publicly proposes or states an intention to withdraw, amend, modify or qualify, the Board Recommendation in a manner adverse to the Purchasers; (B) accepts, approves, endorses or recommends, or publicly proposes to accept, approve, endorse or recommend, an Acquisition Proposal or publicly takes no position or publicly remains neutral with respect to a publicly announced, or otherwise publicly disclosed, Acquisition Proposal for more than six Business Days (or in the event that the Meeting is scheduled to occur within such six Business Day period, beyond the third Business Day prior to the date of the Meeting); or (C) fails to publicly reaffirm the Board Recommendation within five Business Days after having been requested in writing by the Purchasers to do so.

“**CIBC**” means CIBC World Markets, the financial advisor to the Purchasers.

“**Circular**” means the Notice of Annual General and Special Meeting and accompanying management information circular, including all schedules, appendices and exhibits hereto, and information incorporated

by reference in, such management information circular, to be sent to, among others, Unitholders and each other Person as required by the Interim Order and Law in connection with the Meeting, as amended, supplemented or otherwise modified from time to time in accordance with the terms and conditions of the Arrangement Agreement.

“Class F High Yield Fund Units” means the trust units of the High Yield Fund, designated as “Class F Units”.

“CMHC” means Canada Mortgage and Housing Corporation.

“CMHC Mortgages” means the Existing Mortgages that are insured by CMHC.

“Code” means the REIT’s Code of Business Conduct and Ethics.

“Commissioner” means the Commissioner of Competition appointed under the Competition Act and includes a person duly authorized to exercise the powers and to perform the duties of the Commissioner.

“Commitment Letters” has the meaning set out in *“Background to the Arrangement”*.

“Committees” has the meaning set out in *“Election of Trustees – Board Composition and Independence”*.

“Competition Act” means the *Competition Act* (Canada), as amended, and includes the regulations thereunder.

“Competition Act Approval” means (a) the issuance to the Purchasers of an ARC, (b) the Purchasers will have received a No-Action Letter and, if applicable, the obligation to provide a pre-merger notification in accordance with Part IX of the Competition Act will have been waived in accordance with paragraph 113(c) of the Competition Act, or (c) the waiting period, including any extension of such waiting period, under Section 123 of the Competition Act will have expired or been terminated.

“Computershare” means Computershare Trust Company of Canada.

“Confidentiality Agreement” means the mutual confidentiality agreement dated as of January 14, 2020 among the Transaction Proponents and the REIT.

“Consensus NAV” means the consensus net asset value of the REIT published by analysts.

“Consideration” means the consideration to be received by Trust Unitholders pursuant to the Arrangement.

“Consolidation” has the meaning set out in Section 2.4(dd) of the Plan of Arrangement.

“Consolidation Ratio” means the ratio of one Post-Consolidation High Yield Fund Unit for every 1.7683 High Yield Fund Units outstanding.

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

“Contract” means any legally binding agreement, commitment, engagement, contract, licence, obligation or undertaking (including any pertaining to the Restricted Awards) to which the REIT or any of its Subsidiaries is a party or by which the REIT or any of its Subsidiaries is bound or affected or to which any of their respective properties or assets is subject.

“COO” means Chief Operating Officer.

“Court” means the Court of Queen’s Bench of Alberta.

“CRA” means the Canada Revenue Agency.

“CRA Approval” has the meaning set out in *“Certain Canadian Federal Income Tax Considerations – Taxation of the REIT – Computation of Income and Taxable Capital Gains of the REIT”*.

“Credit Documents” means the agreements specified in the Pre-Closing Notice governing the Refinancings.

“DD Unitholders” means the Unitholders affiliated with D.D. Acquisitions Partnership as specified in the Pre-Closing Notice.

“DD Units” means the units of the REIT held by the DD Unitholders as of the Effective Time, as specified in the Pre-Closing Notice.

“Deferred Unit Account” has the meaning set out in section 6.2 of the Deferred Unit Plan.

“Deferred Unit Plan” means the deferred unit plan of the REIT effective as of March 11, 2015, as it may be amended, supplemented or restated from time to time.

“Deferred Units” means deferred units granted under the Deferred Unit Plan.

“Depository” means TSX Trust Company or such other Person that may be appointed by the REIT and the Purchasers, each acting reasonably, to act as depository in connection with the Arrangement.

“Dissent Deadline” no later than 5:00 p.m. (Mountain Daylight Time) on May 21, 2020, or the second Business Day immediately preceding the date to which the Meeting is adjourned or postponed.

“Dissent Rights” means the rights of a registered Trust Unitholder to dissent to the Arrangement Resolution and to be paid the fair value of the REIT Units in respect of which the registered Trust Unitholder dissents, all in accordance with section 191 of the ABCA, the Plan of Arrangement and the Interim Order.

“Dissenting Unitholders” means registered Trust Unitholders who validly exercise the Dissent Rights and whose Dissent Rights remain valid immediately prior to the Effective Time.

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

“Drimmer Voting and Support Agreement” means the voting and support agreement dated February 19, 2020 among Daniel Drimmer, the REIT and the Purchasers.

“DRIP” means the REIT’s distribution reinvestment plan with an effective date of September 4, 2019, as amended, supplemented or restated from time to time.

“DRS Statements” means, in relation to REIT Units or Exchangeable LP Units, written evidence of the book entry issuance or holding of such REIT Units or Exchangeable LP Units issued to the holder by the transfer agent of such REIT Units or Exchangeable LP Units.

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

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

“Eighth Offer” has the meaning set out in *“Background to the Arrangement”*.

“Election Deadline” means 3:00 p.m. (Mountain Daylight Time) on May 21, 2020, or if the Meeting is adjourned or postponed, prior to 3:00 p.m. (Mountain Daylight Time) on the date that is three Business Days prior to the date of the adjourned or postponed Meeting, unless otherwise agreed in writing by the Purchasers and the REIT.

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

“Eligible Unit” means a REIT Unit held at the Effective Time or received as payment of the redemption price for an Exchangeable LP Unit held at the Effective Time pursuant to the Plan of Arrangement.

“Employee Plans” means each material benefit plan, program, policy, arrangement or agreement (other than Contracts with individual REIT Employees) whether written or unwritten and whether insured or self-insured, maintained or contributed to by the REIT or its Subsidiaries or for the benefit of the REIT Employees including all retirees, former employees, directors and trustees of the REIT or its Subsidiaries, including each health, welfare, incentive, incentive compensation, deferred compensation, unit purchase, unit compensation, unit appreciation, phantom unit, disability, severance, vacation, termination, savings, profit sharing, pension, retirement, supplement retirement, retention and fringe benefit plan, program, policy, arrangement or agreement, other than plans established pursuant to statute and administered by a Governmental Entity.

“Employee Unit Purchase Plan” means the employee unit purchase plan of the REIT effective as of January 1, 2016, as it may be amended, supplemented or restated from time to time.

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

“Exchangeable LP Units” means the Class B Exchangeable Units of True North Limited Partnership, NPR Limited Partnership, NVF Limited Partnership and NVRK Limited Partnership, each of which is exchangeable for the number of REIT Units calculated in accordance with the relevant limited partnership agreement.

“Exchangeable Unitholders” means the registered or beneficial holders of the Exchangeable LP Units.

“Existing Mortgages” means the credit agreements, commitment letters, hypothecs, trust indentures, mortgages, charges and related security documents with respect to the loans disclosed to the Purchasers in writing.

“Expense Reimbursement Event” means the termination of the Arrangement Agreement either by the Purchasers or by the REIT pursuant to Section 7.2(1)(b)(iii) of the Arrangement Agreement if the Effective Time does not occur on or prior to the Outside Date (as such date may be extended) as a result of the condition in Section 6.2(4) of Required Lender Consents and Required CMHC Consents not being obtained.

“Expense Reimbursement Fee” means the amount to be reimbursed to the REIT by the Purchasers within two Business Days of termination of the Arrangement Agreement, for all reasonable and documented out-of-pocket expenses (up to an aggregate maximum of \$7,500,000) incurred by the REIT subsequent to January 14, 2020 and prior to the termination of the Arrangement Agreement in connection with the entering into of the Arrangement Agreement, the Arrangement, and the carrying out of any and all acts contemplated thereunder, including reasonable fees of counsel, financial advisors (including fees payable to Scotiabank), accountants and consultants and any employment retention expenses incurred by the REIT.

“Fairness Opinions” means, together, the Scotiabank Fairness Opinion and NBF Fairness Opinion.

“FFO” means funds from operations.

“Fifth Offer” has the meaning set out in *“Background to the Arrangement”*.

“Final Order” means the order of the Court made pursuant to Section 193(9) of the ABCA in a form acceptable to the REIT, NPR GP and the Purchasers, each acting reasonably, approving the Arrangement, as such order may be amended, modified, supplemented or varied by the Court (with the consent of the

REIT, NPR GP and the Purchasers, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended, modified, supplemented or varied (provided that any such amendment, modification, supplement or variation is acceptable to the REIT, NPR GP and the Purchasers, each acting reasonably) on appeal.

“**Fourth Offer**” has the meaning set out in “*Background to the Arrangement*”.

“**GC&N Committee**” means the REIT’s Governance, Compensation & Nomination Committee.

“**Go-Shop Expiry Time**” will initially be the Initial Go-Shop Expiry Time, as such time may be extended pursuant to the Arrangement Agreement.

“**Go-Shop Period**” means the period commencing on February 19, 2020 and ending at the Go-Shop Expiry Time.

“**Go-Shop Process**” means the process described in Article 5 of the Arrangement Agreement.

“**Goodmans**” means Goodmans LLP, counsel to the Special Committee.

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

“**Ground Lease**” means a lease pursuant to which the REIT or a REIT Subsidiary is granted a leasehold interest in a Property.

“**Guarantors**” means KingSett Real Estate Growth LP No. 7, KingSett Canadian Real Estate Income Fund and D.D. Acquisitions Partnership.

“**Health Crisis**” means a public health crisis, including the ongoing health crisis related to the coronavirus (COVID-19) pandemic, or relating to any other virus, flu, epidemic, pandemic or any other similar disease or illness.

“**High Yield Fund**” means Northview Canadian High Yield Residential Fund, a new multi-residential fund that will acquire a geographically diverse portfolio of the REIT’s properties under the Plan of Arrangement or, where the context so requires, the trustees of the High Yield Fund acting in their capacity as trustees.

“**High Yield Fund Properties**” means the lands and premises located in the Secondary Markets or interests therein to be purchased, owned and leased, by NV Holdings LP or its affiliates, including the Initial Portfolio, and “**High Yield Fund Property**” means one of the High Yield Fund Properties;

“**High Yield Fund Declaration of Trust**” means the amended and restated declaration of trust of the High Yield Fund, as it may be further amended or amended and restated from time to time, as more particularly described in Appendix “H”.

“**High Yield Fund General Partner**” means a REIT Subsidiary that is a general partner of a partnership and is designated as a “High Yield Fund General Partner” in the Pre-Closing Notice.

“**High Yield Fund Partnerships**” means the REIT Subsidiaries designated as “High Yield Fund Partnerships” in the Pre-Closing Notice.

“**High Yield Fund Redemption Price**” means \$7.06875.

“High Yield Fund Subscription Election” means, in the case of a Pro Forma Eligible Unitholder, the right to make an election in respect of each Eligible Unit on or prior to the Election Deadline, to (A) retain the High Yield Fund Unit purchased by the holder pursuant to Section 2.4(q) of the Plan of Arrangement with the proceeds from the Nominal Cash Distribution attributable to such Eligible Unit, and (B) receive the remainder of the Consideration in a combination of cash and High Yield Fund Units for each Eligible Unit held (other than Unitholders resident in or otherwise located in the United States that will receive cash), in accordance with the Plan of Arrangement.

“High Yield Fund Subscription Price” means \$7.06875.

“High Yield Fund Units” means, collectively, the trust units of the High Yield Fund designated as “Class C Units”, as such units may be consolidated pursuant to the Plan of Arrangement and “High Yield Fund Unit” means any one of them.

“High Yield Fund Unitholders” means those Unitholders who acquire High Yield Fund Units pursuant to the Plan of Arrangement, together with the other holders of units of the High Yield Fund, and **“High Yield Fund Unitholder”** means any one of them.

“IFRS” means International Financial Reporting Standards.

“Information” means, in relation to the Valuation, all the financial and other information, data, advice, opinions or representations obtained by NBF from publicly available sources, the management of the REIT, and the REIT’s consultants or advisors, including advisors of the Board and the Special Committee.

“Initial Go-Shop Expiry Time” means 11:59:59 p.m. (Mountain Daylight Time) on March 20, 2020.

“Initial Offer” has the meaning set out in *“Background to the Arrangement”*.

“Initial Portfolio” means the geographically diversified portfolio comprised of income-producing multi-residential suites, commercial real estate and executives located in the Secondary Markets, interests in which will be indirectly acquired by the High Yield Fund concurrently with the completion of the Offering pursuant to the Arrangement.

“Interested Parties” means, in relation to the Fairness Opinions, the REIT, the Purchasers and any of their associates and affiliates.

“Interim Order” means the Interim Order attached hereto as Appendix “B”.

“July 29 Proposals” has the meaning set out in *“Certain Canadian Federal Income Tax Considerations – Residents of Canada – Holding and Disposing of High Yield Fund Units Received Pursuant to the Plan of Arrangement”*.

“KingSett” means KingSett Real Estate Growth LP No. 7 and KingSett Canadian Real Estate Income Fund.

“KingSett Capital” means KingSett Capital Inc.

“Law” means, with respect to any Person, any and all applicable law (including statutory and common law), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling, published administrative policy, or other similar requirement, whether domestic or foreign, enacted, adopted, incorporated by reference, promulgated or applied by a Governmental Entity.

“Letter of Transmittal and Election Form” means the letter of transmittal and election form accompanying this Circular.

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

“**Listed High Yield Fund Units**” means, collectively, the trust units of the High Yield Fund designated as “Class A Units” and listed on a Canadian securities exchange, and “**Listed High Yield Fund Unit**” means any one of them.

“**LTI**” means the long term incentive awards, in the form of Performance Awards and Restricted Awards, issued under the Unit Award Plan.

“**Manager**” means Starlight Investments CDN AM Group LP.

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

- (i) any change, effect, event, circumstance, fact or occurrence affecting the Canadian real estate industry in general;
- (ii) any change, effect, event, circumstance, fact or occurrence in global, national or regional political conditions (including the outbreak or escalation of hostilities, acts of war, sabotage or acts of terrorism);
- (iii) any change, effect, event, circumstance, fact or occurrence in currency exchange, interest or inflation rates or in general economic, banking, business, regulatory, political or market conditions or in national or global financial or capital markets;
- (iv) any adoption, proposal, implementation or change in Law or any interpretation of Law by any Governmental Entity;
- (v) any change in IFRS or the implementation or interpretation thereof;
- (vi) any hurricane, flood, tornado, earthquake, fire, epidemic, other natural disaster or other acts of God;
- (vii) any action required to be taken or omitted pursuant to the Arrangement Agreement or taken (or omitted to be taken) at the written request of the Purchasers or taken with the Purchasers’ consent;
- (viii) any matter which has been specifically disclosed by the REIT as not constituting a Material Adverse Effect in the REIT Disclosure Letter prior to February 19, 2020;
- (ix) the execution, announcement, pendency or performance of the Arrangement Agreement or consummation of the Arrangement, including any change related to the identity of the Purchasers and their affiliates, or facts and circumstances relating thereto, any loss or threatened loss of, or adverse change or threatened adverse change in the relationship of the REIT or any of its Subsidiaries with any of their current or prospective employees, tenants, lenders, suppliers, securityholders or other third parties;
- (x) any change in the market price or trading volume of any securities of the REIT (it being understood that any cause underlying such change in market price may be taken into account in determining whether a Material Adverse Effect has occurred); or

- (xi) the failure of the REIT to meet any internal or public projections, forecasts, guidance or estimates of, including revenues or earnings (it being understood that any cause underlying such failure may be taken into account in determining whether a Material Adverse Effect has occurred),
- (xii) provided, however, that: (A) with respect to clauses (i) through (vi), such change, effect, event, circumstance, fact or state of facts or occurrence does not relate only to or have a materially disproportionate effect on the REIT and its Subsidiaries, taken as a whole, relative to other companies and entities in the multi-family residential real estate industry in Canada; and (B) references in certain sections of the Arrangement Agreement to dollar amounts are not intended to be, and will not be deemed to be, illustrative or interpretive for purposes of determining whether a “Material Adverse Effect” has occurred.

“Material Contract” means any Contract to which the REIT or any of its Subsidiaries is a party or by which it is bound or to which any of their respective assets are subject: (a) that if terminated or modified or if it ceased to be in effect would reasonably be expected to have a Material Adverse Effect; (b) under which the REIT or any of its Subsidiaries has directly or indirectly guaranteed any liabilities or obligations of a third party (other than ordinary course endorsements for collection and guarantees or intercompany liabilities or obligations between two or more wholly-owned Subsidiaries of the REIT or between the REIT and one or more of its wholly-owned Subsidiaries) in excess of \$2,000,000; (c) that relates to indebtedness for borrowed money in excess of \$2,000,000 whether incurred, assumed, guaranteed or secured by any property or asset; (d) that provides for the establishment, investment in, organization or formation of any joint venture, partnership or similar arrangement with any third party; (e) that constitutes a Ground Lease; (f) under which the REIT or any of its Subsidiaries is obligated to make or expects to receive payments in excess of \$2,000,000 over the remaining term of such Contract (other than Contracts with REIT Employees); (g) that limits or restricts the REIT or any of its Subsidiaries in any material respect from acquiring properties or engaging in any line of business or from carrying on business in any geographic area or that creates an exclusive dealing arrangement or right of first offer or refusal in respect of any material Properties; (h) that provides for the purchase, sale or exchange of, or option to purchase, sell or exchange, any property (or any interest in any property) with a fair market value in excess of \$2,000,000 that has not been consummated; (i) that constitutes or relates to related party transactions on terms more favorable to the counterparty than market terms (other than any Contract between (A) the REIT and any of its Subsidiaries or between any two or more Subsidiaries of the REIT; or (B) the REIT or any of its Subsidiaries and Starlight or any of its affiliates or associates); (j) that is a collective agreement, labour union contract, memorandum of understanding or other Contract with a trade union, employee association, labour organization or similar entity representing any of the REIT Employees; or (k) that is otherwise material to the REIT and its Subsidiaries taken as a whole.

“Maximum Subscription” means the aggregate number of High Yield Fund Units available for subscription by Pro Forma Eligible Unitholders making Subscription Elections pursuant to the Plan of Arrangement, limited to the amount, if any, by which (i) the number of Eligible Units in respect of which holders have elected the All-Cash Election exceeds (ii) the Minimum Additional Subscription Number rounded down to the nearest whole number.

“Meeting” means the annual general and special meeting of Unitholders to be held on May 25, 2020, including any adjournment or postponement thereof in accordance with the terms of the Arrangement Agreement, called and held in accordance with the Interim Order to consider and, if deemed advisable, approve the Arrangement, the Arrangement Resolution, ancillary matters to the foregoing and, if agreed by the Purchasers acting reasonably, for any other purpose set out in the Circular.

“Mercer” means Mercer (Canada) Limited.

“MI 61-101” means Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Arrangements.

“Minimum Additional Subscription Amount” means the minimum dollar value of net subscription proceeds to be received by the High Yield Fund from the Additional High Yield Fund Subscribers pursuant to Section 2.4(aa) of the Plan of Arrangement, as specified in the Pre-Closing Notice.

“Minimum Additional Subscription Number” means (i) the Minimum Additional Subscription Amount divided by (ii) the High Yield Fund Subscription Price.

“misrepresentation” has the meaning ascribed thereto under Securities Laws.

“Mutual Fund Withholding Tax” has the meaning set out in *“Certain Canadian Federal Income Tax Considerations – Non-Residents of Canada – Redemption of REIT Units”*.

“Named Executive Officers” or **“NEOs”** means the President & CEO, CFO, and the three other most highly compensated executive officers whose total compensation is more than \$150,000.

“NBF” means National Bank Financial Inc., the financial advisor and independent valuator to the Special Committee.

“NBF Engagement Letter” means the engagement letter dated January 14, 2020 between NBF and the Special Committee.

“NBF Fairness Opinion” means the fairness opinion dated February 19, 2020 delivered by NBF to the Special Committee to the effect that, as of the date of the date thereof and based on and subject to the limitations, qualifications and assumptions set forth therein, the All-Cash Consideration to be received by Trust Unitholders under the Arrangement is fair, from a financial point of view, to such Trust Unitholders (other than the Purchasers, the Guarantors and their affiliates).

“New Year” means the taxation year of the REIT that begins on the day following the Effective Date.

“NI 52-110” means National Instrument 52-110 – *Audit Committees*.

“NI 58-101” means National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

“No-Action Letter” means one or more letters from the Commissioner advising that he does not, at that time, intend to make an application under Section 92 of the Competition Act in respect of the transactions contemplated by the Arrangement Agreement.

“Nominal Cash Distribution” means an aggregate cash amount of \$1,000 to be paid out by the REIT as a special distribution on the REIT Units and delivered to, and held by, the Depositary as agent for and on behalf of the Unitholders pro rata based on the number of REIT Units held by each Unitholder.

“Nominees” means the Trustee nominees.

“Non-Resident Holder” has the meaning set out in *“Certain Canadian Federal Income Tax Considerations– Non-Residents of Canada”*.

“Northview General Meeting Matters” means the (i) the appointment of KPMG LLP as the auditor of the REIT with remuneration to be fixed by the Trustees; (ii) the election for the ensuing year of the individuals who have been proposed by the Board for nomination for election as Trustees of the REIT; and (iii) the acceptance on an advisory basis of the approach to executive compensation.

“Notice of Annual General and Special Meeting” means the notice of annual general and special meeting dated April 23, 2020 distributed by the REIT in connection with the Meeting.

“Notional Units” means notional units, which have an equivalent of one REIT Unit upon vesting.

“NPR GP” means NPR GP Inc.

“NV Holdings GP” means Northview Canadian HY Holdings GP Inc. or Northview Canadian HY Holdings GP Trust, a corporation or trust that will be incorporated or formed, as applicable, under the laws of the Province of Ontario, and the general partner of NV Holdings LP.

“NV Holdings LP” means Northview Canadian HY Holdings LP, a limited partnership that will be established by the REIT and NV Holdings GP under the laws of the Province of Ontario.

“Offer Price” means \$36.25 per REIT Unit.

“Offering” means the offering of up to \$430,000,000 of Listed High Yield Fund Units and Class F High Yield Fund Units.

“Offering Closing Date” means the closing date of the Offering.

“Offering Price” means \$12.50 per Listed High Yield Fund Unit.

“order” means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation.

“Outside Date” means October 17, 2020, as such date may be extended pursuant to the Arrangement Agreement.

“P50” means the 50th percentile.

“Parties” means the REIT, NPR GP, the Purchasers, KingSett and Starlight and **“Party”** means any one of them.

“Pending Employee Unit” means a REIT Unit that an employee is entitled to receive pursuant to the Employee Unit Purchase Plan, but has not received as of the Effective Time.

“Performance Award” means a performance award granted pursuant to Section 8.1 of the Unit Award Plan.

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

“Plan of Arrangement” means the plan of arrangement under Section 193 of the ABCA, substantially in the form of Appendix D, subject to any amendments or variations made in accordance with the Arrangement Agreement or Article 6 of the Plan of Arrangement, or made at the direction of the Court in the Final Order (with the prior written consent of the REIT and the Purchasers, each acting reasonably).

“Plans” means RRSPs, RRIFs, DPSPs, RESPs and RDSPs and TFSAs.

“Portfolio A Cash Amount” means the amount by which the Portfolio A Purchase Price exceeds the aggregate principal amount of the Portfolio A Purchase Notes, as specified in the Pre-Closing Notice.

“Portfolio A General Partner” means a REIT Subsidiary that is a general partner of a partnership and is designated as a “Portfolio A General Partner” in the Pre-Closing Notice.

“Portfolio A Interests” means all of the limited partnership interests in the Portfolio A Partnerships and all of the shares, trust interests or partnership interests, as applicable, of the Portfolio A General Partners.

“Portfolio A Partnerships” means the REIT Subsidiaries designated as “Portfolio A Partnerships” in the Pre-Closing Notice.

“Portfolio A Purchase Agreement” means the purchase agreement to be entered into between Purchaser A, the Portfolio A Sellers and the REIT for the acquisition of the Portfolio A Interests by the Purchaser A at the time specified in the Plan of Arrangement.

“Portfolio A Purchase Notes” means the demand promissory notes to be issued by Purchaser A to the Portfolio A Sellers in partial satisfaction of the Portfolio A Purchase Price, the principal amount of which will be set out in the Pre-Closing Notice.

“Portfolio A Purchase Price” means the aggregate purchase price payable by Purchaser A for Portfolio A Interests, as specified in the Pre-Closing Notice.

“Portfolio A Sellers” means the REIT, together with the REIT Subsidiaries, that directly own the Portfolio A Interests, as specified in the Pre-Closing Notice.

“Portfolio B Cash Amount” means the amount by which the Portfolio B Purchase Price exceeds the aggregate principal amount of the Portfolio B Purchase Notes, as specified in the Pre-Closing Notice.

“Portfolio B General Partner” means a REIT Subsidiary that is a general partner of a partnership and is designated as a “Portfolio B General Partner” in the Pre-Closing Notice.

“Portfolio B Interests” means all of the limited partnership interests in the Portfolio B Partnerships and all of the shares, trust interests or partnership interests, as applicable, of the Portfolio B General Partners.

“Portfolio B Partnerships” means the REIT Subsidiaries designated as “Portfolio B Partnerships” in the Pre-Closing Notice.

“Portfolio B Purchase Agreement” means the purchase agreement to be entered into between Purchaser B, the Portfolio B Sellers and the REIT for the acquisition of the Portfolio B Interests by Purchaser B at the time specified in the Plan of Arrangement.

“Portfolio B Purchase Notes” means the demand promissory notes to be issued by Purchaser B to the Portfolio B Sellers in partial satisfaction of the Portfolio B Purchase Price, the principal amount of which will be set out in the Pre-Closing Notice.

“Portfolio B Purchase Price” means the aggregate purchase price payable by Purchaser B for the Portfolio B Interests, as specified in the Pre-Closing Notice.

“Portfolio B Sellers” means the REIT, together with the REIT Subsidiaries, that directly own the Portfolio B Interests, as specified in the Pre-Closing Notice.

“Post-Consolidation High Yield Fund Units” means the High Yield Fund Units (including any Additional High Yield Fund Units) as they are constituted after the Consolidation.

“Potential Buyers” has the meaning set out in *“Background to the Arrangement”*.

“Pre-Acquisition Reorganization” means each transaction step as the Purchasers may request, acting reasonably, including any transaction step included in the REIT Properties Reorganization, subject to the limitations and qualifications set forth in the Arrangement Agreement.

“Pre-Closing Notice” means a notice to be delivered by the Purchasers to the REIT three Business Days prior to the Effective Date specifying certain amounts and other actions required to be taken by the Parties in furtherance of the Arrangement, as provided in the Plan of Arrangement.

“Pro Forma Eligible Unitholders” means the holders from time to time of the REIT Units and the Exchangeable LP Units.

“Properties” means all of the land owned by the REIT or in which the REIT has an interest and all buildings, fixtures, structures, erections, improvements and appurtenances located on, in or under the land owned by the REIT or in which the REIT has an interest.

“Proxy” means the form of proxy enclosed with this Circular.

“Purchaser A” means Galaxy Real Estate Core Fund LP.

“Purchaser B” means Galaxy Value Add Fund LP.

“Purchaser Commitment Letters” means the commitment letters dated as of the date of the Arrangement Agreement between the Purchasers and the Purchaser Debt Financing Sources.

“Purchaser Debt Financing” means the agreement of the Purchaser Debt Financing Sources to lend, subject to the terms and conditions of the Purchaser Commitment Letters, the amounts set forth therein, the proceeds of which will be used by the Purchasers, the REIT and the High Yield Fund, for, among other things, purposes of financing the cash Consideration.

“Purchaser Debt Financing Sources” means Canadian Imperial Bank of Commerce and any other Person who becomes a lender or the administrative agent in respect of the Purchaser Debt Financing pursuant to the Purchaser Commitment Letter and any joinders to such letters or any definitive documentation relating thereto, together with such Person’s successors, assigns, affiliates, officers, directors, employees and representatives and their respective, successors, assigns, affiliates, officers, directors, employees and representatives.

“Purchasers” means collectively, Purchaser A and Purchaser B, being Galaxy Real Estate Core Fund LP and Galaxy Value Add Fund LP, respectively.

“Qualifying Disposition” has the meaning set out in *“Certain Canadian Federal Income Tax Considerations – Taxation of the REIT – Disposition of Property to the High Yield Fund”*.

“Qualified Third Party” means each Person that has a reasonable prospect of making an Acquisition Proposal prior to the expiration of the 15 day extension of the Go-Shop Period.

“RDSP” means a trust governed by a registered disability savings plan, as defined in the Tax Act.

“Recapitalization Event” means a direct or indirect public offering or listing of new, additional or successor securities of the High Yield Fund or a traditional real estate investment trust or other entity that owns or will own all or substantially all of the High Yield Fund’s properties and otherwise carries on the High Yield Fund’s operations as an indirect owner of such properties, or by way of reorganization, restructuring (corporate, capital or otherwise), combination or merger involving the High Yield Fund or the High Yield Fund Unitholders, or similar transaction as recommended by the Manager and approved by the board of trustees of the High Yield Fund, some of which may include an acquisition, redemption or repurchase of all or a portion of the then-outstanding units of the High Yield Fund.

“Recapture Income” has the meaning set out in *“Certain Canadian Federal Income Tax Considerations – Taxation of the REIT – Pre-Acquisition Reorganization”*.

“Record Date” means the record date to determine the entitlement of Unitholders to receive notice of, and to vote at, the Meeting or any adjournment or postponement thereof, being March 27, 2020.

“Refinancing Borrowers” means the REIT Subsidiaries and Subsidiaries of the High Yield Fund specified in the Pre-Closing Notice that will be the borrowers under the Refinancings.

“Refinancing Distribution Steps” means the transactions, if any, specified in the Pre-Closing Notice pursuant to which the net proceeds of the Refinancings will be distributed by the Refinancing Borrowers (directly or indirectly) to the REIT and/or the High Yield Fund.

“Refinancing Lender(s)” means the entities specified in the Pre-Closing Notice that will be the lenders under the Refinancings.

“Refinancings” means the refinancing transactions, if any, described in the Pre-Closing Notice to be entered into by the REIT Subsidiaries and/or Subsidiaries of the High Yield Fund as part of the Plan of Arrangement.

“Registered Plan” means a trust governed by a RRSP, RRIF, RESP, RDSP or TFSA.

“REIT” means Northview Apartment Real Estate Investment Trust, a trust established under the laws of the Province of Alberta.

“REIT Capital Gains Refund” has the meaning set out in *“Certain Canadian Federal Income Tax Considerations – Taxation of the REIT – Computation of Income and Taxable Capital Gains of the REIT”*.

“REIT Declaration of Trust” means the Ninth Amended and Restated Declaration of Trust of the REIT dated as of May 5, 2016, as further amended from time to time, which is governed by the laws of the Province of Alberta.

“REIT Disclosure Letter” means the disclosure letter dated February 19, 2020 and delivered by the REIT to the Purchasers with the Arrangement Agreement.

“REIT Distributions” has the meaning set out in *“Certain Canadian Federal Income Tax Considerations – Residents of Canada – REIT Distributions”*.

“REIT Employees” means employees employed by the REIT or any of the REIT Subsidiaries.

“REIT Exception” has the meaning set out in *“Certain Canadian Federal Income Tax Considerations – Residents of Canada – Holding and Disposing of High Yield Fund Units Received Pursuant to the Plan of Arrangement”*.

“REIT Properties Reorganization” means the transaction steps, if any, to occur prior to the Effective Time as proposed by the Purchasers to facilitate the direct or indirect transfer of Properties, which may include for greater certainty the direct or indirect transfer of Properties to separate limited partnerships and the dissolution of REIT Subsidiaries, subject to the limitations and qualifications set forth in the Arrangement Agreement.

“REIT Redemption Price” means \$29.18125 less the amount of cash per REIT Unit, if any, distributed in any Special Distribution.

“REIT Subsidiary” means a Subsidiary of the REIT, including any Subsidiary of the REIT that is formed after February 19, 2020.

“REIT Transfer Percentage” means the quotient, expressed as a percentage, obtained by dividing (a) the amount by which the fair market value of a REIT Unit is reduced as a result of the Qualifying Disposition, by (b) the fair market value of a REIT Unit immediately before the Qualifying Disposition.

“REIT Units” means the units of the REIT designated as “Trust Units” under the REIT Declaration of Trust outstanding at any particular time, and **“REIT Unit”** means any one of them (together with the associated URP Rights), and for greater certainty includes units of the REIT issued pursuant to the Plan of Arrangement.

“Registered Unitholder” means a registered holder of REIT Units or Special Voting Units.

“Registrar” means the Registrar of Corporations duly appointed under Section 263 of the ABCA.

“Regulation S” means Regulation S under the U.S. Securities Act.

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

“**Required CMHC Consents**” means consents and approvals from CMHC necessary to maintain the CMHC Mortgages in good standing following the Arrangement and the Pre-Acquisition Reorganization, in form and substance acceptable to the Purchasers, acting reasonably.

“**Required Lender Consents**” means consents and approvals from each of the lenders and mortgagees (excluding CMHC) necessary to maintain no less than 75% of the aggregate principal amount of the mortgages and indebtedness subject to the Existing Mortgages in good standing following the Arrangement and the Pre-Acquisition Reorganization, in form and substance acceptable to the Purchasers, acting reasonably.

“**Resident Holder**” has the meaning set out in “*Certain Canadian Federal Income Tax Considerations – Residents of Canada*”.

“**RESP**” means a trust governed by a registered education savings plan, as defined in the Tax Act.

“**Restricted Awards**” means restricted awards granted pursuant to Section 8.2 of the Unit Award Plan.

“**Restricted Offer**” means an offer by Starlight and its affiliates (including Mr. Drimmer), without the consent of the REIT, to acquire or agree to acquire or make any proposal or offer to acquire, directly or indirectly, any securities or property of the REIT.

“**RRIF**” means a trust governed by a registered retirement income fund, as defined in the Tax Act.

“**RRSP**” means a trust governed by a registered retirement savings plan, as defined in the Tax Act.

“**Same Door NOI**” means same door net operating income.

“**Scotiabank**” means Scotia Capital Inc.

“**Scotiabank Engagement Letter**” means the engagement letter dated October 25, 2019 between the Board and Scotiabank.

“**Scotiabank Fairness Opinion**” means the fairness opinion dated February 19, 2020 delivered by Scotiabank to the Board to the effect that, as of the date thereof and based on and subject to the assumptions, qualifications and limitations contained therein, the Consideration to be received by Trust Unitholders who elect to receive, or are deemed to have elected to receive, the All-Cash Consideration under the Arrangement is fair, from a financial point of view, to such Trust Unitholders (other than the Purchasers and their affiliates).

“**SEC**” means the U.S. Securities and Exchange Commission.

“**Second Offer**” has the meaning set out in “*Background to the Arrangement*”.

“**Secondary Markets**” means the secondary markets in which the High Yield Fund Properties will be located within British Columbia, Alberta, Saskatchewan, Québec, New Brunswick, Newfoundland and Labrador, the Northwest Territories and Nunavut.

“**Section 3(a)(10) Exemption**” means the exemption from the registration requirements of the U.S. Securities Act pursuant to section 3(a)(10) thereof.

“**Securities Laws**” means the *Securities Act* (Alberta), regulations and rules thereunder and similar Laws in the other provinces and territories of Canada.

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval.

“**SEDI**” means the System for Electronic Disclosure by Insiders.

“**Seventh Offer**” has the meaning set out in “*Background to the Arrangement*”.

“**SIFT**” has the meaning set out in “*Certain Canadian Federal Income Tax Considerations – Residents of Canada – Holding and Disposing of High Yield Fund Units Received Pursuant to the Plan of Arrangement*”.

“**SIFT Rules**” has the meaning set out in “*Certain Canadian Federal Income Tax Considerations – Residents of Canada – Holding and Disposing of High Yield Fund Units Received Pursuant to the Plan of Arrangement*”.

“**Sixth Offer**” has the meaning set out in “*Background to the Arrangement*”.

“**Special Board Meetings**” means the meetings of the Board held to consider the Arrangement and related matters.

“**Special Committee**” means the special committee of the Board comprised of three experienced independent trustees, Dennis J. Hoffman (Chair), Kevin Grayston and Valéry Zamuner, appointed to, among other things, consider the Arrangement.

“**Special Distribution**” means the amount to be paid out by the REIT as a special distribution on the REIT Units, prior to the Effective Time to be equal to its *bona fide* best estimate, as set forth in the Pre-Closing Notice, of the amount, if any, of its Taxable Income, for the taxation year of the REIT that includes the Effective Date (such amount to be reduced to take into account any deductions under subsection 104(6) of the Tax Act in respect of prior distributions during that taxation year of the REIT, including the Stub Distribution, and determined without reference to any Taxable Income that may arise as a consequence of the transactions contemplated in the Plan of Arrangement), which amount may be zero.

“**Special Voting Unit**” means a non-participating special voting unit of the REIT issued pursuant to and having the attributes described in the REIT Declaration of Trust.

“**Special Voting Unitholders**” means holders of Special Voting Units and “Special Voting Unitholder” means any one of them.

“**Standstill Restrictions**” means the standstill restrictions applicable to Starlight under the A&R Exchange Agreement including, among other things, the restrictions from making a Restricted Offer, and from making any public disclosure with respect to a Restricted Offer or assisting, advising, or acting jointly or in concert with any other person to make a Restricted Offer, for a period commencing on the date of the A&R Exchange Agreement and ending following a continuous 60-day period during which both the nominees of Starlight, including Daniel Drimmer, no longer serve on the Board.

“**Standstill Waiver**” has the meaning set out in “*The Arrangement – Partial Waiver of Standstill*”.

“**Starlight**” means Starlight Group Property Holdings Inc.

“**Starlight LP**” means Starlight Investments CDM AM Group LP.

“**STI**” means the short term incentive plan of the REIT as amended, supplemented or restated from time to time.

“**Stub Distribution**” means the amount of cash to be paid out by the REIT on each REIT Unit (excluding Dissenting Units) as a regular monthly distribution, equal to the product obtained when (A) \$0.1358 is multiplied by (B) a fraction, the numerator of which is the number of days in the Stub Period and the denominator of which is the total number of days in the month in which the Effective Date occurs.

“**Stub Period**” means the period from the beginning of the month that includes the Effective Date to the Effective Date.

“Stub Year” means the taxation year of the REIT commencing on January 1, 2020 that will be deemed to end at the end of the Effective Date.

“Subscribing Unitholder” means each former holder of a REIT Unit entitled to receive Additional High Yield Fund Units in accordance with and subject to Sections 3.1 and 3.2 of the Plan of Arrangement.

“Subscription Election Units” means the number of Additional High Yield Fund Units in respect of which each Subscribing Unitholder will have made the High Yield Fund Subscription Election.

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

“Subsidiary Partnership” means a REIT Subsidiary that is a partnership.

“Superior Go-Shop Proposal” has the meaning set out in *“The Arrangement – Voting and Support Agreements – Drimmer Voting and Support Agreement”*.

“Superior Proposal” means any bona fide written Acquisition Proposal made after February 19, 2020 that would result in any Person or group of Persons acquiring, directly or indirectly, all or substantially all of the consolidated assets of the REIT and its Subsidiaries or all of the voting or equity securities of the REIT that:

- (a) did not result from a breach of the Arrangement Agreement;
- (b) is not subject to any financing condition and in respect of which the Board determines in good faith (after receipt of advice from its financial advisors and its outside legal counsel) that adequate arrangements have been made to ensure that any required financing to complete such Acquisition Proposal will be available;
- (c) is, in the opinion of the Board (after consultation with outside legal counsel and financial advisers) reasonably capable of being completed in accordance with its terms without undue delay, taking into account all financial, legal, regulatory and other aspects of such proposal and the Person or group of Persons making such Acquisition Proposal;
- (d) is not subject to any due diligence condition; and
- (e) the Board determines in good faith (after consultation with outside legal counsel and financial advisers and after taking into account all the terms and conditions of the Acquisition Proposal, including all legal, financial, regulatory and other aspects of such Acquisition Proposal and the Person or group of Persons making such Acquisition Proposal), if consummated in accordance with its terms (but without assuming away the risk of non-completion), would result in a transaction which is more favourable, from a financial point of view, to the Trust Unitholders (other than the Purchasers, the Guarantors and their affiliates) than the Arrangement (including any amendments to the terms and conditions of the Arrangement as proposed by the Purchasers pursuant to the Arrangement Agreement).

“Superior Proposal Notice” means a written notice delivered by the REIT or its Representatives to the Purchasers containing a determination of the Board that such Acquisition Proposal constitutes a Superior Proposal and of the intention of the Board to recommend such Superior Proposal or accept, approve or enter into a definitive agreement with respect to such Superior Proposal, together with a written notice from the Board regarding the value and financial terms that the Board, in consultation with its financial advisors, has determined should be ascribed to any non-cash consideration offered under such Superior Proposal.

“**Supplementary Information Request**” means a notification by the Commissioner requesting additional information that is relevant to the Commissioner’s assessment of the Arrangement pursuant to subsection 114(2) of the Competition Act.

“**Target Recapitalization Date**” means the date which is on or about three years from the Offering Closing Date, subject to extensions by the board of trustees of the High Yield Fund pursuant to two one-year extensions at the sole discretion of the board of trustees of the High Yield Fund, or as may be further extended beyond five years by special resolution of the High Yield Fund Unitholders.

“**Tax Act**” means, collectively, the *Income Tax Act* (Canada) and the regulations thereunder.

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

“**Taxable Income**” means for any taxation year, the aggregate of: (a) the net income for the year (excluding capital gains and capital losses) determined in accordance with the Tax Act having regard to the provisions thereof which relate to the calculation of income for the purpose of determining the “taxable income” of a trust, and read without reference to paragraph 82(1)(b) and subsection 104(6) of the Tax Act, less any non-capital losses carried forward from prior taxation years that are deductible in the taxation year, and (b) the amount of realized capital gains for the year less the amount of realized capital losses for the year, in each case, as calculated in accordance with the Tax Act, less any net capital losses carried forward from prior taxation years that are deductible in the taxation year.

“**TCP**” has the meaning set out in “*Certain Canadian Federal Income Tax Considerations – Non-Residents of Canada – Redemption of REIT Units*”.

“**Term Limit Policy**” the Board term limit policy.

“**Termination Fee**” means \$87,997,000, except in the event that the Arrangement Agreement is terminated prior to the Go-Shop Expiry Time by the REIT pursuant to Section 7.2(1)(c)(iii) of the Arrangement Agreement as a result of a Superior Proposal or by the Purchasers pursuant to Section 7.2(1)(d)(ii) of the Arrangement Agreement as a result of a Change in Recommendation, in which case it means \$37,713,000.

“**TFSA**” means a trust governed by a tax-free savings account, as defined in the Tax Act.

“**Third Offer**” has the meaning set out in “*Background to the Arrangement*”.

“**Transactional Fee Agreement**” means the transactional fee agreement dated February 27, 2019 between Starlight LP and the REIT.

“**Transaction Proponents**” has the meaning set out in “*Background to the Arrangement*”.

“**Transitional Services Agreement**” means transitional services agreement dated October 30, 2015 among Starlight the REIT and affiliates of the REIT.

“**True North**” means True North Apartment REIT.

“**Trustee**” means a trustee of the REIT.

“**Trustee and Officer Voting and Support Agreements**” means collectively, the voting and support agreements dated February 19, 2020 entered into by the Purchasers and each of Scott Thon, Todd Cook, Kevin Grayston, Dennis J. Hoffman, Christine E. McGinley, Terrance McKibbin, Valéry Zamuner, D. Travis Beatty, Leslie Veiner, Bo Rasmussen, Richard Anda, Lizaine Wheeler, and Karl Bomhof.

“**Trusteeco**” means a corporation specified in the Pre-Closing Notice.

“**Trust Unitholders**” means the registered and beneficial holders of REIT Units, including the registered and beneficial holders of REIT Units issued pursuant to the Plan of Arrangement, and “Trust Unitholder” means any one of them.

“**TSX**” means the Toronto Stock Exchange.

“**TSX Trust Company**” means TSX Trust Company, depositary for the REIT.

“**TUR**” means total Unitholder return.

“**U.S. Exchange Act**” means the United States Securities Exchange Act of 1934, as amended.

“**U.S. Securities Act**” means the United States Securities Act of 1933, as amended.

“**U.S. Securities Laws**” means federal and state securities legislation of the United States and all rules, regulations and orders promulgated thereunder.

“**Unit Award Plan**” means the unit award plan of the REIT as amended, supplemented or restated from time to time.

“**Unitholder Approval**” means (i) the affirmative vote of at least two-thirds (66 2/3%) of the votes cast by Unitholders, voting as a single class, present in person or represented by proxy at the Meeting and entitled to vote, and (ii) a simple majority of the votes cast by disinterested Unitholders, voting as a single class, present in person or represented by proxy at the Meeting excluding for this purpose the votes attached to REIT Units and Special Voting Units held by Starlight, its affiliates and any other Unitholders required to be excluded under MI 61-101.

“**Unitholder Rights Plan**” means the amended and restated unitholder rights plan agreement dated May 9, 2017 between the REIT and Computershare Trust Company of Canada.

“**Unitholders**” means, collectively, the Trust Unitholders and Special Voting Unitholders, and “Unitholder” means any one of them.

“**URP Rights**” means the rights issued pursuant to the Unitholder Rights Plan.

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

“**Valuation**” means the formal valuation dated February 19, 2020 prepared by NBF for the Special Committee as it applies to the value of the REIT Units, attached to this Circular as Appendix “F”.

“**VIF**” means voting instruction form.

“**VWAP**” means volume weighted average price.

**NORTHVIEW APARTMENT REAL ESTATE INVESTMENT TRUST
MANAGEMENT INFORMATION CIRCULAR**

Introduction

This Circular is furnished in connection with the solicitation of proxies by and on behalf of the management of the REIT for use at the Meeting of Unitholders to be held at the REIT's head office at 200, 6131-6th Street SE, Calgary, Alberta, T2H 1L9 and online at <https://web.lumiagm.com/265965225> on May 25, 2020 at 3:00 p.m. (Mountain Daylight Time) and any adjournment or postponement of the Meeting for the purposes described in the accompanying Notice of Annual General and Special Meeting.

All capitalized words and terms used but not otherwise defined in this Circular have the meanings set out in the Glossary of Terms.

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

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

All information relating to the High Yield Fund, the Purchasers and their affiliates incorporated by reference or contained in this Circular has been taken from or based on publicly available documents, records and other public sources or has been provided to the REIT by the Purchasers for inclusion in this Circular (other than financial, operational and other information relating to the properties of the REIT that are expected to comprise the High Yield Fund). The REIT has relied on this information without having made independent inquiries as to the accuracy or completeness thereof; however, it has no reason to believe such information contains a misrepresentation. Neither the Board nor the REIT assumes any responsibility for the accuracy or completeness of such information or for any omission therein or for any failure on the part of the Purchasers to disclose facts or events which may affect the accuracy or completeness of any such information. In accordance with the Arrangement Agreement, the Purchasers provided the REIT with all necessary information concerning the Purchasers and their affiliates that is required to be included in this Circular and ensured that such information does not contain any misrepresentation (as the term is defined in the Arrangement Agreement). All summaries of, and references to, the Arrangement in this Circular are qualified in their entirety by reference to the complete text of the Plan of Arrangement, a copy of which is attached as Appendix "D" to this Circular, and the complete text of the Arrangement Agreement, a copy of which is available under the REIT's profile on SEDAR at www.sedar.com or on request without charge to the Vice President, Legal and Corporate Secretary of the REIT at 200, 6131 – 6th Street SE, Calgary, Alberta, T2H 1L9 (telephone: 403-531-0720). **You are urged to carefully read the full text of these documents.**

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

The information contained in this Circular is given as at April 23, 2020, except where otherwise noted.

Arrangement Resolution

At the Meeting, Unitholders will be asked to consider and vote on the Arrangement Resolution approving the Arrangement, involving, among others, the REIT and the Purchasers, the full text of which is set forth in Appendix "A" to this Circular. Under the terms of the Arrangement, announced prior to the open of markets in Canada on February 20, 2020, the Purchasers will acquire the REIT (other than Starlight's

interest in the REIT, which will be rolled into the acquiring entities) and Unitholders will receive an Offer Price of \$36.25 per REIT Unit (payable, at the election of Unitholders, in cash or a combination of cash and High Yield Fund Units), representing a 17% premium to the REIT's 30-day VWAP on the TSX ended on February 19, 2020 (the day prior to the announcement of the Arrangement), a 12% premium to the REIT's near all-time high closing price per REIT Unit on the TSX on February 19, 2020 and a 25% premium to the REIT's Consensus NAV per REIT Unit on February 19, 2020.

Each Unitholder will be able to elect to receive 100% of the Consideration in the form of cash pursuant to the All-Cash Election on a taxable basis. Alternatively, each Unitholder may make a High Yield Fund Subscription Election to receive 0.5655 High Yield Fund Units on a tax deferred basis and the remainder of the Consideration of \$29.18 on a taxable basis in cash, High Yield Fund Units or a combination of cash and High Yield Fund Units elected by the Unitholder (other than Unitholders resident in or otherwise located in the United States that will receive cash), subject to proration, pursuant to the High Yield Fund Subscription.

The High Yield Fund will be a new, multi-residential fund that is expected to own a geographically diverse portfolio of the REIT's properties located in six Canadian provinces and two territories. The High Yield Fund has applied to list the Listed High Yield Fund Units on the TSX and the High Yield Fund Units issued to Unitholders pursuant to the Arrangement will be convertible into such Listed High Yield Fund Units. The listing is subject to the High Yield Fund fulfilling all of the initial listing requirements and conditions of the TSX. The TSX has not conditionally approved the High Yield Fund's listing application and there is no assurance that the TSX will approve the listing application. Details on the different elections available to Unitholders can be found in the section of this Circular titled "*Procedure for the Delivery of Securities and Payment of Consideration - Available Elections and Procedure*".

See Appendix "H" of this Circular for additional information, including risk factors, relating to the High Yield Fund.

Elections with respect to the form of Consideration must be validly made prior to 3:00 p.m. (Mountain Daylight Time) on May 21, 2020. If you are a Beneficial Unitholder, your broker, investment dealer or other intermediary may require that you complete your election at an earlier date. Unitholders not specifying an election will be deemed to have made the All-Cash Election.

Unitholders will also be entitled to receive the Stub Distribution for each REIT Unit held. Registered Unitholders are encouraged to refer to the enclosed Letter of Transmittal and Election Form for additional detail.

Caution Regarding Forward-Looking Statements and Information

Certain statements contained or incorporated by reference in this Circular contain "forward-looking statements" and "forward-looking information" within the meaning of applicable securities laws.

Forward-looking information in this Circular includes, but is not limited in any manner to statements with respect to:

- timing of the Meeting;
- the expected costs and benefits of the Arrangement;
- the likelihood and timing of the completion of the Arrangement;
- other matters related to the completion of the Arrangement;
- the public offering or listing of units of the High Yield Fund;
- the liquidity of the units of the High Yield Fund following completion of the Arrangement; and
- the financial condition, size, results of operations, future performance, payment of distributions, management, business and certain other matters relating to the High Yield Fund and the units

thereof following completion of the Arrangement, as more particularly described elsewhere in this Circular and in Appendix "H". Please see "Forward Looking Statements" and "Risk Factors" in Appendix "H" to this Circular for a discussion of certain forward-looking information relating to the High Yield Fund contained in this Circular and related risk factors.

Forward-looking statements generally can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "could", "seek", "goal", "should", "plan" or "continue", or similar expressions suggesting future outcomes or events.

With respect to forward-looking statements and information contained or incorporated by reference herein, the REIT has made numerous assumptions. These assumptions include, among other things, the ability to satisfy the conditions to the completion of the Arrangement; no occurrence of a Material Adverse Effect; the ability to obtain Competition Act Approval, the Required Lender Consents and the Required CMHC Consents; the accuracy and completeness of information received from or on behalf of the Purchasers; the anticipated benefits of the Arrangement; the timing of the Meeting; the accuracy of advice received from professional advisors; the impact of current economic climate and the current global financial conditions; that the REIT's financing capacity and asset value will remain consistent with the REIT's current expectations; that there will be no material changes to government and environmental regulations adversely affecting the REIT's operations; that the performance of the REIT's investments will proceed on a basis consistent with the REIT's current expectations; and that conditions in the real estate market, including competition for acquisitions, will be consistent with the current climate. Although management of the REIT believes that the assumptions made and the expectations represented by such statements or information are reasonable, there can be no assurance that the forward-looking statements or information will prove to be accurate. Readers should also refer to the documents incorporated by reference in this Circular for additional information on risks and uncertainties relating to forward-looking statements and information regarding the REIT.

By their nature, forward-looking statements and information are based on assumptions and involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements, or industry results, to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements and information. In particular, there are certain risks related to the consummation of the Arrangement and the business and operations of the High Yield Fund upon consummation of the Arrangement including, but not limited to: the risk of failure to satisfy the conditions to completion of the Arrangement, including failure to obtain Competition Act Approval, the Required Lender Consents and the Required CMHC Consents; the risk of an occurrence of a Material Adverse Effect; risks related to the fees, costs and expenses associated with the Arrangement; the risk that the market price of the REIT Units may be materially adversely affected if the Arrangement is not completed or its completion is materially delayed; the risk that the REIT may have to pay the Termination Fee; the risk that another attractive transaction may not be available in the event the Arrangement is not completed; risks relating to the fact that while the Arrangement is pending, the REIT is restricted from taking certain actions; and the risk that the REIT's Trustees and officers may have interests in the Arrangement that are different from those of Unitholders. Certain risks and other factors with respect to the High Yield Fund following completion of the Arrangement include, but are not limited to, the financial and operational performance of the High Yield Fund, the capital requirements associated with the High Yield Fund following completion of the Arrangement, dependence on key personnel, and the risk that the High Yield Fund following completion of the Arrangement may not realize any of the benefits of its real estate portfolio. The business of the High Yield Fund following completion of the Arrangement will also generally be subject to the risks currently affecting the business of the REIT. See "*Risk Factors*" of this Circular and Appendix "H" for additional information.

Although the REIT has attempted to identify in this Circular important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements and information in this Circular and the documents incorporated by reference herein, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that the forward-looking statements and information in this Circular and the documents incorporated by reference herein will prove to be accurate, as actual results and future events could differ materially from those anticipated in such forward-looking statements and information. Accordingly, readers

should not place undue reliance on forward-looking statements or information in this Circular, or on the documents incorporated by reference herein. Except as required by applicable Law, the REIT disclaims any intention or obligation to update or revise any of the forward-looking statements or forward-looking information in this Circular or the documents incorporated by reference herein, whether as a result of new information, future events or otherwise, or to explain any material difference between subsequent actual events and such forward-looking statements and information. All of the forward-looking statements made, and forward-looking information contained, in this Circular and incorporated by reference herein are qualified by these cautionary statements.

Information for U.S. Unitholders

THE ARRANGEMENT AND THE HIGH YIELD FUND UNITS ISSUABLE PURSUANT TO THE ARRANGEMENT HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (“SEC”) OR THE SECURITIES REGULATORY AUTHORITY OF ANY STATE OF THE UNITED STATES, NOR HAS THE SEC OR ANY SUCH STATE REGULATORY AUTHORITY PASSED UPON THE FAIRNESS OR MERITS OF THE ARRANGEMENT OR UPON THE ADEQUACY OR ACCURACY OF THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

The High Yield Fund Units to be received from the REIT by Unitholders who make a High Yield Fund Subscription Election in exchange for REIT Units pursuant to the Arrangement have not been and will not be registered under the U.S. Securities Act or any applicable U.S. state securities laws and will be issued in reliance on the Section 3(a)(10) Exemption and pursuant to exemptions from registration under any applicable state securities laws. The Section 3(a)(10) Exemption exempts from the registration requirements under the U.S. Securities Act securities issued in exchange for one or more *bona fide* outstanding securities where the terms and conditions of the issuance and exchange are approved as substantively and procedurally fair by a court of competent jurisdiction that is expressly authorized by Law to grant such approval, after a hearing upon the fairness of such terms and conditions of such issuance and exchange at which all persons to whom the securities will be issued in such exchange have the right to appear and receive timely notice thereof. Such High Yield Fund Units received in exchange for the REIT Units pursuant to the Arrangement will be freely tradable under U.S. federal securities laws except by persons who are, or within 90 days prior to the Effective Time were, “affiliates” (as defined in Rule 144 under the U.S. Securities Act) of the High Yield Fund. Any such High Yield Fund Units held by such an affiliate (or, if applicable, former affiliate) will be subject to certain restrictions on resale imposed by the U.S. Securities Act.

Notwithstanding the preceding, the Section 3(a)(10) Exemption does not exempt from the registration requirements of the U.S. Securities Act the issuance of any Additional High Yield Fund Units, other than High Yield Fund Units received from the REIT, to Unitholders pursuant to such Unitholders’ respective selections of the High Yield Fund Subscription Election. Such Additional High Yield Fund Units will be issued outside the United States in accordance with Regulation S and may only be resold pursuant to an available exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws or pursuant to a registration statement under the U.S. Securities Act. See “*Principal Legal Matters – Securities Laws Matters – United States*” of this Circular for additional information.

The solicitation of proxies made in connection with this Circular is not subject to the requirements of section 14(a) of the U.S. Exchange Act. Accordingly, this Circular has been prepared in accordance with applicable Canadian disclosure requirements. Unitholders in the United States should be aware that such requirements are different than the requirements applicable to proxy solicitations under the U.S. Exchange Act.

All financial statements and other financial information related to the REIT and the High Yield Fund included or incorporated by reference in this Circular have been prepared in accordance with IFRS and are subject to Canadian auditing and auditor independence standards, which differ from U.S. GAAP and U.S. auditing and auditor independence standards in certain material respects. Consequently, such financial statements and other financial information are not comparable in all respects to financial statements prepared in accordance with U.S. GAAP and that are subject to U.S. auditing and auditor independence standards.

Investors should consult with their own professional advisors for an understanding of the differences between IFRS and U.S. GAAP, and of how those differences might affect the financial information presented herein.

The enforcement by investors of civil liabilities under U.S. Securities Laws may be affected adversely by the fact that each of the REIT and the High Yield Fund are existing under Canadian laws, that some or all of their respective officers and trustees are residents of countries other than the United States, that some or all of the experts named in this Circular are residents of countries other than the United States and that all or a substantial portion of the assets of the REIT and the High Yield Fund are located outside the United States. As a result, it may be difficult or impossible for Unitholders to effect service of process within the United States upon the REIT and the High Yield Fund or their respective trustees or officers or to realize against them upon judgments of courts of the United States predicated upon civil liabilities under the federal securities laws of the United States or the securities or “blue sky” laws of any state within the United States. In addition, Unitholders should not assume that the courts in Canada: (a) would enforce judgments of U.S. courts obtained in actions against such persons predicated upon civil liabilities under the federal securities laws of the United States or the securities or “blue sky” laws of any state within the United States; or (b) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under the federal securities laws of the United States or the securities or “blue sky” laws of any state within the United States.

Unitholders should be aware that the acquisition of the High Yield Fund Units described herein may have tax consequences both in the United States and in Canada. This Circular does not contain a description of the United States tax consequences of the Arrangement or the ownership of High Yield Fund Units. **Unitholders who are resident in, or citizens of, the United States are advised to consult their own tax advisors to determine the particular United States tax consequences to them of the Arrangement in light of their particular situation, as well as any tax consequences that may arise under the laws of any other relevant foreign, state, local or other taxing jurisdiction.**

Currency Presentation and Financial Principles

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

All financial statements and financial information therefrom pertaining to the REIT included or incorporated by reference herein have been prepared in accordance with IFRS and all financial statements and financial information therefrom pertaining to the High Yield Fund included or incorporated by reference herein have been prepared and presented in accordance with IFRS.

The carve-out financial statements included in this Circular are audited. Pro forma financial information included in this Circular is for informational purposes only and is unaudited. All carve-out and unaudited pro forma financial information contained in this Circular has been derived from underlying financial statements prepared in accordance with IFRS to illustrate the effect of the Arrangement. In accordance with the Arrangement Agreement, the carve-out financial statements and pro forma financial statements included in this Circular have been prepared by the Purchasers with the assistance of the REIT.

SUMMARY

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

The Arrangement

Under the terms of the Arrangement, the Purchasers will acquire the REIT (other than Starlight's interest in the REIT, which will be rolled into the acquiring entities), and Unitholders will receive an Offer Price of \$36.25 per REIT Unit (payable, at the election of Unitholders, in cash, High Yield Fund Units or a combination of cash and High Yield Fund Units) in a transaction valued at \$4.8 billion including net debt.

Election as to Form of Consideration

Pursuant to the Arrangement, each Unitholder will be able to elect to receive 100% of the Offer Price in the form of the All-Cash Consideration on a taxable basis. Alternatively, each Unitholder may make a High Yield Fund Subscription Election to receive 0.5655 High Yield Fund Units on a tax deferred basis and the remainder of the Consideration of \$29.18 on a taxable basis in cash, High Yield Fund Units or a combination of cash and High Yield Fund Units elected by the Unitholder (other than Unitholders resident in or otherwise located in the United States that will receive cash), subject to proration. Unitholders not specifying an election will be deemed to have elected to receive the All-Cash Consideration. The Board recommends that Unitholders make the All-Cash Election.

See "*The Arrangement – Treatment of REIT Securities – REIT Units*" of this Circular for additional information.

Unitholders will also be entitled to receive the Stub Distribution for each REIT Unit held. Registered Unitholders are encouraged to refer to the enclosed Letter of Transmittal and Election Form for additional detail.

Information Concerning the High Yield Fund

The High Yield Fund has been formed to provide investors with an investment opportunity to indirectly participate in a geographically diversified portfolio comprising income-producing multi-residential suites, commercial real estate and executives that are currently owned and operated by the REIT located in the Secondary Markets with high corporate demand for housing, with an anchor portfolio leased largely by the federal, provincial and territorial governments as well as credit-rated corporations.

The High Yield Fund's investment objectives are to:

- indirectly acquire, own and operate a high quality, geographically diversified real estate portfolio exhibiting attractive Capitalization Rates and a significant component of government and credit-rated commercial tenants comprised of income-producing multi-residential suites, commercial real estate and executives, that can achieve stable operating income or increases in operating income as a result of an active asset management strategy and located in the Secondary Markets;
- make stable monthly cash distributions; and
- effect a Recapitalization Event by the Target Recapitalization Date (which is the date that is on or about the date that is three years from the Effective Date, subject to two one-year extensions in the sole discretion of the board of trustees of the High Yield Fund).

The High Yield Fund will target an annual pre-tax distribution yield of 10.5% across all unit classes on gross subscription proceeds received by the High Yield Fund from (i) the issuance of units pursuant to the Offering, (ii) any concurrent private placements undertaken with the Offering, and (iii) the implied gross proceeds for any High Yield Fund Units issued in exchange for REIT Units pursuant to the Arrangement.

The pro rata monthly distribution on the units of the High Yield Fund will commence following the end of the High Yield Fund's first full operating month after the Effective Date.

The High Yield Fund will be managed by the Manager, a Subsidiary of Starlight, which will be engaged by the High Yield Fund for specified functions in connection with the ownership and operation of the High Yield Fund Properties in combination with employees of the REIT. Led by a team of industry veterans with a record of creating long-term investor value, Starlight is an experienced multi-residential real estate owner and asset manager. Starlight's principal, Daniel Drimmer, has over 25 years of experience identifying undervalued properties in the multi-residential real estate sector, acquiring such properties and realizing value through individual asset or portfolio sales.

See Appendix "H" of this Circular for additional information, including risk factors, relating to the High Yield Fund.

The Meeting and Record Date

The REIT is conducting a hybrid Unitholder Meeting that will allow participation both in person and online. The Meeting will be held on May 25, 2020 at 3:00 p.m. (Mountain Daylight Time). Registered Unitholders and duly appointed proxyholders can attend the Meeting in person at the REIT's head office at 200, 6131-6th Street SE, Calgary, Alberta, T2H 1L9 or online at <https://web.lumiagm.com/265965225> where they can participate, vote, or submit questions during the Meeting's live webcast.

The Board has fixed the close of business (Mountain Daylight Time) on March 27, 2020, as the Record Date for the purpose of determining the Unitholders entitled to receive the Notice of Annual General and Special Meeting and to vote at the Meeting. See "*General Proxy Matters – Voting of Units – Record Date*" of this Circular for additional information.

Purpose of the Meeting

The purpose of the Meeting will be to consider, pursuant to the Interim Order, and to vote on, with or without variation, the Arrangement Resolution.

The Meeting is also being held for the following purposes: (i) to receive the REIT's audited annual financial statements for the year ended December 31, 2019 and the report of the auditor thereon, (ii) to appoint KPMG LLP as auditor of the REIT for the following year at a remuneration to be fixed by the Trustees on the recommendation of the REIT's Audit and Risk Management Committee, (iii) to elect the Trustees of the REIT for the ensuing year, (iv) to consider an advisory resolution on executive compensation, and (v) to transact such other business as may properly be brought before the Meeting.

Background to the Arrangement

The Arrangement is the result of extensive negotiations between the REIT and Starlight and KingSett Capital, and their respective legal and financial advisors. For a summary of material events that preceded the execution of the Arrangement Agreement, see "*Background to the Arrangement*" of this Circular for additional information.

Scotiabank Fairness Opinion

Scotiabank delivered to the Board the Scotiabank Fairness Opinion advising that, as of February 19, 2020, and based upon and subject to the assumptions, qualifications and limitations, contained therein, the Consideration to be received by Trust Unitholders who elect to receive, or are deemed to have elected to receive, the All-Cash Consideration under the Arrangement is fair, from a financial point of view, to the Trust Unitholders (other than the Purchasers and their affiliates). A copy of the Scotiabank Fairness Opinion is attached as Appendix "E".

The Scotiabank Fairness Opinion does not constitute a recommendation to Unitholders with respect to the Arrangement Resolution. See "*Background to the Arrangement – Fairness Opinions – Scotiabank Fairness Opinion*" and Appendix "E" of this Circular for additional information.

NBF Fairness Opinion

NBF delivered to the Special Committee the NBF Fairness Opinion stating that, as of February 19, 2020, and subject to the assumptions, limitations, qualifications and other matters set forth therein, the All-Cash Consideration to be received by Trust Unitholders under the Arrangement is fair, from a financial point of view, to such Trust Unitholders (other than the Purchasers and their affiliates). The NBF Fairness Opinion was delivered on a fixed fee basis and no portion of the fees payable to NBF are contingent upon the completion of the Arrangement.

A copy of the NBF Fairness Opinion is attached as Appendix “F”. The NBF Fairness Opinion does not constitute a recommendation to Unitholders with respect to the Arrangement Resolution. See “*Background to the Arrangement – Fairness Opinions – NBF Formal Valuation and Fairness Opinion*” for additional information.

Formal Valuation

NBF delivered to the Special Committee the Valuation, which reflects NBF’s determination that, as of February 19, 2020, and based upon and subject to the assumptions, limitations, qualifications and other matters set forth therein, the fair market value of the REIT Units was in the range of \$33.25 and \$36.75 per REIT Unit.

A copy of the Valuation is attached as Appendix “F”. The Valuation does not constitute a recommendation to Unitholders with respect to the Arrangement Resolution. See “*Background to the Arrangement – Fairness Opinions – NBF Formal Valuation and Fairness Opinion*” for additional information.

Recommendation of the Special Committee

The Special Committee, after consultation with its financial and legal advisors and having taken into account the Valuation, the Fairness Opinions and such other matters as it considered necessary and relevant, including the factors set out below under the heading “*The Arrangement – Reasons for the Board Recommendation*” of this Circular, has unanimously determined that the Arrangement is fair to Trust Unitholders who elect to receive, or are deemed to have elected to receive, the All-Cash Consideration (other than the Purchasers and their affiliates) and that the Arrangement is in the best interests of the REIT and its Unitholders, and unanimously recommended that the Board (i) approve the Arrangement Agreement and (ii) recommend that Unitholders vote in favour of the Arrangement Resolution and elect to receive the All-Cash Consideration.

Recommendation of the Board

After careful consideration and consultation with their financial and legal advisors, the Board (other than Mr. Drimmer, who abstained from voting and recused himself for the reasons set out below), based on the unanimous recommendation of the Special Committee, has unanimously determined that the Arrangement is fair to Trust Unitholders who elect to receive, or are deemed to have elected to receive, the All-Cash Consideration (other than the Purchasers and their affiliates) and is in the best interests of the REIT. **Accordingly, the Board (other than the one Trustee, Mr. Drimmer, who recused himself and abstained from voting for the reasons set out below) unanimously recommends that Unitholders vote IN FAVOUR of the Arrangement Resolution approving the Arrangement and Unitholders elect to receive the All-Cash Consideration pursuant to an All-Cash Election under the Plan of Arrangement.**

Daniel Drimmer abstained from voting and recused himself from all Board discussions in connection with the Arrangement due to his relationship with Starlight and its affiliates. See “*Background to the Arrangement – Recommendation of the Board*” of this Circular for additional information.

Reasons for the Recommendation

In making its recommendation, each of the Special Committee and the Board carefully considered the Arrangement and consulted with and received advice from its financial and legal advisors. The Special Committee and the Board reviewed a significant amount of information and considered a number of factors in making their recommendations to Unitholders to vote IN FAVOUR of the Arrangement Resolution, including the following:

- **Compelling Premium to Unitholders.** The Offer Price offered to Trust Unitholders represents a 17% premium to the REIT's 30-day volume weighted average price per REIT Unit on the TSX ended on February 19, 2020 (the day prior to the announcement of the Arrangement), a 12% premium to the REIT's near all-time high closing price per REIT Unit on the TSX on February 19, 2020 and a 25% premium to the REIT's Consensus NAV per REIT Unit on February 19, 2020.
- **Certainty of Value and Liquidity.** The All-Cash Consideration offered to Trust Unitholders allows Trust Unitholders to immediately realize value for all of their investment and provides certainty of value and liquidity at a significant premium to the closing price per REIT Unit on February 19, 2020, as described above, and removes the risks associated with the REIT remaining a public entity (including the challenges of acquiring and developing assets on an accretive basis in light of an increasingly competitive environment for multi-tenant residential real estate).
- **Go-Shop Provision.** The Arrangement Agreement contains a "go-shop" provision which allowed the REIT to solicit and engage in discussions and negotiations with respect to potential Acquisition Proposals for an initial period of 30 days and to enter into a Superior Proposal during the Go-Shop Period. During the Go-Shop Period, Scotiabank, the REIT's financial advisor, contacted 54 potential buyers. Two of the potential buyers entered into confidentiality agreements with the REIT and were granted access to non-public information about the REIT. At the expiry of the Go-Shop Period, the Board determined that there was no reasonable prospect of receiving an Acquisition Proposal.
- **Ability to Respond to a Superior Proposal.** Under the Arrangement Agreement, the Board, in certain circumstances until Unitholder Approval is obtained in respect of the Arrangement Resolution, is able to consider, accept and enter into a definitive agreement with respect to a Superior Proposal upon payment of the Termination Fee to the Purchasers, or withdraw, modify or amend the Board Recommendation that Unitholders vote to approve the Arrangement Resolution. The Special Committee and the Board, based on advice received from its financial advisors, concluded that the Termination Fee is reasonable in the circumstances.
- **Fairness Opinions.** Scotiabank delivered the Scotiabank Fairness Opinion and NBF delivered the NBF Fairness Opinion, which advise that, as of February 19, 2020, and subject to the assumptions, limitations, qualifications and other matters set forth in the Fairness Opinions, the Consideration to be received by Trust Unitholders who elect to receive, or are deemed to have elected to receive, the All-Cash Consideration under the Arrangement is fair, from a financial point of view, to those Trust Unitholders (other than the Purchasers and their affiliates).
- **Formal Valuation.** NBF delivered to the Special Committee the Valuation, which reflects NBF's determination that, as of February 19, 2020, and based upon and subject to the assumptions, limitations, qualifications and other matters set forth therein, the fair market value of the REIT Units is in the range of \$33.25 to \$36.75 per REIT Unit.

- **Procedural Safeguards.** For the Arrangement to proceed (i) the Arrangement Resolution must receive Unitholder Approval and (ii) the Arrangement must be approved by the Court, which will consider, among other things, the fairness of the Arrangement. Registered Trust Unitholders who do not vote in favour of the Arrangement Resolution have the right to exercise Dissent Rights in connection with the Arrangement.
- **Role of the Special Committee.** The REIT appointed a Special Committee following the receipt by the REIT of the Purchasers' Initial Offer. The Special Committee took an active and independent role in directing strategic decisions with respect to the Arrangement, and provided oversight, guidance and specific instructions to the REIT with respect to the negotiations involving the Arrangement. Through the Special Committee's involvement, the REIT was able to secure favourable terms for Unitholders, including a higher Offer Price and the ability to receive all-cash Consideration. The Special Committee unanimously recommended that the Board approve the Arrangement.
- **Proven Track Record of Starlight and KingSett.** Starlight and KingSett have demonstrated commitment, credit worthiness and a consistent track record of completing large-scale real estate transactions which is indicative of the ability of Starlight and KingSett to complete the transactions contemplated by the Arrangement.
- **Drimmer Voting and Support Agreement.** Pursuant to the Drimmer Voting and Support Agreement, Daniel Drimmer has agreed to vote all of his REIT Units in favour of the Arrangement Resolution.
- **Trustee and Officer Voting and Support Agreements.** Pursuant to the Trustee and Officer Voting and Support Agreements described under "The Arrangement – Voting and Support Agreements", the Trustees and each executive officer of the REIT have agreed, among other things, to vote their REIT Units in favour of the Arrangement Resolution.
- **Guarantee by Starlight and KingSett.** The Guarantors have unconditionally and irrevocably guaranteed the due and punctual performance by the Purchasers of the Purchasers' covenants, obligations and undertakings under the Arrangement Agreement, including the due and punctual payment of the Aggregate Cash Consideration and all other amounts payable in connection with the Arrangement Agreement.
- **Maintaining Status Quo May Negatively Impact Future Growth Opportunities.** The Special Committee and the Board, with the assistance of their financial and legal advisors, and based upon their collective knowledge of the business, operations, financial condition, earnings and prospects of the REIT, as well as their collective knowledge of the current and prospective environment in which the REIT operates (including economic and market conditions), assessed the relative benefits and risks of various alternatives reasonably available to the REIT including continued execution of the REIT's current growth strategy. The Special Committee and the Board ultimately concluded that entering into the Arrangement Agreement with the Purchasers was more favourable to Unitholders than maintaining the status quo.
- **No Financing Condition.** The Purchasers have represented that, assuming the satisfaction of the conditions to the Arrangement set out in the Arrangement Agreement, upon receipt of the proceeds contemplated by the Purchaser Commitment Letters, the Purchasers will have access to sufficient cash funds (including available cash held by the REIT and its Subsidiaries) and borrowing capacity to pay all amounts to be paid by the Purchasers pursuant to the Arrangement Agreement and to perform their obligations thereunder. The completion of the Arrangement is not conditional on financing.

- **Limited Conditions to Closing.** Each of the Purchasers' and Guarantors' obligations to complete the Arrangement are subject to a limited number of conditions that the Board believes are reasonable in the circumstances.
- **Competition Act Approval.** The Board considered the nature of the Competition Act Approval and, after consultation with its legal advisors, concluded that it would be reasonable to expect that the Competition Act Approval could be obtained within a reasonable time.
- **Continued Ability to Pay Regular Monthly Distributions.** The REIT is permitted to continue declaring and paying its regular monthly distributions in the amount of \$0.1358 per REIT Unit, subject to the REIT's compliance with certain covenants, and to pay a Stub Distribution in accordance with the terms of the Plan of Arrangement.
- **Expense Reimbursement Fee.** If the Arrangement Agreement is terminated in the event of an Expense Reimbursement Event, the Purchasers are required to pay to the REIT the Expense Reimbursement Fee.

See "*Background to the Arrangement – Reasons for the Board Recommendation*" of this Circular for additional information. The Board's reasons contain forward-looking information, and are subject to various risks and assumptions. See "*Northview Apartment Real Estate Investment Trust Management Information Circular – Caution Regarding Forward-Looking Statements and Information*", "*Risk Factors*" and the risk factors described under the heading "*Risk Factors*" in Appendix "G" and Appendix "H" of this Circular for additional information.

Information Concerning the REIT

The REIT is an unincorporated, open-ended real estate investment trust created pursuant to the REIT Declaration of Trust under the laws of the Province of Alberta (and the federal laws of Canada applicable therein). The REIT is one of Canada's largest publicly traded multi-family real estate investment trusts with a portfolio of approximately 27,000 residential suites and 1.2 million square feet of commercial space in more than 60 markets across eight provinces and two territories.

See Appendix "F" of this Circular for additional information.

Information Concerning Starlight and KingSett Capital

Starlight is a privately held Toronto-based, full service, multi-family and commercial real estate investment and asset management company driven by an experienced team of over 200 professionals. Starlight currently manages over \$14 billion of direct real estate as well as real estate investment securities. Investment vehicles include institutional joint ventures, True North Commercial REIT, Starlight U.S. Multi-Family Funds and Starlight Capital Funds. Starlight's portfolio consists of approximately 43,000 multi-residential units across Canada and the U.S. and over seven million square feet of commercial properties.

KingSett Capital is one of Canada's leading private equity real estate investment firm. Since 2002, KingSett Capital has raised over \$11 billion of equity and completed \$40 billion of investment transactions on behalf of its funds. Currently, KingSett Capital's various funds have ownership interests in a \$15 billion portfolio of assets across Canada.

Conditions to the Arrangement

As more fully described in this Circular and the Arrangement Agreement, the completion of the Arrangement depends on a number of conditions being satisfied or waived, including, among others: (i) the Arrangement Resolution receiving Unitholder Approval; (ii) the Interim Order and the Final Order being obtained and not set aside or modified; (iii) Competition Act Approval being obtained and not withdrawn; (iv) no Material Adverse Effect having occurred; and (v) Required CMHC Consents and Required Lender Consents being obtained.

See “*The Arrangement Agreement – Conditions to Closing*” of this Circular for additional information.

Risk Factors

The Arrangement is subject to a number of risks, including risks related to the High Yield Fund. Unitholders should carefully consider the risks and uncertainties together with all the other information set out in, or incorporated by reference into, this Circular prior to making a decision as to how to vote their REIT Units and what form of Consideration to receive.

Risks and uncertainties relating to the Arrangement and the business of the High Yield Fund are described in the “*Risk Factors*” section of this Circular.

Description of the Arrangement

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

Pursuant to the Plan of Arrangement, the Purchasers will acquire the REIT (other than Starlight’s interest in the REIT which will be rolled into the acquiring entities), and Unitholders will receive an Offer Price of \$36.25 per REIT Unit (payable, at the election of Unitholders, in cash, High Yield Fund Units or a combination of cash and High Yield Fund Units) in a transaction valued at \$4.8 billion including net debt.

Each Unitholder will be entitled to receive for each REIT Unit held by such Unitholder (or in the case of a holder of an Exchangeable LP Unit, for each REIT Unit into which such Exchangeable LP Unit is exchangeable on the Effective Date), at such Unitholder’s election, either

- (i) \$36.25 in cash pursuant to the All-Cash Election on a taxable basis, or
- (ii) 0.5655 High Yield Fund Units on a tax deferred basis and the remainder of the Consideration of \$29.18 on a taxable basis in cash, High Yield Fund Units or a combination of cash and High Yield Fund Units elected by the Unitholder (other than Unitholders resident in or otherwise located in the United States, that will receive cash), subject to proration, pursuant to the High Yield Fund Subscription Election.

Unitholders not specifying an election will be deemed to have made the All-Cash Election.

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

Unitholders will also be entitled to receive the Stub Distribution for each REIT Unit held. Registered Unitholders will not receive the Stub Distribution until they sign and return their Letter of Transmittal and Election Form along with the accompanying certificate(s) or DRS Statement(s) representing their REIT Units. Unitholders are encouraged to refer to the enclosed Letter of Transmittal and Election Form for additional detail.

Arrangement Agreement

The Arrangement Agreement was signed on February 19, 2020 and provides the terms and conditions pursuant to which the Arrangement is to be completed.

See “*The Arrangement Agreement*” of this Circular for additional information.

Termination Fee

In certain circumstances upon the termination of the Arrangement Agreement, the REIT will be required to pay the Termination Fee to the Purchasers.

See “*The Arrangement Agreement – Termination Fees Payable by the REIT*” of this Circular for additional information.

Court Approval

The Plan of Arrangement requires Court approval. Prior to the mailing of this Circular, the Court granted the Interim Order. The Interim Order and the notice of originating application are attached to this Circular as Appendix “B” and “C”, respectively. The Interim Order, among other things, provides for the calling and holding of the Meeting and other procedural matters. The Interim Order does not constitute approval of the Plan of Arrangement or the contents of this Circular by the Court. Subject to the terms of the Plan of Arrangement and the Interim Order, if the Arrangement Resolution is approved by Unitholders at the Meeting, the REIT will apply to the Court to obtain the Final Order. The hearing in respect of the Final Order is scheduled to take place at the Court located at 601 5 Street SW, Calgary, Alberta on May 28, 2020 at the time and in the manner directed by the Court at the Interim Order application. In addition to this information being provided in the Interim Order, if any party serves a Notice of Intention to appear on counsel for the applicant, details of the application to approve the Final Order will be provided to that party.

Under the terms of the Interim Order, any Unitholder or other interested party will have the right to appear and make submissions at the hearing of the application for the Final Order. Any person desiring to appear at the hearing of the application for the Final Order is required to indicate their intention to appear by filing with the Court and serving upon the REIT at the address set out below, no less than four Business Days before the hearing of the application for the Final Order, a notice of appearance, including their address for service, indicating whether such person intends to support or oppose the application or make submissions at the application, together with a summary of the position such person intends to advocate before the Court, and any evidence or materials on which they intend to rely at the hearing. The notice of appearance and supporting materials must be delivered, within the time specified, to the REIT at the following address: c/o Borden Ladner Gervais LLP, Centennial Place, East Tower, 520 3rd Avenue SW, Suite 1900, Calgary, Alberta, T2P 0R3, Attention: David Madsen.

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

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

See “*Principal Legal Matters – Court Approval Process*” of this Circular for additional information.

Unitholder Approval

If the Arrangement Resolution receives Unitholder Approval, and all of the other conditions to closing of the Arrangement are satisfied or, where permitted, waived, the Arrangement will be implemented by way of the Plan of Arrangement.

The Arrangement Resolution must receive Unitholder Approval in order for the REIT to seek the Final Order and implement the Arrangement on the Effective Date in accordance with the Final Order.

For purposes of the Meeting, Unitholder Approval requires both (i) the affirmative vote of at least two-thirds (66 2/3%) of the votes cast by Unitholders, voting as a single class, present in person or represented by proxy at the Meeting and entitled to vote, and (ii) a simple majority of the votes cast by disinterested

Unitholders, voting as a single class, present in person or represented by proxy at the Meeting excluding for this purpose the votes attached to REIT Units and Special Voting Units held by Starlight, its affiliates and any other Unitholders required to be excluded under MI 61-101.

Notwithstanding the receipt of Unitholder Approval, the REIT and the Purchasers reserve the right in certain circumstances to not proceed with the Arrangement in accordance with the terms of the Arrangement Agreement.

See "*The Arrangement – Required Unitholder Approval*" of this Circular for additional information.

Stock Exchange Matters

The REIT

The REIT Units are currently listed on the TSX under the symbol "NVU.UN". Following the completion of the Arrangement, the REIT Units are expected to be de-listed from the TSX.

The High Yield Fund

The High Yield Fund has applied to list the Listed High Yield Fund Units on the TSX and the High Yield Fund Units issued to Unitholders pursuant to the Arrangement will be convertible into such Listed High Yield Fund Units. The listing is subject to the High Yield Fund fulfilling all of the initial listing requirements and conditions of the TSX. The TSX has not conditionally approved the High Yield Fund's listing application and there is no assurance that the TSX will approve the listing application.

Treatment of REIT Units

Pursuant to the Plan of Arrangement, each Unitholder will be able to make an All-Cash Election to receive 100% of the Offer Price in cash on a taxable basis. Alternatively, each Unitholder is able to make a High Yield Fund Unit Subscription Election to receive 0.5655 High Yield Fund Units on a tax deferred basis and the remainder of the Consideration of \$29.18 on a taxable basis in cash, High Yield Fund Units or a combination of cash and High Yield Fund Units elected by the Unitholder (other than Unitholders resident in or otherwise located in the United States that will receive cash), subject to proration. All-Cash Elections will not be subject to proration. Unitholders not specifying an election will be deemed to have made the All-Cash Election. See "*Procedure for the Delivery of Securities and Payment of Consideration – High Yield Fund Subscription Election – Proration and Fractional High Yield Fund Units*" and "*Certain Canadian Federal Income Tax Considerations*".

Unitholders will also be entitled to receive the Stub Distribution for each REIT Unit held. Registered Unitholders are encouraged to refer to the enclosed Letter of Transmittal and Election Form for additional detail.

Treatment of Exchangeable LP Units

Pursuant to the Plan of Arrangement, each Exchangeable LP Unit shall be redeemed, pursuant to and in accordance with its terms and the relevant limited partnership agreement with the redemption price of the Exchangeable LP Unit being paid and satisfied in full by the issuance to the holder of the Exchangeable LP Unit of that number of REIT Units provided for in the relevant limited partnership agreement and the associated number of Special Voting Units will be cancelled provided that no unit certificates will be issued with respect to such REIT Units, and the associated number of Special Voting Units will be cancelled. All such REIT Units will be subject to the treatment set forth above under "*Treatment of REIT Units*".

Equity-Based Incentive Awards

Pursuant to the Plan of Arrangement, holders of Deferred Units, Performance Awards and Restricted Awards, whether vested or unvested and without regard to any other conditions attaching to such Deferred Unit, Performance Award or Restricted Award, shall receive a cash payment in exchange for the surrender

thereof to the REIT, subject to proration for the number of REIT Units such holder is entitled to receive in respect of a Performance Award and Restricted Award granted in 2020.

To the extent that an employee's entitlement to REIT Units pursuant to the Employee Unit Purchase Plan has not been fulfilled as of the Effective Time, the employee shall receive a cash payment in exchange for the surrender of the employee's rights thereunder to the REIT pursuant to the Plan of Arrangement.

The Unit Award Plan, the Deferred Unit Plan and the Employee Unit Purchase Plan shall be terminated pursuant to the Plan of Arrangement at the time specified therein.

Dissent Rights

The Interim Order expressly provides registered Trust Unitholders with the right to dissent from the Arrangement Resolution analogous to the rights of dissenting shareholders under the ABCA. A registered Trust Unitholder who intends to exercise the right to dissent should carefully consider and comply with the provisions of section 191 of the ABCA, as modified by the Interim Order. A registered Trust Unitholder who wishes to dissent must provide a dissent notice to the REIT at 200, 6131 – 6th Street SE, Calgary, Alberta, T2H 1L9, Attention: Karl Bomhof or by e-mail at: corpsecretary@northviewreit.com, no later than 5:00 p.m. (Mountain Daylight Time) on May 21, 2020, or the second Business Day immediately preceding the date to which the Meeting is adjourned or postponed (the "**Dissent Deadline**"). Strict adherence to the procedures established under section 191 of the ABCA, as modified by the Interim Order, is required in order to validly dissent and failure to do so may result in the loss of all Dissent Rights. Accordingly, each Trust Unitholder who might desire to exercise the Dissent Rights should carefully consider and comply with the provisions of section 191 of the ABCA, the full text of which is set out in Appendix "L", as modified by the Interim Order, and consult such Unitholder's legal advisor.

Registered Special Voting Unitholders that wish to dissent should exchange their Exchangeable LP Units for REIT Units prior to the Dissent Deadline.

See "*Dissent Rights*" of this Circular for additional information.

Procedure for Election to Receive Consideration by Unitholders

Each Registered Unitholder will be able to elect in the Letter of Transmittal and Election Form the form of Consideration that the Registered Unitholder wishes to receive under the Arrangement. Specifically, under the Arrangement, each Unitholder will be entitled to receive for each REIT Unit held by such Unitholder (or in the case of a holder of an Exchangeable LP Unit, for each REIT Unit into which such Exchangeable LP Unit is exchangeable on the Effective Date), at such Unitholder's election, either

- (i) \$36.25 in cash pursuant to the All-Cash Election on a taxable basis, or
- (ii) 0.5655 High Yield Fund Units on a tax deferred basis and the remainder of the Consideration of \$29.18 on a taxable basis in cash, High Yield Fund Units or a combination of cash and High Yield Fund Units elected by the Unitholder (other than Unitholders resident in or otherwise located in the United States that will receive cash), subject to proration, pursuant to the High Yield Fund Subscription Election.

Unitholders not specifying an election when validly delivering a Letter of Transmittal and Election Form together with the accompanying certificate(s) or DRS Statement(s) representing the REIT Units (or Exchangeable LP Units) to the Depositary prior to the Election Deadline, or who fail to make an election by the Election Deadline will be deemed to have made the All-Cash Election.

If you are a Registered Unitholder, to make a valid election as to the form of Consideration that you wish to receive under the Arrangement, you must properly complete and sign the Letter of Transmittal and Election Form and make a proper election thereunder, and return it with the accompanying certificate(s) or DRS Statement(s) representing the REIT Units (or Exchangeable LP Units) to the Depositary prior to the Election Deadline. Unitholders will also be entitled to receive the Stub Distribution for each REIT Unit held by such

Unitholder. Registered Unitholders are encouraged to refer to the enclosed Letter of Transmittal and Election Form for additional detail.

An election will have been properly made by a Registered Unitholder only if the Depositary has received, by the Election Deadline, the Letter of Transmittal and Election Form properly completed and signed, specifying the form of Consideration such Registered Unitholder wishes to receive thereunder, and accompanied by the certificate(s) or DRS Statement(s) for the REIT Units (or Exchangeable LP Units) to which the Letter of Transmittal and Election Form relates, properly endorsed or otherwise in proper form for transfer pursuant to the instructions in the Letter of Transmittal and Election Form.

If you are a Beneficial Unitholder whose REIT Units (or Exchangeable LP Units) are registered in the name of a broker, investment dealer or other intermediary, you should contact that broker, investment dealer or other intermediary for instructions and assistance regarding delivery of the certificate(s) or DRS Statement(s) representing the REIT Units (or Exchangeable LP Units) and making an election with respect to the form of Consideration that you wish to receive. Your broker, investment dealer or other intermediary may require that you complete your election at a date and time earlier than 3:00 p.m. (Mountain Daylight Time) on May 21, 2020.

The determination of the REIT and the Purchasers, in their sole discretion, as to whether elections have been properly made or revoked and when elections and revocations were received by the Depositary will be binding.

Registered Unitholders who do not make an election prior to the Election Deadline (or, in the case of a Beneficial Unitholder, the time by which the Beneficial Unitholder is required to provide instructions to their broker, investment dealer or other intermediary) or for whom the REIT and the Purchasers determine that their election was not properly made with respect to any REIT Units or Exchangeable LP Units, will be deemed to have made the All-Cash Election.

The Depositary may, with the agreement of the REIT and the Purchasers, acting reasonably, make such rules as are consistent with the Arrangement for the implementation of elections contemplated by the Arrangement and as are necessary or desirable to fully effect the elections

The Plan of Arrangement provides that the aggregate number of REIT Units in respect of which Unitholders may make High Yield Fund Subscription Elections will be pro-rated in the event the number of Additional High Yield Fund Units to be issued to Unitholders that have made High Yield Fund Subscription Elections exceeds the Maximum Subscription.

No fractional High Yield Fund Units will be issued upon completion of the Arrangement. The aggregate number of High Yield Fund Units to be received by a REIT Unitholder will be rounded down to the nearest whole number and in lieu of any fractional High Yield Fund Unit such holder will receive an amount in cash equal to such fraction multiplied by \$12.50.

See *“Procedure for the Delivery of Securities and Payment of Consideration”* of this Circular for additional information.

Payment of Consideration

The Arrangement Agreement contemplates that following receipt of the Final Order and immediately prior to the filing by the REIT and NPR GP of the Articles of Arrangement, (a) the Purchasers will provide the Depositary or the REIT’s transfer agent, as applicable, with sufficient funds to satisfy the REIT Redemption Price and the High Yield Fund Redemption Price and sufficient High Yield Fund Units (and any treasury direction addressed to the High Yield Fund’s transfer agent as may be necessary) to satisfy the issuance and purchase of High Yield Fund Units pursuant to the Plan of Arrangement, all pursuant to the Plan of Arrangement; and (b) the REIT will provide the Depositary with sufficient funds to satisfy the Nominal Cash Distribution, the Special Distribution (if any), and the Stub Distribution. The funds and treasury direction will be held by the Depositary in escrow on terms and conditions satisfactory to the REIT, the Depositary and the Purchasers, each acting reasonably.

The Depositary will act as the agent of Unitholders who have deposited REIT Units or Exchangeable LP Units pursuant to the Arrangement for the purpose of receiving payment from the REIT or the Purchasers, as applicable, in accordance with the Plan of Arrangement, and transmitting payment from the REIT or the Purchasers, as applicable, in accordance with the Plan of Arrangement, to such persons, and receipt of payment by the Depositary will be deemed to constitute receipt of payment by Unitholders depositing REIT Units or Exchangeable LP Units.

In accordance with the timing set out in the Plan of Arrangement, the Depositary will, for each Unitholder entitled to a cash payment, cause individual cheques (or, if requested by such Unitholders or required by applicable Law, wire transfers) and, in the case of Unitholders entitled to receive High Yield Fund Units, cause instruments representing High Yield Fund Units to be sent to those Unitholders who have deposited the certificates or DRS Statements for such REIT Units or Exchangeable LP Units, if any, and such documents and instruments required by the Depositary. Such cheques, wire transfers and instruments will be:

- (a) in the case of cheques, certificates or other instruments, forwarded by first class mail, postage pre-paid, to the Unitholder and at the address specified in the relevant Letter of Transmittal and Election Form or, if no address has been specified therein, at the address specified in the registers of the Unitholders and Exchangeable Unitholders;
- (b) in the case of wire transfers, sent to an account specified in the relevant Letter of Transmittal and Election Form; or
- (c) if requested by such Unitholder in the Letter of Transmittal and Election Form, made available or caused to be made available at the Depositary for pick up by such Unitholder, provided that the office of the Depositary is open to the public at the Effective Time, failing which the Consideration will be delivered in accordance with paragraph (a) above.

Cheques, certificates and instruments mailed pursuant to the foregoing will be deemed to have been delivered at the time of delivery thereof to the post office.

If you are a Beneficial Unitholder whose REIT Units (or Exchangeable LP Units, as applicable) are registered in the name of a broker, investment dealer or other intermediary, you should contact that broker, investment dealer or other intermediary for instructions and assistance regarding delivery of the certificate(s) or DRS Statement(s) representing the REIT Units (or Exchangeable LP Units, as applicable) and making an election with respect to the form of Consideration that you wish to receive. Beneficial Unitholders will have their brokerage accounts credited with the Consideration payable to them in connection with the Arrangement and in accordance with the terms of this Circular and the Letter of Transmittal and Election Form through their broker's, investment dealer's or other intermediary's position in CDS.

All amounts receivable by the Unitholders pursuant to the Arrangement will be without interest and any interest earned, if any, on the funds held as agent by the Depositary for the benefit of such Persons shall be for the sole benefit of the High Yield Fund.

See "*Procedure for the Delivery of Securities and Payment of Consideration – Delivery of Consideration*" of this Circular for additional information.

Timing of Completion of the Arrangement

Subject to obtaining Court approval and the satisfaction or, where permitted, waiver of all other conditions specified in the Arrangement Agreement, if the Arrangement Resolution receives Unitholder Approval, it is expected that closing will be completed by the third quarter of 2020.

Securities Laws Matters

Canada

Distribution of High Yield Fund Units

The distribution of the High Yield Fund Units pursuant to the Arrangement will be made pursuant to exemptions from the prospectus requirements contained in applicable securities legislation in the provinces and territories of Canada. Under applicable securities legislation, the High Yield Fund Units distributed in connection with the Arrangement may be resold in Canada without hold period restrictions, except that any person, company or combination of persons or companies holding a sufficient number of High Yield Fund Units to materially affect the control of the High Yield Fund will be restricted in reselling such High Yield Fund Units pursuant to securities laws applicable in Canada.

See “*Principal Legal Matters – Securities Laws Matters – Canada – Distribution of High Yield Fund Units*” of this Circular for additional information.

MI 61-101 Requirements

The REIT is subject to MI 61-101. MI 61-101 regulates transactions which raise the potential for conflicts of interest and is intended to ensure that all securityholders are treated in a manner that is fair and that is perceived to be fair with respect to these types of transactions. The Arrangement is a “business combination” (as defined in MI 61- 101) and, accordingly, the requirements of MI 61-101 apply, including the requirements to obtain majority approval of the Arrangement from minority Unitholders and a formal valuation of the REIT Units from an independent valuator.

See “*Principal Legal Matters – Securities Laws Matters – Canada – MI 61-101 Requirements*” of this Circular for additional information.

United States

The High Yield Fund Units to be received from the REIT by Unitholders in exchange for Eligible Units pursuant to the Arrangement have not been and will not be registered under the U.S. Securities Act or any applicable U.S. state securities Laws and will be issued in reliance on the Section 3(a)(10) Exemption and pursuant to exemptions from registration under any applicable state securities laws. The Section 3(a)(10) Exemption exempts from the registration requirements under the U.S. Securities Act securities issued in exchange for one or more bona fide outstanding securities where the terms and conditions of the issuance and exchange are approved as substantively and procedurally fair by a court of competent jurisdiction that is expressly authorized by Law to grant such approval, after a hearing upon the fairness of such terms and conditions of such issuance and exchange at which all persons to whom the securities will be issued in such exchange have the right to appear and receive timely notice thereof. Such High Yield Fund Units received in exchange for REIT Units pursuant to the Arrangement will be freely tradable under U.S. federal securities laws except by persons who are, or within 90 days prior to the Effective Time were, “affiliates” (as defined in Rule 144 under the U.S. Securities Act) of the High Yield Fund. Any such High Yield Fund Units held by such an affiliate (or, if applicable, former affiliate) will be subject to certain restrictions on resale imposed by the U.S. Securities Act.

Notwithstanding the preceding, the Section 3(a)(10) Exemption does not exempt from the registration requirements of the U.S. Securities Act the issuance of any Additional High Yield Fund Units, other than High Yield Fund Units received from the REIT, to Unitholders pursuant to such Unitholders’ respective selections of the High Yield Fund Subscription Election. Such Additional High Yield Fund Units will be issued outside the United States in accordance with Regulation S and may only be resold pursuant to an available exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities Laws or pursuant to a registration statement under the U.S. Securities Act.

The solicitation of proxies made in connection with this Circular is not subject to the requirements of section 14(a) of the U.S. Exchange Act. Accordingly, this Circular has been prepared in accordance with

applicable Canadian disclosure requirements. **Unitholders in the United States should be aware that such requirements are different than the requirements applicable to proxy solicitations under the U.S. Exchange Act.**

See “*Principal Legal Matters – Securities Laws Matters – United States*” and “*Northview Apartment Real Estate Investment Trust Management Information Circular – Information for U.S. Unitholders*” of this Circular for additional information.

Certain Canadian Federal Income Tax Considerations

A summary of the principal Canadian federal income tax considerations generally applicable to the Arrangement are described below under the heading “*Certain Canadian Federal Income Tax Considerations*”. Unitholders are urged to consult with their personal tax advisors regarding their particular circumstances.

The REIT will withhold Canadian withholding tax from the entire amount paid to a Non-Resident Holder pursuant to the Arrangement (which for greater certainty does not include the 0.5655 of a High Yield Fund Unit retained by a Non-Resident Holder under the High Yield Fund Subscription Election).

Non-Resident Holders should consult their own tax and investment advisors, including as to whether to dispose of their REIT Units on the TSX with a settlement date that is prior to the Effective Date.

See “*Certain Canadian Federal Income Tax Considerations*” in this Circular for additional information.

GENERAL PROXY MATTERS

Solicitation of Proxies

This Circular is furnished on behalf of management of the REIT in connection with the solicitation by management of the REIT of proxies to be used at the Meeting. The solicitation of proxies will primarily be by mail but proxies may also be solicited by telephone, fax or personally by the Trustees, officers, employees or agents of the REIT. The REIT will reimburse banks, brokerage firms and other custodians, nominees and fiduciaries for any reasonable expenses incurred in sending proxy material to Beneficial Unitholders and requesting authority to execute Proxies. The REIT may retain other persons or companies to solicit proxies on behalf of management, in which event customary fees for such services will be paid.

Record Date

The Board has fixed the close of business (Mountain Daylight Time) on March 27, 2020 as the Record Date for the purpose of determining Unitholders entitled to receive the Notice of Annual General and Special Meeting and to vote at the Meeting. Each Unitholder is entitled to one vote for each REIT Unit or Special Voting Unit held and shown as registered in such Unitholder's name on the list of Unitholders prepared as of the close of business (Mountain Daylight Time) on the Record Date.

Voting of Units

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

Registered Unitholders

You are a Registered Unitholder if your name appears on the certificate(s) or DRS Statement(s) representing your REIT Units or Special Voting Units. If you are a Registered Unitholder, you may vote in person or online at the Meeting. Alternatively, if you would prefer not to attend the Meeting in person or online, you can exercise your right to vote by signing and returning the enclosed Proxy in accordance with the directions on the Proxy.

The REIT strongly recommends that Unitholders do not attend the Meeting in person in order to comply with social distancing measures recommended or imposed by governments and public health authorities in response to the COVID-19 pandemic.

The Proxy must be executed by the Unitholder or the attorney of such Unitholder duly authorized in writing. Proxies to be used at the Meeting must be deposited with the REIT's transfer agent, Computershare, at 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, or via the internet at www.investorvote.com by no later than 3:00 p.m. (Mountain Daylight Time) on May 21, 2020. The persons designated in the enclosed Proxy are Trustees of the REIT and/or senior officers of the REIT. Each Unitholder has the right to appoint a person (who need not be a Unitholder) to attend and act on his behalf at the Meeting or any adjournment or adjournments thereof other than the person specified in the enclosed Proxy. This right may be exercised by inserting the name of the Unitholder's nominee in the space provided, or by completing another appropriate Proxy and, in either case, delivering the Proxy to Computershare no later than 3:00 p.m. (Mountain Daylight Time) on May 21, 2020 or no later than 48 hours before any adjournment of the Meeting. If a Unitholder who has submitted a proxy attends the Meeting via the webcast and has accepted the terms and conditions when entering the Meeting online, any votes cast by such Unitholder on a ballot will be counted and the submitted Proxy will be disregarded.

Unitholders who wish to appoint a third party proxyholder to represent them at the online Meeting **must submit their proxy prior to registering your third party proxyholder. Registering your third party proxyholder is an additional step once you have submitted your proxy. Failure to register the third party proxyholder will result in the third party proxyholder not receiving a Username to participate in the Meeting.** To register a third party proxyholder, Unitholders **MUST** visit <https://www.computershare.com/Northview> by no later than 3:00 p.m. (Mountain Daylight Time) on May 21,

2020 and provide Computershare with their third party proxyholder's contact information, so that Computershare may provide the third proxyholder with a Username via email. If a third party proxyholder is attending the Meeting in person, you DO NOT need to register the appointment.

Without a Username, proxyholders will not be able to participate online at the Meeting.

A Registered Unitholder who has given a Proxy may revoke the Proxy by: (i) completing and signing a Proxy bearing a later date and depositing it with Computershare as described above under "*General Proxy Matters – Voting of Units – Registered Unitholders*" of this Circular; (ii) depositing an instrument in writing executed by the Unitholder or by the Unitholder's attorney authorized in writing, to the attention of the Vice President, Legal and Corporate Secretary of the REIT, at the registered office of the REIT, 200, 6131 – 6 Street SE, Calgary, Alberta T2H 1L9, at any time up to the last Business Day preceding the day of the Meeting at which the Proxy is to be used, or any adjournment or adjournments thereof, or with the chair prior to its exercise on the day of the Meeting or any adjournment or adjournments thereof; (iii) by using a 15-digit control number to login to the online Meeting and accepting the terms and conditions of the Meeting; or (iv) in any other manner permitted by Law.

Registered Unitholders must also complete and return the Letter of Transmittal and Election Form, together with the certificate(s) or DRS Statement(s) representing their REIT Units (or Exchangeable LP Units), to TSX Trust Company at the address specified in the Letter of Transmittal and Election Form. The Letter of Transmittal and Election Form contains procedural information relating to the Arrangement and should be reviewed carefully. It is recommended that Registered Unitholders complete, sign and return the Letter of Transmittal and Election Form and certificate(s) or DRS Statement(s) representing their REIT Units (or Exchangeable LP Units) to the Depository as soon as possible.

If you have any questions with regard to the procedures for voting or completing your Proxy, please contact Karl Bomhof, VP, Legal and Corporate Secretary of the REIT, by telephone at: 403-531-0720, or by e-mail at: corpsecretary@northviewreit.com.

If you have an questions with respect to completing the Letter of Transmittal and Election Form, please contact TSX Trust Company, who is acting as depository under the Arrangement, by telephone at 1-866-600-5869 (toll-free in North America) or 416-342-1091, by facsimile at 416-361-0470, or by email at TMXEInvestorServices@tmx.com.

Beneficial Unitholders

Only Registered Unitholders or duly appointed proxyholders are permitted to vote at the Meeting. Beneficial Unitholders are not Registered Unitholders in respect of REIT Units or Special Voting Units which are held on their behalf but which are registered either: (a) in the name of an intermediary that the Beneficial Unitholder deals with in respect of the REIT Units or Special Voting Units (intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency of which the intermediary is a participant. If REIT Units or Special Voting Units are listed in an account statement provided to a Unitholder by a broker, then in almost all cases those REIT Units or Special Voting Units will not be registered in the name of the Unitholder in the records of the REIT. Those REIT Units or Special Voting Units will more likely be registered under the name of the Unitholder's broker or an agent of that broker. In Canada, the vast majority of these REIT Units are registered under the name of CDS, which acts as nominee for many Canadian brokerage firms. Beneficial Unitholders should ensure that instructions respecting the voting of their REIT Units or Special Voting Units are communicated to the appropriate person.

Beneficial Unitholders who have not objected to their intermediary disclosing certain ownership information about themselves to the REIT are referred to as NOBOs. Those Beneficial Unitholders who have objected to their intermediary disclosing ownership information about themselves to the REIT are referred to as OBOs.

Very often, intermediaries will use service companies, such as Computershare, to forward the materials for the Meeting to Beneficial Unitholders. Generally, Beneficial Unitholders will either:

- (a) be given a Proxy which has already been signed by the intermediary (typically by facsimile, stamped signature), which is restricted as to the number of securities beneficially owned by the Beneficial Unitholder but which is otherwise incomplete. Because the intermediary has already signed the Proxy, this Proxy is not required to be signed by the Beneficial Unitholder when submitting the Proxy. In this case, the Beneficial Unitholder who wishes to submit a Proxy should otherwise properly complete the Proxy and deposit it with Computershare, as provided above; or
- (b) more typically, be given a VIF which (i) is not signed by the intermediary, and (ii) which when properly completed and signed by the Beneficial Unitholder and returned to the intermediary or its service company (such as Computershare), will constitute a voting instruction (or proxy authorization form) which the intermediary must follow.

In either case, the purpose of this procedure is to permit Beneficial Unitholders to direct the voting of REIT Units or Special Voting Units which they beneficially own. Beneficial Unitholders should carefully follow the instructions of their intermediary or its agents, including those regarding when and where the Proxy or VIF is to be delivered.

Unitholders who wish to appoint a third party proxyholder to represent them at the online Meeting **must submit their Proxy or VIF (as applicable) prior to registering your third party proxyholder. Registering your third party proxyholder is an additional step once you have submitted your Proxy or VIF. Failure to register the third party proxyholder will result in the third party proxyholder not receiving a Username to participate in the Meeting.** To register a third party proxyholder, Unitholders MUST visit <https://www.computershare.com/Northview> by no later than 3:00 p.m. (Mountain Daylight Time) on May 21, 2020 and provide Computershare with their third party proxyholder's contact information, so that Computershare may provide the third proxyholder with a Username via email. If a third party proxyholder is attending the Meeting in person, you DO NOT need to register the appointment.

Without a Username, proxyholders will not be able to participate online at the Meeting.

Beneficial Unitholders should carefully follow the instructions set out in the Proxy or VIF (as applicable) and return their voting instructions as specified in the Proxy or VIF.

Beneficial Unitholders will not receive a Letter of Transmittal and Election Form. Your broker, investment dealer or other intermediary is required to seek your instructions as to how to vote your REIT Units with respect to the Arrangement Resolution and your election with respect to the Consideration. Please follow the instructions provided by such broker, investment dealer or other intermediary for assistance in making an election with respect to the form of Consideration you wish to receive. Each intermediary has its own signing and return instructions, which you should follow carefully to ensure your REIT Units are voted and you receive your preferred form of Consideration.

If you have any questions with regard to the procedures for voting, please contact Karl Bomhof, VP, Legal and Corporate Secretary of the REIT, by telephone at: 403-531-0720, or by e-mail at: corpsecretary@northviewreit.com.

Voting at the Meeting

Unitholders and duly appointed proxyholders can attend the Meeting in person at the REIT's head office at 200, 6131-6th Street SE, Calgary, Alberta, T2H 1L9 or online at <https://web.lumiagm.com/26596522>.

A summary of how to vote and participate in the Meeting online is provided in the accompanying insert titled "Northview Meeting User Guide".

If attending online:

- Registered Unitholders and duly appointed proxyholders can participate in the Meeting by clicking “**I have a login**” and entering a Username and Password before the start of the Meeting.
 - Registered Unitholders - The 15-digit control number located on the form of proxy or in the email notification you received is the Username and the Password is “north2020”.
 - Duly appointed proxyholders – Computershare will provide the proxyholder with a Username after the voting deadline has passed. The Password to the Meeting is “north2020”.
- Voting at the Meeting will only be available for Registered Unitholders and duly appointed proxyholders. Beneficial Unitholders who have not duly appointed themselves as proxyholder may attend the Meeting by clicking “**I am a guest**” and completing the online form, but will not be able to participate or vote at the Meeting.

It is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences.

In order to participate online, Unitholders must have a valid 15-digit control number and proxyholders must have received an email from Computershare containing a Username.

Participating at the Meeting

The Meeting will be hosted in person and online by way of a live webcast. A summary of the information Unitholders will need to attend the online meeting is provided below. The Meeting will begin at 3:00 p.m. (Mountain Daylight Time) at the REIT’s head office at 200, 6131-6th Street SE, Calgary, Alberta, T2H 1L9 and online at <https://web.lumiagm.com/265965225>.

- Registered Unitholders that have a 15-digit control number, along with duly appointed proxyholders who were assigned a Username by Computershare will be able to vote and submit questions during the Meeting. To do so, please go to <https://web.lumiagm.com/265965225> prior to the start of the Meeting to login. Click on “I have a login” and enter your 15-digit control number or Username along with the password “north2020”.
- Beneficial Unitholders who have not duly appointed themselves as proxyholder may login as a guest, by clicking on “I am a Guest” and completing the online form. Doing so will allow them to listen to the Meeting but not to vote or submit questions.
- United States Beneficial Unitholders: To attend and vote at the Meeting virtually, you must first obtain a valid legal proxy from your broker, bank or other agent and then register in advance to attend the Meeting. Follow the instructions from your broker or bank included with these proxy materials, or contact your broker or bank to request a legal proxy form. After first obtaining a valid legal proxy from your broker, bank or other agent, to then register to attend the Meeting, you must submit a copy of your legal proxy to Computershare. Requests for registration should be directed to:

Computershare Trust Company of Canada
100 University Avenue
8th Floor
Toronto, Ontario
M5J 2Y1
OR
Email at uslegalproxy@computershare.com

Requests for registration must be labeled as “Legal Proxy” and be received by no later than 3:00 p.m. (Mountain Daylight Time) on May 21, 2020. You will receive a confirmation of your registration by email after we receive your registration materials. You may attend the Meeting and vote your shares at <https://web.lumiagm.com/265965225> during the Meeting. Please note that you are required to register your appointment at www.computershare.com/Northview.

- If you are using a 15-digit control number to login to the online Meeting and you accept the terms and conditions, you will be revoking any and all previously submitted proxies. However, in such a case, you will be provided the opportunity to vote by ballot on the matters put forth at the Meeting. If you DO NOT wish to revoke all previously submitted proxies, do not accept the terms and conditions, in which case you can only enter the Meeting as a guest.
- If you are eligible to vote at the Meeting, it is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure connectivity for the duration of the Meeting.

A Registered Unitholder or Beneficial Unitholder who has appointed a third party proxyholder to represent them at the Meeting, will appear on a list of unitholders prepared by Computershare. To have their REIT Units or Special Voting Units voted at the Meeting, each Registered Unitholder or proxyholder will be required to enter their control number or Username provided by Computershare at <https://web.lumiagm.com/265965225> prior to the start of the Meeting if attending virtually.

Voting of REIT Units Represented by Management Proxies

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

If you appoint the Trustee and/or officer Representatives as your proxyholder, as designated in the enclosed Proxy or VIF, your REIT Units will be voted at the Meeting IN FAVOUR of the approval of the Arrangement Resolution as described in this Circular, unless otherwise specified.

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

Appointment of Proxies

Each person named in the Proxy to represent Registered Unitholders at the Meeting is a Trustee and/or officer of the REIT. However, you can appoint someone else to represent you at the Meeting. The person you appoint does not need to be a Unitholder but must attend the Meeting in order for your vote to be cast. If you wish to appoint a person other than the names that appear on the Proxy, then insert the name of your chosen proxyholder in the space provided on the Proxy. The REIT strongly recommends that Unitholders do not attend the Meeting in person in order to comply with social distancing measures recommended or imposed by governments and public health authorities in response to the COVID-19 pandemic.

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

Asking Questions Virtually

Registered Unitholders and duly appointed proxyholders will be entitled to ask questions virtually at the Meeting. Details on how to submit questions virtually are set out in the accompanying insert titled “Northview Meeting User Guide”. Questions submitted online will be sent to the moderator. The moderator will review submitted questions and, until the floor is closed for questions and provided the question is concise and relates to the business of the REIT or the proposed Arrangement, the question will be read aloud at the Meeting at an appropriate time and a member of management will provide a response.

Quorum

Pursuant to the REIT Declaration of Trust, a quorum for any meeting of Unitholders is persons present not being less than two in number and being Unitholders, or representing by proxy Unitholders who hold in the aggregate not less than 25% of the combined total number of outstanding REIT Units and Special Voting Units as at the Record Date.

Authorized Capital and Principal Holders

The beneficial interests in the REIT are divided into interests of two classes, designated as REIT Units and Special Voting Units. An unlimited number of REIT Units and Special Voting Units are authorized for issuance pursuant to the REIT Declaration of Trust. A holder of REIT Units or Special Voting Units is entitled to attend meetings of Unitholders and to cast one vote for each whole REIT Unit and/or Special Voting Unit held. The REIT Units and the Special Voting Units vote together as a single class on all matters and comprise the voting units.

Special Voting Units have been issued to holders of Exchangeable LP Units for the purpose of providing voting rights to the holders of the Exchangeable LP Units.

More detailed information related to the Exchangeable LP Units and the Special Voting Units can be found in the REIT’s Annual Information Form for the year ended December 31, 2019 under the headings “*The Partnerships*” and “*Declaration of Trust and Description of Units*”.

REIT Units

As of April 3, 2020, 67,278,189 REIT Units are issued and outstanding and 1,884,510 Special Voting Units are issued and outstanding. Unitholders are entitled to one vote in respect of each matter to be voted upon at the Meeting for each REIT Unit or Special Voting Unit registered in their name as at the close of business on the Record Date.

Principal Unitholders

The following table lists those persons or companies who own of record, or are known to the REIT to beneficially own, control or direct, directly or indirectly in aggregate, more than 10% of the issued and outstanding REIT Units and Special Voting Units, on a diluted basis as at April 3, 2020.

Name and Municipality of Residence	Total REIT Units (REIT Units and Special Voting Units)	Percentage of Total Units (on a diluted basis)
Daniel Drimmer, Toronto, Ontario	9,040,032	13.4%

BACKGROUND TO THE ARRANGEMENT

Background to the Arrangement

The Arrangement is the result of extensive negotiations between the REIT, on the one hand, and Starlight and KingSett Capital (collectively, the “**Transaction Proponents**”), on the other hand, and their respective legal and financial advisors. The following is a summary of the material events, discussions, meetings and negotiations that led to the execution of the Arrangement Agreement.

Initial Offer

The Board, with the assistance of the REIT’s management and advisers, continually reviews and assesses the REIT’s assets and financial profile, and considers all available options that may be in the best interests of the REIT and its various stakeholders, including Unitholders. These options include strategic transactions and other alternatives, both at a property level and at a corporate level.

On October 2, 2019, Mr. Daniel Drimmer, the Chief Executive Officer and President of Starlight met with Mr. Todd Cook, the Chief Executive Officer and President of the REIT in Toronto, Ontario. During that meeting, Mr. Drimmer presented a non-binding written offer (the “**Initial Offer**”) to the Board from the Transaction Proponents for their affiliates to acquire all of the assets or outstanding securities of the REIT, including the REIT Units and securities exchangeable or convertible into REIT Units (other than Starlight’s interest in the REIT which would be rolled into the acquiring entities), for consideration of either cash or units of a new listed fund, subject to proration. Assuming full proration, Unitholders would receive consideration of: (i) \$29.60 per REIT Unit in cash; and (ii) units of a new listed fund which the Transaction Proponents valued at approximately \$4.00 per REIT Unit. The aggregate purchase price of the Initial Offer was valued by the Transaction Proponents at \$33.60 per REIT Unit. Closing of the Initial Offer was subject to a number of conditions, including Unitholder approval at a special meeting and receipt of consents and approvals from secured lenders and CMHC. The Initial Offer requested a formal response by 5:00 pm (Eastern Standard Time) on Wednesday, October 16, 2019.

Mr. Drimmer and Starlight are both insiders of the REIT. Starlight is subject to certain Standstill Restrictions under the A&R Exchange Agreement. At the time of the Initial Offer, Mr. Drimmer owned, directly and indirectly (principally through Starlight), 2,344,396 REIT Units, 1,736,306 class B limited partnership units of Subsidiaries of the REIT and 12,388,267 redeemable limited partnership units of Subsidiaries of the REIT. Mr. Drimmer has also been a trustee of the REIT since 2015.

Following receipt of the Initial Offer, management of the REIT began working with its external legal counsel, BLG, and Scotiabank, as financial advisor, to formulate recommendations for the Board.

On October 4, 2019, the Board (with Mr. Drimmer recusing himself) met to give preliminary consideration to the Initial Offer and receive preliminary reports on the Initial Offer from management, Scotiabank and BLG, as well as a presentation from BLG on the trustees’ duties in considering and responding to such an offer, which included consideration of the Standstill Restrictions. The Board instructed management and its advisors to conduct a detailed financial and legal analysis of the Initial Offer.

In order to facilitate consideration of the Initial Offer and ensure that fair consideration was given to it, and in recognition that the Initial Offer had been proposed, in part, by an insider of the REIT, the Board formed the Special Committee at a Board meeting held on October 17, 2019. The Special Committee was comprised of Dennis J. Hoffman (Chair), Kevin Grayston and Valéry Zamuner, each of whom was determined by the Board to be independent of the REIT and Starlight and KingSett Capital. The Special Committee’s mandate included, among other things, to consider, analyze, review and participate in negotiations alongside management with respect to the Initial Offer and any other potential strategic alternative transactions that may be available to the REIT and make recommendations to the Board with respect thereto. The Special Committee subsequently engaged Goodmans to provide independent legal advice and to assist the REIT in any negotiations with respect to a potential transaction with the Transaction Proponents.

The Board considered the REIT’s engagement of Scotiabank at its October 4, 2019 meeting and at the subsequent meeting on October 17, 2019, during which the Board authorized the engagement of Scotiabank subject to the review and approval of the Special Committee. The Special Committee approved the engagement of Scotiabank at its October 25, 2019 meeting. A review was conducted of Scotiabank’s qualifications to act as a financial advisor and whether Scotiabank was subject to any conflicts of interest that would affect its ability to provide meaningful financial advice to the Board. Scotiabank disclosed its

existing business relationships with Starlight, KingSett Capital and their related entities, including having previously provided credit facilities and having acted as a syndicate member in previous public offerings by entities whose assets are managed by affiliates of Starlight. As a result of these dealings, in addition to the completion fee that would be payable to Scotiabank from its engagement as the REIT's financial advisor, it was concluded that Scotiabank was sufficiently free from conflicts of interest to provide financial advice, provided that the Special Committee engage a financial advisor and independent valuator to provide a second fairness opinion, with such financial advisor and independent valuator not to be compensated with a completion fee.

From October 4 to October 31, 2019, Scotiabank prepared a detailed financial analysis of the Initial Offer, and made inquiries of Starlight's and KingSett Capital's financial advisor, CIBC, regarding the financial basis of the Initial Offer.

On October 8, 2019, management and Scotiabank began preparation of an electronic data room containing confidential information concerning the REIT, in the event that discussions with the Transaction Proponents advanced or the REIT determined that it would be advisable to explore strategic alternatives with third parties.

On October 10, 2019, Mr. Cook advised Mr. Drimmer that the Board would not be in a position to fully consider the Initial Offer until early November after Scotiabank had concluded its financial analysis.

On October 25, 2019, the REIT formally engaged Scotiabank as financial advisor.

On October 30, 2019, the Special Committee met in person to receive a presentation from Scotiabank on its preliminary analysis of the Initial Offer. At that meeting, the Special Committee also received legal advice from Goodmans and the views of management with respect to the Initial Offer. After discussing the relative benefits and risks associated with the Initial Offer, the Special Committee unanimously recommended that the Board reject the Initial Offer.

On October 31, 2019, the Board (with Mr. Drimmer recusing himself) met by conference call to review and consider the Initial Offer. At that meeting, the Board received the views of management regarding the Initial Offer and a presentation from Scotiabank as to the financial aspects of the Initial Offer. The Board also received a presentation from BLG, regarding legal aspects of the Initial Offer. Upon the unanimous recommendation of the Special Committee, the Board determined that the Initial Offer was not in the best interest of the REIT or its Unitholders. Subsequently, on November 1, 2019, Dennis Hoffman, Chair of the Special Committee, and Mr. Cook met with Mr. Drimmer in Toronto and informed him of the Board's decision and expressed the Board's concerns and delivered a formal letter of rejection to the Transaction Proponents. The letter of rejection noted the Board's reasons for the decision and that while the Board determined not to proceed with the Initial Offer, the REIT remained open to explore future potential transactions that may benefit it and create value for its Unitholders. Mr. Cook also informed Mr. Drimmer of the concerns with the Initial Offer that would need to be addressed with respect to the total price and the proposed structure.

Concurrently, BLG delivered a letter to the Transaction Proponents' respective counsel which noted that Starlight was subject to the terms of the A&R Exchange Agreement's Standstill Restrictions and that any future discussions would require a waiver of the Standstill Restrictions.

Second Offer

On November 25, 2019, Mr. Drimmer met with Messrs. Cook and Hoffman in Calgary, Alberta. During that meeting, Mr. Drimmer presented a new non-binding written offer (the "**Second Offer**") to the Board from the Transaction Proponents to acquire all of the assets or securities of the REIT. The Second Offer varied from the Initial Offer by increasing the all cash consideration to \$34.00 per REIT Unit and eliminating the requirement that the consideration would be pro rationed between cash and the High Yield Fund Units. Unitholders would be able to elect to receive 100% of the offer price in cash. Alternatively, Unitholders would be able to elect to receive all or a portion of the offer price in High Yield Fund Units, subject to

proration. Unitholders not specifying an election would be deemed to have elected to receive a pro rata allocation of High Yield Fund Units.

On November 28, 2019 the Special Committee met by conference call to receive advice from management, Scotiabank, Goodmans and BLG on the Second Offer and potential responses by the REIT. After receiving advice from its advisors and discussing the relative benefits and risks associated with the Second Offer, the Special Committee unanimously recommended that the Board reject the Second Offer.

On November 30, 2019, the Board (with Mr. Drimmer recusing himself) met by conference call to review and consider the Second Offer. At that meeting, upon the unanimous recommendation of the Special Committee, the Board determined that the Second Offer was not in the best interest of the REIT or its Unitholders. The Board determined that, although the structure of the Second Offer improved on the Initial Offer by removing the concept of cash pro rationing, the all-cash offer price still did not fully reflect the *en-bloc* value of the REIT and there were other terms and conditions in the Second Offer of concern. Subsequently, on December 2, 2019, Messrs. Hoffman and Cook met with Mr. Drimmer in Toronto and informed him of the Board's decision.

Third Offer

On December 4, 2019, Mr. Drimmer met with Mr. Cook in Toronto. During that meeting, Mr. Drimmer presented a new non-binding written offer (the "Third Offer") to the Board from the Transaction Proponents. The Third Offer varied from the Second Offer by increasing the all cash consideration to \$34.40 per REIT Unit. The other terms of the Third Offer remained unchanged from the Second Offer.

On December 5, 2019, the Special Committee met by conference call and received advice from management, Scotiabank, Goodmans and BLG on the Third Offer and potential responses by the REIT, as well as certain alternatives to the Third Offer available to the REIT. After receiving advice from its advisors and discussing the relative benefits and risks associated with the Third Offer, the Special Committee unanimously recommended that the Board reject the Third Offer.

On December 5, 2019, the Board (with Mr. Drimmer recusing himself) met by conference call to review and consider the Third Offer. At that meeting, upon the unanimous recommendation of the Special Committee, the Board determined that the Third Offer was not in the best interest of the REIT or its Unitholders. Subsequently, on December 6, 2019, Mr. Cook met with Mr. Drimmer in Toronto and informed him of the Board's decision.

Fourth Offer

On December 6, 2019, Mr. Drimmer met with Mr. Cook in Toronto and presented a new non-binding written offer (the "**Fourth Offer**") to the Board. The Fourth Offer varied from the Third Offer by increasing the all cash consideration to \$34.75 per REIT Unit and permitting the REIT to conduct a customary "go-shop" for an initial 30 day period, which could be extended by 15 days if the REIT was in negotiations with a third party that had made an acquisition proposal that the Board reasonably believed would result in a superior proposal. The proposed "go shop" provisions were subject to a right to match and a lower termination fee payable by the REIT in the event the REIT terminated the agreement during the "go shop" period to enter into a Superior Proposal.

On December 9, the Special Committee met by conference call and received advice from management, Scotiabank, Goodmans and BLG on the Fourth Offer and potential responses by the REIT, as well as certain alternatives to the Fourth Offer available to the REIT. After receiving advice from its advisors and discussing the relative benefits and risks associated with the Fourth Offer, the Special Committee unanimously recommended that the Board reject the Fourth Offer.

On December 9, 2019, the Board (with Mr. Drimmer recusing himself) met by conference call to review and consider the Fourth Offer. At that meeting, the Board upon the unanimous recommendation of the Special Committee, the Board determined that the Fourth Offer was not in the best interest of the REIT or its Unitholders. The Board felt that the proposed "go shop" terms needed to provide more flexibility to solicit

competing proposals and that Unitholders should receive all-cash consideration unless they elected to receive High Yield Fund Units. Subsequently, on December 10, 2019, Messrs. Hoffman and Cook met with Mr. Drimmer in Toronto and informed him of the Board's decision. Messrs. Hoffman and Cook also discussed a counter-proposal with Mr. Drimmer.

Fifth Offer

On December 11, 2019, the Transaction Proponents presented a new non-binding written offer (the "**Fifth Offer**") to the Board. The Fifth Offer varied from the Fourth Offer by: (i) increasing the all cash consideration to \$35.00 per REIT Unit, provided that the REIT suspended distributions upon announcement of a transaction; (ii) permitting the REIT to extend the "go-shop" period for an additional 15 days to permit the REIT to continue negotiations with a third party provided that the REIT certifies to the Transaction Proponents that such third party continues to be engaged in good faith negotiations that the REIT reasonably believes will result in a superior proposal; and (iii) requiring the REIT to suspend its monthly distributions upon announcement of the proposed transaction and not to make any extraordinary distributions prior to closing.

On December 12, 2019, the Special Committee met by conference call and received advice from management, Scotiabank, Goodmans and BLG on the Fifth Offer and potential responses by the REIT, as well as certain alternatives to the Fifth Offer available to the REIT. The Special Committee determined that the default consideration under the Fifth Offer should be cash instead of High Yield Fund Units. After receiving advice from its advisors and discussing the relative benefits and risks associated with the Fifth Offer, the Special Committee unanimously recommended that the Board reject the Fifth Offer.

On December 12, 2019, the Board (with Mr. Drimmer recusing himself) met in Calgary to review and consider the Fifth Offer. At that meeting, upon the unanimous recommendation of the Special Committee, the Board determined that the Fifth Offer was not in the best interest of the REIT or its Unitholders. The Board felt that it would be inappropriate both to increase the purchase price by suspending distributions and for the default consideration to be in High Yield Fund Units and that the Fifth Offer still contained other terms and conditions of concern. Later that day, Messrs. Thon and Hoffman had a telephone call with Mr. Drimmer and informed him of the Board's decision and expressed its concerns. Messrs. Thon and Hoffman discussed a counter-proposal with Mr. Drimmer.

Sixth Offer

On December 15, 2019, the Transaction Proponents presented a new non-binding written offer (the "**Sixth Offer**") to the Board. The Sixth Offer varied from the Fifth Offer by: (i) reducing the all-cash consideration to \$34.75 per REIT Unit and permitting the REIT to continue to pay its regular monthly distributions; and (ii) providing that Unitholders who did not specify an election between all cash consideration or High Yield Fund Units would be deemed to have elected to receive all cash.

On December 16, 2019, the Special Committee met by conference call and received advice from management, Goodmans and BLG on the Sixth Offer and potential responses by the REIT. After receiving advice from its advisors and discussing the relative benefits and risks associated with the Sixth Offer, the Special Committee unanimously recommended that the Board reject the Sixth Offer as currently contemplated. The Special Committee discussed certain revisions to the Sixth Offer that would be acceptable to the Special Committee. At the meeting, the Special Committee also discussed the terms of a draft confidentiality agreement to be entered into among the REIT and the Transaction Proponents, as well as the terms of the Standstill Restrictions that the REIT would be prepared to waive in the event the Transaction Proponents accepted the modified terms of the Sixth Offer. In addition, the Special Committee discussed the appointment of NBF as financial advisor and independent valuator to the Special Committee in the event a transaction was announced between the REIT and the Transaction Proponents. Later that day, Messrs. Thon and Hoffman met with Mr. Drimmer in Toronto and informed him of the Special Committee's decision. Messrs. Thon and Hoffman discussed a counter-proposal with Mr. Drimmer in respect of which the REIT would be willing to grant a limited waiver of Starlight's Standstill Restrictions.

On December 16, 2019, the Special Committee obtained a quote from NBF to act as financial advisor and independent valuator to the Special Committee and to provide a formal valuation and fixed fee fairness opinion in connection with a proposed transaction between the REIT and the Transaction Proponents.

On December 16, 2019, BLG provided the Transaction Proponents' counsel with proposed revisions to the Sixth Offer which would address the REIT's concerns, a draft confidentiality agreement, which provided for both an exclusivity period and additional standstill protections, and terms of the Standstill Restrictions that the REIT would be prepared to waive.

On December 18 and 19, 2019, BLG met by conference call with counsel for the Transaction Proponents to revise the Sixth Offer and the draft confidentiality agreement. At this time, Mr. Cook and Mr. Drimmer also had a number of telephone conversations to discuss terms and conditions that would be acceptable to the REIT.

On December 19, 2019, the Special Committee met by conference call and received advice from management, Scotiabank, Goodmans and BLG on the Sixth Offer, including updates regarding revisions to the Sixth Offer, the draft confidentiality agreement, and the form of limited waiver of the Standstill Restrictions. The Special Committee determined that approval of the Sixth Offer would require an acceptable resolution of the lender approval and consent conditions.

On December 19, 2019, the Board (with Mr. Drimmer recusing himself) met by conference call to review and consider the Sixth Offer. All Trustees present had attended the December 19, 2019 meeting of the Special Committee and, as such, had received the views of management regarding the Sixth Offer and presentations from Scotiabank and BLG as to the financial and legal aspects, respectively, of the Sixth Offer. Upon the recommendation of the Special Committee, the Board approved the revised Sixth Offer, the confidentiality agreement and the limited waiver of the Standstill Restrictions, all subject to resolution of the lender approval and consent conditions to the satisfaction of the Special Committee.

When the meeting of the Special Committee resumed on December 19, 2020, the Special Committee passed a resolution to appoint NBF as financial advisor and independent valuator to the Special Committee in connection with a proposed transaction between the REIT and the Transaction Proponents.

On December 19, 2019, the Special Committee met again by conference call to receive an update from its legal advisors on the discussions that took place with the Transaction Proponents' counsel, specifically with respect to the lender approval conditions, as well as possible alternatives to same. The Special Committee determined that entering into a transaction would not be in the best interest of the REIT or its Unitholders without a satisfactory resolution of the lender approval and consent issue. Following the Special Committee meeting, Mr. Cook had a discussion with Mr. Drimmer whereby Mr. Cook communicated to Mr. Drimmer the Special Committee's position that the lender approval conditions were not acceptable.

Seventh Offer

On December 20, 2019, the Transaction Proponents presented a new non-binding written offer (the "**Seventh Offer**") to the Board. The Seventh Offer varied from the Sixth Offer by, among other things, (i) replacing the condition of lender approval and consent with a condition that the outstanding principal amount of secured debt in respect of which secured lenders have not provided consent to assumption shall not exceed 25% of the principal amount of such debt, (ii) confirming that the Transaction Proponents would market High Yield Fund Units at their own cost; and (iii) acknowledging that the Board would reserve the right not to recommend that existing Unitholders elect to receive High Yield Fund Units as consideration.

On December 20 and 21, 2019, the Special Committee met by conference call and received advice from management, Scotiabank, Goodmans and BLG on the Seventh Offer and potential responses by the REIT. After receiving advice from its advisors and discussing the relative benefits and risks associated with the Seventh Offer, the Special Committee unanimously recommended that the Board reject the Seventh Offer as currently contemplated. The Special Committee then discussed certain revisions to the Seventh Offer that would be acceptable to the Special Committee, including a "reverse" break fee payable to the REIT in the event the proposed transaction was terminated under certain circumstances.

On December 22, 2019, the Board (other than Mr. Drimmer) met by conference call to receive information about the Seventh Offer. No formal business was transacted. At that meeting, the Board received an update from the Special Committee on negotiations with the Transaction Proponents and received the views of Scotiabank and BLG as to the financial and legal aspects, respectively, of the Seventh Offer. The Special Committee noted its position that it would not be in the best interest of the REIT or its Unitholders to accept the Seventh Offer in the absence of the removal or satisfactory modification of the lender consents to provide for some risk sharing between the parties. The Board expressed support for the Special Committee's position. Subsequently, on December 23, 2019, Messrs. Thon and Hoffman had a telephone call with Mr. Drimmer and informed him of the REIT's position.

Eighth Offer

On January 9 and 10, 2020, Messrs. Hoffman and Cook had a number of conversations with Mr. Drimmer as to whether amendments could be made to the terms of the Seventh Offer, which would be acceptable to all parties.

On January 9, 2020, the Special Committee met in person and received advice from management, Scotiabank, Goodmans and BLG on potential amendments to the terms of the Seventh Offer, including the insertion of (i) a 'best efforts' standard for the Transaction Proponents in obtaining the lender and CMHC consents, (ii) the ability of either party to extend the outside date by 60 days in the event all of the conditions to closing were satisfied other than the lender and CMHC consents and (iii) an expense reimbursement amount payable to the REIT in the event the proposed transaction was terminated under certain circumstances.

On January 11 through 13, 2019, BLG met by conference call with counsel for the Transaction Proponents to revise the Seventh Offer and the draft confidentiality agreement.

On January 14, 2020, the Transaction Proponents presented a new non-binding written offer (the "**Eighth Offer**") to the Board. The Eighth Offer varied from the Seventh Offer by: (i) including a covenant that the Transaction Proponents use "best efforts" to obtain the lender and CMHC consents as soon as reasonably practical after the expiry of the "go-shop" period; (ii) providing that if all condition precedents other than lender and CMHC consents and approvals have been satisfied by the "outside date" for closing, either the REIT or the Transaction Proponents could unilaterally extend the "outside date" by a further 60 days; and (iii) including an expense reimbursement for the REIT for actual and documented out of pocket expenses related to the proposed transaction, as well as all employee retention expenses incurred following the date the transaction is announced, up to a maximum of \$7.5 million, if a transaction did not proceed because the condition for lender and CMHC consents and approvals is not met.

On January 14, 2020, the Special Committee met by conference call and received advice from management, Scotiabank, Goodmans and BLG on the terms of the Eighth Offer and the draft confidentiality agreement, and discussed waiving the Standstill Restrictions in respect of the Eighth Offer. After receiving advice from its legal and financial advisors and discussing the relative benefits and risks associated with the Eighth Offer, the Special Committee unanimously recommended that the Board partially waive the Standstill Restrictions to accept the Eighth Offer and enter into the confidentiality agreement with the Transaction Proponents.

On January 14, 2019, the Board (with Mr. Drimmer recusing himself) met by conference call to review and consider the Eighth Offer. At that meeting, the Board received the views of management regarding the Eighth Offer and presentations from Scotiabank and BLG as to the financial and legal aspects, respectively, of the Eighth Offer. Upon the unanimous recommendation of the Special Committee, the Board determined to move forward with the Eighth Offer. Later that day, the REIT delivered a letter to the Transaction Proponents, partially waiving the Standstill Restrictions in respect of the Eighth Offer and related discussions and documents. Contemporaneously, the REIT and the Transaction Proponents entered into a non-binding letter of intent in respect of the Eighth Offer and the Confidentiality Agreement providing for exclusivity until the close of business on February 14, 2020.

Due Diligence and Negotiation of Definitive Transaction Documents

On January 14, 2020, the Transaction Proponents and CIBC were given access to the REIT's electronic data room, which contained confidential information regarding the REIT, its properties and a detailed financial model. The next day, the Transaction Proponents and their legal advisors were given access to the data room to allow them to complete their confirmatory due diligence on the REIT. The data room was updated and repopulated with additional information from time-to-time during the exclusivity period in response to specific requests from the Transaction Proponents and their advisors. At the request of the Transaction Proponents, the REIT also engaged local counsel to complete over 300 title searches, as well as follow-up confirmatory searches, for certain of the REIT's properties.

On January 14, 2020, the NBF Engagement Letter was entered into and NBF was given access to the data room and began preparation of its formal valuation and fixed fee fairness opinion.

On January 22 and 27, 2020, Mr. Cook and Leslie Veiner, the REIT's Chief Operating Officer, met with Mr. Drimmer on due diligence matters related to the organization of the REIT's subsidiaries and properties.

On January 31, February 7 and February 14, 2020, members of the REIT's management and Scotiabank participated in due diligence related conference calls with the Transaction Proponents and their advisors. The Transaction Proponents, CIBC, Scotiabank and NBF conducted site visits to selected properties of the REIT.

On January 20, 2020 and February 6, 2020, the Special Committee met by conference call to receive reports from NBF on the work it had completed in connection with proposed transaction between the REIT and the Transaction Proponents.

On January 22, 2020, the REIT's management and Scotiabank conducted a conference call with representatives of NBF to provide them with financial and operational information to assist in the preparation of the formal valuation and NBF's fairness opinion.

Between January 29, 2020 and February 2, 2020, the Transaction Proponents' external legal counsel provided BLG and Goodmans with drafts of the Arrangement Agreement, the Trustee and Officer Voting and Support Agreement and the Plan of Arrangement. Between February 6, 2020 and February 14, 2020, the terms of the various definitive agreements were negotiated and drafts were exchanged between BLG and Goodmans, on the one hand, and the Transaction Proponents' external legal counsel, on the other hand.

On February 14, 2020, the REIT and the Transaction Proponents executed an extension to the exclusivity period under the Confidentiality Agreement to 8:00 am (Eastern Standard Time) on February 18, 2020. That same day the Transaction Proponents shared information with the REIT concerning the pro forma leverage of the High Yield Fund and the other post-closing entities which would hold the REIT's properties.

On February 17, 2020, the Transaction Proponents provided Scotiabank with draft commitment letters from CIBC for credit facilities for the High Yield Fund and the other entities which would hold the REIT's properties post-closing (the "**Commitment Letters**").

On February 9 and 13, 2020, the Special Committee held additional meetings with its legal and financial advisors to discuss the key terms and conditions of the draft transaction agreements and the status of negotiations with the Transaction Proponents. At these meetings, the Special Committee discussed and received advice on how to address the erosion in the premium to the then current market price represented by the offer price of \$34.75 as a result of the rising trading price of REIT Units since exclusivity was entered into on January 14, 2020.

Approval of the Definitive Transaction Agreements

By the evening of February 16, 2020, the Transaction Proponents' due diligence was substantially concluded and the Arrangement Agreement, Trustee and Officer Voting and Support Agreements and ancillary documents were largely finalized.

On the morning of February 17, 2017, the Special Committee met at the REIT's offices in Calgary and received a report from Goodmans on the draft Arrangement Agreement, Trustee and Officer Voting and Support Agreements and ancillary documents. The Special Committee then received a financial presentation from NBF on the proposed transaction and the formal valuation of the REIT from NBF, as well as NBF's oral fairness opinion. The Special Committee then received a financial presentation from Scotiabank on the proposed transaction, as well as Scotiabank's oral fairness opinion. The Special Committee also evaluated, with the assistance of the REIT's financial and legal advisors, whether the Transaction Proponents' proposal was fully financed, which included a review of the Commitment Letters received. The Special Committee also considered, with the assistance of the REIT's financial and legal advisors, the scope of and expected timeframes to receive the secured lender and CMHC consents and approvals in connection with the proposed transaction. The Special Committee then received a presentation from Goodmans and BLG as to certain legal and tax aspects of the proposed transaction and a presentation from the REIT's management as to their views of the proposed transaction. After carefully considering a number of factors and risks in relation to the proposed transaction, and in particular the strong unit price performance of multi-family real estate investment trust issuers on the TSX from January 14, 2020 to February 14, 2020 (including a \$1.97, or 6.5%, increase in the REIT's Unit price from January 14, 2020 to February 14, 2020) and the erosion of the premium of the proposed transaction to the current market price from 15.1% at January 14, 2020 to 8.1% at February 14, 2020, the Special Committee unanimously (i) determined that the consideration to be received by Unitholders pursuant to the proposed transaction was unsatisfactory and that the proposed transaction was not in the best interest of the REIT; (ii) recommended that the Board not approve the Arrangement Agreement, Trustee and Officer Voting and Support Agreements or ancillary documents; (iii) recommended that the Board approve a counter-offer to the Transaction Proponents of a transaction on substantially the terms negotiated, subject to an increase in the all-cash consideration to \$36.25 per REIT Unit, which offer would remain open until 5:00 pm (Eastern Standard time) on February 19, 2020; (iv) recommended that the Board extend exclusivity under the Confidentiality Agreement to 5:00 pm (Eastern Standard time) on February 19, 2020; and (v) recommended that additional comfort be sought from the Transaction Proponents concerning the financial status of the proposed Purchasers and Guarantors and the structure and tax treatment of any pre-closing reorganization of the REIT and its affiliates.

Immediately following the meeting of the Special Committee, the Board (with Mr. Drimmer recusing himself) met at the REIT's offices in Calgary and received the report of the Special Committee. The Board also received a financial presentation from NBF on the proposed transaction and a summary of NBF's formal valuation of the REIT, as well as NBF's oral fairness opinion. The Board then received a financial presentation from Scotiabank on the proposed transaction, as well as Scotiabank's oral fairness opinion. The Board also received a presentation from Goodmans and BLG as to certain legal and tax aspects of the proposed transaction and a presentation from the REIT's management as to their views of the proposed transaction. The Board members in attendance then unanimously: (i) accepted the report of the Special Committee; (ii) approved a counter-offer to the Transaction Proponents of a transaction on substantially the terms negotiated, subject to an increase in the all-cash consideration of \$36.25 per REIT Unit, which offer would remain open until 5:00 pm (Eastern Standard time) on February 19, 2020; and (iii) approved an extension of exclusivity under the Confidentiality Agreement to 5:00 pm (Eastern Standard time) on February 19, 2020.

Later that day, Messrs. Thon and Hoffman had a telephone call with Mr. Drimmer and informed him of the Board's decision and delivered the counter-proposal. In response, Mr. Drimmer proposed an extension of the exclusivity period for an additional two weeks, at the end of which the parties could reconsider the proposed offer price of \$34.75 per REIT Unit in light of the market's reaction to the issuance of the REIT's fourth quarter results from 2019.

On the morning of February 18, 2020, the REIT and the Transaction Proponents executed an extension to the exclusivity period under the Confidentiality Agreement to 5:00 p.m. (Eastern Standard Time) on February 19, 2020. That same day, CIBC, Scotiabank and legal counsel to the REIT and the Transaction Proponents held a conference call to provide the REIT with more information as to the financial status of the proposed Purchasers and Guarantors and the structure and tax treatment of any pre-closing reorganization of the REIT and its affiliates. Later that same day, the Special Committee met by conference call and, following presentations from Scotiabank, BLG, Goodmans and management, rejected the proposed two week extension of exclusivity. Messrs. Thon and Hoffman subsequently had a telephone call with Mr. Drimmer and informed him of the Special Committee's decision.

On the morning of February 19, 2020, the Special Committee met by conference call and received an update from management, Goodmans and BLG on the structure and tax treatment of any pre-closing reorganization of the REIT and its affiliates and the receipt from the Transaction Proponents of certifications with respect to the value of the assets and the lifespan of the Guarantors.

Immediately following the meeting of the Special Committee on February 19, 2020, Messrs. Thon and Hoffman had a telephone call with Mr. Drimmer and Mr. Jon Love, the Chief Executive Officer of KingSett Capital, to confirm that the Board was comfortable with the steps the Transaction Proponents had taken to mitigate any potential tax exposure to the REIT's stakeholders, and on the basis of the Special Committee's assurances and determinations, the Transaction Proponents accepted the Board's February 17, 2020 counter-proposal that included an all-cash offer price of \$36.25 per REIT Unit.

In the afternoon of February 19, 2020, the Special Committee met by conference call and reviewed and considered the revised Arrangement Agreement, Support and Voting Agreements and ancillary documents. After carefully considering a number of factors and risks in relation to the proposed transaction described elsewhere in this Circular under "*Background to the Arrangement – Reasons for the Board Recommendation*", the Special Committee unanimously determined that the Arrangement is (i) fair to Unitholders who elect to receive, or are deemed to have elected to receive, the All-Cash Consideration (other than the Purchasers and their affiliates) and (ii) is in the best interests of the REIT and its Unitholders, and unanimously recommended that the Board (i) approve the Arrangement Agreement; and (ii) recommend that Unitholders vote in favour of the Arrangement Resolution and elect to receive the All-Cash Consideration.

Later that evening, NBF confirmed to the Special Committee by email: (i) its formal valuation in accordance with MI 61-101 that, in its opinion, subject to the assumptions and limitations described therein, as at February 19, 2020, the fair market value of the Units is in the range of \$33.25 to \$36.75 per REIT Unit; and (ii) its oral fairness opinion (which opinion was subsequently confirmed in writing, a copy of which are attached as Appendix "F" to this Circular) that as of February 19, 2020 and based upon and subject to certain assumptions, limitations and qualifications set forth therein and such other matters as NBF considered relevant, the All-Cash Consideration of \$36.25 per REIT Unit to be received by Trust Unitholders under the Arrangement is fair, from a financial point of view, to such Trust Unitholders (other than the Purchasers and their affiliates). Similarly, Scotiabank also confirmed to the Special Committee by email its oral fairness opinion (which opinion was subsequently confirmed in writing, a copy of which are attached as Appendix "E" to this Circular) that as of February 19, 2020 and based upon and subject to certain assumptions, limitations and qualifications set forth therein and such other matters as Scotiabank considered relevant, the All-Cash Consideration of \$36.25 per REIT Unit provided for under the Arrangement to be received by Unitholders who accept such All-Cash Consideration is fair, from a financial point of view, to Unitholders (other than the Purchasers and their affiliates).

Immediately following the meeting of the Special Committee, the Board (with Mr. Drimmer recusing himself) met by conference call and received the report of the Special Committee. The Board reviewed and considered the revised Arrangement Agreement, Trustee and Officer Voting and Support Agreements and ancillary documents. Scotiabank provided its oral fairness opinion described above. The Board also received an update from Goodmans and BLG on legal and tax aspects of the revised Arrangement Agreement, as well as a presentation from management as to their views of the revised transaction. After carefully considering a number of factors and risks in relation to the proposed transaction described elsewhere in this Circular under "*Background to the Arrangement – Reasons for the Board*

Recommendation”, the Board members in attendance then unanimously (with Mr. Drimmer having declared his interest) determined that the Arrangement is fair to Trust Unitholders who elect to receive, or are deemed to have elected to receive, the All-Cash Consideration (other than the Purchasers and their affiliates) and the Arrangement is in the best interests of the REIT and its Unitholders, and (i) approved the Arrangement Agreement; (ii) recommended that Unitholders vote in favour of the Arrangement Resolution and elect to receive the All-Cash Consideration; and (iii) recommended to Trust Unitholders that they elect to receive All-Cash Consideration.

The Arrangement Agreement, Trustee and Officer Voting and Support Agreements and ancillary documents were finalized by BLG, Goodmans and external counsel to the Transaction Proponents following the Board meeting and executed copies were exchanged by the REIT, the Purchasers and the Guarantors on the evening of February 19, 2020. Trading in the Units was halted by the TSX for half an hour at 8:00 am (Eastern Standard Time) on February 20, 2020 and the transaction was concurrently announced at that time by a press release from the REIT.

Copies of the Arrangement Agreement and the Trustee and Officer Voting and Support Agreements are available on SEDAR at www.sedar.com.

Go-Shop Process and Other Transaction Updates

Following the announcement of the Arrangement Agreement, the REIT initiated a “go-shop” process in accordance with the terms of the Arrangement Agreement, pursuant to which the REIT was permitted to actively solicit, evaluate and enter into negotiations with third parties that expressed an interest in acquiring the REIT .

Beginning on February 20, 2020, Scotiabank contacted 54 potential buyers, which included other real estate investment trusts, real estate operating companies, pension funds, insurance companies, private equity funds and Asian-based capital sources. Two of the potential buyers contacted by Scotiabank entered into confidentiality agreements with the REIT (the “**Potential Buyers**”) and were provided with a detailed confidential information package in respect of the REIT’s properties, business and operations, and access to the REIT’s electronic data room, which contained confidential information regarding the REIT, its properties and a detailed financial model.

On March 19, 2020, the Special Committee met by conference call and received presentations from Scotiabank, Goodmans, BLG and management in respect of the status of the “go-shop” process and a request by the Transaction Proponents for a partial waiver of the standstill provisions to allow for purchases of REIT Units in the market. In part based on communications from one Potential Buyer that the REIT’s portfolio of properties did not meet the target profile of the Potential Buyer’s investors and a cessation of communications from the other Potential Buyer, the Special Committee concluded that neither of the Potential Buyers had a reasonable prospect of making an Acquisition Proposal prior to the expiration of a 15-day extension of the Go-Shop Period. Accordingly, the Go-Shop Period terminated at 11:59:59 p.m. (Mountain Daylight Time) on March 20, 2020. The Special Committee also recommended that the Board approve a partial waiver of the standstill requirements to permit the Transaction Proponents and their affiliates to purchase Units in the market, subject to certain conditions, including a restriction that their ownership of REIT Units does not exceed 19.99% of the issued and outstanding REIT Units (including REIT Units currently held by Starlight and its affiliates). The Board subsequently accepted the recommendation of the Special Committee and approved the partial waiver (with Mr. Drimmer declaring his interest and abstaining). By the expiry of the Go-Shop Period on March 20, 2020, the REIT had not received an Acquisition Proposal.

On March 22, 2020, the REIT partially waived the standstill arrangements in writing so that the Transaction Proponents and their affiliates would be permitted to purchase Units in the market prior to closing of the Arrangement, provided that the number of Units, together with the existing Units owned by Starlight and its affiliates, does not exceed 19.99% of the outstanding Units. As at March 22, 2020, Starlight and its affiliates beneficially owned approximately 9,040,032 REIT Units, representing approximately 13.4% of the outstanding REIT Units.

Prior to the opening of markets on March 23, 2020, the REIT issued a new release announcing the expiry of the Go-Shop Period and the partial waiver of the standstill provisions.

Fairness Opinions

Scotiabank Fairness Opinion

Overview

Pursuant to the Scotiabank Engagement Letter, the Board retained Scotiabank to act as its financial advisor to provide financial and strategic advice in connection with the Arrangement or any Acquisition Proposal. Scotiabank agreed to deliver the Scotiabank Fairness Opinion. Scotiabank was not engaged to prepare (and has not prepared) a formal valuation or an appraisal of the REIT, the High Yield Fund, or any of their respective assets, securities or liabilities. Under the Scotiabank Engagement Letter, the REIT has agreed to pay Scotiabank a fee for its services as financial advisor. The fees Scotiabank will receive for its advisory services are contingent upon completion of the Arrangement. The REIT has also agreed to reimburse Scotiabank for its reasonable out-of-pocket expenses and to indemnify Scotiabank in respect of certain liabilities that may arise out of the engagement of Scotiabank.

Credentials of Scotiabank

Scotiabank is one of North America's premier financial institutions. In Canada, Scotiabank is one of the country'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 and investment research. Scotiabank has participated in a significant number of transactions involving private and public companies and has extensive experience in preparing fairness opinions.

The Scotiabank Fairness Opinion represents the opinion of Scotiabank as a firm. The form and content of the Scotiabank Fairness Opinion have been approved for release by a committee of senior investment banking professionals of Scotiabank, each of whom is experienced in merger, acquisition, divestiture, fairness opinion and valuation matters.

Independence of Scotiabank

Neither Scotiabank nor any of its affiliates is an insider, associate or affiliate (as those terms are defined in the Securities Act (Ontario)) of the Interested Parties. Neither Scotiabank nor any of its affiliates has been engaged to provide financial advisory services, nor has Scotiabank or any of its affiliates participated in any financing, involving the Interested Parties within the past two years, other than pursuant to the Scotiabank Engagement Letter and as described herein. In the past two years, Scotiabank and affiliates of Scotiabank have been engaged in the following capacities for the Interested Parties: (i) as a participant in public equity offerings of the REIT, True North Commercial REIT, Starlight U.S. Multi-Family (No. 1) Core Plus Fund and Starlight Hybrid Global Real Assets Trust; and (ii) as a lender to the REIT, Starlight and KingSett. There are no material understandings, agreements or commitments between Scotiabank and the Interested Parties with respect to any future business dealings. Scotiabank may, in the future, in the ordinary course of its business, perform financial advisory or investment banking services for the Interested Parties. In addition, The Bank of Nova Scotia ("**BNS**"), of which Scotiabank is a wholly-owned subsidiary, or one or more affiliates of BNS, may provide banking or other financial services to one or more of the Interested Parties in the ordinary course of business.

Scotiabank acts as a trader and dealer, both as principal and agent, in the financial markets in Canada and the United States and elsewhere and, as such, it and BNS may have had and may have positions in the securities of the Interested Parties from time to time and may have executed or may execute transactions on behalf of such companies or clients for which it receives compensation. As an investment dealer, Scotiabank conducts research on securities and may, in the ordinary course of business, provide research reports and investment advice to its clients on investment matters, including with respect to the Interested Parties, or with respect to the Arrangement.

Conclusion

In connection with the evaluation of the Arrangement by the Board, in an email delivered following a meeting held on February 19, 2020, Scotiabank provided the Board with an oral opinion, which was subsequently confirmed in writing in the Scotiabank Fairness Opinion, to the effect that, based on its review and analysis, and subject to the assumptions, qualifications and limitations contained therein, Scotiabank was of the opinion that, as of February 19, 2020, the Consideration to be received by Trust Unitholders who elect to receive, or are deemed to have elected to receive, the All-Cash Consideration under the Arrangement is fair, from a financial point of view, to such Trust Unitholders (other than the Purchasers and their affiliates). **This summary of the Scotiabank Fairness Opinion is qualified in its entirety by reference to the full text of the Scotiabank Fairness Opinion attached as Appendix “E” to this Circular. Unitholders are urged to, and should, read the Scotiabank Fairness Opinion in its entirety.**

The full text of the Scotiabank Fairness Opinion describes the scope of review, the assumptions made, procedures followed, matters considered and limitations on the review undertaken by Scotiabank. The Scotiabank Fairness Opinion is attached as Appendix “E” of this Circular. The Scotiabank Fairness Opinion is directed only to the fairness, from a financial point of view, of the All-Cash Consideration to be received by Unitholders pursuant to the Arrangement. **The Scotiabank Fairness Opinion was provided solely for the use of the Board in connection with, and for the purpose of, its consideration of the Arrangement and may not be used or relied upon by any other person. The Scotiabank Fairness Opinion is not and is not intended to be and does not constitute a recommendation as to how Unitholders should vote in respect of the Arrangement Resolution.**

NBF Formal Valuation and Fairness Opinion

Overview

Pursuant to the NBF Engagement Letter, the Special Committee retained NBF to act as its financial advisor to provide financial and strategic advice in connection with the Arrangement or any Acquisition Proposal and to provide the Valuation of the fair market value of the REIT Units in accordance with MI 61-101. NBF agreed to deliver the NBF Fairness Opinion and to provide an opinion of the fair market value of the REIT Units in accordance with MI 61-101. The Special Committee engaged NBF after having concluded that NBF is qualified and independent for the purposes of MI 61-101.

NBF has only been engaged to provide the NBF Fairness Opinion to the Special Committee in respect of the All-Cash Consideration to be received by Trust Unitholders pursuant to the Arrangement and is not providing any fairness opinion with respect to consideration received by Unitholders who elect to receive all or a portion of the Offer Price in High Yield Fund Units. Furthermore, NBF has only provided a Valuation with respect to the REIT Units and has not provided any valuation with respect to the High Yield Fund Units in the High Yield Fund that a Trust Unitholder may receive as consideration if it elects to do so under the Arrangement. The Special Committee engaged NBF after having concluded that NBF is qualified and independent for the purposes of MI 61-101, as further described below.

NBF will receive a fixed fee for its services to the Special Committee for the delivery of the written NBF Fairness Opinion. The REIT has also agreed to reimburse NBF for its reasonable out-of-pocket expenses and to indemnify NBF in respect of certain liabilities that may arise out of the engagement of NBF. No portion of the fees payable to NBF are contingent on the conclusions reached in the NBF Fairness Opinion or the Valuation or on the completion of the Arrangement.

Relationship with Interested Parties

The Valuation and NBF Fairness Opinion were each prepared by NBF acting independently. The assessment of NBF is consistent with the independence requirements of MI 61-101, as detailed in the Valuation.

In particular, neither NBF nor any of its affiliates:

- (a) is an “associated entity”, “affiliated entity” or “issuer insider” (as those terms are defined in MI 61-101) of an Interested Party;
- (b) acts as an advisor to any Interested Party in connection with the Arrangement (other than its engagement with the Special Committee);
- (c) is the external auditor of the REIT or of an Interested Party;
- (d) has a material financial interest in the completion of the Arrangement;
- (e) has a material financial interest in future business under an agreement, commitment or understanding involving an Interested Party or an associated or affiliated entity of an Interested Party;
- (f) during the 24 months before NBF was first contacted by the REIT in respect of the Arrangement, has (a) had a material involvement in an evaluation, appraisal or review of the financial condition of an Interested Party (other than the REIT) or an associated or affiliated entity of an Interested Party, (b) had a material involvement in an evaluation, appraisal or review of the financial condition of the REIT or an associated or affiliated entity of the REIT, if the evaluation, appraisal or review was carried out at the direction or request of any Interested Party or paid for by an Interested Party, (c) acted as a lead or co-lead underwriter of a distribution of securities by an Interested Party (other than the REIT), or acted as a lead or co-lead underwriter of a distribution of securities by the REIT if the retention of the underwriter was carried out at the direction or request of an Interested Party or paid for by an Interested Party, or (d) had a material financial interest in a transaction involving an interest party; and/or
- (g) is (a) a lead or co-lead lender or manager of a lending syndicate in respect of the Arrangement or (b) a lender of a material amount of indebtedness in a situation where an Interested Party is in financial difficulty and where the transaction would reasonably be expected to have the effect of materially enhancing the lender’s position.

In December 2018, December 2019 and February 2020, NBF participated in affiliates of Starlight’s public equity offerings but did not act as lead or co-lead underwriter in respect of such offerings. NBF also participated in the REIT’s public equity offerings in June 2018 and June 2019, but did not act as lead or co-lead underwriter in respect of such offerings. NBF or its affiliates may, in the future, in the ordinary course of their respective businesses, perform financial advisory or investment banking or other services to the Interested Parties or any of their respective associated entities or affiliated entities.

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 and, from time to time, may have executed or may execute transactions on behalf of such companies or clients for which it received or may receive compensation. As an investment dealer, NBF 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 REIT, Starlight or the Arrangement.

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. NBF has extensive experience in the Canadian capital markets and has been involved in a significant number of transactions involving private and publicly traded companies, including real estate entities.

The opinions represented in the Valuation and NBF Fairness Opinion are the opinions of NBF and the form and content of the Valuation and NBF Fairness Opinion have 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.

Scope of Review

In connection with the Valuation and NBF Fairness Opinion, NBF made such reviews, analyses and inquiries as it reasonably deemed necessary and appropriate under the circumstances. NBF also took into account its assessment of securities markets, economic, financial and general business conditions, as well as its experience in securities and business valuation in general, and with respect to similar transactions.

In preparing the Valuation and NBF Fairness Opinion, NBF, among other things, reviewed, and where it considered appropriate, relied upon certain financial and operational information relating to the REIT, certain reports and information prepared by independent consultants and advisors to the REIT, discussions with management of the REIT, the Special Committee, and legal counsel to the REIT, documents provided by the REIT and the Special Committee, and other publicly available information about the REIT. NBF also conducted analyses, investigations, research, interview and testing of assumptions as were deemed by it to be appropriate or necessary in the circumstances. NBF was not, to the best of its knowledge, denied access by the REIT or any of its respective affiliates to any information which it requested.

Assumptions and Liabilities

With the Special Committee's approval, and as provided for in the NBF Engagement Letter, NBF has relied upon the completeness, accuracy and fair presentation of all of the financial and other information, data, advice, opinions or representations obtained by it from public sources, the REIT and the REIT's consultants and advisors, including the advisors of the Board and the Special Committee.

NBF did not meet with the auditors of the REIT and has assumed the accuracy and fair presentation of, and relied upon, the audited consolidated financial statements of the REIT and the reports of its auditors thereon as well as the unaudited interim financial statements of the REIT. The Valuation and the NBF Fairness Opinion are conditional upon such completeness, accuracy and fair presentation of the foregoing information. Subject to the exercise of professional judgment and except as expressly described herein, NBF to verify independently the completeness, accuracy or fair presentation of any of the foregoing information.

With respect to operating and financial forecasts provided to NBF concerning the REIT and relied upon in the analysis, NBF has assumed (subject to the exercise of professional judgment) that they have been prepared on the bases reflecting the most reasonable assumptions, estimates and judgments of management of the REIT, as the case may be, having regard to the REIT's business plans, financial conditions and prospects.

The Valuation and NBF Fairness Opinion are rendered on the basis of securities markets, economic, financial and general business conditions prevailing as at the date hereof and the condition and prospects, financial and otherwise, of the REIT and its respective subsidiaries and affiliates, as they were reflected in the Information and as they have been represented to NBF in discussions with the management and employees of the REIT. In its analyses and in preparing the Valuation and the NBF 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 any party involved in the Arrangement.

The Valuation and NBF Fairness Opinion do not include an opinion concerning any legal, tax or accounting matters concerning the Arrangement.

The Valuation and NBF Fairness Opinion have been provided for the use of the Special Committee and, other than as permitted by the NBF Engagement Letter or in the Valuation and NBF Fairness Opinion, may not be used by any other person or relied upon by any other person other than the Special Committee and the Board without the express prior written consent of NBF.

Definition of Fair Market Value

For the purposes of its Valuation, NBF adopted “fair market value” as the basis for value. In accordance with MI 61-101 and for the purposes of the Valuation, fair market value is defined as the monetary consideration that, in an open and unrestricted market, a prudent and informed buyer would pay to a prudent and informed seller, each acting at arm’s length with the other and under no compulsion to act. In accordance with MI 61 101, NBF has not made any downward adjustment to the value of the REIT Units to reflect the liquidity of the REIT Units, the effect of the Arrangement on the REIT Units, or whether or not the REIT Units form part of a controlling interest. Consequently, the Valuation provides a conclusion on a per REIT Unit basis with respect to the REIT’s “en bloc” value, being the price at which all of the REIT Units could be sold to one or more buyers at the same time.

Valuation

Valuation Methodologies

NBF’s primary valuation methodology in preparing the Valuation was a net asset value (“NAV”) approach. NBF also considered a precedent transactions analysis involving public real estate entities, including an analysis of premiums / discounts to NAV. Additionally, NBF considered the premiums applied in change of control transactions in the Canadian real estate industry. NBF also reviewed and considered a comparable trading analysis involving public real estate entities. Finally, NBF reviewed and considered valuation reference points such as the 52-week trading range and equity research analysts’ price targets of the REIT Units and NAV per REIT Unit estimates. For a complete description of NBF’s Valuation methodology and approach, see the full text of the Valuation and NBF Fairness Opinion attached together as Appendix “F” to this Circular.

Valuation Conclusion In arriving at an opinion of fair market value of the REIT Units, NBF did not attribute any particular weight to any specific factor but made qualitative judgments based on its experience in rendering such opinions and on circumstances prevailing as to the significance and relevance of each factor. NBF did, however, ascribe the greatest amount of importance to the NAV approaches.

The Valuation contains NBF’s opinion that, based on the scope of its review and subject to the assumptions, restrictions and limitations provided therein, as of February 19, 2020, the fair market value of the REIT Units was in the range of \$33.25 and \$36.75 per REIT Unit.

NBF Fairness Opinion

Factors Considered

In considering the fairness, from a financial point of view, to holders of REIT Units other than the Interested Parties, to Unitholders pursuant to the Arrangement, NBF reviewed, considered and relied upon or carried out, among other things, those items listed under “Scope of Review” and the following:

- a) the Valuation; and,
- b) such other information, investigations and analyses considered necessary or appropriate in the circumstances.

Pursuant to the Arrangement, Trust Unitholders would receive consideration equivalent to \$36.25 per REIT Unit in cash, which is in the fair market value range of the REIT Units as of February 19, 2020, as determined by NBF in the Valuation.

Fairness Conclusion

In connection with the evaluation by the Special Committee of the Arrangement, in an email delivered following a meeting held on February 19, 2020, NBF provided the Special Committee with an oral opinion, which was subsequently confirmed in writing in the NBF Fairness Opinion, to the effect that, based on its review and analysis, and subject to the assumptions, limitations and qualifications contained therein, NBF

was of the opinion that, as of February 19, 2020, the All-Cash Consideration to be received by Trust Unitholders under the Arrangement is fair, from a financial point of view, to such Trust Unitholders (other than the Purchasers and their affiliates).

This summary of the Valuation and NBF Fairness Opinion is qualified in its entirety by reference to the full text of the Valuation and NBF Fairness Opinion attached together as Appendix “F” to this Circular. Unitholders are urged to, and should, read the Valuation and NBF Fairness Opinion in their entirety.

The full text of the Valuation and NBF Fairness Opinion describes the scope of review, the assumptions made, procedures followed, matters considered and limitations on the review undertaken by NBF. The NBF Fairness Opinion is directed only to the fairness, from a financial point of view, of the All-Cash Consideration to be received by Trust Unitholders pursuant to the Arrangement.

The Valuation and NBF Fairness Opinion were provided solely for the use of the Special Committee in connection with, and for the purpose of, its consideration of the Arrangement and may not be used or relied upon by any other person. The Valuation and NBF Fairness Opinion are not and are not intended to be and do not constitute a recommendation as to how Unitholders should vote in respect of the Arrangement Resolution.

Recommendation of the Special Committee

The Special Committee, after consultation with its financial and legal advisors and having taken into account the Valuation, the Fairness Opinions and such other matters as it considered necessary and relevant, including the factors set out below under the heading “*Background to the Arrangement – Reasons for the Board Recommendation*” of this Circular, has unanimously determined that the Arrangement is fair to Trust Unitholders who elect to receive, or are deemed to have elected to receive, the All-Cash Consideration (other than the Purchasers and their affiliates) and the Arrangement is in the best interests of the REIT and its Unitholders, and unanimously recommended that the Board (i) approve the Arrangement Agreement and (ii) recommend that Unitholders vote IN FAVOUR of the Arrangement Resolution and elect to receive the All-Cash Consideration.

Recommendation of the Board

After taking into consideration, among other things, the unanimous recommendation of the Special Committee, the formal Valuation, and the Fairness Opinions delivered on February 19, 2020, the Board has concluded that the Arrangement is fair to Trust Unitholders who elect to receive, or are deemed to have elected to receive, the All-Cash Consideration (other than the Purchasers and their affiliates) and the Arrangement is in the best interests of the REIT. Accordingly, the Board (other than Mr. Drimmer who recused himself and abstained from voting for the reasons set out below) unanimously recommends Unitholders vote IN FAVOUR of the Arrangement Resolution approving the Arrangement and Unitholders elect to receive the All-Cash Consideration.

Daniel Drimmer is the beneficial owner of Starlight and, as a result, abstained from voting and recused himself from all discussions in connection with the Arrangement.

Reasons for the Board Recommendation

In making its recommendation, each of the Special Committee and the Board carefully considered the Arrangement and consulted with and received advice from its financial and legal advisors. The Special Committee and the Board reviewed a significant amount of information and considered a number of factors in making their recommendations to Unitholders to vote IN FAVOUR of the Arrangement Resolution, including the following:

- **Compelling Premium to Unitholders.** The Offer Price offered to Trust Unitholders represents a 17% premium to the REIT’s 30-day volume weighted average price per REIT Unit on the TSX ended on February 19, 2020 (the day prior to the announcement of the Arrangement), a 12% premium to the REIT’s near all-time high closing price per REIT Unit on

the TSX on February 19, 2020 and a 25% premium to the REIT's Consensus NAV per REIT Unit on February 19, 2020.

- **Certainty of Value and Liquidity.** The All-Cash Consideration offered to Trust Unitholders allows Trust Unitholders to immediately realize value for all of their investment and provides certainty of value and liquidity at a significant premium to the closing price per REIT Unit on February 19, 2020, as described above, and removes the risks associated with the REIT remaining a public entity (including the challenges of acquiring and developing assets on an accretive basis in light of an increasingly competitive environment for multi-tenant residential real estate).
- **Go-Shop Provision.** The Arrangement Agreement contains a “go-shop” provision which allowed the REIT to solicit and engage in discussions and negotiations with respect to potential Acquisition Proposals for an initial period of 30 days and to enter into a Superior Proposal during the Go-Shop Period. During the Go-Shop Period, Scotiabank, the REIT's financial advisor, contacted 54 potential buyers. Two of the potential buyers entered into confidentiality agreements with the REIT and were granted access to non-public information about the REIT. At the expiry of the Go-Shop Period, the Board determined that there was no reasonable prospect of receiving an Acquisition Proposal.
- **Ability to Respond to a Superior Proposal.** Under the Arrangement Agreement, the Board, in certain circumstances until Unitholder Approval is obtained in respect of the Arrangement Resolution, is able to consider, accept and enter into a definitive agreement with respect to a Superior Proposal upon payment of the Termination Fee to the Purchasers, or withdraw, modify or amend the Board Recommendation that Unitholders vote to approve the Arrangement Resolution. The Special Committee and the Board, based on advice received from its financial advisors, concluded that the Termination Fee is reasonable in the circumstances.
- **Fairness Opinions.** Scotiabank delivered the Scotiabank Fairness Opinion and NBF delivered the NBF Fairness Opinion, which advise that, as of February 19, 2020, and subject to the assumptions, limitations, qualifications and other matters set forth in the Fairness Opinions, the Consideration to be received by Trust Unitholders who elect to receive, or are deemed to have elected to receive, the All-Cash Consideration under the Arrangement is fair, from a financial point of view, to those Trust Unitholders (other than the Purchasers and their affiliates).
- **Formal Valuation.** NBF delivered to the Special Committee the Valuation, which reflects NBF's determination that, as of February 19, 2020, and based upon and subject to the assumptions, limitations, qualifications and other matters set forth therein, the fair market value of the REIT Units is in the range of \$33.25 to \$36.75 per REIT Unit.
- **Procedural Safeguards.** For the Arrangement to proceed (i) the Arrangement Resolution must receive Unitholder Approval and (ii) the Arrangement must be approved by the Court, which will consider, among other things, the fairness of the Arrangement. Registered Trust Unitholders who do not vote in favour of the Arrangement Resolution have the right to exercise Dissent Rights in connection with the Arrangement.
- **Role of the Special Committee.** The REIT appointed a Special Committee following the receipt by the REIT of the Purchasers' Initial Offer. The Special Committee took an active and independent role in directing strategic decisions with respect to the Arrangement, and provided oversight, guidance and specific instructions to the REIT with respect to the negotiations involving the Arrangement. Through the Special Committee's involvement, the REIT was able to secure favourable terms for Unitholders, including a higher Offer Price and the ability to

receive all-cash Consideration. The Special Committee unanimously recommended that the Board approve the Arrangement.

- **Proven Track Record of Starlight and KingSett.** Starlight and KingSett have demonstrated commitment, credit worthiness and a consistent track record of completing large-scale real estate transactions which is indicative of the ability of Starlight and KingSett to complete the transactions contemplated by the Arrangement.
- **Drimmer Voting and Support Agreement.** Pursuant to the Drimmer Voting and Support Agreement, Daniel Drimmer has agreed to vote all of his REIT Units in favour of the Arrangement Resolution.
- **Trustee and Officer Voting and Support Agreements.** Pursuant to the Trustee and Officer Voting and Support Agreements described under “*The Arrangement – Voting and Support Agreements*”, the Trustees and each executive officer of the REIT have agreed, among other things, to vote their REIT Units in favour of the Arrangement Resolution.
- **Guarantee by Starlight and KingSett.** The Guarantors have unconditionally and irrevocably guaranteed the due and punctual performance by the Purchasers of the Purchasers’ covenants, obligations and undertakings under the Arrangement Agreement, including the due and punctual payment of the Aggregate Cash Consideration and all other amounts payable in connection with the Arrangement Agreement.
- **Maintaining Status Quo May Negatively Impact Future Growth Opportunities.** The Special Committee and the Board, with the assistance of their financial and legal advisors, and based upon their collective knowledge of the business, operations, financial condition, earnings and prospects of the REIT, as well as their collective knowledge of the current and prospective environment in which the REIT operates (including economic and market conditions), assessed the relative benefits and risks of various alternatives reasonably available to the REIT including continued execution of the REIT’s current growth strategy. The Special Committee and the Board ultimately concluded that entering into the Arrangement Agreement with the Purchasers was more favourable to Unitholders than maintaining the status quo.
- **No Financing Condition.** The Purchasers have represented that, assuming the satisfaction of the conditions to the Arrangement set out in the Arrangement Agreement, upon receipt of the proceeds contemplated by the Purchaser Commitment Letters, the Purchasers will have access to sufficient cash funds (including available cash held by the REIT and its Subsidiaries) and borrowing capacity to pay all amounts to be paid by the Purchasers pursuant to the Arrangement Agreement and to perform their obligations thereunder. The completion of the Arrangement is not conditional on financing.
- **Limited Conditions to Closing.** Each of the Purchasers’ and Guarantors’ obligations to complete the Arrangement are subject to a limited number of conditions that the Board believes are reasonable in the circumstances.
- **Competition Act Approval.** The Board considered the nature of the Competition Act Approval and, after consultation with its legal advisors, concluded that it would be reasonable to expect that the Competition Act Approval could be obtained within a reasonable time.
- **Continued Ability to Pay Regular Monthly Distributions.** The REIT is permitted to continue declaring and paying its regular monthly distributions in the amount of \$0.1358 per REIT Unit, subject to the REIT’s compliance with certain covenants, and to pay a Stub Distribution in accordance with the terms of the Plan of Arrangement.

- **Expense Reimbursement Fee.** If the Arrangement Agreement is terminated in the event of an Expense Reimbursement Event, the Purchasers are required to pay to the REIT the Expense Reimbursement Fee.

In the course of their deliberations, the Special Committee and the Board also considered a number of potential risks and other factors resulting from the Arrangement, including the risks described under the heading “*Risk Factors*” and the following:

- the risks to the REIT and its Unitholders if the Arrangement is not completed;
- if the Arrangement is successfully completed, the REIT will no longer exist as an independent publicly traded company and Unitholders will be unable to participate in the longer term potential benefits of the business of the REIT;
- the conditions to the Purchasers’ obligations to complete the Arrangement and the right of the Purchasers to terminate the Arrangement Agreement under certain limited circumstances;
- the REIT has incurred and will continue to incur significant transaction costs and expenses in connection with the Arrangement, regardless of whether the Arrangement is completed;
- the potential negative effect of the pendency of the Arrangement on the REIT’s business;
- the restrictions imposed pursuant to the Arrangement Agreement on the conduct of the REIT’s business during the period between the execution of the Arrangement Agreement and the consummation of the Arrangement or the termination of the Arrangement Agreement may have a negative effect on the operation of the REIT’s business;
- the risk of diverting management attention and resources from the operation of the REIT’s business, including other strategic opportunities and operational matters, while working toward the completion of the Arrangement;
- the execution risk associated with the regulatory aspects of the Arrangement, and the fact that the Required Lender Consents and the Required CMHC Consents may not be obtained in a timely manner or obtained at all; and
- the terms of the Arrangement Agreement in respect of: (i) the requirement that in order to constitute a Superior Proposal, among other conditions specified in the Arrangement Agreement, an Acquisition Proposal must result in an Arrangement more favourable, from a financial point of view, to Unitholders than the Arrangement; and (ii) the fact that, if the Arrangement Agreement is terminated under certain circumstances, the REIT may be required to pay the Termination Fee.

The Board’s reasons contain forward-looking information, and are subject to various risks and assumptions. See “*Northview Apartment Real Estate Investment Trust Management Information Circular – Caution Regarding Forward-Looking Statements and Information*”, “*Risk Factors*” and the risk factors described under the heading “*Risk Factors*” in Appendix “F” and Appendix “G” of this Circular for additional information.

THE ARRANGEMENT

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

Required Unitholder Approval

If the Arrangement Resolution receives Unitholder Approval, and all of the other conditions to closing of the Arrangement are satisfied or, where permitted, waived, the Arrangement will be implemented by way of the Plan of Arrangement.

The Arrangement Resolution must receive Unitholder Approval in order for the REIT to seek the Final Order and implement the Arrangement on the Effective Date in accordance with the Final Order. Irrespective of whether the Arrangement Resolution receives Unitholder Approval at the Meeting, the REIT and the Purchasers reserve the right in certain circumstances to not proceed with the Arrangement in accordance with the terms of the Arrangement Agreement.

Treatment of REIT Securities

REIT Units

Pursuant to the Plan of Arrangement, each Unitholder will be able to make an All-Cash Election to receive 100% of the Offer Price in cash on a taxable basis. Alternatively, each Unitholder may make a High Yield Fund Subscription Election to receive 0.5655 High Yield Fund Units on a tax deferred basis and the remainder of the Consideration of \$29.18 on a taxable basis in cash, High Yield Fund Units or a combination of cash and High Yield Fund Units elected by the Unitholder (other than Unitholders resident in or otherwise located in the United States that will receive cash), subject to proration. Unitholders not specifying an election will be deemed to have made the All-Cash Election. See "*Procedure for the Delivery of Securities and Payment of Consideration – High Yield Fund Subscription Election – Proration and Fractional High Yield Fund Units*".

Unitholders will also be entitled to receive the Stub Distribution for each REIT Unit held. Registered Unitholders are encouraged to refer to the enclosed Letter of Transmittal and Election Form for additional detail.

Exchangeable LP Units

Pursuant to the Plan of Arrangement, each Exchangeable LP Unit that is outstanding at the Effective Time shall be redeemed, pursuant to and in accordance with its terms and the relevant limited partnership agreement with the redemption price of the Exchangeable LP Unit being paid and satisfied in full by the issuance to the holder of the Exchangeable LP Unit of that number of REIT Units provided for in the relevant limited partnership agreement, provided that no unit certificates will be issued with respect to such REIT Units, and the associated number of Special Voting Units will be cancelled. All such REIT Units will be subject to the treatment set forth above under "REIT Units".

Equity-Based Incentive Awards

Pursuant to the Plan of Arrangement, holders of Deferred Units, Performance Awards and Restricted Awards, whether vested or unvested and without regard to any other conditions attaching to such Deferred Unit, Performance Award or Restricted Award, shall receive a cash payment in exchange for the surrender thereof to the REIT, subject to proration for the number of REIT Units such holder is entitled to receive in respect of a Performance Award or Restricted Award granted in 2020.

To the extent that an employee's entitlement to REIT Units pursuant to the Employee Unit Purchase Plan has not been fulfilled as of the Effective Time, the employee shall receive a cash payment in exchange for the surrender of the employee's rights thereunder to the REIT pursuant to the Plan of Arrangement.

The Unit Award Plan, the Deferred Unit Plan and the Employee Unit Purchase Plan shall be terminated pursuant to the Plan of Arrangement at the time specified therein.

Outstanding Securities

As at the close of business on April 3, 2020, there were issued and outstanding 67,278,189 REIT Units, 1,884,510 Special Voting Units, 113,873 Restricted Awards, 95,159 Performance Awards and 77,760 Deferred Units.

Arrangement Mechanics

The following description is qualified in its entirety by reference to the full text of the Plan of Arrangement which is attached as Appendix “D” to this Circular. Upon the Arrangement becoming effective, the following steps, among others, will occur and will be deemed to occur in the order set out in the Plan of Arrangement. None of the steps in the Plan of Arrangement will occur unless all of the steps in the Plan of Arrangement occur.

Commencing at the Effective Time, each of the steps set out below will occur in the following order without any further act or formality, with each such step occurring five (5) minutes after the completion of the immediately preceding step unless otherwise specified or unless the context otherwise requires:

- (a) The REIT Declaration of Trust, and the Constatng Documents of each REIT Subsidiary participating in the transactions below, will be amended to the extent necessary to facilitate the Arrangement and the implementation of the steps and transactions contemplated in the Plan of Arrangement. Without limiting the generality of the foregoing, such amendments will include, among other things, an amendment to permit the resignation of the existing Trustees of the REIT and the replacement of the REIT’s Board by a single corporate trustee, and all amendments provided for in the Arrangement Agreement.
- (b) Notwithstanding the terms of the DRIP, the DRIP will be terminated.
- (c) Each of the persons who are Trustees of the REIT immediately prior to the Effective Time will be removed as Trustees and simultaneously Trusteeco will become the sole Trustee of the REIT. This change to the composition of the Trustees of the REIT will not result in a termination or resettlement of the REIT.
- (d) Each Dissenting Unit held by a Dissenting Unitholder described in Section 4.1 of the Plan of Arrangement will be transferred to the REIT (free and clear of all Liens) in consideration for a debt claim against the REIT for the amount determined under Article 4 of the Plan of Arrangement. Effective at the time of this step:
 - (i) the Dissenting Unitholders will cease to be holders of such REIT Units and to have any rights as holders of such REIT Units, other than the right to be paid fair value for their REIT Units as determined under Article 4 of the Plan of Arrangement;
 - (ii) the Dissenting Unitholders’ names will be removed as holders of such REIT Units from the registers of REIT Units maintained by or on behalf of the REIT; and
 - (iii) the REIT will be deemed to be the transferee of such REIT Units (free and clear of all Liens) and such REIT Units will thereupon be cancelled.
- (e) The REIT will pay out on each REIT Unit (excluding the Dissenting Units) the Stub Distribution as a regular monthly distribution.
- (f) Each Exchangeable LP Unit will be redeemed, pursuant to and in accordance with its terms and the relevant limited partnership agreement, with the redemption price of each Exchangeable LP Unit being paid and satisfied in full by the issuance to the holder of the Exchangeable LP Unit of that number of REIT Units provided for in the relevant limited partnership agreement. No unit certificates will be issued with respect to such REIT Units and the associated number of Special Voting Units will be cancelled.
- (g) Notwithstanding the terms of the Unitholder Rights Plan, the Unitholder Rights Plan will be terminated and all URP Rights, if any, will be cancelled without any payment in respect thereof.

- (h) Based on the date immediately preceding the Effective Date being a “Calculation Date” as defined in Section 6.3 of the Deferred Unit Plan, in accordance with Section 2.7(2) of the Arrangement Agreement, the Deferred Unit Account of a participant under the Deferred Unit Plan will be credited with the number of Deferred Units that the Deferred Unit Account would be credited with under Section 6.3 of the Deferred Unit Plan in respect of cash distributions paid on REIT Units prior to the Effective Date in 2020 and the Stub Distribution. For the purpose of determining the number of Deferred Units to be credited to a Deferred Unit Account under Section 6.3 of the Deferred Unit Plan, the “Market Value” in respect of a REIT Unit will be equal to \$36.25.
- (i) Each participant under the Deferred Unit Plan will surrender all of the participant’s rights under the Deferred Unit Plan in exchange for a cash payment equal to the product of \$36.25 multiplied by the number of Deferred Units in such participant’s Deferred Unit Account, including any fraction of a Deferred Unit, whether or not such Deferred Units have vested and whether or not any conditions attaching to such Deferred Units have been met.
- (j) Based on the date immediately preceding the Effective Date being a “Calculation Date” as defined in Section 6.5 of the Unit Award Plan, in accordance with Section 2.7(2) of the Arrangement Agreement, the number of REIT Units issuable pursuant to each Performance Award and Restricted Award will be increased in accordance with Section 6.5 of the Unit Award Plan in respect of cash distributions paid on REIT Units prior to the Effective Date in 2020 and the Stub Distribution. For the purpose of determining the number of additional REIT Units that will become issuable pursuant to each Performance Award and Restricted Award under Section 6.5 of the Unit Award Plan, the “Market Value” in respect of a REIT Unit will be equal to \$36.25.
- (k) Each holder of a Performance Award or Restricted Award will surrender all of the holder’s rights under the Unit Award Plan to the REIT in exchange for a cash payment equal to the product of \$36.25 multiplied by the number of REIT Units issuable to such holder pursuant to the Unit Award Plan (provided that, excluding the increase in REIT Units issuable under Section 2.4(j) of the Plan of Arrangement, the number of REIT Units such holder is entitled to receive in respect of a Performance Award or Restricted Award granted in 2020 will be multiplied by a fraction, the numerator of which is the number of days from January 1, 2020 to the Effective Date, and the denominator of which is 366), including any fraction of a REIT Unit, whether or not such Performance Award or Restricted Award has vested and whether or not any conditions attaching to such Performance Award or Restricted Award have been met.
- (l) Each holder of a Pending Employee Unit will surrender all of the holder’s rights under the Employee Unit Purchase Plan in exchange for a cash payment equal to the product of \$36.25 multiplied by the number of REIT Units such holder is entitled to pursuant to the Employee Unit Purchase Plan, including any fraction of a REIT Unit.
- (m) The Deferred Unit Plan, Unit Award Plan and Employee Unit Purchase Plan will be terminated.
- (n) The REIT will pay out the Special Distribution, if any, which will be paid in cash.
- (o) The REIT will subscribe for a number of additional High Yield Fund Units equal to the number of issued and outstanding REIT Units after giving effect to the steps described in Sections 2.4(a) through 2.4(n) of the Plan of Arrangement, less the number of High Yield Fund Units already held by the REIT at the time of such subscription, for an aggregate subscription price of \$1,000.
- (p) The REIT will pay out, as a special distribution on the REIT Units, the Nominal Cash Distribution.
- (q) The REIT will sell and transfer to each holder of REIT Units, on a pro rata basis in proportion to their respective holdings of REIT Units, all of the High Yield Fund Units held by the REIT for an aggregate purchase price of \$1,000, such that each Unitholder will hold one High Yield Fund Unit for each REIT Unit held; such aggregate purchase price to be delivered to the REIT from the funds

held by the Depositary as agent for and on behalf of the Unitholders as a result of the step described in Section 2.4(p) of the Plan of Arrangement and in respect thereof:

- (i) the REIT will cease to be the holder of such High Yield Fund Units and to have any rights as holder of such High Yield Fund Units;
 - (ii) the REIT's name will be removed as holder of such High Yield Fund Units from the registers of High Yield Fund Units maintained by or on behalf of the High Yield Fund;
 - (iii) the Unitholders will be deemed to be the transferees of such High Yield Fund Units (free and clear of all Encumbrances) and will be entered as holders of such High Yield Fund Units in the registers of High Yield Fund Units maintained by or on behalf of the High Yield Fund; and
 - (iv) the High Yield Fund Units so acquired will be non-transferrable, and no Unitholder will be permitted to transfer such High Yield Fund Units, until the conclusion of the steps contemplated herein.
- (r) Pursuant to and in accordance with section 107.4 of the Tax Act, the REIT will transfer all of its limited partnership interests in the High Yield Fund Partnerships and all of its shares, trust interests or partnership interests, as applicable, of the High Yield Fund General Partners to High Yield Fund for no consideration by way of a "qualifying disposition" (as defined in subsection 107.4(1) of the Tax Act).
- (s) At 2:01 a.m. on the day immediately following the Effective Date, pursuant to and in accordance with the Credit Documents, the Refinancings will be completed, at which time the portion of the funds held by the Depositary representing the proceeds from the Refinancings will cease to be held by the Depositary for the benefit of the Refinancing Lenders and will be held by the Depositary for the benefit of the Refinancing Borrowers.
- (t) The Refinancing Distribution Steps will be completed in the order and in the manner specified in the Pre-Closing Notice.
- (u) Pursuant to and in accordance with the Portfolio A Purchase Agreement, Purchaser A will purchase all of the Portfolio A Interests from the Portfolio A Sellers for an aggregate purchase price equal to the Portfolio A Purchase Price. The Portfolio A Purchase Price will be satisfied by way of a cash payment equal to the Portfolio A Cash Amount and the issuance to the REIT of the Portfolio A Purchase Notes. The Portfolio A Purchase Price will be allocated in respect of the Portfolio A Interests in the manner specified in the Pre-Closing Notice.
- (v) Pursuant to and in accordance with the Portfolio B Purchase Agreement, Purchaser B will purchase all of the Portfolio B Interests from the Portfolio B Sellers for an aggregate purchase price equal to the Portfolio B Purchase Price. The Portfolio B Purchase Price will be satisfied by way of a cash payment equal to the Portfolio B Cash Amount and the issuance to the REIT of the Portfolio B Purchase Notes. The Portfolio B Purchase Price will be allocated in respect of the Portfolio B Interests in the manner specified in the Pre-Closing Notice.
- (w) Benco will subscribe for one REIT Unit for a subscription price equal to the REIT Redemption Price.
- (x) To the extent that a REIT Subsidiary has sold Portfolio A Interests or Portfolio B Interests, the proceeds of such sale will be distributed up to the REIT in successive steps as follows and as specified in the Pre-Closing Notice, and each applicable REIT Subsidiary will be deemed to have directed the Purchasers to pay the proceeds of such sale directly to the REIT in satisfaction of such distributions:

- (i) each Portfolio A Seller and Portfolio B Seller (other than the REIT) that is a partnership or a trust will distribute the proceeds received from the sale of the Portfolio A Interests and Portfolio B Interests (including any Portfolio A Purchase Notes and Portfolio B Purchase Notes) to its partners or beneficiaries;
 - (ii) each Portfolio A Seller and Portfolio B Seller that is a corporation will distribute and/or advance the proceeds from the sale of the Portfolio A Interests and Portfolio B Interests (less any applicable income taxes) to its shareholders; and
 - (iii) any REIT Subsidiary receiving a distribution or advance referred to in (i) or (ii) will distribute or advance the proceeds of such distribution to its partners, beneficiary or shareholders, as applicable, (less any applicable income taxes) such that all proceeds of the sale of the Portfolio A Interests and Portfolio B Interests (less any applicable income taxes payable by the relevant REIT Subsidiaries in respect thereof) are received by the REIT.
- (y) The REIT will redeem the DD Units for a redemption price per REIT Unit equal to the REIT Redemption Price and will satisfy the redemption price by transferring to the DD Unitholders, the Portfolio A Purchase Notes, the Portfolio B Purchase Notes and an amount of cash equal to the remainder of the redemption price payable.
- (z) The REIT will redeem all of the issued and outstanding REIT Units not redeemed in the step described in Section 2.4(y) of the Plan of Arrangement, other than the one REIT Unit held by Benco, for a cash redemption price per REIT Unit equal to the REIT Redemption Price, and the aggregate redemption amount will be delivered to, and held by, the Depositary as agent for and on behalf of the holders of REIT Units. Following this redemption, Benco will be the sole unitholder of the REIT. Effective at the time of this step:
- (i) holders of REIT Units redeemed pursuant to this step will cease to be the holders of such REIT Units or to have any rights as holders of such REIT Units, other than the right to be paid the amount set out in the Plan of Arrangement for their REIT Units;
 - (ii) such Unitholders' names will be removed as the holders of such REIT Units from the registers of REIT Units maintained by or on behalf of the REIT; and
 - (iii) the REIT will be deemed to be the transferee of such REIT Units (free and clear of all Liens) and such REIT Units will be cancelled.
- (aa) The Additional High Yield Fund Subscribers will subscribe for units of the High Yield Fund for the aggregate subscription price and in the manner specified in the Pre-Closing Notice, and the proceeds of such subscriptions will be deposited with the Depositary.
- (bb) Each Subscribing Unitholder will be deemed to have subscribed for that number of Additional High Yield Fund Units which such Subscribing Unitholder is entitled to subscribe pursuant to Sections 3.1 and 3.2 of the Plan of Arrangement, and the High Yield Fund will issue to such Subscribing Unitholder such Additional High Yield Fund Units in exchange for payment by such Subscribing Unitholder of the High Yield Fund Subscription Price per Additional NV2 Unit. The High Yield Fund Subscription Price will be paid to the High Yield Fund by the Depositary on behalf of such Subscribing Unitholder from the redemption proceeds held by the Depositary pursuant to step described in Section 2.4(z) of the Plan of Arrangement, which proceeds will thereafter be held by the Depositary on behalf of the High Yield Fund. Such Subscribing Unitholders will be deemed to be the holders of such Additional High Yield Fund Units (free and clear of all Encumbrances) and will be entered as holders of such Additional High Yield Fund Units in the registers of High Yield Fund Units maintained on or behalf of the High Yield Fund.

- (cc) Each High Yield Fund Unit purchased pursuant to Section 2.4(q) of the Plan of Arrangement with the proceeds from the Nominal Cash Distribution attributable to an Eligible Unit in respect of which an All-Cash Election was made, will be redeemed by the High Yield Fund for a cash redemption price equal to the High Yield Fund Redemption Price, to be paid out of the subscription proceeds held by the Depository pursuant to Section 2.4(aa) and Section 2.4(bb) of the Plan of Arrangement. The aggregate High Yield Fund Redemption Price will thereupon be held by the Depository as agent for and on behalf of such holders. Effective at the time of this step:
- (i) holders of the High Yield Fund Units redeemed in this step will cease to be the holders of such High Yield Fund Units and to have any rights as holders of such High Yield Fund Units, other than the right to be paid the amount provided for in the Plan of Arrangement for such High Yield Fund Units;
 - (ii) such holders' names will be removed as the holders of those High Yield Fund Units maintained by or on behalf of the High Yield Fund; and
 - (iii) the High Yield Fund will be deemed to be the transferee of such High Yield Fund Units (free and clear of all Liens) and such High Yield Fund Units will be cancelled.
- (dd) The High Yield Fund Units (including any Additional High Yield Fund Units issued pursuant to Section 2.4(bb)) shall be, and shall be deemed to be, consolidated based on the Consolidation Ratio (the "**Consolidation**").
- (ee) Each fractional Post-Consolidation High Yield Fund Unit resulting from the Consolidation in Section 2.4(dd) will be redeemed by the High Yield Fund for an amount in cash equal to such fraction multiplied by \$12.50.
- (ff) The resignations referred to in Article 5 of the Plan of Arrangement (other than those referred to in Section 2.4(c) of the Plan of Arrangement) will become effective.

Source of Funds

In connection with the Arrangement Agreement, the Purchasers have delivered to the REIT the Purchaser Commitment Letters pursuant to which the Purchaser Debt Financing Sources have committed, subject to the terms and conditions set forth therein, to lend amounts set forth therein, for the purpose of funding the Offer Price and such other amounts to the Depository prior to the filing by the REIT of the Articles of Arrangement with the Registrar, as specified in Section 2.9 of the Arrangement Agreement.

Each of the Purchasers and the Guarantors have agreed to take, or cause to be taken, all necessary, proper or advisable actions to: (i) maintain in effect the Purchaser Commitment Letters or equivalent financing arrangements in accordance with its terms (except for such amendments, supplements, modifications, replacements or waivers permitted under the Arrangement Agreement); (ii) satisfy on a timely basis all conditions applicable to Purchasers to obtain the Purchaser Debt Financing that are within its control and complying with its obligations thereunder in a timely and diligent manner; (iii) enter into definitive documentation with respect to the Purchaser Debt Financing on the terms and conditions contemplated in the Purchaser Commitment Letters or on other terms acceptable to the Purchasers, in their sole discretion, that would not adversely impact the ability or likelihood of the Purchasers consummating the transactions contemplated by the Arrangement Agreement; and (iv) enforce their rights under the Purchaser Commitment Letters in the event of a breach by any party thereto that would adversely impact the ability or likelihood of the Purchasers consummating the transactions contemplated in the Arrangement Agreement; and (v) subject to the satisfaction or waiver of the conditions set forth in the Arrangement Agreement, consummate the Purchaser Debt Financing at or prior to the Effective Date, in each case in accordance with Section 4.12 of the Arrangement Agreement.

The Purchasers and the Guarantors have represented in the Arrangement Agreement that, at the Effective Time, the Purchasers and the Guarantors will have sufficient funds available to satisfy the aggregate cash

Consideration and any other amounts payable by the Purchasers in connection with the Arrangement in accordance with the terms of the Arrangement Agreement.

The Arrangement Agreement provides that the Purchasers obtaining financing is not a condition to any of their obligations thereunder.

Voting and Support Agreements

Trustees and Executive Officers of the REIT

On February 19, 2020, the Purchasers entered into the Trustee and Officer Voting and Support Agreements. As of the Record Date, 251,381 REIT Units were subject to the Trustee and Officer Voting and Support Agreements, representing approximately 0.4% of the issued and outstanding REIT Units.

Under the Trustee and Officer Voting and Support Agreements, the Trustees (other than Mr. Drimmer) and certain executive officers of the REIT have agreed, among other things: (a) to vote their REIT Units and Special Voting Units of the REIT directly or indirectly acquired by or issued to them after the date of the Trustee and Officer Voting and Support Agreements, if any, in favour of the Arrangement and any other matter necessary for the completion of the Arrangement at the Meeting; (b) to deliver or cause to be delivered in accordance with the terms of this Circular duly executed Proxies or VIFs voting in favour of the Arrangement and any other matter necessary for the completion of the Arrangement; and (c) not to exercise any Dissent Rights in connection with the Arrangement.

The terms of the Trustee and Officer Voting and Support Agreements provide that nothing contained in them limits or affects any actions that the applicable Trustee or executive officer may take in their capacity as trustee or officer of the REIT or limit or restrict in any way the exercise of such Trustee or executive officer's fiduciary duties, including, without limitation, responding to an Acquisition Proposal and making any determinations in that regard in the exercise of fiduciary duties, subject to compliance with the terms of the Arrangement Agreement.

Each of the Trustee and Officer Voting and Support Agreements automatically terminates on the earlier of: (i) the termination of the Arrangement Agreement in accordance with its terms; and (ii) the Effective Time. The Trustee and Officer Voting and Support Agreements may also be terminated by written agreement of the parties thereto.

Drimmer Voting and Support Agreement

On February 19, 2020, the REIT, the Purchasers and Daniel Drimmer, who, directly or indirectly, holds approximately 13.4% of the REIT Units, entered into the Drimmer Voting and Support Agreement setting out the terms and conditions under which Mr. Drimmer has agreed to support the Arrangement, and, in certain circumstances, a Superior Proposal received during the Go-Shop Period which, among other things, would result in the termination of the Arrangement Agreement and the payment of the Termination Fee by the REIT in accordance with the terms of the Arrangement Agreement (a "**Superior Go-Shop Proposal**").

Under the Drimmer Voting and Support Agreement, Mr. Drimmer has agreed, among other things: (a) to vote his REIT Units and Special Voting Units of the REIT directly or indirectly acquired by or issued to him after the date of the Drimmer Voting and Support Agreement, if any, in favour of (i) the Arrangement and any other matter necessary for the completion of the Arrangement at the Meeting; and (ii) a Superior Go-Shop Proposal and any other matter necessary for the completion of the transaction or series of related transactions contemplated by the Superior Go-Shop Proposal; (b) to deliver or cause to be delivered in accordance with the terms of this Circular duly executed Proxies or VIFs voting in favour of the Arrangement and any other matter necessary for the completion of the Arrangement or the Superior Go-Shop Proposal and any other matter necessary for the completion of the Superior Go-Shop Proposal, as applicable; and (c) not to exercise any rights of dissent in connection with the Arrangement or a Superior Go-Shop Proposal.

The terms of the Drimmer Voting and Support Agreement provide that nothing contained in it limits or affects any actions that Mr. Drimmer may take in his capacity as Trustee of the REIT or limit or restrict in any way

the exercise of Mr. Drimmer's fiduciary duties, including, without limitation, responding to an Acquisition Proposal and making any determinations in that regard in the exercise of fiduciary duties, subject to compliance with the terms of the Arrangement Agreement.

The Drimmer Voting and Support Agreement automatically terminates: (a) in the event the Arrangement Agreement is not terminated prior to the expiry of the Go-Shop Expiry Time by the REIT, on the earlier of (i) the termination of the Arrangement Agreement in accordance with its terms, and (ii) the Effective Time; or (b) in the event the Arrangement Agreement is terminated prior to the expiry of the Go-Shop Expiry Time by the REIT, on the earlier of (i) the termination of the definitive written agreement governing the Superior Go-Shop Proposal in accordance with its terms, (ii) or the effective time of the transaction or series of related transactions contemplated by the Superior Go-Shop Proposal, and (iii) December 17, 2020. The Drimmer Voting and Support Agreement may also be terminated by written agreement of the parties thereto.

Partial Waiver of Standstill

Notwithstanding the terms of the A&R Exchange Agreement and the Confidentiality Agreement, on March 20, 2020, the REIT partially waived the standstill provisions contained in the A&R Exchange Agreement and the Confidentiality Agreement with respect to purchases of REIT Units in the market by the Purchasers or their affiliates, provided that the number of REIT Units so purchased, together with the existing REIT Units owned by Starlight and its affiliates do not exceed 19.99% of the outstanding REIT Units (the "Standstill Waiver"). The Standstill Waiver will expire and cease to have any further force or effect upon the earlier of: (i) the Purchasers or any of their affiliates having, collectively, acquired 19.99% of the outstanding REIT Units; and (ii) the termination of the Arrangement Agreement.

PROCEDURE FOR THE DELIVERY OF SECURITIES AND PAYMENT OF CONSIDERATION

Letter of Transmittal and Election Form

A Letter of Transmittal and Election Form has been mailed, together with this Circular, to each person who was a Registered Unitholder on the Record Date. Each Registered Unitholder must forward a properly completed and signed Letter of Transmittal and Election Form, with accompanying certificate(s) or DRS Statement(s) representing their REIT Units (or Exchangeable LP Units, if applicable), in order to receive the Consideration and any other entitlements to which such Unitholder is entitled under the Arrangement. It is recommended that Registered Unitholders complete, sign and return the Letter of Transmittal and Election Form with accompanying certificate(s) or DRS Statement(s) representing the REIT Units (or Exchangeable LP Units) to the Depository as soon as possible. **If you are a Registered Unitholder, to make a valid election as to the form of Consideration that you wish to receive under the Arrangement, you must properly complete and sign the Letter of Transmittal and Election Form and make a proper election thereunder and return it with the accompanying certificate(s) or DRS Statement(s) representing the REIT Units (or Exchangeable LP Units) to the Depository prior to the Election Deadline.** If no election is made when validly delivering a Letter of Transmittal and Election Form, together with the accompanying certificate(s) or DRS Statement(s) representing the REIT Units (or Exchangeable LP Units) to the Depository prior to the Election Deadline, or a Letter of Transmittal and Election Form is not received by the Election Deadline, Unitholders will be deemed to have made the All-Cash Election.

The Letter of Transmittal and Election Form contains procedural information relating to the Arrangement and should be reviewed carefully. The tendering of a Letter of Transmittal and Election Form will constitute a binding agreement between the REIT and the Unitholder (or holder of Exchangeable LP Units) upon the terms and subject to the conditions of the Letter of Transmittal and Election Form and the Arrangement.

Except as otherwise provided in the instructions to the Letter of Transmittal and Election Form, if a Letter of Transmittal and Election Form is executed by a person other than the registered holder of the certificate(s) or DRS Statement(s) deposited therewith, such signature must be guaranteed by an Eligible Institution or in some other manner satisfactory to the Depository.

If you are a Beneficial Unitholder whose REIT Units are registered in the name of a broker, investment dealer or other intermediary, you should contact that broker, investment dealer or other intermediary for instructions and assistance in delivery of the certificate(s) or DRS Statement(s) representing the REIT Units (or Exchangeable LP Units) and making an election with respect to the form of Consideration that you wish to receive. Your broker, investment dealer or other intermediary may require that you complete your election at a date prior to the Election Deadline. If a Beneficial Unitholder instructs their broker, investment dealer or other intermediary to make an election with respect to the form of Consideration they wish to receive, such Beneficial Unitholder thereby expressly acknowledges that such Beneficial Unitholder has received and agrees to be bound by the terms of the Letter of Transmittal and Election Form.

In all cases, payment for REIT Units deposited (including the Stub Distribution) will be made only after timely receipt by the Depository of the certificate(s) or DRS Statement(s) representing the REIT Units (or Exchangeable LP Units) together with the properly completed and duly executed Letter of Transmittal and Election Form in the form accompanying this Circular, or a manually executed facsimile thereof, relating to such REIT Units, with signatures guaranteed if so required in accordance with the instructions in the Letter of Transmittal and Election Form, and any other required documents.

A Unitholder will not be entitled to sell its REIT Units on the TSX after the Unitholder elects to receive its preferred form of Consideration. If a Unitholder fails to make a valid election prior to the Election Deadline (or, in the case of a Beneficial Unitholder, the time by which such Beneficial Unitholder is required to provide instructions to their broker, investment dealer or other intermediary) the Unitholder will continue to be able to sell its REIT Units on the TSX for cash at any time prior to the Effective Time, but any purchaser of REIT Units will be deemed to have made the All-Cash Election in respect of those REIT Units.

All questions as to validity, form, eligibility (including timely receipt) and acceptance of any REIT Units or Exchangeable LP Units deposited pursuant to the Arrangement Agreement will be determined by the REIT and the Purchasers in their sole discretion. Depositing Unitholders agree that such determination will be final and binding. No High Yield Fund Units will be issued to, nor will deliveries of REIT Units be accepted from or on behalf of, Unitholders in any jurisdiction in which such issuance or acceptance would not be in compliance with the Law of such jurisdiction. The REIT and the Purchasers reserve the absolute right to reject any and all deposits which the REIT and the Purchasers determine not to be in proper form. The REIT and the Purchasers further reserve the absolute right to waive any defect or irregularity in the deposit of any REIT Units. There is no duty or obligation on the part of the Purchasers, the REIT, or the High Yield Fund, to give notice of any defect or irregularity in any deposit of REIT Units (or Exchangeable LP Units) and no liability will be incurred by any of them for failure to give such notice. The REIT's and Purchasers' interpretation of the terms and conditions of the Arrangement (including this Circular and the Letter of Transmittal and Election Form) will be final and binding.

The method of delivery of certificates or DRS Statements representing REIT Units and all other required documents is at the option and risk of the Unitholder depositing the same. The REIT recommends the use of registered mail with return receipt requested, properly insured for the delivery of the necessary documentation. As of the date of this Circular, due to the COVID-19 pandemic, hand delivery of the Letter of Transmittal and Election Form and related documentation is not available. Unitholders should contact the Depository prior to delivering the Letter of Transmittal and Election Form and related documentation by hand to the Depository. If REIT Units are forwarded separately in multiple deliveries to the Depository, a properly completed and duly executed Letter of Transmittal and Election Form (or a manually signed facsimile copy hereof) must accompany each such delivery.

Available Elections and Procedure

Each Registered Unitholder will be able to elect in the Letter of Transmittal and Election Form the form of Consideration that the Registered Unitholder wishes to receive under the Arrangement. Specifically, under the Arrangement, each Registered Unitholder will be entitled to receive for each REIT Unit held by such Registered Unitholder, at such Unitholder's election, either:

- (i) \$36.25 in cash pursuant to the All-Cash Election on a taxable basis, or

- (ii) 0.5655 High Yield Fund Units on a tax deferred basis and the remainder of the Consideration of \$29.18 on a taxable basis in cash, High Yield Fund Units or a combination of cash and High Yield Fund Units elected by the Unitholder (other than Unitholders resident in or otherwise located in the United States that will receive cash), subject to proration, pursuant to the High Yield Fund Subscription Election.

Unitholders not specifying an election will be deemed to have made the All-Cash Election. See “*Certain Canadian Federal Income Tax Considerations*”.

Unitholders will also be entitled to receive the Stub Distribution for each REIT Unit held by such Unitholder. Unitholders will not receive the Stub Distribution until they sign and return their Letter of Transmittal and Election Form along with the accompanying certificate(s) or DRS Statement(s) representing their REIT Units.

If you are a Registered Unitholder, to make a valid election as to the form of Consideration that you wish to receive under the Arrangement, you must properly complete and sign the Letter of Transmittal and Election Form and make a proper election thereunder and return it with accompanying certificate(s) or DRS Statement(s) representing the REIT Units (or Exchangeable LP Units) to the Depositary prior to the Election Deadline.

An election will have been properly made by a Registered Unitholder only if the Depositary has received, by the Election Deadline, the Letter of Transmittal and Election Form properly completed and signed, specifying the form of Consideration such Registered Unitholder wishes to receive thereunder, and accompanied by the certificate(s) or DRS Statement(s) for the REIT Units (or Exchangeable LP Units) to which such Letter of Transmittal and Election Form relates, properly endorsed or otherwise in proper form for transfer in accordance with the instructions in the Letter of Transmittal and Election Form. Registered Unitholders are encouraged to refer to the enclosed Letter of Transmittal and Election Form for additional detail.

If you are a Beneficial Unitholder whose REIT Units (or Exchangeable LP Units) are registered in the name of a broker, investment dealer or other intermediary, you should contact that broker, investment dealer or other intermediary for instructions and assistance in delivery of the certificate(s) or DRS Statement(s) representing the REIT Units (or Exchangeable LP Units) and making an election with respect to the form of Consideration that you wish to receive. Your broker, investment dealer or other intermediary may require that you complete your election at an earlier date prior to the Election Deadline.

The determination of the REIT and the Purchasers, in their sole discretion, as to whether elections have been properly made or revoked and when elections and revocations were received by the Depositary will be binding.

Registered Unitholders who do not make an election prior to the Election Deadline (or, in the case of a Beneficial Unitholder, the time by which the Beneficial Unitholder is required to provide instructions to their broker, investment dealer or other intermediary), or for whom the REIT and the Purchasers determine that their election was not properly made with respect to any REIT Units or Exchangeable LP units, will be deemed to have made the All-Cash Election.

The Depositary may, with the agreement of the REIT and the Purchasers, acting reasonably, make such rules as are consistent with the Arrangement for the implementation of elections contemplated by the Arrangement and as are necessary or desirable to fully effect such elections.

High Yield Fund Subscription Election – Proration and Fractional High Yield Fund Units

The Plan of Arrangement provides that the maximum number of Eligible Units for which Unitholders may make High Yield Fund Subscription Elections for pursuant to Section 3.1(a) of the Plan of Arrangement shall not exceed the Maximum Subscription.

In the event that the aggregate number of Additional High Yield Fund Units in respect of which High Yield Fund Subscription Elections are made exceeds the Maximum Subscription, then: the number of Additional High Yield Fund Units in respect of which each subscribing Unitholder has made a High Yield Fund Subscription Election (the “**Subscription Election Units**”) shall be deemed to be reduced by the whole number of Additional High Yield Fund Units (or fraction thereof) equal to the product obtained when: (A) the difference between the aggregate number of Additional High Yield Fund Units in respect of which High Yield Fund Subscription Elections are made and the Maximum Subscription is multiplied by (B) a fraction, the numerator of which is the number of Subscription Election Units of such subscribing Unitholder (before reduction under the Plan of Arrangement) and the denominator of which is the aggregate number of Additional High Yield Fund Units in respect of which High Yield Fund Subscription Elections are made.

No fractional High Yield Fund Units will be issued upon completion of the Arrangement. The aggregate number of High Yield Fund Units to be received by a REIT Unitholder will be rounded down to the nearest whole number and in lieu of any fractional High Yield Fund Unit such holder will receive an amount in cash equal to such fraction multiplied by \$12.50.

Solicitation of Letter of Transmittal and Election Form

The Purchasers have retained CIBC to act as their financial advisor in connection with the Arrangement and, in addition, to be the Lead Agent of the Offering. The Purchasers have also retained CIBC to solicit due completion of the Letter of Transmittal and Election Form and elections by Unitholders of the High Yield Fund Subscription Election. In its capacity as soliciting dealer, CIBC, as well as other members of any soliciting dealer group that may be formed by CIBC, may contact Unitholders regarding the Arrangement and the High Yield Fund Subscription Election and may request Intermediaries to forward the Circular, the Letter of Transmittal and related materials to Beneficial Unitholders.

CIBC, or its direct or indirect wholly-owned or majority-owned subsidiaries or affiliates, has provided, and may provide in the future, financial, advisory, investment banking and other services to the Purchasers, the High Yield Fund and their affiliates for which they have received or will receive customary compensation. CIBC, or its direct or indirect wholly-owned or majority-owned subsidiaries or affiliates, currently serves as (a) financial advisor to the Purchasers, (b) a proposed lender for the High Yield Fund and (c) Lead Agent in respect of the Offering, for which they have received or will receive customary compensation in connection with such services.

CIBC may receive a fee for its services as soliciting dealer, which fees will not be conditioned on the result of the solicitation or the elections made by Unitholders. CIBC will not receive any benefit in connection with the solicitation other than a fee for its services as soliciting dealer in connection with such solicitation, if applicable. The Purchasers have also agreed to indemnify CIBC and its affiliates against certain liabilities in connection with its services, including liabilities under securities laws and expenses in connection therewith.

Delivery of Consideration

Payment of Consideration

The Arrangement Agreement contemplates that following receipt of the Final Order and immediately prior to the filing by the REIT and NPR GP of the Articles of Arrangement, (a) the Purchasers will provide the Depositary with sufficient funds to satisfy the REIT Redemption Price, the High Yield Fund Redemption Price, and sufficient High Yield Fund Units (and any treasury direction addressed to the High Yield Fund’s transfer agent as may be necessary) to satisfy the issuance and purchase of High Yield Fund Units, all pursuant to the Plan of Arrangement; and (b) the REIT will provide the Depositary with sufficient funds to satisfy the Nominal Cash Distribution, the Special Distribution (if any) and the Stub Distribution pursuant to the Plan of Arrangement. The funds and treasury direction will be held by the Depositary in escrow on terms and conditions satisfactory to the REIT, the Depositary and the Purchasers, each acting reasonably.

The Depositary will act as the agent of persons who have deposited REIT Units pursuant to the Arrangement for the purpose of receiving payment from the REIT or the Purchasers, as applicable, in

accordance with the Plan of Arrangement, and transmitting payment from the REIT or the Purchasers, as applicable, in accordance with the Plan of Arrangement, to such Persons, and receipt of payment by the Depository will be deemed to constitute receipt of payment by Persons depositing REIT Units.

In accordance with the timing set out in the Plan of Arrangement, the Depository will, for each holder entitled to a cash payment, cause individual cheques (or, if requested by such unitholders or required by applicable Law, wire transfers) and, in the case of Persons entitled to receive High Yield Fund Units, cause instruments representing High Yield Fund Units to be sent to those Persons who have deposited the certificates or DRS Statements for such REIT Units or Exchangeable LP Units, if any, and such documents and instruments required by the Depository pursuant to the Plan of Arrangement. Such cheques, wire transfers and instruments will be:

- (a) in the case of cheques, certificates or other instruments, forwarded by first class mail, postage pre-paid, to the person and at the address specified in the relevant Letter of Transmittal and Election Form or, if no address has been specified therein, at the address specified in the registers of the Unitholders and Exchangeable Unitholders;
- (b) in the case of wire transfers, sent to an account specified in the relevant Letter of Transmittal and Election Form; or
- (c) if requested by such unitholder in the Letter of Transmittal and Election Form, made available or caused to be made available at the Depository for pick up by such unitholder, provided that the office of the Depository is open to the public at the Effective Time, failing which, the Consideration will be delivered in accordance with paragraph (a), above.

Cheques, certificates and instruments mailed pursuant to the foregoing will be deemed to have been delivered at the time of delivery thereof to the post office.

If you are a Beneficial Unitholder whose REIT Units are registered in the name of a broker, investment dealer or other intermediary, you should contact that broker, investment dealer or other intermediary for instructions and assistance in delivery of the certificate(s) or DRS Statement(s) representing the REIT Units and making an election with respect to the form of Consideration that you wish to receive. Beneficial Unitholders will have their brokerage accounts credited with the Consideration payable to them in connection with the Arrangement and in accordance with the terms of this Circular and the Letter of Transmittal and Election Form through their broker's, investment dealer's or other intermediary's position in CDS.

All amounts receivable by the Unitholders pursuant to the Arrangement will be without interest and any interest, if any, earned on the funds held as agent by the Depository for the benefit of such Persons shall be for the sole benefit of the High Yield Fund.

In regard to Persons entitled to receive High Yield Fund Units pursuant to the Plan of Arrangement, the Depository will make the registrations provided in the Plan of Arrangement in the name of each Person entitled to be registered or as otherwise instructed in the Letter of Transmittal and Election Form deposited by such Person and will deliver instruments representing High Yield Fund Units in accordance with the Plan of Arrangement. Instruments in respect of the High Yield Fund Units will be delivered to Registered Unitholders in connection with the Arrangement and Beneficial Unitholders will have their brokerage accounts credited with the High Yield Fund Units through their broker's, investment dealer's or other intermediary's position in CDS. In the event of a transfer of ownership of the REIT Units that was not registered in the registers of REIT Units maintained by or on behalf of the REIT, an instrument representing the proper number of High Yield Fund Units may be issued to the transferee if the certificate or instrument representing such REIT Units is presented to the Depository as provided above, accompanied by all documents required to evidence and effect such transfer and to evidence that any applicable taxes have been paid.

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

Upon completion of the Arrangement, each certificate or instrument formerly representing REIT Units or Exchangeable LP Units will represent only the right to receive: (i) in the case of certificates or instruments held by Dissenting Unitholders who ultimately are entitled to be paid fair value for such Dissenting Units, the fair value of the REIT Units represented by such certificates or instruments, (ii) in the case of certificates or instruments held by Dissenting Unitholders who ultimately are not entitled to be paid fair value for such Dissenting Units, the All-Cash Consideration and the Stub Distribution in respect of the REIT Units represented by such certificates; and (iii) in the case of Unitholders and Exchangeable Unitholders, the Stub Distribution, Special Distribution, the REIT Redemption Price, the High Yield Fund Redemption Price, and/or certificates or instruments representing the High Yield Fund Units, as the case may be, that the Unitholder or Exchangeable Unitholder is entitled to receive in accordance with the terms of the Arrangement upon such Unitholder or Exchangeable Unitholder depositing with the Depository the certificate or instrument or DRS Statement and such other documents and instruments as the Depository may reasonably require and subject to compliance with the requirements set forth in the Plan of Arrangement.

Lost Instruments or Certificates

Following the Effective Time, in the event that any instrument or certificate which immediately prior to the Effective Time represented one or more outstanding REIT Units or Exchangeable LP Units that were redeemed and cancelled pursuant to the Plan of Arrangement shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Unitholder or Exchangeable Unitholder claiming such instrument or certificate to be lost, stolen or destroyed, the Depository will issue in exchange for such lost, stolen or destroyed instrument or certificate a cheque representing the appropriate aggregate amount of cash consideration deliverable to such Unitholder or Exchangeable Unitholder, or a certificate representing the High Yield Fund Units, as applicable, deliverable to such Unitholder or Exchangeable Unitholder in accordance with the provisions of Sections 3.5(a) and (c) of the Plan of Arrangement. When authorizing such payment in exchange for any lost, stolen or destroyed instrument or certificate, the Unitholder or Exchangeable Unitholder to whom such payment is to be issued will, as a condition precedent to the issuance thereof, give a surety bond satisfactory to the Purchasers, the REIT and the Depository in such sum as the Purchasers, the REIT and the Depository may direct, acting reasonably, and otherwise indemnify the Purchasers, the REIT and the Depository in a manner satisfactory to the Purchasers, the REIT and the Depository, acting reasonably, against any claim that may be made against the Purchasers, the REIT or the Depository, as applicable, with respect to the instrument or certificate alleged to have been lost, stolen or destroyed.

Prior to the Effective Time, in the event that any instrument or certificate representing one or more outstanding REIT Units or Exchangeable LP Units has been lost, stolen or destroyed, Unitholders should contact the transfer agent of the REIT to make arrangements for the replacement of such instrument or certificate in accordance with the transfer agent's internal procedures. The REIT's transfer agent may be contacted at: Computershare Trust Company of Canada, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, telephone: 1-800-564-6253.

Extinction of Rights

If any instrument or certificate which immediately prior to the Effective Time represented outstanding REIT Units that were redeemed and cancelled under Section 2.4 of the Plan of Arrangement (or an affidavit of loss and bond or other indemnity in respect of a loss, stolen or destroyed certificate), together with such other documents or instruments that are required to be delivered by such former Unitholder in order to receive payment for its REIT Units and all other instruments required by Section 3.4(b) of the Plan of Arrangement, are not deposited on or prior to the sixth anniversary of the Effective Date, such instrument and certificate will cease to represent a claim or interest of any kind or nature against the REIT and the High Yield Fund. On such date, the REIT Redemption Price, the High Yield Fund Redemption Price and High Yield Fund Units to which the former holder referred to in the preceding sentence was ultimately

entitled will be deemed to have been surrendered for no consideration to the High Yield Fund and will be returned to the High Yield Fund by the Depositary upon direction.

Withholding Rights

The High Yield Fund, the REIT and the Depositary, as applicable, will be entitled to deduct or withhold from any payment to any Person pursuant to the Plan of Arrangement such amounts as it is required to deduct and withhold with respect to such payment under the Tax Act or any provision of any Law and remit such deduction and withholding amount to the appropriate Governmental Entity. To the extent that amounts are so properly deducted or withheld, such deducted or withheld amounts will be treated for all purposes of the Arrangement Agreement and the Arrangement as having been paid to the Person to whom such amounts would otherwise have been paid, provided that such withheld amounts are actually remitted to the appropriate Governmental Entity. Without limiting the generality of the foregoing, the High Yield Fund, the REIT and the Depositary will have the right to effect any deduction or withholding from a payment to a Person by way of holdback from the number of High Yield Fund Units or Additional High Yield Fund Units received by such Person under the Plan of Arrangement and selling or otherwise dealing with such units on behalf of such Person as necessary to fund the amount of such deduction or withholding (including in the case of a Subscribing Unitholder, by way of holdback and sale of High Yield Fund Units or Additional High Yield Fund Units in order to fund required deduction or withholding from the payments used by such Unitholders to fund the subscription price paid for Additional High Yield Fund Units under the Plan of Arrangement).

Adjustment to Consideration to be Received Pursuant to the High Yield Fund Subscription Election

The number of High Yield Fund Units issuable under Sections 2.4(o) and 2.4(bb) of the Plan of Arrangement, the High Yield Fund Redemption Price and the maximum number of Additional High Yield Fund Units will be adjusted to reflect fully the effect of any unit split, reverse split, issuance of units (including any units issued in satisfaction of any amounts made payable to holders of High Yield Fund Units or REIT Units or the issuance of High Yield Fund Units or REIT Units on a conversion of securities convertible into such units), consolidation, reorganization, recapitalization or other similar change with respect to High Yield Fund Units or REIT Units occurring after the date of the Arrangement Agreement and prior to the Effective Time, or with a record date prior to the Effective Time and occurring after the Effective Time.

DISSENT RIGHTS

Dissent Rights

The foregoing is only a summary of the Dissent Rights provided for in the Plan of Arrangement which are technical and complex, and is not a comprehensive statement of the procedures to be followed by a Dissenting Unitholder and is subject to, and qualified in its entirety by, reference to the full text of the Interim Order, which is attached as Appendix "B", and the text of section 191 of the ABCA, which is attached as Appendix "L". Pursuant to the Interim Order, Dissenting Unitholders are given rights analogous to rights of dissenting shareholders under the ABCA. A Dissenting Unitholder who intends to exercise the right to dissent should carefully consider and comply with the provisions of section 191 of the ABCA, as modified by the Interim Order. It is recommended that any registered Trust Unitholder wishing to avail himself, herself or itself of Dissent Rights under those provisions seek legal advice, as failure to comply strictly with the provisions of section 191 of the ABCA, as modified by the Interim Order, may result in the loss of all rights thereunder and may prejudice his, her or its Dissent Rights.

The Court hearing the application for the Final Order has the discretion to alter the Dissent Rights described herein based on the evidence presented at such hearing.

The Interim Order expressly provides registered Trust Unitholders, in addition to any other rights the holder may have, with the right to dissent from the Arrangement Resolution and to be paid by the REIT the fair value of the REIT Units held by the Trust Unitholder in respect of which such Trust Unitholder dissents, determined as of the close of business on the last Business Day before the day on which the resolution from which such holder dissents was adopted. Pursuant to the Interim Order, the Dissenting Units held by

Dissenting Unitholders who validly exercise their Dissent Rights will be redeemed by the REIT and the Dissenting Unitholders will, in respect of such Dissenting Units, be treated as not having participated in the Arrangement, other than the right to be paid, subject to withholding rights as set forth in the Plan of Arrangement, the fair value for their Dissenting Units by the REIT, which fair value will be determined as of the close of business on the last Business Day before the Arrangement Resolution is adopted at the Meeting. Such Dissenting Unitholders will not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such Dissenting Unitholders not exercised their Dissent Right in respect of such Dissenting Units.

A Dissenting Unitholder who for any reason is not entitled to be paid the fair value of the holder's Dissenting Units will, in respect of such Dissenting Units, be treated as not having participated in the Arrangement, be entitled to be paid an amount equal to the sum of \$36.25 and the Stub Distribution for each such Dissenting Unit and not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such holder not exercised its Dissent Rights in respect of such Dissenting Units.

A registered Trust Unitholder who wishes to dissent must provide a dissent notice to the REIT at 200, 6131-6th Street SE, Calgary, Alberta, T2H 1L9, Attention: Karl Bomhof, or by e-mail at: corpsecretary@northviewreit.com, no later than 5:00 p.m. (Mountain Daylight Time) on May 21, 2020, or the second Business Day immediately preceding the date to which the Meeting is adjourned or postponed (the "**Dissent Deadline**"). Strict adherence to the procedures established in section 191 of the ABCA, as modified by the Interim Order, is required in order to validly dissent and failure to do so may result in the loss of all Dissent Rights. Accordingly, each Trust Unitholder who might desire to exercise the Dissent Rights should carefully consider and comply with the provisions of section 191 of the ABCA, the full text of which is set out in Appendix "L", as modified by the Interim Order, and consult their legal advisor.

Registered Special Voting Unitholders that wish to dissent should exchange their Exchangeable LP Units for REIT Units prior to the Dissent Deadline.

The filing of a dissent notice does not deprive a Trust Unitholder of the right to vote at the Meeting; however, a Trust Unitholder who has submitted a dissent notice and who votes in favour of the Arrangement Resolution will no longer be considered a Dissenting Unitholder with respect to the Dissenting Units voted in favour of the Arrangement Resolution. If such Dissenting Unitholder votes in favour of the Arrangement Resolution in respect of a portion of the REIT Units he, she or it holds as an intermediary on behalf of any one beneficial owner, such vote approving the Arrangement Resolution will be deemed to apply to the entirety of the Dissenting Units held in the name of that beneficial owner. **A vote against the Arrangement Resolution will not constitute a dissent notice. The revocation of a Proxy will not constitute a dissent notice.**

Beneficial Unitholders whose REIT Units are registered in the name of a broker, investment dealer or other intermediary who wish to dissent should be aware that only the registered Trust Unitholders are entitled to dissent. Accordingly, a Beneficial Unitholder desiring to exercise his, her or its right to dissent must make arrangements for the registered holder of his, her or its REIT Units to dissent on his, her or its behalf. Alternatively, a Beneficial Unitholder desiring to exercise Dissent Rights could make arrangements for such REIT Units to be registered in such holder's name prior to the time the written objection to the Arrangement Resolution is required to be received by the REIT. See Appendix "B" for the full text of the Interim Order, Appendix "D" for the full text of the Plan of Arrangement and Appendix "L" for the full text of section 191 of the ABCA.

An application may be made to the Court by the REIT or by a Dissenting Unitholder to fix the fair value of the Dissenting Unitholder's REIT Units. If such an application to the Court is made by either the REIT or by a Dissenting Unitholder, the REIT must, unless the Court otherwise orders, send to each Dissenting Unitholder, a written offer to pay such person an amount considered by the REIT to be the fair value of the REIT Units held by such Dissenting Unitholders. The offer, unless the Court otherwise orders, will be sent at least 10 days before the date on which the application is returnable, if the REIT is the applicant, or within 10 days after the REIT is served with notice of the application, if a Dissenting Unitholder is the applicant.

The offer will be made on the same terms to each Dissenting Unitholder and will be accompanied by a statement showing how the fair value was determined. In such circumstances, a Dissenting Unitholder may make an agreement with the REIT for the purchase of its REIT Units in the amount of the REIT's offer (or otherwise) at any time before the Court pronounces an order fixing the fair value of the applicable REIT Units.

A Dissenting Unitholder is not required to give security for costs in respect of an application and, except in special circumstances, will not be required to pay the costs of the application and appraisal. On the application, the Court will make an order fixing the fair value of the REIT Units of all Dissenting Unitholders who are parties to the application, giving judgment in that amount against the REIT and in favour of each of those Dissenting Unitholders, and fixing the time within which the REIT must pay that amount payable to the Dissenting Unitholders. The Court may, in its discretion, allow a reasonable rate of interest on the amount payable to each Dissenting Unitholder calculated from the date on which the Dissenting Unitholder ceases to have any rights as a Unitholder until the date of payment.

On the Plan of Arrangement becoming effective, or upon the making of an agreement between the REIT and the Dissenting Unitholder as to the payment to be made by the REIT to the Dissenting Unitholder, or the pronouncement of a Court order, whichever first occurs, the Dissenting Unitholder will cease to have any rights as a Unitholder other than the right to be paid the fair value of such Dissenting Unitholder's REIT Units in the amount agreed to between the REIT and the Dissenting Unitholder or the amount of the judgment, as the case may be. Until one of these events occurs, the Unitholder may withdraw its dissent, or if the Plan of Arrangement has not yet become effective, the REIT may rescind the Arrangement Resolution, and in either event, the dissent and appraisal proceedings in respect of that Unitholder will be discontinued.

The REIT shall not make a payment to a Dissenting Unitholder under section 191 of the ABCA if there are reasonable grounds for believing that the REIT is or would, after the payment, be unable to pay its liabilities as they become due, or that the realizable value of the assets of the REIT would thereby be less than the aggregate of its liabilities. In such event, the REIT shall notify each Dissenting Unitholder that it is lawfully unable to pay Dissenting Unitholders for their Dissent Units, in which case the Dissenting Unitholder may, by written notice to the REIT within 30 days after receipt of such notice, withdraw such holder's written objection in which case such Dissenting Unitholder shall, in accordance with the Interim Order, be treated as not having participated in the Arrangement, be entitled to be paid an amount equal to the sum of \$36.25 and the Stub Distribution for each Dissenting Unit and not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such holders not exercised their Dissent Rights in respect of the Dissenting Units. If the Dissenting Unitholder does not withdraw such holder's written objection, such Dissenting Unitholder retains status as a claimant against the REIT to be paid as soon as the REIT is lawfully entitled to do so or, in a liquidation, to be ranked subordinate to creditors but prior to its Unitholders.

The Purchasers may elect not to proceed with the Arrangement if holders of greater than 5% of the outstanding REIT Units shall have validly exercised Dissent Rights. See "*The Arrangement Agreement – Conditions to Closing and Termination Rights and Remedies – Conditions to Closing*".

Recognition of Dissenting Unitholders

In no circumstances will the Purchasers, the REIT, the High Yield Fund or any other Person be required to recognize a Person exercising Dissent Rights unless such Person is the registered holder of those REIT Units in respect of which such rights are sought to be exercised. For greater certainty, in no case will the Purchasers, the REIT, the High Yield Fund or any other Person be required to recognize a Dissenting Unitholder as a holder of REIT Units in respect of which Dissent Rights have been validly exercised as at the time such REIT Units are redeemed as set out in the Plan of Arrangement. In addition to any other restrictions in the REIT Declaration of Trust as applicable under the Interim Order, any Person who has voted in favour of the Arrangement will not be entitled to exercise Dissent Rights, and Exchangeable Unitholders will not be entitled to exercise Dissent Rights in respect of the Exchangeable LP Units. The Dissenting Unitholder must exercise Dissent Rights in respect of all REIT Units held by such Dissenting

Unitholder. Registered Special Voting Unitholders that wish to dissent should exchange their Exchangeable LP Units for REIT Units prior to the Dissent Deadline.

THE ARRANGEMENT AGREEMENT

Summary of the Arrangement Agreement

The Arrangement is being effected pursuant to the Arrangement Agreement. The Arrangement Agreement contains covenants, representations and warranties of and from each of the REIT, the Purchasers and the Guarantors and various conditions precedent, both mutual and with respect to each party.

The Arrangement Agreement has been filed on SEDAR (www.sedar.com). The following is a summary of certain provisions of the Arrangement Agreement, but is not intended to be complete. Please refer to the Arrangement Agreement for a full description of the terms and conditions thereof.

Representations, Warranties and Covenants of the Parties

Representations and Warranties

The Arrangement Agreement contains representations and warranties of the REIT that generally cover all material aspects of the REIT's business.

The Purchasers and the Guarantors also provided certain representations and warranties relating to, among other things, its financing commitments.

The representations and warranties in the Arrangement Agreement do not survive the closing of the Arrangement and, accordingly, none of the parties to the Arrangement Agreement are entitled to seek indemnification for breaches of representations and warranties that are discovered following closing.

Conduct of Business

The Arrangement Agreement provides that the REIT will, and will cause its Subsidiaries to, subject to certain exceptions, (i) conduct its business in the ordinary course consistent with past practice and in accordance with applicable Law, and (ii) use commercially reasonable efforts to preserve intact the current business organization, properties, assets, goodwill, employment relationships and business relationships with suppliers, tenants, partners and with other persons with which the REIT and its Subsidiaries have material business relations, in each case, until the closing of the Arrangement. The REIT has also agreed to certain specific restrictions on the conduct of its and its Subsidiaries' business until the closing of the Arrangement, including, among other things, limitations on capital spending (excluding items in the 2020 Budget or in connection with emergencies), limitations on entering into or amending certain Material Contracts and limitations on employee compensation. In many cases, there are certain exceptions to these restrictions, including actions in the ordinary course and certain actions that do not exceed certain specified financial thresholds.

The Arrangement Agreement permits the REIT to continue to pay its regular monthly distributions in the amount of \$0.1358 per REIT Unit.

Competition Act Approval

The Purchasers have agreed to use their best efforts to obtain the requisite approval under the Competition Act as soon as reasonably practicable following announcement of the Arrangement, and in any event, no later than the Outside Date. The REIT and the Purchasers will consult and cooperate with each other in connection with the effort to obtain the Competition Act Approval.

Required Lender Consents and Required CMHC Consents

Following the Go-Shop Expiry Time, the Purchasers and the Guarantors are required to use their best efforts to obtain the Required Lender Consents and the Required CMHC Consents and to take certain

actions in connection with obtaining such consents, including, cooperating with the lenders' customary requests for delivery of information, documents, statements, materials and other items about themselves or their Subsidiaries. As of the date of this Circular, the Required Lender Consents and the corresponding Required CMHC Consents have been requested by the Purchaser and the Guarantors. Notwithstanding the foregoing, the Purchasers and Guarantors are not required to take any action in furtherance of obtaining such consents under certain circumstances, including if a lender requires any modification that materially amends the existing obligations or liabilities, requires any guaranty agreement or guaranty that materially increases the obligations under the current guaranty or requires payment of any fees or costs other than those that are customary consent fees and costs.

The REIT is required to use its commercially reasonable efforts to cooperate with the Purchasers and the Guarantors in obtaining the Required Lender Consents and the Required CMHC Consents.

Trustees', Directors' and Officers' Insurance and Trustee Indemnities

The Arrangement Agreement requires the Purchasers, after the closing of the Arrangement, to cause the REIT (or its successor) to indemnify and hold harmless, to the fullest extent permitted under applicable Law, each present and former Trustee, director and officer of the REIT and the REIT Subsidiaries for a period of six years.

The Arrangement Agreement requires the REIT to obtain and fully prepay the premium for the irrevocable extension of (a) the Trustees', directors' and officers' liability coverage of the REIT's and the REIT Subsidiaries' existing Trustees', directors' and officers' insurance policies and (b) the REIT's existing fiduciary liability insurance policies, in each case for a claims reporting or run-off and extended reporting period and claims reporting period of at least six years from and after the Effective Time with respect to any claim related to any period of time at or prior to the Effective Time from an insurance carrier with the same or better credit rating as the REIT's insurance carriers at February 19, 2020 with respect to Trustees', directors' and officers' liability insurance, and with terms, conditions, retentions and limits of liability that are no less advantageous to the present and former Trustees, directors and officers of the REIT and its Subsidiaries than the coverage provided under the REIT's and the REIT Subsidiaries' existing policies with respect to any actual or alleged error, misstatement, misleading statement, act, omission, neglect, breach of duty or any matter claimed against a Trustee, director or officer of the REIT or any of the REIT Subsidiaries by reason of him or her serving in such capacity that existed or occurred at or prior to the Effective Time.

The Purchasers are required to jointly and severally indemnify and hold harmless, to the fullest extent permitted under applicable Law (and to also advance expenses as incurred to the fullest extent permitted under applicable Law), the REIT, Trusteeco, and each present or former Trustee of the REIT against any claim relating to Taxes or potential Taxes arising in respect of (i) a Pre-Acquisition Reorganization or any transaction step in respect thereof; or (ii) any transaction occurring in contemplation of or pursuant to the Plan of Arrangement, whether asserted or claimed prior to, at or after the Effective Time.

REIT Employees

The Arrangement Agreement requires the Purchasers to honour and perform all of the material entitlements and obligations under Contracts with current and former REIT Employees, including offer letters and employment and other agreements and Employee Plans, and existing change of control agreements of the REIT Subsidiaries in respect of current and former employees of the REIT.

The Purchasers are under no obligation to continue the employment or services of any REIT Employee after the Effective Date.

Pre-Acquisition Reorganization

The REIT is required to, and is required to cause the REIT Subsidiaries to, subject to certain exceptions, (i) effect the Pre-Acquisition Reorganization, (ii) use its reasonable commercial efforts to co-operate with the Purchasers and their advisors to determine the nature of the Pre-Acquisition Reorganization that might

be undertaken and the manner in which it might most effectively be undertaken, and (iii) not take any action that would prevent or materially impair the Pre-Acquisition Reorganization. Any such requested pre-closing reorganizations will not become effective until following the satisfaction or waiver of all conditions precedent to the Arrangement (other than conditions that by their terms are to be satisfied on the Effective Date). The Purchasers are solely responsible for any costs, fees or expenses associated with any Pre-Acquisition Reorganization undertaken by the REIT and are required to indemnify, among others, the REIT and the REIT Subsidiaries, for any claims that arise in connection with any such Pre-Acquisition Reorganization.

Listing Application of High Yield Fund

The Purchasers have covenanted to apply to list the Listed High Yield Fund Units issuable pursuant to the Arrangement and use commercially reasonable efforts to obtain approval, subject to customary conditions, for the listing of such Listed High Yield Fund Units on a Canadian securities exchange. The REIT has covenanted to use its commercially reasonable efforts to cooperate with the Purchasers' requests for delivery of customary information, documents, statements, materials and other items as may be required in connection with such listing.

Guarantee

Pursuant to the Arrangement Agreement, the Guarantors have jointly and severally: (i) unconditionally and irrevocably guaranteed the due and punctual performance by the Purchasers of the Purchasers' covenants, obligations, indemnities and undertakings under the Arrangement Agreement, including the due and punctual payment of the Aggregate Cash Consideration and all other amounts payable in connection with the Arrangement Agreement; and (ii) agreed to be jointly and severally liable with the Purchasers for the truth, accuracy and completeness of all of the Purchasers' representations and warranties under the Arrangement Agreement.

Deal Protections

Go-Shop Period

The Arrangement Agreement included a Go-Shop Period, during which the REIT and its Representatives had the right to, subject to compliance with the terms of the Arrangement Agreement:

- (a) solicit, assist, initiate, encourage or otherwise facilitate any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to an Acquisition Proposal;
- (b) enter into or otherwise engage or participate in any discussions or negotiations with any Person regarding any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to an Acquisition Proposal;
- (c) subject to the entry into, and in accordance with, an Acceptable Confidentiality Agreement, furnish any non-public information to any Person and any Person's Representatives relating to the REIT or its Subsidiaries; provided that (i) the Purchasers are simultaneously provided with (to the extent not previously provided) any such information provided to such Person, and (ii) the REIT will not pay, agree to pay or cause to be paid or reimburse, agree to reimburse or cause to be reimbursed, the expenses of any Person, or any of such Person's Representatives or financing sources, in connection with any Acquisition Proposals (or inquiries, proposals or offers that may lead to an Acquisition Proposal); and
- (d) otherwise cooperate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt of any other Person to do or seek to do any of the foregoing; provided that the REIT and its Representatives shall not provide access to, or disclosure of, any confidential information, properties, facilities, books or records of the REIT or any of its Subsidiaries to any Person except pursuant to paragraph (c) above, or, subject to Section 5.5 of the Arrangement Agreement, enter into any form of agreement, arrangement or commitment in connection with an Acquisition Proposal other than an Acceptable Confidentiality Agreement.

The REIT had a one-time option to extend the Initial Go-Shop Expiry Time by 15 days if, on or before the Initial Go-Shop Expiry Time, the REIT had entered into an Acceptable Confidentiality Agreement with a third party that the Board, upon advice from its legal and financial advisors and upon the recommendation of the Special Committee, had determined would have a reasonable prospect of making an Acquisition Proposal prior to the expiration of such 15 day extension of the Go-Shop Period. The REIT had a further one-time option to extend the Go-Shop Expiry Time by an additional 15 days if, on or before the expiry of the Go-Shop Expiry Time as first extended, the REIT had, upon advice from its legal and financial advisors and upon the recommendation of the Special Committee, received a bona fide Acquisition Proposal from a Qualified Third Party and continued to be engaged in good faith negotiations with such Qualified Third Party in respect of such Acquisition Proposal that the Board reasonably believed would have resulted in a Superior Proposal.

From and after the Go-Shop Expiry Time, the REIT and its Representatives were required to immediately cease and terminate all discussions with third parties and discontinue access to and disclosure of all information regarding the REIT or any the REIT Subsidiaries for such third party. Within 12 hours after the Go-Shop Expiry Time, the REIT was required to notify the Purchasers of any party with whom the REIT had entered into an Acceptable Confidentiality Agreement with on or prior to the Go-Shop Expiry Time or from whom the REIT had received an Acquisition Proposal during the Go-Shop Period and provide the Purchasers with un-redacted copies of any written Acquisition Proposals and proposed agreements related to such Acquisition Proposals received after the start of the Go-Shop Period.

Non-Solicitation Covenants

The Arrangement Agreement prohibits the REIT, the REIT Subsidiaries and their respective Representatives from, subject to certain exceptions:

- (a) from and after the Go-Shop Expiry Time until the Effective Time or until the Arrangement Agreement is otherwise terminated in accordance with its terms, solicit, assist, initiate, knowingly encourage or otherwise knowingly facilitate (including by way of furnishing or providing copies of, access to, or disclosure of, any confidential information, properties, facilities, books or records of the REIT or any of its Subsidiaries, or entering into any form of agreement, arrangement or commitment) any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to an Acquisition Proposal;
- (b) from and after the Go-Shop Expiry Time until the Effective Time or until the Arrangement Agreement is otherwise terminated in accordance with its terms, enter into or otherwise engage or participate in any discussions or negotiations with any Person regarding any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to an Acquisition Proposal, other than with the Purchasers or the Guarantors and their affiliates; provided that the REIT may: (i) communicate with any Person for the purposes of clarifying the terms of any inquiry, proposal or offer made by such Person that constitutes, or could reasonably be expected to constitute or lead to, an Acquisition Proposal; (ii) advise any Person of the restrictions of the Arrangement Agreement; and (iii) advise any Person making an Acquisition Proposal that the Board has determined that such Acquisition Proposal does not constitute a Superior Proposal;
- (c) from and after the date of the Arrangement Agreement until the Effective Time or until the Arrangement Agreement is otherwise terminated in accordance with its terms, make a Change in Recommendation; or
- (d) from and after the date of the Arrangement Agreement until the Effective Time or until the Arrangement Agreement is otherwise terminated in accordance with its terms, accept, approve, endorse, recommend or enter into, or publicly propose to accept, approve, endorse, recommend or enter into or take no position or remain neutral with respect to, any letter of intent, agreement in principle, agreement, arrangement or understanding providing for or in respect of any Acquisition Proposal (it being understood that publicly taking no position or a neutral position with respect to an Acquisition Proposal for a period of no more than six Business Days following the formal

announcement of such Acquisition Proposal will not be considered to be in violation of Article 5 of the Arrangement Agreement provided the Board has affirmed the Board Recommendation by or before the end of such six Business Day period).

The REIT has agreed that (a) it and its Subsidiaries shall take all commercially reasonable action to enforce each confidentiality, standstill, non-disclosure, non-solicitation, use, business purpose or similar agreement or covenant to which the REIT or any REIT Subsidiary is or becomes a party, and (b) it shall not release, and shall cause its Subsidiaries not to release, any Person from, or waive, amend, suspend or otherwise modify any provision of, or grant permission under or fail to enforce, any standstill, non-disclosure, non-solicitation, use, business purpose or similar agreement or covenant to which the REIT or any REIT Subsidiary is a party that remains in effect as of the date of the Arrangement Agreement and following the Go-Shop Expiry Time.

Notification of Acquisition Proposals

The REIT must promptly notify the Purchasers of any written or oral inquiry, proposal or offer that constitutes, or may reasonably be expected to constitute or lead to, an Acquisition Proposal, or any request in connection with any written or oral inquiry, proposal or offer that constitutes, or may reasonably be expected to constitute or lead to, an Acquisition Proposal, for copies of, access to, or disclosure of, confidential information relating to the REIT or any REIT Subsidiary received after the Go-Shop Expiry Time and keep the Purchasers reasonably informed of the status of all material developments and negotiations with respect to any such inquiry, proposal, offer or request (or any discussions or negotiations that are permitted as described below).

Responding to Acquisition Proposals

If at any time following the Go-Shop Expiry Time and prior to the Unitholder Approval having been obtained in accordance with the Interim Order, the REIT receives an unsolicited, bona fide written Acquisition Proposal, the REIT and its Representatives may (subject to certain requirements, including entering into an Acceptable Confidentiality Agreement with the Person making the Acquisition Proposal) engage in negotiations with, and provide confidential information to, the Person making such proposal if, among other things:

- (a) the Board first determines, in good faith, after consultation with outside legal counsel and financial advisers to the REIT, that such Acquisition Proposal constitutes, or could reasonably be expected to constitute or lead to, a Superior Proposal;
- (b) concurrently with providing any such copies, access, or disclosure, the REIT enters into an Acceptable Confidentiality Agreement and any such copies, access or disclosure provided to such Person will have already been (or simultaneously be) provided to the Purchasers;
- (c) as soon as reasonably practicable (and in any event within two Business Days), the REIT provides the Purchasers with a true, complete and final executed copy of the Acceptable Confidentiality Agreement; and
- (d) the REIT has been and continues to be in compliance with its obligations under Article 5 of the Arrangement Agreement in all material respects, and the Person making such Acquisition Proposal was not restricted from doing so pursuant to a standstill or similar agreement or restriction.

Change in Recommendation and Right to Match

If the REIT receives an Acquisition Proposal that constitutes a Superior Proposal prior to Unitholder Approval having been obtained in accordance with the Interim Order, the Board may, subject to compliance with the termination fees payable, recommend such Superior Proposal or authorize the REIT to accept, approve or enter into a definitive agreement with respect to such Superior Proposal, if and only if:

- (a) the REIT has been, and continues to be in, compliance with its obligations under Article 5 of the Arrangement Agreement in all material respects and the Person making such Acquisition Proposal was not restricted from doing so pursuant to a standstill or similar agreement or restriction;
- (b) the REIT or its Representatives have delivered to the Purchasers a Superior Proposal Notice;
- (c) the REIT or its Representatives have provided the Purchasers with a copy of the proposed definitive agreement for the Superior Proposal;
- (d) at least five Business Days have elapsed from the later of the date on which the REIT delivered the Superior Proposal Notice and the date on which the Purchasers received the materials set out in paragraph (c), above;
- (e) after the expiry of the period described in paragraph (d), above, the Board (i) has determined in good faith, after consultation with its outside legal counsel and financial advisers, that such Acquisition Proposal continues to constitute a Superior Proposal (if applicable, compared to the terms of the Arrangement, as proposed to be amended by the Purchasers under Section 5.5(2) of the Arrangement Agreement), and (ii) has determined, after consultation with its outside legal counsel and financial advisers, that the failure by the Board to recommend that the REIT enter into a definitive agreement with respect to such Superior Proposal would be inconsistent with its fiduciary duties under applicable Law and the REIT Declaration of Trust, as applicable; and
- (f) in the case of the REIT exercising its right to accept, approve or enter into a definitive agreement with respect to a Superior Proposal, prior to or concurrently with entering into such definitive agreement the REIT terminates the Arrangement Agreement pursuant to Section 7.2(1)(c)(iii) of the Arrangement Agreement and pays the Termination Fee pursuant to Section 8.2 of the Arrangement Agreement.

Financing and Offering Assistance

The Arrangement is not contingent on the availability of any financing. The Purchasers delivered the Purchaser Commitment Letter to the REIT at the time the Arrangement Agreement was entered into, pursuant to which the Purchaser Debt Financing Sources agreed to provide the Purchaser Debt Financing required for the Purchasers to complete the Arrangement.

The Purchasers and the Guarantors have provided certain covenants to arrange the Purchaser Debt Financing on the terms and conditions described in the Purchaser Commitment Letters, including, among other things, taking actions necessary to maintain in effect the Purchaser Commitment Letter or equivalent financing arrangements in accordance with its terms (subject to minor amendments), to enter into definitive agreements with respect to the Purchaser Debt Financing and to enforce its rights under the Purchaser Commitment Letter in the event of a breach by a Purchaser Debt Financing Source.

The Arrangement Agreement contains customary covenants of the REIT to, and to cause the REIT Subsidiaries to, use commercially reasonable efforts to provide such cooperation to the Purchasers and their affiliates as they may reasonably request in connection with the arrangements by the Purchaser to obtain, syndicate, market or arrange the closing and funding of the Purchaser Debt Financing.

Conditions to Closing and Termination Rights and Remedies

Conditions to Closing

The obligation of the Parties to complete the Arrangement is subject to the following conditions:

- (a) The Arrangement Resolution has been approved by Unitholders at the Meeting in accordance with the Interim Order.

- (b) The Interim Order and the Final Order have each been obtained on terms consistent with the Arrangement Agreement and have not been set aside or modified in a manner unacceptable to the REIT and the Purchasers, acting reasonably.
- (c) The Articles of Arrangement to be filed with the Registrar in accordance with the Arrangement, including the Plan of Arrangement appended thereto, shall be in form and substance satisfactory to each Party, acting reasonably.
- (d) The Competition Act Approval has been received and not withdrawn.

No Law (other than in connection with the Competition Act Approval) is in effect that makes the consummation of the Arrangement illegal or otherwise prohibits or enjoins the REIT, NPR GP or the Purchasers from consummating the Arrangement.

The Purchasers' obligation to complete the Arrangement is subject to the following conditions for the sole benefit of the Purchasers:

- (a) The representations and warranties of the REIT set forth in the Arrangement Agreement (except for the representations and warranties in the first sentence of Section 1 of Schedule C (*Status*), Section 2 of Schedule C (*Authorization*), Section 3(a)(i) of Schedule C (*Non-Contravention*), Section 4 of Schedule C (*Enforceability of Obligations*), and Section 6(a), 6(c), and 6(d) of Schedule C (*Capitalization*) of the Arrangement Agreement) are true and correct in all respects (disregarding any materiality or Material Adverse Effect qualification contained in any such representation or warranty) as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date), except where any failure or failures of such representations and warranties to be so true and correct has not had and would not have, individually or in the aggregate, a Material Adverse Effect; the representations and warranties set forth in the first sentence of Section 1 of Schedule C (*Status*), Section 2 of Schedule C (*Authorization*), Section 3(a)(i) of Schedule C (*Non-Contravention*), Section 4 of Schedule C (*Enforceability of Obligations*), and Section 6(a), 6(c), and 6(d) of Schedule C (*Capitalization*) of the Arrangement Agreement (other than de minimis inaccuracies) are true and correct in all respects; and the REIT has delivered a certificate confirming same to the Purchasers, executed by any senior officer of the REIT (without personal liability) addressed to the Purchasers and dated the Effective Date.
- (b) The REIT has fulfilled or complied, in all material respects, with each of the covenants of the REIT contained in the Arrangement Agreement to be fulfilled or complied with by it on or prior to the Effective Time, and has delivered a certificate confirming same to the Purchasers, executed by any senior officer of the REIT (without personal liability) addressed to the Purchasers and dated the Effective Date.
- (c) Between the date of the Arrangement Agreement and immediately prior to the Effective Time, no Material Adverse Effect will have occurred.
- (d) The Required Lender Consents and the Required CMHC Consents shall have been obtained.

Dissent rights shall not have been validly exercised by holders of greater than 5% of the outstanding REIT Units in respect of the Arrangement that have not been withdrawn as of the Effective Date.

The REIT's obligation to complete the Arrangement is subject to the following conditions for the sole benefit of the REIT:

- (a) The representations and warranties of the Purchasers and each of the Guarantors set forth in the Arrangement Agreement are true and correct in all material respects (disregarding for the purposes of this paragraph any materiality qualification contained in any such representation or warranty) as of the Effective Time (except for representations and warranties made as of a specified date, the

accuracy of which shall be determined as of such specified date); and each of the Purchasers and each of the Guarantors have delivered a certificate confirming same to the REIT, executed by any senior officer of each of the Purchasers and any senior officer of each of the Guarantors (in each case without personal liability) addressed to the REIT and dated the Effective Date.

- (b) The Purchasers and each of the Guarantors have fulfilled or complied, in all material respects, with each of the covenants of the Purchasers and the Guarantors contained in the Arrangement Agreement to be fulfilled or complied with by them on or prior to the Effective Time, and each of the Purchasers and each of the Guarantors have delivered a certificate confirming same to the REIT, executed by any senior officer of each of the Purchasers and any senior officer of each of the Guarantors (in each case without personal liability) addressed to the REIT and dated the Effective Date.
- (c) Subject to obtaining the Final Order and the satisfaction or waiver of the other conditions precedent contained in the Arrangement Agreement in their favour (other than conditions which, by their terms, are only capable of being satisfied as of the Effective Time), the Purchasers have deposited or caused to be deposited with the Depositary in escrow (the terms and conditions of such escrow to be satisfactory to the REIT and the Purchasers, acting reasonably) in accordance with Section 2.9 of the Arrangement Agreement the funds to be received by Unitholders as provided for in the Plan of Arrangement other than in respect of the Special Distribution.

Termination Fees Payable by the REIT

The REIT may be required to pay a Termination Fee to the Purchasers. The Termination Fee is payable if the Arrangement Agreement is terminated in the following circumstances:

- (a) by the Purchasers, pursuant to Section 7.2(1)(d)(ii) (*Change in Recommendation*) of the Arrangement Agreement or Section 7.2(1)(d)(iii) (*Breach of Non-Solicitation*) of the Arrangement Agreement;
- (b) by the REIT, pursuant to Section 7.2(1)(c)(iii) (*Superior Proposal*) of the Arrangement Agreement; or
- (c) by either the REIT or the Purchasers pursuant to Section 7.2(1)(b)(i) (*Arrangement Resolution Not Approved*) of the Arrangement Agreement or Section 7.2(1)(b)(iii) (*Occurrence of Outside Date*) of the Arrangement Agreement or by the Purchasers pursuant to Section 7.2(1)(d)(i) (*Breach of Representation or Warranty or Failure to Perform Covenant by the REIT*) of the Arrangement Agreement, but in each case only if:
 - (i) at the time of such termination, the REIT is not entitled to terminate the Arrangement Agreement pursuant to Section 7.2(1)(c)(ii) (*Failure to Pay Consideration*) of the Arrangement Agreement;
 - (ii) (A) following the date of the Arrangement Agreement and prior to such termination in the case of a termination by either the REIT or the Purchasers pursuant to Section 7.2(1)(b)(iii) (*Occurrence of Outside Date*) of the Arrangement Agreement or by the Purchasers pursuant to Section 7.2(1)(d)(i) (*Breach of Representation or Warranty or Failure to Perform Covenant by the REIT*) of the Arrangement Agreement, a bona fide Acquisition Proposal is made in writing or publicly announced by any Person other than the Purchasers, the Guarantors, any of their affiliates, or any Person acting jointly or in concert with any of the foregoing; and/or (B) following the date of the Arrangement Agreement and prior to the time of the Meeting in the case of a termination by either the REIT or the Purchasers pursuant to Section 7.2(1)(b)(i) (*Arrangement Resolution Not Approved*) of the Arrangement Agreement, an Acquisition Proposal is made in writing or publicly announced by any Person other than the Purchasers, the Guarantors, any of their affiliates or any Person acting jointly or in concert with any of the foregoing; and (iii) within 12 months

following the date of such termination, an Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal referred to in clause (ii) above) is consummated, or the REIT, in one or more transactions, enters into a definitive written Contract (other than an Acceptable Confidentiality Agreement permitted by and in accordance with Section 5.4 of the Arrangement Agreement) in respect of an Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal referred to in clause (ii) above) and such Acquisition Proposal is later consummated or effected (whether or not such Acquisition Proposal is later consummated or effected within 12 months after such termination).

For purposes of the foregoing, the term “Acquisition Proposal” shall have the meaning assigned to such term in Section 1.1 of the Arrangement Agreement, except that references to “20% or more” shall be deemed to be references to “50% or more”.

Expense Reimbursement Fee Payable by the Purchasers

If the Arrangement Agreement is terminated as a result of an Expense Reimbursement Event, the Purchasers are required to pay to the REIT the Expense Reimbursement Fee.

Injunctive Relief, Specific Performance and Remedies

A Party is entitled to seek equitable remedies, including specific performance, injunctive relief and other equitable relief against the other Party if the other Party breaches the Arrangement Agreement and to enforce compliance with the terms thereof (including failing to close the Arrangement when required).

PRINCIPAL LEGAL MATTERS

Securities Laws Matters

Canada

Distribution of High Yield Fund Units

The distribution of the High Yield Fund Units pursuant to the Arrangement will be made in reliance on exemptions from the prospectus requirements contained in applicable securities legislation in the provinces and territories of Canada. Under applicable securities laws, the High Yield Fund Units distributed in connection with the Arrangement may be resold in Canada without hold period restrictions, except that any person, company or combination of persons or companies holding a sufficient number of High Yield Fund Units to affect materially the control of the High Yield Fund will be restricted in reselling such High Yield Fund Units pursuant to securities laws applicable in Canada.

Each Unitholder is urged to consult their professional advisors with respect to restrictions applicable to trades in High Yield Fund Units under applicable securities laws.

Delisting of REIT Units

On or following the Effective Date, the REIT will apply to cease or be deemed to have ceased to be a reporting issuer in each of the provinces and territories of Canada under which it is currently a reporting issuer and the REIT Units will be delisted from the TSX.

MI 61-101 Requirements

The REIT is a reporting issuer in all provinces and territories of Canada, and accordingly is subject to MI 61-101. MI 61-101 is intended to regulate certain transactions to ensure equality of treatment among securityholders, generally requiring enhanced disclosure, approval by a majority of securityholders (excluding interested and related parties), independent valuations and, in certain instances, approval and oversight of the transaction by a special committee of independent directors. The protections of MI 61-101 apply to, among other transactions, “business combinations” (as defined in MI 61- 101). MI 61-101 provides

that where a “related party” of an issuer (as defined in MI 61-101) whether alone or with joint actors, would, as a consequence of a transaction, directly or indirectly acquire an issuer or the business of an issuer or is entitled to receive, directly or indirectly, as a consequence of the transaction consideration per equity security that is not identical in amount and form to the entitlement of the general body of holders in Canada of securities of the same class, such transaction may be considered a “business combination” for the purposes of MI 61-101. The Arrangement is a “business combination” because Starlight is a “related party” of the REIT and: (i) Starlight will retain its REIT Units and will not transfer its REIT Units and receive the consideration, like minority Unitholders, and (ii) as a consequence of the Arrangement, Starlight will, together with KingSett, indirectly acquire the REIT.

Minority Approval Requirements

MI 61-101 requires in addition to any other required security holder approval that a “business combination” be subject to “minority approval” (as defined in MI 61-101), unless an exemption is available. Minority approval entails a simple majority of the votes cast by all holders of a class of “affected securities”, voting as a single class, excluding: (i) “interested parties” (as defined in MI 61-101); (ii) any “related party” of an “interested party”, unless the “related party” meets that description solely in its capacity as a director or senior officer of one or more Persons that are neither “interested party” nor “issuer insiders” (as defined in MI 61-101) of the REIT; and (iii) any Person that is a “joint actor” (as defined in MI 61-101) with any of the foregoing. For the Arrangement, the REIT Units represent the only class of “affected securities”. In addition to obtaining approval of the Arrangement Resolution by at least two-thirds of the votes cast by the Unitholders, voting together as a single class, who vote either in person or by proxy at the Meeting, approval will also be required from a simple majority of the votes cast by Unitholders who vote either in person or by proxy at the Meeting after excluding the votes of Unitholders that are required to be excluded pursuant to MI 61-101. For purposes of the minority approval requirements of MI 61-101, all of the 9,040,032 REIT Units owned by Starlight and its related parties and other joint actors representing 13.4% of the REIT Units as of the Record Date, will be excluded in determining whether minority approval for the Arrangement is obtained. The REIT Units held by Starlight and its related parties and other joint actors as of the Record Date are set out below:

Unitholder	REIT Units ⁽¹⁾⁽²⁾	
	Number	Percentage
D.D. Acquisitions Partnership	3,233,943 ⁽³⁾	4.8%
DD Naples Partnership	36,861 ⁽³⁾	0.1%
DF Naples Acquisitions Ltd.	1,242,882 ⁽³⁾	1.8%
Drimmer Holdings Ltd.	65,345 ⁽³⁾	0.1%
Green-Starlight LP	1,192,270 ⁽³⁾	1.8%
LD Naples Acquisitions Ltd.	693,483 ⁽³⁾	1.0%
MS Naples Partnership	155,820 ⁽³⁾	0.2%
Mustang DDAP Partnership	468,222 ⁽³⁾	0.7%
Mustang-Master LP	556,377 ⁽³⁾	0.8%
PD Kanco LP	172,793 ⁽³⁾	0.3%

Red-Starlight LP	623,945 ⁽³⁾	0.9%
Starlight Group Property Holdings Inc.	556,376 ⁽³⁾	0.8%
Yellow-Starlight LP	41,715 ⁽³⁾	0.1%

Notes: (1) Information provided by Starlight. (2) Based on 67,278,189 REIT Units outstanding as of the Record Date. (3) REIT Units over which Daniel Drimmer has beneficial ownership, control or direction over, directly or indirectly.

To the knowledge of the REIT after reasonable inquiry, no other REIT Units are required to be excluded in determining whether minority approval of the Arrangement is obtained.

Formal Valuation

MI 61-101 also provides that a reporting issuer proposing to carry out a business combination must obtain a formal valuation of the “affected securities” from a qualified independent valuator, where an “interested party” would, as a consequence of the transaction, directly or indirectly acquire the issuer or the business of the issuer, whether alone or with joint actors, unless an exemption is available. The Special Committee retained NBF to prepare the Valuation in accordance with and pursuant to MI 61-101 and supervised the preparation of the Valuation. The REIT will cover the fees payable to NBF. See “*Background to the Arrangement – NBF Formal Valuation and Fairness Opinion*” and the full text of the Valuation and NBF Fairness Opinion at Appendix “F” of this Circular for additional information.

Prior Valuations

MI 61-101 requires that the REIT disclose in the Circular every prior valuation (as defined in MI 61-101) in respect of the REIT made in the 24 months before the date of the Circular, that becomes known, after reasonable inquiry, to the REIT or any director or senior officer of the REIT. Other than the Valuation, no prior valuations (as defined in MI 61-101) in respect of the REIT made in the 24 months before the date hereof that relate to the subject matter of, or are otherwise relevant to, the Arrangement have become known, after reasonable inquiry, to the REIT or to any director or senior officer of the REIT.

Prior Offers

The REIT has not received any bona fide prior offer relating to the subject matter of, or otherwise relevant to, the Arrangement during the 24 months preceding the entry into the Arrangement Agreement.

United States

The following discussion is only a general overview of certain requirements of the United States federal securities Laws that may be applicable to the High Yield Fund Units issuable pursuant to the Arrangement. All Unitholders eligible to receive such securities are urged to consult with their own counsel to ensure compliance with applicable U.S. federal and state securities Laws.

Further information applicable to U.S. Unitholders is disclosed above under the heading “*Northview Apartment Real Estate Investment Trust Management Information Circular – Information for U.S. Unitholders*”.

The High Yield Fund Units to be received from the REIT by Unitholders pursuant to the Arrangement have not been and will not be registered under the U.S. Securities Act or any applicable U.S. state securities Laws and will be issued in reliance on the Section 3(a)(10) Exemption and pursuant to exemptions from registration under any applicable state securities laws. The Section 3(a)(10) Exemption exempts from the registration requirements under the U.S. Securities Act securities issued in exchange for one or more bona fide outstanding securities where the terms and conditions of the issuance and exchange are approved as substantively and procedurally fair by a court of competent jurisdiction that is expressly authorized by Law to grant such approval, after a hearing upon the fairness of such terms and conditions of such issuance and exchange at which all persons to whom the securities will be issued in such exchange have the right

to appear and receive timely notice thereof. The Court is authorized to conduct a hearing at which the fairness of the terms and conditions of the Arrangement will be considered. All Unitholders are entitled to appear and be heard at this hearing, provided that they satisfy the applicable conditions set forth in the Interim Order. The Court granted the Interim Order on April 23, 2020 and, subject to the approval of the Arrangement by Unitholders, a hearing on the Final Order will be held on or about May 28, 2020 by the Court. Prior to the hearing on the Final Order, the Court will be advised that, if granted, the Final Order will constitute the basis for an exemption from registration under the U.S. Securities Act for the High Yield Fund Units to be received by Unitholders from the REIT. Accordingly, the Final Order, if granted, will constitute a basis for the Section 3(a)(10) Exemption from the registration requirements of the U.S. Securities Act. See *“Principal Legal Matters – Court Approval Process”*.

The High Yield Fund Units received from the REIT pursuant to the Arrangement will be freely tradable under U.S. federal securities laws except by persons who are, or within 90 days prior to the Effective Time were, “affiliates” (as defined in Rule 144 under the U.S. Securities Act) of the High Yield Fund. Persons who may be deemed to be affiliates of an issuer generally include individuals or entities that control, are controlled by, or are under common control with, the issuer, whether through the ownership of voting securities, by contract or otherwise, and generally include executive officers and directors of the issuer as well as principal shareholders of the issuer. Any such High Yield Fund Units received from the REIT held by such an affiliate (or, if applicable, former affiliate) will be subject to certain restrictions on resale imposed by the U.S. Securities Act, such that they may not resell such securities in the absence of registration under the U.S. Securities Act or an exemption from such registration, if available, such as the exemptions contained in Rule 144 or Rule 904 of Regulation S.

In general, pursuant to Rule 144, affiliates (or, if applicable, former affiliates) of the High Yield Fund will be entitled to sell, during any three-month period, the High Yield Fund Units that they receive from the REIT pursuant to the Arrangement, provided that the number of such securities sold does not exceed the greater of one percent of the then outstanding securities of such class or, if such securities are listed on a United States securities exchange and/or reported through the automated quotation system of a U.S. registered securities association, the average weekly trading volume of such securities during the four calendar week period preceding the date of sale, subject to specified restrictions on manner of sale requirements, aggregation rules, notice filing requirements and the availability of current public information about the issuer required under Rule 144. Such affiliates will continue to be subject to the resale restrictions described in this paragraph for so long as they continue to be affiliates of the High Yield Fund. Unless certain conditions are satisfied, Rule 144 is not available for resales of securities of any issuer (each, a “Shell Company”) that has ever had (i) no or nominal operations and (ii) no or nominal assets other than cash and cash equivalents. If the High Yield Fund were ever to be deemed to be, or to have at any time previously been, a Shell Company, Rule 144 may be unavailable for resales of High Yield Fund Units received from the REIT unless and until High Yield Fund has satisfied the applicable conditions.

In general, under Regulation S, persons who are affiliates or former affiliates of the High Yield Fund solely by virtue of their status as an officer or director of the High Yield Fund may sell High Yield Fund Units received from the REIT outside the United States in an “offshore transaction” if neither the seller nor any person acting on its behalf engages in “directed selling efforts” in the United States and no selling commission, fee or other remuneration is paid in connection with such sale other than a usual and customary broker’s commission. For purposes of Regulation S, “directed selling efforts” means “any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the securities being offered” in the sale transaction. Certain additional restrictions are applicable to a holder of High Yield Fund Units received from the REIT who is an “affiliate” (as defined in Rule 144) of the High Yield Fund after the Arrangement other than by virtue of his or her status as an officer or director of the High Yield Fund.

Notwithstanding the preceding, the Section 3(a)(10) Exemption does not exempt from the registration requirements of the U.S. Securities Act the issuance of any Additional High Yield Fund Units, other than High Yield Fund Units received from the REIT to Unitholders pursuant to such Unitholders’ respective selections of the High Yield Fund Subscription Election. Such Additional High Yield Fund Units will be issued outside the United States in accordance with Regulation S and may only be resold pursuant to an

available exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities Laws or pursuant to a registration statement under the U.S. Securities Act.

Court Approval Process

The Plan of Arrangement requires Court approval. Prior to the mailing of this Circular, the Court granted the Interim Order. The Interim Order and notice of originating application are attached to this Circular as Appendix "B" and "C", respectively. The Interim Order, among other things, provides for the calling and holding of the Meeting and other procedural matters. The Interim Order does not constitute approval of the Plan of Arrangement or the contents of this Circular by the Court. Subject to the terms of the Plan of Arrangement and the Interim Order, if the Arrangement Resolution receives Unitholder Approval at the Meeting, the REIT will apply to the Court to obtain the Final Order. The hearing in respect of the Final Order is scheduled to take place at the Court located at 601 5 Street SW, Calgary, Alberta on May 28, 2020 at the time and in the manner directed by the Court at the Interim Order application. In addition to this information being provided in the Interim Order, if any party serves a Notice of Intention to appear on counsel for the applicant, details of the application to approve the Final Order will be provided to that party.

Under the terms of the Interim Order, any Unitholder or other interested party will have the right to appear and make submissions at the hearing of the application for the Final Order. Any person desiring to appear at the hearing of the application for the Final Order is required to indicate their intention to appear by filing with the Court and serving upon the REIT at the address set out below, no less than four Business Days before the hearing of the application for the Final Order, a notice of appearance, including their address for service, indicating whether such person intends to support or oppose the application or make submissions at the application, together with a summary of the position such person intends to advocate before the Court, and any evidence or materials on which they intend to rely at the application hearing. The notice of appearance and supporting materials must be delivered, within the time specified, to the REIT at the following address: c/o Borden Ladner Gervais LLP, Centennial Place, East Tower, 520 3rd Avenue SW, Suite 1900, Calgary, Alberta, T2P 0R3, Attention: David Madsen.

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

The High Yield Fund Units to be received by Unitholders pursuant to the Arrangement have not been and will not be registered under the U.S. Securities Act. Prior to the hearing for the Final Order, the Court will be informed that the parties intend to rely on the Final Order, if granted, as the basis for the Section 3(a)(10) Exemption with respect to the High Yield Fund Units to be issued pursuant to the Arrangement.

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

Regulatory Matters

The Arrangement is conditional upon the receipt of certain regulatory approvals or decisions, including Competition Act Approval. Under the Competition Act, the acquisition of the units of a trust that carries on an operating business in Canada may require pre- merger notification if the statutory size of parties and size of transaction thresholds are exceeded. It has been determined that pre-merger notification is required in respect of the Arrangement.

Subject to certain limited exceptions, the parties to a notifiable transaction cannot complete the transaction until they have submitted the information prescribed pursuant to subsection 114(1) of the Competition Act to the Commissioner and the applicable waiting period has expired or been terminated by the Commissioner. The waiting period is 30 calendar days after the day on which the parties to the transaction submit the prescribed information, provided that, before the expiry of this period, the Commissioner has not delivered to the parties a Supplementary Information Request. If the Commissioner issues a Supplementary

Information Request, the parties cannot complete the transaction until 30 calendar days after compliance with such Supplementary Information Request, provided that there is no order in effect prohibiting completion at the relevant time.

Alternatively, or in addition to filing the prescribed information, the parties to a notifiable transaction may apply to the Commissioner for an ARC or, in the alternative, a No-Action Letter. An ARC may be issued where the Commissioner is satisfied that he would not have sufficient grounds on which to apply to the Competition Tribunal for a remedial order under section 92 of the Competition Act alleging the transaction prevents or lessens, or is likely to prevent or lessen, competition substantially. Where the Commissioner issues an ARC in respect of a transaction and the transaction is substantially completed within one year thereafter, the transaction is exempt from the pre-merger notification filing requirement and the Commissioner is precluded from challenging the transaction based solely on information that is the same or substantially the same as the information on the basis of which the ARC was issued. If the Commissioner is not prepared to issue an ARC, a No-Action Letter may be issued where the Commissioner does not, at that time, intend to challenge the transaction by making an application under section 92 of the Competition Act. Where a No-Action Letter is issued, or the applicable waiting period has expired or been terminated by the Commissioner, the Commissioner retains the right to challenge a transaction until one year after it was substantially completed. While the issuance of a No-Action Letter does not exempt a transaction from the pre-merger filing requirement, it is typically issued together with a waiver pursuant to subsection 113(c) of the Competition Act of the obligation to notify the Commissioner and supply the prescribed information in circumstances where the information prescribed pursuant to subsection 114(1) has not been filed.

With respect to the Arrangement, the Parties filed a request for an ARC or, in the alternative, a No-Action Letter, on March 4, 2020. As of the date of this Circular, Competition Act Approval has not been obtained. In accordance with the Arrangement Agreement, the Purchasers are continuing to use their best efforts to obtain an ARC or, in the alternative, a No-Action Letter as soon as reasonably practicable. The Arrangement is conditional upon the receipt of an ARC, a No-Action Letter with a waiver, pursuant to subsection 113(c), of the obligation to notify the Commissioner and supply the prescribed information, or the expiry or termination of the applicable statutory waiting period.

Stock Exchange Matters

The REIT

The REIT Units are currently listed on the TSX under the symbol “NVU.UN”. Following the completion of the Arrangement, the REIT Units are expected to be de-listed from the TSX.

The High Yield Fund

The High Yield Fund has applied to list the Listed High Yield Fund Units on the TSX and the High Yield Fund Units issued to Unitholders pursuant to the Arrangement will be exchangeable into such Listed High Yield Fund Units. The listing is subject to the High Yield Fund fulfilling all of the initial listing requirements and conditions of the TSX. The TSX has not conditionally approved the High Yield Fund’s listing application and there is no assurance that the TSX will approve the listing application.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Borden Ladner Gervais LLP, counsel to the REIT, the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable under the Tax Act to a Unitholder other than a Special Voting Unitholder who, at all relevant times, for purposes of the Tax Act,

- (a) deals at arm’s length with the REIT, the High Yield Fund, the Purchasers and their respective affiliates, and is not affiliated with the REIT, the High Yield Fund, any of the Purchasers, or any of their respective affiliates;
- (b) holds REIT Units as capital property; and

(c) will hold all High Yield Fund Units acquired pursuant to the Plan of Arrangement as capital property.

Generally, REIT Units and High Yield Fund Units will be considered to be capital property to a Unitholder provided that the holder does not hold the units in the course of carrying on a business of trading or dealing in securities and has not acquired the units in one or more transactions considered to be an adventure or concern in the nature of trade. A Resident Holder (defined below) whose REIT Units or High Yield Fund Units might not otherwise qualify as capital property may be entitled to have them treated as capital property by making an irrevocable election under subsection 39(4) of the Tax Act to deem all “Canadian securities” (as defined in the Tax Act) owned by such Resident Holder in the taxation year to which the election applies and any subsequent taxation year to be capital properties. Unitholders who do not hold their REIT Units as capital property or who will not hold their High Yield Fund Units as capital property should consult their own tax advisors regarding their particular circumstances.

This summary does not address the consequences to Additional High Yield Fund Subscribers or to any holders of Deferred Units, Performance Awards, Restricted Awards or Pending Employee Units. Moreover, this summary does not address all tax consequences of participating in the Plan of Arrangement to the DD Unitholders and Unitholders who acquired their REIT Units on a conversion, exercise, exchange or otherwise in connection with a security convertible into REIT Units. In addition, this summary does not apply to a Holder who will hold more than one class of units of the High Yield Fund at any particular time. Such holders should consult their own tax advisors.

This summary is based upon the current provisions of the Tax Act, certificates provided by an executive officer of each of the REIT and High Yield Fund and counsel’s understanding of the current administrative policies and assessing practices of the CRA made publicly available prior to the date of this Circular. This summary also 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 of this Circular (the “**Tax Proposals**”). This summary assumes that the Tax Proposals will be enacted as currently proposed, but no assurances can be given in this regard. Except for the Tax Proposals, this summary does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial decision or action, or changes in the CRA’s administrative policies or assessing practices, nor does it take into account other federal or any provincial, territorial 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 Unitholder. This summary is not exhaustive of all Canadian federal income tax considerations. Consequently, Unitholders are urged to consult their own tax advisors to determine the particular tax effects to them of the Plan of Arrangement and any other consequences to them in connection with the Plan of Arrangement 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 and the High Yield Fund

This summary assumes that the REIT qualifies, and will continue to qualify at all relevant times, and that the High Yield Fund will qualify at all relevant times, as a “mutual fund trust” and a “real estate investment trust” for purposes of the Tax Act. This summary further assumes that the High Yield Fund will file an election under subsection 132(6.1) of the Tax Act to be deemed to have been a mutual fund trust from the time of its establishment. There can be no assurance that the REIT or the High Yield Fund will qualify as a “mutual fund trust” or “real estate investment trust” at any time, or in the case of the High Yield Fund, that subsequent investments or activities will not result in it failing to qualify as a mutual fund trust or a real estate investment trust. If either of the REIT or the High Yield Fund were not to qualify as a “mutual fund trust” or a “real estate investment trust” at any particular time, the income tax considerations described below would, in some respects, be materially different. Counsel expresses no opinion as to whether or not the REIT or the High Yield Fund qualified or will qualify at any time as a “mutual fund trust” or a “real estate investment trust” for the purpose of the Tax Act.

Taxation of the REIT

Pre-Acquisition Reorganization

The Arrangement Agreement generally contemplates that, prior to the Effective Date, the Purchasers will propose (a) one or more transaction steps to facilitate the direct or indirect transfer of Properties, which may include for greater certainty the direct or indirect transfer of Properties to separate limited partnerships and the dissolution of REIT Subsidiaries or (b) such further pre-closing transaction steps as the Purchasers may request, acting reasonably (the “**Pre-Acquisition Reorganization**”). The REIT will realize a capital gain (or capital loss) in respect of each property that is capital property to the REIT or a Subsidiary Partnership so transferred equal to the amount, if any, by which the proceeds of disposition of the property, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base to the REIT or Subsidiary Partnership of the property immediately before its disposition.

In addition, the REIT may realize ordinary income resulting from the recapture of capital cost allowance (“**CCA**”) in respect of certain buildings and other depreciable properties disposed of pursuant to the Pre-Acquisition Reorganization (“**Recapture Income**”). The amount of the Recapture Income generally will be equal to the amount, if any, by which the lesser of (a) the proceeds of disposition reasonably allocated to such properties and (b) the “cost amount” of such properties for purposes of the Tax Act, exceeds the “undepreciated capital cost” for purposes of the Tax Act of the particular prescribed class that includes the properties disposed of. The REIT may also realize a terminal loss on the disposition of depreciable properties in the Pre-Acquisition Reorganization to the extent that the REIT or a Subsidiary Partnership disposes of all of its properties of a particular prescribed class and the proceeds of disposition received for the disposition of the properties of such class is less than the “undepreciated capital cost” of the particular class.

Provided an election under subsection 97(2) of the Tax Act is made by the REIT and a Subsidiary Partnership or by two Subsidiary Partnerships, as applicable, in the manner and within the time limits specified in the Tax Act in respect of an asset transferred to a Subsidiary Partnership pursuant to the Pre-Acquisition Reorganization, the proceeds of disposition of the asset disposed of and the cost of the asset acquired will generally be equal to the amount elected to be the proceeds of disposition to the REIT or Subsidiary Partnership in such election, subject to the specific limitations and constraints under the Tax Act including with respect to depreciable properties. It is the mutual intention of the REIT and Purchasers that the Pre-Acquisition Reorganization together with any transactions undertaken after the Effective Date which may have tax consequences for the Stub Year (defined below) shall not result in the REIT realizing any amounts (including Recapture Income) that are treated as ordinary income for purposes of the Tax Act, if such amounts would increase the REIT’s taxable income (other than taxable capital gains) that is distributed to Unitholders in 2020 as a monthly distribution or Stub Distribution by more than 20% of the aggregate amount of such distributions. It is expected that the elected amounts under the subsection 97(2) elections to be filed in respect of the Pre-Acquisition Reorganization will be consistent with such intention.

Taxable Transactions Under the Plan of Arrangement

The transfer of the Portfolio A Interests and Portfolio B Interests under the Plan of Arrangement may give rise to capital gains to the REIT for the REIT’s New Year (defined below). In particular, the REIT will be required to take into account in computing its income any capital gain (or capital loss) in respect of a capital property transferred or disposed of in connection with the transfer of the Portfolio A Interests and Portfolio B Interests equal to the amount, if any, by which the proceeds of disposition of such property, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such property immediately before its disposition. The REIT intends to offset (or receive a refund in respect of) its liability for tax on any net realized taxable capital gains arising from the transfer of the Portfolio A Interests and Portfolio B Interests pursuant to section 132 of the Tax Act.

Disposition of Property to the High Yield Fund

The REIT’s disposition of its limited partnership interests in the High Yield Fund Partnerships and all of its shares, trust units or partnership interests, as applicable, of the High Yield Fund General Partners to the

High Yield Fund is intended to be a “qualifying disposition” as defined in section 107.4 of the Tax Act (the “**Qualifying Disposition**”). Provided the Qualifying Disposition so qualifies, the REIT will, in accordance with the rules in the Tax Act applicable to qualifying dispositions, be deemed to dispose of such shares, trust units or partnership interests for proceeds of disposition equal to the adjusted cost base thereof to the REIT immediately before the Qualifying Disposition, such that no gain or loss will be realized by the REIT in connection with the Qualifying Disposition.

Computation of Income and Taxable Capital Gains of the REIT

The taxation year of the REIT commencing on January 1, 2020 will be deemed to end at the end of the Effective Date (the “**Stub Year**”) and a new taxation year will be deemed to begin at the beginning of the day following the Effective Date (the “**New Year**”). The REIT will not, and this summary assumes that the REIT will not, make an election for such deeming provision to not apply.

In each taxation year, the REIT will generally be subject to tax under Part I of the Tax Act on any taxable income realized by the REIT, less the portion thereof that it deducts in respect of the amounts paid or payable, or deemed to be paid or payable, in the year to Unitholders. An amount will be considered to be payable to a Unitholder in a taxation year if the unitholder is entitled in that year to enforce payment of the amount. The taxable income of the REIT for the Stub Year will include ordinary income and taxable capital gains, if any, realized by the REIT as a consequence of the Pre-Acquisition Reorganization.

It is intended that an amount equal to the net income (including taxable capital gains) of the REIT determined in accordance with the provisions of the Tax Act other than paragraph 82(1)(b) and subsection 104(6) for the Stub Year will be payable in the Stub Year to Unitholders by way of monthly distributions or the Stub Distribution. Income of the REIT paid or payable to Unitholders, will generally be deductible by the REIT in computing its income.

If, based on *bona fide* best estimates, the REIT determines that its undistributed taxable income for the Stub Year, after application of any non-capital loss carry forwards and other available deductions or attributes, exceeds the prior distributions made to Unitholders in the Stub Year (including the Stub Distribution), the REIT will pay a Special Distribution in cash to the Unitholders on the Effective Date in an amount sufficient to ensure that the REIT will not be liable for non-refundable tax under Part I of the Tax Act for the Stub Year.

Under the Arrangement Agreement, the REIT has agreed to seek approval of the CRA (the “**CRA Approval**”) to change the fiscal period and taxation year-end of the Subsidiary Partnerships in order to ensure, to the extent possible, that substantially all of the income and net taxable capital gains earned by each Subsidiary Partnership on or before the Effective Date will be allocated to the REIT in the Stub Year (the “**Stub Period Allocation**”). This summary assumes that the CRA Approval will be obtained, or that the Stub Period Allocation will otherwise occur (including as a consequence of the dissolution of the Subsidiary Partnerships pursuant to the Pre-Acquisition Reorganization), but no assurance can be given in this regard.

Taxation of Unitholders - Residents of Canada

This portion of the summary applies to a Unitholder (including a Unitholder that becomes a High Yield Fund Unitholder) who, at all relevant times, for purposes of the Tax Act and any applicable income tax convention is, or is deemed to be, resident in Canada (a “**Resident Holder**”).

This portion of the summary does not apply to a Resident Holder: (a) that is a “financial institution” for purposes of the mark-to-market rules; (b) an interest in which is a “tax shelter investment”; (c) that has elected to determine its “Canadian tax results” in a currency other than Canadian dollars; or (d) that has entered into or will enter into a “derivative forward agreement” in respect of REIT Units or High Yield Fund Units, as each such term is defined in the Tax Act. Such holders should consult their own tax advisors regarding their particular circumstances. In addition, this summary does not address the deductibility of interest expense incurred by a Unitholder in connection with the acquisition or holding of REIT Units.

Dissenting Unitholders

A Resident Holder who is a Dissenting Unitholder and who is entitled to be paid fair value of the holder's Dissenting Units will be considered to have disposed of such holder's Dissenting Units to the REIT in exchange for a right to be paid the fair value of such Dissenting Units, as determined in accordance with the Plan of Arrangement. The disposition will result in a capital gain (or a capital loss) to such Resident Holder equal to the amount, if any, by which the proceeds of disposition of the Dissenting Units, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Dissenting Units to such Resident Holder immediately prior to the disposition. The proceeds of disposition of the Dissenting Unit will generally be equal to the fair market value thereof paid to the Dissenting Unitholder (but will not include any interest awarded by a court).

The treatment of capital gains and capital losses is generally described below under "*Taxation of Capital Gains and Losses*".

Any interest awarded by a court to a Dissenting Unitholder will be required to be included in income in the taxation year in which such interest is received or receivable, depending on the method normally used by the Dissenting Unitholder in computing its income for purposes of the Tax Act.

Acquisition of High Yield Fund Units and Transfer of Properties by the REIT to the High Yield Fund

Pursuant to the Plan of Arrangement, each Resident Holder will acquire one High Yield Fund Unit from the REIT for each REIT Unit held. The High Yield Fund Unit will be acquired by each Resident Holder at a nominal cost.

A Resident Holder will not realize any taxable income or gain solely as a result of the Qualifying Disposition.

Immediately after the Qualifying Disposition, the adjusted cost base of a Resident Holder's REIT Units will be decreased by an amount equal to the REIT Transfer Percentage multiplied by the adjusted cost base of the Resident Holder's REIT Units immediately before the Qualifying Disposition. Immediately after the Qualifying Disposition, the adjusted cost base of a Resident Holder's High Yield Fund Units will be increased by the same amount.

REIT Distributions

The tax treatment to Resident Holders of the Stub Distribution, Special Distribution and any other distributions made by the REIT during the Stub Year (together, "**REIT Distributions**"), will be determined in a manner similar to the tax treatment that applies to other distributions that have been paid or payable by the REIT to Resident Holders. The Stub Year will be deemed to end at the end of the Effective Date, so Unitholders with taxation years ending after the Effective Date but before December 31, 2020 may be required to report income from the REIT earlier than they would otherwise have been required.

Redemption of REIT Units

All REIT Units, other than those held by Dissenting Unitholders and Benco, will be redeemed in exchange for a cash redemption price per REIT Unit equal to the REIT Redemption Price. The disposition of a REIT Unit pursuant to such redemption will generally result in a capital gain (or a capital loss) to the Resident Holder equal to the amount, if any, by which the proceeds of disposition of the REIT Unit, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the REIT Unit to the Resident Holder immediately prior to such redemption (which adjusted cost base will take into account any reductions resulting from the Qualifying Disposition and from REIT distributions made prior to the redemption). The proceeds of disposition of the REIT Unit generally will be equal to the amount of the REIT Redemption Price.

The treatment of capital gains and capital losses is generally described below under "*Taxation of Capital Gains and Losses*".

All-Cash Election

A Resident Holder who makes or is deemed to make the All-Cash Election for the Resident Holder's High Yield Fund Units to be redeemed for cash will have such High Yield Fund Units redeemed in exchange for a cash redemption price equal to the High Yield Fund Redemption Price. The disposition of a High Yield Fund Unit pursuant to such redemption generally will result in a capital gain (or a capital loss) to the Resident Holder equal to the amount, if any, by which the proceeds of disposition of the High Yield Fund Unit, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the High Yield Fund Unit (determined as described above under "*Acquisition of High Yield Fund Units and Transfer of Properties by the REIT to the High Yield Fund*") to the Resident Holder immediately prior to the redemption. The proceeds of disposition of the High Yield Fund Unit generally will be equal to the amount of the High Yield Fund Redemption Price.

The treatment of capital gains and capital losses is generally described below under "*Taxation of Capital Gains and Losses*".

High Yield Fund Subscription Election

A Resident Holder who validly makes a High Yield Fund Subscription Election to retain the Resident Holder's High Yield Fund Units acquired from the REIT and, if applicable, subscribe for additional High Yield Fund Units will retain the High Yield Fund Units acquired from the REIT as described above under "*Acquisition of High Yield Fund Units and Transfer of Properties by the REIT to the High Yield Fund*", and generally acquire each additional High Yield Fund Unit at a cost equal to the amount that the Resident Holder pays to acquire it, being the High Yield Fund Subscription Price. For the purposes of determining the adjusted cost base of additional High Yield Fund Units acquired by a Resident Holder pursuant to a High Yield Fund Subscription Election, the cost of such High Yield Fund Units will be averaged with the adjusted cost base of all other High Yield Fund Units held as capital property by the Resident Holder immediately before that time.

The consequences of holding and disposing of High Yield Fund Units are discussed below under "*Holding and Disposing of the High Yield Fund Units Received Pursuant to the Plan of Arrangement*".

Consolidation of and Redemption of Fractional High Yield Fund Units

A Resident Holder will not realize any taxable income or gain solely as a result of the Consolidation.

The adjusted cost base of a Resident Holder's Post-Consolidation High Yield Fund Units immediately after the Consolidation will be equal to the adjusted cost base of the Resident Holder's High Yield Fund Units immediately prior to the Consolidation.

Each fraction of a Post-Consolidation High Yield Fund Unit resulting from the Consolidation will be redeemed in exchange for a cash redemption price equal to such fraction multiplied by \$12.50. The disposition of a fraction of a Post-Consolidation High Yield Fund Unit pursuant to such redemption will generally result in a capital gain (or a capital loss) to the Resident Holder equal to the amount, if any, by which the proceeds of disposition of the fractional Post-Consolidation High Yield Fund Unit, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Post-Consolidation High Yield Fund Unit to the Resident Holder immediately prior to such redemption. The proceeds of disposition of the fractional High Yield Fund Unit generally will be equal to \$12.50 multiplied by the redeemed fraction.

The treatment of capital gains and capital losses is generally described below under "*Taxation of Capital Gains and Losses*".

Holding and Disposing of the High Yield Fund Units Received Pursuant to the Plan of Arrangement

Qualification of the High Yield Fund as a “Real Estate Investment Trust”

The Tax Act contains rules (the “**SIFT Rules**”) which tax certain publicly-traded or listed trusts and partnerships in a manner similar to corporations and which treat certain distributions from such trusts and partnerships as taxable dividends from a taxable Canadian corporation.

The SIFT Rules apply to any trust or partnership that is a “SIFT trust” or “SIFT partnership” (each as defined in the Tax Act) and its investors. A SIFT trust is defined as a Canadian resident trust if “investments” (as defined in the Tax Act for purposes of the SIFT Rules) in the trust are listed or traded on a stock exchange or other “public market” (as defined in the Tax Act for purposes of the SIFT Rules), and the trust holds one or more “non-portfolio properties” (as defined in the Tax Act). Non-portfolio properties include (i) certain investments in real properties situated in Canada, (ii) certain investments in corporations and trusts resident in Canada, (iii) certain investments in corporations, trusts and partnerships with other specified connections to Canada, and (iv) property used in carrying on a business in Canada.

Pursuant to the SIFT Rules, a SIFT trust is not permitted to deduct any amount that it pays or makes payable to its beneficiaries in respect of its aggregate (i) net income from businesses it carries on in Canada; (ii) net income (other than taxable dividends received by the SIFT trust) from its non-portfolio properties; and (iii) net taxable capital gains from its disposition of non-portfolio properties. Distributions which a SIFT trust is unable to deduct will be taxed in the SIFT trust at rates of tax which approximate the combined federal and provincial corporate income tax rates. Distributions of a SIFT trust’s income that are not deductible to the SIFT trust will be treated as taxable dividends received from a taxable Canadian corporation. A Resident Holder that receives such a distribution will be required to include the distribution in income as a dividend, subject to the enhanced gross-up and dividend tax credit rules normally applicable to “eligible dividends” received from a taxable Canadian corporation. In general, distributions that are paid as returns of capital will not be subject to the SIFT Rules.

The SIFT Rules do not apply to a trust for a particular taxation year if the trust qualifies as a “real estate investment trust” (as defined in the Tax Act) for the year (the “**REIT Exception**”). The REIT Exception contains a number of technical tests and the determination as to whether the High Yield Fund qualifies for the REIT Exception for any particular taxation year can only be made at the end of the taxation year. Counsel has been advised that the High Yield Fund intends to manage its affairs so that the High Yield Fund will qualify for the REIT Exception for its first taxation year and each subsequent year. There is no assurance that the High Yield Fund will qualify for the REIT Exception for any particular year. There can be no assurance that investments or activities undertaken by the High Yield Fund or any of its subsidiary entities will not result in the High Yield Fund failing to qualify as a real estate investment trust under the REIT Exception. The High Yield Fund Declaration of Trust includes certain provisions intended to reduce the risk of the High Yield Fund being a SIFT trust. Counsel has not reviewed and will not review the High Yield Fund’s compliance with the conditions for the REIT Exception.

The SIFT Rules also do not apply to a partnership or trust for a particular taxation year if the partnership or trust is an “excluded subsidiary entity” for the year. A partnership or trust will qualify as an excluded subsidiary entity for a taxation year if none of the partnership’s or trust’s “equity” (as defined in the Tax Act for purposes of the SIFT Rules) is at any time in the year either (a) listed or traded on a stock exchange or other public market or (b) held by any person other than a real estate investment trust, a taxable Canadian corporation, a SIFT trust or SIFT partnership or an entity that is itself an excluded subsidiary entity.

The balance of this summary assumes that the High Yield Fund will qualify for the REIT Exception, and that each of the High Yield Fund Partnerships will qualify as an excluded subsidiary entity, at all relevant times. Should these assumptions not be correct, the income tax consequences for Resident Holders who acquire High Yield Fund Units under the Plan of Arrangement may be materially and adversely different from those described in this summary—among other differences, the High Yield Fund or a High Yield Fund Partnership may be subject to tax which approximates federal and provincial corporate income taxation, and amounts distributed by the High Yield Fund may be included in the income of Resident Holders for purposes of the Tax Act as taxable dividends.

Taxation of the High Yield Fund

The High Yield Fund will be subject to tax under Part I of the Tax Act on its income for each taxation year, including net realized taxable capital gains in the year and its allocated share of income of NV Holdings LP for NV Holdings LP's fiscal period ending on or before the High Yield Fund's taxation year-end, less the portion thereof that it deducts in respect of amounts paid or payable, or deemed to be paid or payable, to High Yield Fund Unitholders in the year. An amount will not be considered to be payable to a High Yield Fund Unitholder in a taxation year unless the High Yield Fund pays it to the High Yield Fund Unitholder in the year or the High Yield Fund Unitholder is entitled in that year to enforce payment of the amount. The taxation year of the High Yield Fund is the calendar year.

Generally, distributions from NV Holdings LP to the High Yield Fund in excess of its allocated share of the income of NV Holdings LP for a fiscal year will result in a reduction in the adjusted cost base to the High Yield Fund of its NV Holdings LP Class A Units by the amount of such excess. If, as a result, the adjusted cost base to the High Yield Fund of its NV Holdings LP Class A Units at the end of a fiscal year of NV Holdings LP would otherwise be a negative amount, the High Yield Fund would be deemed to realize a capital gain at NV Holdings LP's fiscal period end equal to the absolute value of such negative amount, and the adjusted cost base to the High Yield Fund of its NV Holdings LP Class A Units would then be increased to nil.

A distribution by the High Yield Fund of its property upon a redemption of units will be treated as a disposition by the High Yield Fund of such property for proceeds of disposition equal to the fair market value thereof. The High Yield Fund will realize a capital gain (or a capital loss) to the extent that the proceeds from the disposition of the property exceed (or are less than) the adjusted cost base of the relevant property and any reasonable costs of disposition.

Pursuant to the Arrangement, the High Yield Fund will acquire its interest in NV Holdings LP in a transaction intended to qualify as a "qualifying disposition" for purposes of the Tax Act. As a result, it is expected that the adjusted cost base to the High Yield Fund of its interest in NV Holdings LP will be less than if the High Yield Fund had acquired such interest at a cost equal to the fair market value of such interest at the time of acquisition. This may result in a larger portion of the High Yield Fund's distributions being treated as income or capital gains as compared to returns of capital.

In computing its income or loss for purposes of the Tax Act, the High Yield Fund may generally deduct reasonable administrative costs, interest and other expenses of a current nature that it incurs for the purpose of earning income. Generally, the High Yield Fund may also deduct, on a five-year straight-line basis (subject to pro-ration for short taxation years), reasonable expenses incurred by it in the course of issuing units.

Generally, under the High Yield Fund Declaration of Trust, unless the trustees of the High Yield Fund otherwise determine, an amount equal to all of the net income (including taxable capital gains) of the High Yield Fund for a taxation year (determined without reference to paragraph 82(1)(b) and subsection 104(6) of the Tax Act), together with the non-taxable portion of any net capital gains realized by the High Yield Fund, but excluding capital gains arising in connection with a distribution *in specie* on the redemption of units which are designated by the High Yield Fund to redeeming High Yield Fund Unitholders will be payable in the year to High Yield Fund Unitholders by way of cash distributions, subject to any available non-capital losses or net capital losses, the capital gains refund (as discussed below) and the following exception. Where such income of the High Yield Fund in a taxation year exceeds the total cash distributions for that year, such excess income may be distributed to High Yield Fund Unitholders in the form of additional units. Income of the High Yield Fund payable to High Yield Fund Unitholders, whether in cash, additional units or otherwise, will generally be deductible by the High Yield Fund in computing its income.

Losses incurred by the High Yield Fund (including losses allocated to the High Yield Fund by NV Holdings LP and capable of being deducted by the High Yield Fund) cannot be allocated to High Yield Fund Unitholders, but may be carried forward and deducted by the High Yield Fund in computing its taxable income in future years in accordance with the detailed rules and limitations in the Tax Act.

The High Yield Fund will be entitled in each taxation year to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized taxable capital gains by an amount determined under the Tax Act based on the redemption of units during the year (the “**capital gains refund**”). In certain circumstances, the High Yield Fund’s capital gains refund in a particular taxation year may not completely offset its tax liability for that taxation year arising from its net realized taxable capital gains.

The High Yield Fund Declaration of Trust provides that all or a portion of any taxable capital gains realized by the High Yield Fund as a result of a redemption of units may, at the discretion of the trustees of the High Yield Fund, be treated as income paid or payable to the redeeming High Yield Fund Unitholder in the applicable year. However, pursuant to Tax Proposals released on July 30, 2019 (the “**July 2019 Proposals**”), the High Yield Fund generally will not be entitled to a deduction in computing its income in respect of amounts allocated to redeeming High Yield Fund Unitholders in respect of such taxable capital gains to the extent that it is greater than the taxable capital gain that would otherwise have been realized by the redeeming High Yield Fund Unitholder on the redemption (as determined by the trustees of the High Yield Fund using reasonable efforts to obtain the information required to determine the High Yield Fund Unitholder’s cost amount). As a result, the taxable component of distributions by the High Yield Fund to non-redeeming High Yield Fund Unitholders may be adversely affected. Counsel has been advised that the High Yield Fund intends, to the extent possible, to administer the redemption of units in such a manner that no deduction by the High Yield Fund should be denied under this provision, if enacted.

Counsel has been advised that the High Yield Fund intends to make sufficient distributions in each year of its net income for tax purposes and net realized capital gains so that the High Yield Fund will not be liable in the year for any tax under Part I of the Tax Act (after taking into account any entitlement to the capital gains refund and non-capital losses or net capital losses, if any, that may be carried forward from prior years).

Taxation of the High Yield Fund Partnerships

Subject to the SIFT Rules, the High Yield Fund Partnerships are generally not subject to tax under the Tax Act. However, NV Holdings LP will be required to include in computing its income for each of its fiscal periods its share of the income (or loss, subject to the “at risk” rules described below) of NV LP for NV LP’s fiscal periods ending in, or coincidentally with, NV Holdings LP’s fiscal period, and the High Yield Fund will be required to include in computing its income for each of its taxation years its share of the income (or loss, subject to the “at risk” rules described below) of NV Holdings LP (including income or loss allocated to NV Holdings LP by NV LP) for NV Holdings LP’s fiscal periods ending in, or coincidentally with, the High Yield Fund’s taxation year, whether or not any such income is actually distributed to NV Holdings LP or the High Yield Fund in such taxation year or fiscal period.

For this purpose, the income or loss of each High Yield Fund Partnership will be computed for each fiscal year as if the High Yield Fund Partnership was a separate person resident in Canada. A High Yield Fund Partnership’s income will include rent in respect of the High Yield Fund Partnership’s properties, any taxable capital gains and recapture of CCA arising on the disposition of capital property owned by the High Yield Fund Partnership, and any income allocated to the High Yield Fund Partnership by partnerships of which it is a partner. In computing the income or loss of a High Yield Fund Partnership, reasonable deductions may generally be claimed in respect of available CCA, interest in respect of the High Yield Fund Partnership’s debts, and administrative and other expenses incurred for the purpose of earning income from a business or property to the extent the outlays are not capital in nature. Deductibility of losses allocated to a limited partner of a High Yield Fund Partnership may be restricted by the “at-risk rules”, as described below.

The characterization of gains and losses from dispositions of properties as being on capital or income account will depend on the specific facts and circumstances relating to each such property. Accordingly, no assurances can be given as to the nature of such gains and losses. However, counsel has been advised that the High Yield Fund expects that it and its subsidiaries will generally take the position that the Properties will be held as capital property.

Certain properties were or may be acquired by the High Yield Fund Partnerships on a tax-deferred basis, such that the tax cost of these properties is less than their fair market value at the time of acquisition by the

relevant High Yield Fund Partnership. For the purposes of claiming CCA, the additions to the undepreciated capital cost balances of the High Yield Fund Partnerships of classes of depreciable property to which such properties belong may be less than the fair market value of such properties. As a result, the CCA that the High Yield Fund Partnership may claim in respect of such properties may be less than it would have been if such properties had been acquired with a tax cost equal to their fair market values at the time of acquisition. In addition, if one or more of such properties are disposed of, the gain realized by the High Yield Fund Partnership for tax purposes (including any income inclusions resulting from the recapture of previously claimed CCA) will be in excess of that which the High Yield Fund Partnership would have realized if it had acquired the properties at a tax cost equal to their fair market values.

Counsel has been advised that in computing income for the purposes of the Tax Act, and except as the trustees of the High Yield Fund otherwise determine, each High Yield Fund Partnership shall claim the maximum discretionary deductions (including in respect of CCA) that are available to it under the Tax Act, except that NV LP shall in no case claim any discretionary deductions to the extent that such claims would result in, or increase the amount of, any limited partnership loss (as described under “At-risk rules”, below) of NV Holdings LP with respect to NV LP.

The income or loss of a High Yield Fund Partnership for a fiscal year will be allocated to the partners of the High Yield Fund Partnership (including the High Yield Fund, in respect of NV Holdings LP, and NV Holdings LP, in respect of NV LP) on the basis of their respective share of such income or loss as provided in the limited partnership agreement governing the High Yield Fund Partnership, subject to the detailed rules in the Tax Act, including the “at-risk rules” described below.

Generally, distributions to a partner in excess of its allocated share of the income of a High Yield Fund Partnership for a fiscal year will result in a reduction of the adjusted cost base of the partner’s units in the High Yield Fund Partnership by the amount of such excess, as described above. If, as a result, the adjusted cost base to NV Holdings LP of its NV LP Units at the end of a fiscal period of NV LP would otherwise be a negative amount, NV Holdings LP would be deemed to realize a capital gain at NV LP’s fiscal period end equal to the absolute value of such negative amount, and the adjusted cost base to NV Holdings LP of its NV LP Units would then be increased to nil.

At-risk rules

The Tax Act contains rules (the “**at-risk rules**”) which, in general, limit the amount of the losses (other than capital losses) of a limited partnership (such as a High Yield Fund Partnership) for a fiscal period that a limited partner of the partnership may deduct to an amount not greater than the partner’s “at-risk amount” in respect of the partnership at the end of the fiscal period. A limited partner’s at-risk amount in respect of a limited partnership will generally be equal to the adjusted cost base to the partner of its interest in the partnership at the end of the partnership’s fiscal period plus the partner’s share of any income of the partnership for the fiscal period (including, for this purpose, the whole amount of any net capital gains), less any amount owing by the partner (or by a person or partnership that does not deal at arm’s length with the partner for purposes of the Tax Act) to the partnership (or to a person or partnership not dealing at arm’s length with the partnership for purposes of the Tax Act), and less the amount of the partner’s investment in the partnership that may reasonably be regarded as protected against loss. The share of any loss of the partnership that is not deductible by a partner (other than a partner that is itself a partnership) as a result of the application of the “at-risk” rules is considered to be a “limited partnership loss” in respect of the partnership for that year.

A limited partnership loss of the High Yield Fund in respect of NV Holdings LP may generally be carried forward and deducted by the High Yield Fund in a subsequent taxation year against income for that year to the extent that the High Yield Fund’s at-risk amount at the end of NV Holdings LP’s last fiscal period ending in that year exceeds the High Yield Fund’s share of any loss of NV Holdings LP for that fiscal period, subject to and in accordance with the provisions of the Tax Act. Any loss of NV LP that is not deductible by NV Holdings LP as a result of the application of the “at-risk rules” generally may not be carried forward and deducted in future years.

High Yield Fund Distributions

A Resident Holder will generally be required to include in computing income for a particular taxation year that portion of the High Yield Fund's net income for a taxation year ending on or before the taxation year-end of the Resident Holder, including net realized taxable capital gains, that the High Yield Fund pays or makes payable to the Resident Holder in the taxation year of the High Yield Fund, whether the Resident Holder receives such portion in cash, additional units or otherwise. Distributions that are made through the issuance of additional units may give rise to a taxable income inclusion for the Resident Holder even though no cash has been distributed to such Resident Holder.

Provided that the High Yield Fund makes appropriate designations under the Tax Act, the portion of its net taxable capital gains, if any, in a taxation year which is paid or payable, or deemed to be paid or payable, to a Resident Holder will effectively retain its character and be treated as such in the hands of the Resident Holder for purposes of the Tax Act. See the discussion under "*Taxation of Capital Gains and Losses*" below.

The non-taxable portion of the High Yield Fund's net realized capital gains that are paid or payable to a Resident Holder in a taxation year will not be included in computing the Resident Holder's income for the year and, where the taxable portion has been designated to the Resident Holder, will not reduce the adjusted cost base of High Yield Fund Units held by the Resident Holder. Any other amount in excess of the net income and net taxable capital gains of the High Yield Fund that is paid or payable, or deemed to be paid or payable, by the High Yield Fund to a Resident Holder in that year will generally not be included in the Resident Holder's income for the taxation year. However, where such an amount is paid or payable to a Resident Holder (other than as proceeds of disposition or deemed disposition of High Yield Fund Units or any part thereof), the Resident Holder will generally be required to reduce the adjusted cost base of the Resident Holder's High Yield Fund Units by that amount. To the extent that the adjusted cost base of a High Yield Fund Unit would otherwise be a negative amount, the absolute value of such negative amount will be deemed to be a capital gain realized by the Resident Holder and the adjusted cost base of the High Yield Fund Unit to the Resident Holder will immediately thereafter be increased to nil. See the discussion under "*Taxation of Capital Gains and Losses*" below.

Disposition of High Yield Fund Units

In general, a disposition or deemed disposition of a High Yield Fund Unit will give rise to a capital gain (or a capital loss) equal to the amount by which the Resident Holder's proceeds of disposition of the High Yield Fund Unit exceed (or are exceeded by) the aggregate of the adjusted cost base of the High Yield Fund Unit to the Resident Holder and any reasonable costs of disposition. The Resident Holder's proceeds of disposition will not include an amount payable by the High Yield Fund that the Resident Holder is otherwise required to include in income, including any capital gain realized by the High Yield Fund in connection with a redemption which the High Yield Fund has allocated to the redeeming Resident Holder. See the discussion under "*Taxation of Capital Gains and Losses*" below.

The adjusted cost base to a Resident Holder of a High Yield Fund Unit acquired under the Plan of Arrangement will be computed as described above under "*High Yield Fund Subscription Election*". The cost to a Resident Holder of additional units received in lieu of a cash distribution of income (including net capital gains) will generally be equal to the amount of the distribution. For the purpose of determining the adjusted cost base to a Resident Holder, when a unit is acquired as capital property, the cost of the newly acquired unit will be averaged with the adjusted cost base of all of the units of the same class owned by the Resident Holder as capital property immediately before the acquisition.

Where the High Yield Fund redeems High Yield Fund Units by distributing notes or other property of the High Yield Fund to a Resident Holder, the Resident Holder will also be required to include in income any taxable capital gains that the High Yield Fund realizes on or in connection with such *in specie* distribution of property and designates to such Resident Holder. The proceeds of disposition to the redeeming Resident Holder will be equal to the fair market value of the notes or other property of the High Yield Fund so distributed less any income or capital gain realized by the High Yield Fund in connection with such redemption. The cost of any property distributed *in specie* by the High Yield Fund to a Resident Holder upon redemption of High Yield Fund Units will be equal to the fair market value of that property at the time

of distribution. The Resident Holder will thereafter be required to include in income interest or other income derived from the property in accordance with the provisions of the Tax Act.

A conversion of High Yield Fund Units into units of another class of the High Yield Fund should not, in itself, result in a disposition for tax purposes and should not change the aggregate adjusted cost base of a Resident Holder's units of the High Yield Fund.

Taxation of Capital Gains and Losses

One-half of any capital gain realized by a Resident Holder on the disposition of a REIT Unit or High Yield Fund Unit (and the amount of any net taxable capital gains designated to such Resident Holder by the REIT in respect of a Unitholder or by the High Yield Fund in respect of a High Yield Fund Unitholder) will be required to be included by the Resident Holder in computing income as a taxable capital gain under the Tax Act and, subject to the detailed rules in the Tax Act, one-half of any capital loss sustained on a disposition of a REIT Unit or High Yield Fund Unit may generally be deducted only from taxable capital gains of the Resident Holder in the year of disposition, in the three preceding taxation years or in any subsequent taxation year, to the extent and under the circumstances described in the Tax Act.

Refundable Tax on Aggregate Investment Income

A Resident Holder that is a "Canadian-controlled private corporation" throughout its taxation year may be liable to pay a refundable tax on its "aggregate investment income", including certain income that the REIT or the High Yield Fund pays or makes payable to the Resident Holder and amounts in respect of net taxable capital gains.

Alternative Minimum Tax

The liability for alternative minimum tax of a Resident Holder who is an individual (including certain trusts) may be increased if the REIT or High Yield Fund designates a portion of its income that it pays or makes payable to the Resident Holder as taxable dividends or net taxable capital gains, or if the Resident Holder realizes a capital gain on the disposition of a REIT Unit or High Yield Fund Unit.

Eligibility for Investment

Provided that on the date of issue of the High Yield Fund Units, the High Yield Fund is a "mutual fund trust" for the purposes of the Tax Act, the High Yield Fund Units will be, on such date, "qualified investments" under the Tax Act for an RRSP, RRIF, RESP, RDSP, TFSA or deferred profit sharing plan (as defined in the Tax Act).

A High Yield Fund Unit that is held by a Registered Plan may nonetheless be a "prohibited investment" (as defined in section 207.01 of the Tax Act) for the Registered Plan, in which case, the holder of, or an annuitant or subscriber under, as the case may be, the Registered Plan may be subject to penalty taxes set out in the Tax Act. A High Yield Fund Unit will generally not be a prohibited investment for a Registered Plan if the holder of, annuitant or subscriber under, as the case may be, the Registered Plan deals at arm's length with the High Yield Fund for purposes of the Tax Act and does not have a "significant interest" (within the meaning of subsection 207.01(4) of the Tax Act) in the High Yield Fund. In addition, a High Yield Fund Unit that is "excluded property" (as defined in section 207.01 of the Tax Act) will not be a prohibited investment for a Registered Plan. Holders of, and annuitants and subscribers under, Registered Plans should consult with their own tax advisors in regard to the application of these rules to their particular circumstances.

Property or notes received as a result of an *in specie* redemption of High Yield Fund Units by the High Yield Fund may not be "qualified investments" for Plans, which may give rise to adverse consequences to any such Plan or the holder, annuitant, beneficiary or subscriber thereof or thereunder. Accordingly, each holder, annuitant, beneficiary or subscriber of or under, as the case may be, a Plan that owns High Yield Fund Units should consult with his or her own advisor before the redemption rights attached to the High Yield Fund Units are exercised.

Taxation of Unitholders - Non-Residents of Canada

This portion of the summary applies only to a Unitholder who, at all relevant times, for purposes of the Tax Act and any applicable income tax convention, (a) is neither resident nor deemed to be resident in Canada, (b) does not use or hold REIT Units or will not use or hold High Yield Fund Units in a business carried on in Canada, and (c) is not a non-resident insurer (a “**Non-Resident Holder**”).

Generally, a REIT Unit or High Yield Fund Unit, as applicable, will not constitute “taxable Canadian property” within the meaning of the Tax Act (“**TCP**”) to a Non-Resident Holder at any particular time provided that the Non-Resident Holder (alone, or in combination with persons with whom the Non-Resident Holder does not deal at arm’s length for purposes of the Tax Act, and/or partnerships in which the holder or such persons hold an interest, directly or through one or more partnerships) has not owned 25% or more of the units of the REIT or High Yield Fund, as applicable, at any particular time during the 60-month period that ends at that time. This portion of the summary applies only to a Non-Resident Holder whose REIT Units or High Yield Fund Units, as applicable, are not TCP.

Non-Resident Holders whose REIT Units or High Yield Fund Units, as the case may be, are TCP should consult their own tax advisors for advice having regard to their particular circumstances, including as to whether their units constitute “treaty-protected property” for purposes of the Tax Act.

Dissenting Unitholders

A Non-Resident Holder who is a Dissenting Unitholder and who is entitled to be paid fair value of the holder’s Dissenting Units will be considered to have disposed of such holder’s Dissenting Units to the REIT in exchange for a right to be paid the fair value of such Dissenting Units, as determined in accordance with the Plan of Arrangement. A Dissenting Unit will be a “Canadian property mutual fund investment” to a Non-Resident Holder. The consequences to a Non-Resident Holder of the disposition of a Unit that is a Canadian property mutual fund investment are described below under “*Redemption of REIT Units*”.

Acquisition of High Yield Fund Units and Transfer of Properties by the REIT to the High Yield Fund

Pursuant to the Plan of Arrangement, each Non-Resident Holder will acquire one High Yield Fund Unit for each REIT Unit held. The High Yield Fund Unit will be acquired by each Non-Resident Holder at a nominal cost.

A Non-Resident Holder will not realize any taxable income or gain solely as a result of the Qualifying Disposition.

In general terms, the adjusted cost bases of REIT Units and High Yield Fund Units to a Non-Resident Holder will be adjusted as a result of the Qualifying Disposition in the manner described above for a Resident Holder under “*Residents of Canada – Acquisition of High Yield Fund Units and Transfer of Properties by the REIT to the High Yield Fund*”. Such adjustments are not expected to have material consequences for Non-Resident Holders.

REIT Distributions

The tax treatment to Non-Resident Holders of any REIT Distributions will be determined in a manner similar to that applicable to other distributions paid or payable by the REIT to Non-Resident Holders.

Non-Resident Holders should consult their own tax advisors for advice having regard to their particular circumstances.

Redemption of REIT Units

All REIT Units, other than those held by Dissenting Unitholders and Benco, will be redeemed in exchange for a cash redemption price per REIT Unit equal to the REIT Redemption Price.

A Non-Resident Holder generally will be subject to Canadian withholding tax under Part XIII.2 of the Tax Act at a rate of 15% (the “**Mutual Fund Withholding Tax**”) on any distribution in respect of a unit of a “mutual fund trust” that is a “Canadian property mutual fund investment” (as each such term is defined in the Tax Act) that is not otherwise subject to income tax under Part I of the Tax Act or withholding tax under Part XIII of the Tax Act. It is uncertain whether a REIT Unit will be a “Canadian property mutual fund investment” to a Non-Resident Holder at the time of redemption. Accordingly, counsel has been advised that the REIT will treat each REIT Unit as a “Canadian property mutual fund investment” and withhold the Mutual Fund Withholding Tax from the redemption proceeds of the REIT Unit. **The REIT will withhold on account of the Mutual Fund Withholding Tax on the entire amount paid to a Non-Resident Holder in connection with the redemption.** A Non-Resident Holder may be able to obtain a refund in respect of its Mutual Fund Withholding Tax payable to the extent that (i) the Non-Resident Holder has “Canadian property mutual fund losses” (within the meaning of the Tax Act), which generally would include any losses realized by the Non-Resident Holder on the disposition of its REIT Unit on the redemption thereof or (ii) the REIT Units are determined not to be Canadian property mutual fund investments. A Non-Resident Holder must file a Canadian federal return of income in prescribed form within the prescribed time in order to obtain such a refund.

Non-Resident Holders should consult their own tax advisors with respect to the tax consequences of a disposition of a REIT Unit on the redemption thereof or as a consequence of the exercise of Dissent Rights.

Non-Resident Holders should consult their own tax and investment advisors, including as to whether to dispose of their REIT Units on the TSX with a settlement date that is prior to the Effective Date.

All-Cash Election

A Non-Resident Holder who makes or is deemed to make the All-Cash Election for the Non-Resident Holder’s High Yield Fund Units to be redeemed for cash will have such High Yield Fund Units redeemed in exchange for a cash redemption price equal to the High Yield Fund Redemption Price.

A Non-Resident Holder who makes the All-Cash Election will be subject to Mutual Fund Withholding Tax on any distribution in respect of a unit of a “mutual fund trust” that is a “Canadian property mutual fund investment” (as each such term is defined in the Tax Act) that is not otherwise subject to income tax under Part I of the Tax Act or withholding tax under Part XIII of the Tax Act. A High Yield Fund Unit will be a “Canadian property mutual fund investment” to a Non-Resident Holder. **Accordingly, a Non-Resident Holder will be subject to the Mutual Fund Withholding Tax on the entire amount paid to the Non-Resident Holder in connection with the redemption.** A Non-Resident Holder may be able to obtain a refund in respect of its Mutual Fund Withholding Tax payable to the extent that the Non-Resident Holder has “Canadian property mutual fund losses” (within the meaning of the Tax Act), which generally would include any losses realized by the Non-Resident Holder on the disposition of its High Yield Fund Unit on the redemption thereof. A Non-Resident Holder must file a Canadian federal return of income in prescribed form within the prescribed time in order to obtain such a refund.

Non-Resident Holders who make the All-Cash Election should consult their own tax advisors with respect to the tax consequences of a disposition of a High Yield Fund Unit on the redemption thereof.

Non-Resident Holders who make the All-Cash Election should consult their own tax and investment advisors, including as to whether to dispose of their REIT Units on the TSX with a settlement date that is prior to the Effective Date.

High Yield Fund Subscription Election

A Non-Resident Holder who validly makes a High Yield Fund Subscription Election to retain the High Yield Fund Units acquired from the REIT and, if applicable, to subscribe for additional High Yield Fund Units will retain the Non-Resident Holder's High Yield Fund Units acquired from the REIT as described above under "Acquisition of High Yield Fund Units and Transfer of Properties by the REIT to the High Yield Fund" and generally acquire each additional High Yield Fund Unit at a cost equal to the amount that the Non-Resident Holder pays to acquire it, being the High Yield Fund Subscription Price. For the purposes of determining the adjusted cost base of High Yield Fund Units acquired by a Non-Resident Holder pursuant to a High Yield Fund Subscription Election, the cost of such High Yield Fund Units will be averaged with the adjusted cost base of all other High Yield Fund Units held as capital property by the Non-Resident Holder immediately before that time.

Non-Resident Holders who wish to make the High Yield Fund Subscription Election and hold High Yield Fund Units should consult their own tax advisors to determine the particular tax effects to them of holding and disposing of High Yield Fund Units.

Consolidation of and Redemption of Fractional High Yield Fund Units

A Non-Resident Holder will not realize any taxable income or gain solely as a result of the Consolidation.

The adjusted cost base of a Non-Resident Holder's Post-Consolidation High Yield Fund Units immediately after the Consolidation will be equal to the adjusted cost base of the Non-Resident Holder's High Yield Fund Units immediately prior to the Consolidation.

Each fraction of a Post-Consolidation High Yield Fund Unit resulting from the Consolidation will be redeemed in exchange for a cash redemption price equal to such fraction multiplied by \$12.50. A Non-Resident Holder who makes the High Yield Fund Subscription Election will be subject to Mutual Fund Withholding Tax on any distribution in respect of a unit of a "mutual fund trust" that is a "Canadian property mutual fund investment" (as each such term is defined in the Tax Act) that is not otherwise subject to income tax under Part I of the Tax Act or withholding tax under Part XIII of the Tax Act. A High Yield Fund Unit will be a "Canadian property mutual fund investment" to a Non-Resident Holder. **Accordingly, a Non-Resident Holder will be subject to the Mutual Fund Withholding Tax on the entire amount paid to the Non-Resident Holder in connection with a redemption of a fraction of a Post-Consolidation High Yield Fund Unit.** A Non-Resident Holder may be able to obtain a refund in respect of its Mutual Fund Withholding Tax payable to the extent that the Non-Resident Holder has "Canadian property mutual fund losses" (within the meaning of the Tax Act), which generally would include any losses realized by the Non-Resident Holder on the disposition of its fraction of a Post-Consolidation High Yield Fund Unit on the redemption thereof. A Non-Resident Holder must file a Canadian federal return of income in prescribed form within the prescribed time in order to obtain such a refund.

Dispositions of REIT Units

A Non-Resident Holder will not be subject to tax under the Tax Act on any capital gain realized on the disposition (or deemed disposition) of REIT Units (including a disposition of REIT Units on the TSX with a settlement date that is prior to the Effective Date).

<p>Non-Resident Holders who dispose of REIT Units on the TSX with a settlement date that is prior to the Effective Date should consult their own tax and investment advisors.</p>
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OTHER TAX CONSIDERATIONS

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

such jurisdictions of owning High Yield Fund Units or any other units of the High Yield Fund upon completion of the Arrangement.

INFORMATION CONCERNING THE REIT

Appendix “G” to this Circular sets forth additional information concerning the REIT.

INFORMATION CONCERNING STARLIGHT AND KINGSETT CAPITAL

Starlight is a privately held Toronto-based, full service, multi-family and commercial real estate investment and asset management company driven by an experienced team of over 200 professionals. Starlight currently manages over \$14 billion of direct real estate as well as real estate investment securities. Investment vehicles include institutional joint ventures, True North Commercial REIT, Starlight U.S. Multi-Family Funds and Starlight Capital Funds. Starlight’s portfolio consists of approximately 43,000 multi-residential units across Canada and the U.S. and over seven million square feet of commercial properties.

KingSett Capital is one of Canada’s leading private equity real estate investment firm. Since 2002, KingSett Capital has raised over \$11 billion of equity and completed \$40 billion of investment transactions on behalf of its funds. Currently, KingSett Capital’s various funds have ownership interests in a \$15 billion portfolio of assets across Canada.

INFORMATION CONCERNING THE HIGH YIELD FUND

The High Yield Fund is a newly-created, “closed-end fund” formed to provide investors with an investment opportunity to indirectly participate in a geographically diversified portfolio comprising of income-producing multi-residential suites, commercial real estate and executives that are currently owned and operated by the REIT located in the Secondary Markets with high corporate demand for housing, with an anchor portfolio leased largely by the federal, provincial and territorial governments as well as credit-rated corporations. The High Yield Fund believes that the multi-residential real estate sector in the Secondary Markets presents an investment opportunity with the potential for competitive risk-adjusted long term returns when compared to other real estate asset classes.

The High Yield Fund is expected to complete the Offering concurrently with the completion of the Arrangement.

The High Yield Fund will target an annual pre-tax distribution yield of 10.5% across all unit classes on gross proceeds received by the High Yield Fund from: (i) the issuance of units pursuant to the Offering, (ii) any concurrent private placements undertaken with the Offering, and (iii) the implied gross proceeds for any High Yield Fund Units issued in exchange for REIT Units pursuant to the Arrangement. This figure will necessarily vary as between classes of units of the High Yield Fund based on the proportionate entitlements of each class of unit issued by the High Yield Fund. The pro rata monthly distribution on the units of the High Yield Fund will commence following the end of the High Yield Fund’s first full operating month after the Effective Date. The first distribution is expected to be paid following the High Yield Fund’s first full month of operations, which is expected to commence following completion of the Offering and Arrangement. The distribution amount per unit High Yield Fund will be determined in accordance with the High Yield Fund Declaration of Trust. The High Yield Fund intends to declare monthly cash distributions no later than seven Business Days prior to the end of each month, payable within 15 days following the end of the month (or the next Business Day if not a Business Day) in which the distribution is declared to High Yield Fund Unitholders as at month-end.

The High Yield Fund’s investment objectives are to:

- indirectly acquire, own and operate a high quality, geographically diversified real estate portfolio exhibiting attractive Capitalization Rates and a significant component of government and credit-rated commercial tenants comprised of income-producing multi-residential suites, commercial real estate and executives, that can achieve stable operating income or increases in operating income as a result of an active asset management strategy and located in the Secondary Markets;

- make stable monthly cash distributions; and
- effect a Recapitalization Event by the Target Recapitalization Date.

The High Yield Fund will be managed by the Manager, a limited partnership formed under the laws of the Province of Ontario and a Subsidiary of Starlight Group, which will be engaged by the High Yield Fund for specified functions in connection with the ownership and operation of the High Yield Fund Properties, in combination with employees of the REIT. Led by a team of industry veterans with a record of creating long-term investor value, Starlight is an experienced multi-residential real estate owner and asset manager. Starlight's principal, Daniel Drimmer, has over 25 years of experience identifying undervalued properties in the multi-residential real estate sector, acquiring such properties and realizing value through individual asset or portfolio sales.

Starlight currently owns and/or manages \$14.0 billion in assets in Canada and the U.S., including 400 properties, approximately 43,000 multi-residential suites (of which approximately 30,000 multi-residential suites are located in Canada spread across five provinces with a current approximate value of \$8.5 billion and of which approximately 13,000 multi-residential suites are located in the U.S. with a current approximate value of \$3.5 billion), and approximately 7,000,000 square feet of commercial space in Canada through various entities (spread across five provinces with a current approximate value of \$2.0 billion), including its partnership with several global institutional investors. Starlight has extensive experience overseeing and working with publicly listed entities and currently provides services to two publicly listed entities: True North Commercial REIT (TSX: TNT.UN) and Starlight U.S. Multi-Family (No. 1) Core Plus Fund (TSX-V: SCPO.UN). Starlight believes it has been among North America's most active real estate investors since its inception in 1995 and employs more than 200 professionals, including more than 125 professionals in Canadian multi-residential real estate with expertise in investments, asset management, finance and legal. Starlight has completed transactions having an aggregate value of over \$25.0 billion, with a transaction volume of approximately 85,000 multi-residential suites with over \$6.0 billion of invested capital.

See Appendix "H" of this Circular for additional information, including risk factors, relating to the High Yield Fund.

RISK FACTORS

Unitholders should carefully consider all of the information disclosed or incorporated by reference in this Circular prior to voting on the matters being put before them at the Meeting. The Consideration provided in the Arrangement includes High Yield Fund Units. Accordingly, a Unitholder who elects to receive High Yield Fund Units will become a unitholder of the High Yield Fund. As a result, such Unitholder will be subject to all of the risks associated with the operations of the High Yield Fund and the High Yield Fund's Subsidiaries and the industry in which such entities operate. The following risk factors are not a definitive list of all risk factors associated with the Arrangement. Additional risks and uncertainties, including those currently unknown or considered immaterial by the REIT, may also adversely affect the completion of the Arrangement and/or the value of the High Yield Fund Units.

See Appendix "H" for more information regarding the High Yield Fund.

Risks Related to the Arrangement

The REIT Has Not Verified the Reliability of the Information Regarding the High Yield Fund Included in, or Which May Have Been Omitted from, this Circular

All historical information regarding the Purchasers, the Guarantors, their affiliates, the High Yield Fund, the Purchaser Debt Financing Sources or the Purchaser Debt financing contained in this Circular has been provided by the Purchasers, unless otherwise indicated. Although management of the REIT has no reason to doubt the accuracy or completeness of the information received, any inaccuracy or material omission in the information provided by the Purchasers for inclusion in this Circular, including the information about or relating to the High Yield Fund contained in this Circular, could result in unanticipated liabilities or expenses,

increase the cost of the Arrangement or adversely affect the operational and development plans and results of operations and financial condition of the REIT.

The Arrangement is Subject to Satisfaction or Waiver of Several Conditions

The Arrangement is Subject to Satisfaction or Waiver of Several Conditions The completion of the Arrangement is subject to a number of conditions precedent, certain of which are outside the control of the REIT. The conditions precedent include receipt of the Final Order, Required CMHC Consents, Required Lender Consents, Unitholder Approval, Competition Act Approval and holders of greater than 5% of the issued and outstanding REIT Units not having exercised Dissent Rights. There can be no certainty, nor can the REIT provide any assurance, if or when these conditions will be satisfied. If the Arrangement is not completed, the current market price of the REIT Units may decline to the extent that the market price reflects the market's assumption that the Arrangement will be completed. If the Arrangement is not completed and the Board decides to seek another transaction, there can be no assurance that the Board will be able to find a party willing to pay consideration for the REIT Units that is equivalent to, or more attractive than, the Consideration payable pursuant to the Arrangement.

Occurrence of a Material Adverse Effect in Respect of the REIT

One of the conditions for the completion of the Arrangement is that no Material Adverse Effect in respect of the REIT will have occurred on or after the date of the Arrangement Agreement. Although a Material Adverse Effect excludes certain events, including events in some cases that are beyond the control of the REIT, there can be no assurance that a Material Adverse Effect in respect of the REIT will not occur prior to the Effective Time. If such a Material Adverse Effect occurs, the Arrangement may not proceed.

Fees, Costs and Expenses of the Arrangement

While the REIT is entitled to reimbursement from the Purchasers in the amount of the Expense Reimbursement Fee, the circumstances under which the REIT would be entitled to the Expense Reimbursement Fee are limited to the Expense Reimbursement Events set out in the Arrangement Agreement.

Market Price of the REIT Units

If, for any reason, the Arrangement is not completed or its completion is materially delayed and/or the Arrangement Agreement is terminated, the market price of the REIT Units may be materially adversely affected. The REIT's business, financial condition or results of operations could be subject to various material adverse consequences, including the REIT's liability for significant costs relating to the Arrangement extending to legal, accounting and printing expenses, among others. Depending on the circumstances in which termination of the Arrangement Agreement occurs, the REIT may also have to pay the Termination Fee.

Payment of the Termination Fee

Each of the REIT and the Purchasers has the right to terminate the Arrangement Agreement in certain circumstances. Accordingly, there is no certainty, nor can the REIT provide any assurance, that the Arrangement Agreement will not be terminated before the completion of the Arrangement. See "*The Arrangement Agreement – Termination Fees Payable by the REIT*" of this Circular for additional information. In the event the Arrangement Agreement is terminated and the Arrangement is not consummated, the REIT may, in certain circumstances, be obligated to pay the Termination Fee to the Purchasers. In addition, the Termination Fee obligations may discourage other parties from participating in an alternative transaction with the REIT even if those parties might be willing to offer greater value to Unitholders than pursuant to the Arrangement.

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

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

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

Until the Arrangement is completed, the Arrangement Agreement restricts the REIT from taking certain specified actions without the consent of the Purchasers. These restrictions may prevent the REIT from pursuing certain business opportunities that may arise prior to the completion of the Arrangement. See “*The Arrangement Agreement – Non-Solicitation Covenants*” of this Circular for additional information.

The REIT’s Trustees and Officers May Have Interests in the Arrangement that are Different from Those of Unitholders

In considering the Arrangement, the unanimous recommendation of the Special Committee and the Board Recommendation, Unitholders should be aware that the executive officers and the Trustees have certain interests in connection with the Arrangement or may receive benefits that may differ from, or be in addition to, the interests of Unitholders generally, which may present them with actual or potential conflicts of interest in connection with the Arrangement. See “*Interest of Certain Persons or Companies in Matters to be Acted Upon*” and “*Principal Legal Matters – Securities Laws Matters – Canada – MI 61-101 Requirements*” of this Circular for additional information.

The Actual Number of High Yield Fund Units Received by a Subscribing Unitholder That Makes a High Yield Fund Subscription Election May Depend on Proration

Pursuant to the Arrangement, Subscribing Unitholders will have the ability to choose for each Eligible Unit held to retain the High Yield Fund Unit purchased pursuant to the Plan of Arrangement and use the redemption proceeds to which they are entitled to in respect of the redemption of that Eligible Unit to purchase Additional High Yield Fund Units. Unitholders’ ability to choose the High Yield Fund Subscription Election is limited by the Maximum Subscription. Once the Maximum Subscription is exceeded, Subscribing Unitholders will be subject to proration and, as a result, will receive fewer High Yield Fund Units and more cash than they elected to receive.

Risks Related to the High Yield Fund

Please see “*Risk Factors*” in Appendix “H” to this Circular for a description of certain risks associated with the business and operations of the High Yield Fund and an investment in High Yield Fund Units.

Risks Relating to the REIT

If the Arrangement is not completed, the REIT will continue to face many of the risks that it currently faces with respect to its business and affairs. These risk factors are further detailed in the REIT’s most recent AIF and Annual MD&A, both filed under the REIT’s public filings on SEDAR (www.sedar.com).

Tax

General Tax Risk Factors

The REIT has not sought or obtained from any tax authority advance confirmation (including an advance income tax ruling from the CRA) of its tax filing positions in connection with the Arrangement. There can be no assurance that the CRA or any other tax authority will not challenge tax positions adopted by the REIT, and such challenges, if successful, could increase the amount of tax payable by the REIT or its affiliates or adversely change the tax consequences applicable to Unitholders. It is possible that the CRA could take positions or adopt interpretations regarding the applicable tax consequences to Unitholders that differ from those set out in this Circular.

Pre-Acquisition Reorganization

The Pre-Acquisition Reorganization is expected to be implemented on a partially or fully tax-deferred basis. Certain actions taken by the Purchasers after completion of the Arrangement (generally within a three-year period) could affect the tax consequences of the Pre-Acquisition Reorganization. In such circumstances, the character of REIT Distributions for Canadian federal income tax purposes could be changed in a manner that is adverse to Unitholders (for example, a greater portion could be treated as ordinary income). Although the Purchasers have agreed not to take any action after completion of the Arrangement that would cause the Pre-Acquisition Reorganization to result in the REIT or any REIT Subsidiary realizing any Recapture Income (except to the extent permitted in the Arrangement Agreement), no assurances can be given that no such action will be taken.

Arrangement Steps

The REIT intends for the Qualifying Disposition to be a “qualifying disposition” for the purposes of section 107.4 of the Tax Act. However, no assurance can be provided in this regard. The REIT has not sought or obtained from any tax authority advance confirmation of such position (including an advance income tax ruling from the CRA), therefore it is possible that such position may be successfully challenged by tax authorities, which could result in materially different tax consequences than those described herein.

The REIT intends to offset (or receive a refund in respect of) its liability for tax on the net realized taxable capital gains arising from the transfer of the Portfolio A Interests and Portfolio B Interests pursuant to section 132 of the Tax Act (the “**REIT Capital Gains Refund**”). There can be no assurance that the REIT Capital Gains Refund will be available to eliminate all or any portion of such tax liability.

Risks Relating to Holding High Yield Fund Units

See Appendix H of this Circular for a discussion of risk factors related to the holding of High Yield Fund Units.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

APPOINTMENT OF THE AUDITOR

The Board and management propose that KPMG LLP be appointed as the auditor of the REIT until the close of the next annual meeting of the Unitholders and that the Board be authorized to fix the remuneration of the auditor pursuant to the Declaration of Trust and on the recommendation of the Audit & Risk Management Committee. KPMG LLP was appointed as auditor of the REIT effective June 29, 2018, replacing the REIT’s former auditors, Deloitte LLP, who resigned effective June 29, 2018.

Be it Resolved by an Ordinary Resolution that:

The Unitholders do hereby appoint KPMG LLP to be appointed as the auditor of the REIT until the close of the next annual meeting of Unitholders.

ELECTION OF TRUSTEES

The Board has adopted a majority voting policy that applies to the Board, and to all future Nominees. Nominees are listed individually on the Proxy and the voting instruction form to allow Unitholders to vote for each Trustee individually. Results of the vote will be disclosed for each Trustee at the Meeting. If a Trustee receives 50% + 1 or more “withheld” votes, such withheld votes will be considered “no” votes and the Trustee will be expected to immediately tender his or her resignation to the Board, which will be referred to the Board or the GC&N Committee for consideration. Upon the recommendations of the GC&N Committee, the Board will accept the resignation unless it is determined that there are extraordinary circumstances relating to the composition of the Board or the voting results that should delay the acceptance of the resignation or, in a rare circumstance, justify rejecting it. The Board will make its decision within 90 days of the Meeting, and the decision and reasons will be made available to the public through a media release. The Board may leave a vacancy on the Board unfilled until the next annual general meeting, fill the vacancy

by appointing a new Trustee whom the Board considers to merit the confidence of the Unitholders, or call a special meeting of Unitholders to consider a new Nominee(s) to fill the vacant position(s). This majority voting policy does not apply in respect of any contested Unitholders' meeting. For the purposes hereof, a contested meeting is any meeting of Unitholders where the number of Trustees nominated for election is greater than the number of seats available on the Board.

The persons named in the enclosed Proxy intend to vote for the election of the proposed Nominees whose names are set out below as Trustees of the REIT, unless the Unitholder who has submitted such Proxy has directed that the REIT Units or Special Voting Units represented thereby be withheld from voting in the election of Trustees. The Board does not contemplate that any of the proposed Nominees will be unable to serve as a Trustee, but if that should occur for any reason prior to the Meeting, it is intended that discretionary authority shall be exercised to vote the REIT Units or Special Voting Units represented by such Proxy for the election of such other person or persons as Trustees nominated in accordance with the Declaration of Trust and the best judgment of the proxyholder named in the Proxy. Each Nominee has informed the REIT that he or she is willing to stand for election and to serve as a Trustee. Each Trustee elected at the Meeting will hold office until the next annual meeting of the REIT or until his or her successor is duly elected or appointed in accordance with the Declaration of Trust.

Pursuant to the Term Limit Policy, Dennis Hoffman's tenure ends in 2020. Notwithstanding the Term Limit Policy, Mr. Hoffman has been nominated as a Trustee to complete the Arrangement. If the Arrangement is not completed for any reason, Mr. Hoffman intends to resign from the Board in accordance with the Term Limit Policy.

Detailed information on the Nominees can be found under the heading "*Election of Trustees - Trustee Biographies*". These pages set forth the names of the persons proposed for nomination for election as Trustees, whether each Nominee is an "independent" Trustee (as that term is defined in NI 52-110 for the purposes of the Audit & Risk Management Committee members and as that term is defined in NI 58-101 for all other Trustees), the number of REIT Units or Special Voting Units beneficially owned or over which control or direction, directly or indirectly, is exercised by each person, their respective principal occupations, and the year each of them became a Trustee.

Be it Resolved by Separate Ordinary Resolutions that:

The Unitholders do hereby appoint each of the Nominees disclosed in the Circular delivered in advance of the 2020 annual meeting of Unitholders, to act as Trustees until the close of the next annual meeting of Unitholders.

EXECUTIVE COMPENSATION ADVISORY VOTE

The Board, on the recommendation of the GC&N Committee, has determined that Unitholders should have the opportunity to fully understand the objectives, philosophy and principles the Board has used in its approach to executive compensation decisions and to have a non-binding advisory vote on the Board's approach to executive compensation. As a Unitholder, you have the opportunity to vote "For" or "Withhold" on the REIT's approach to executive compensation through the following resolution. Further details on the details on this approach can be found under the heading "*Executive Compensation Discussion and Analysis*".

Be it Resolved by an Ordinary Resolution that:

On an advisory basis and not to diminish the role and responsibilities of the Board, that the Unitholders accept the approach to executive compensation disclosed in the Circular delivered in advance of the 2020 annual meeting of Unitholders.

RECOMMENDATIONS OF MANAGEMENT OF THE TRUST

Management recommends that Unitholders vote **FOR**: (i) the appointment of KPMG LLP as the auditor of the REIT with remuneration to be fixed by the Trustees; (ii) the election for the ensuing year of the individuals who have been proposed by the Board for nomination for election as Trustees of the REIT; and (iii) the acceptance on an advisory basis of the approach to executive compensation.

In the absence of clear instructions to the contrary, REIT Units or Special Voting Units represented by Proxies received by management will be voted on any ballot FOR the Northview General Meeting Matters.

ELECTION OF TRUSTEES

TRUSTEE BIOGRAPHIES

Scott Thon, P.Eng., ICD.D

Independent Trustee, Chairman



Age: 56
Calgary, Alberta,
Canada

Trustee since 2015
Tenure ends 2025

**2019 Board &
Committee
Attendance
100%⁽¹⁾**

Principal Occupation: President & CEO of AltaLink L.P., Alberta's largest regulated electricity transmission company, since 2002, and President of Berkshire Hathaway Energy Canada since 2014. Mr. Scott Thon has held a variety of senior positions in the electricity industry, from operations to competitive market design and global power development. In 2013, Bow Valley College awarded Mr. Thon their Distinguished Citizen Award, honouring his commitment to the College. He was recognized by the Calgary Chamber of Commerce in 2011 for his business and community leadership with the Sherrold Moore Award.

Mr. Thon is a registered Professional Engineer with a Bachelor of Science in Electrical Engineering from the University of Saskatchewan. He is also a graduate of the Executive Program from the University of Western Ontario's Richard Ivey School of Business. Mr. Thon is a member of the Institute of Corporate Directors.

Areas of Expertise

Financial Acumen
Corporate Governance
Human Resource
Development
Enterprise Leadership
Capital Markets

Current Directorships

Private Company Directorships

- AltaLink L.P., CEO & board member (2013-present)

Non-Profit Directorships

- ABC Benefits Corporation (Alberta Blue Cross), Board Chair (2012-present)
- Canadian Electricity Association, past chair (2015-present)
- Calgary Stampede Foundation, board member (2018-present)
- Southern Alberta Institute of Technology, Board Chair (2019-present)
- Canadian Athletic Foundation (2012-present)

Directorships (past 5 years)

Non-Profit Directorships

Calgary Bid Exploration Committee, vice chair (2016-2017)

Voting Results of 2019 Annual General Meeting

Votes For

39,462,765 (99.86%)

Votes Withheld

54,299 (0.14%)


Securities Held as at April 3, 2020

REIT Units and Special Voting Units (#)	Deferred Unit Plan (#)	Total REIT Units including Special Voting Units and Deferred Unit Plan (#)	Total REIT Units including Special Voting Units and Deferred Unit Plan ⁽²⁾	Minimum Ownership Guidelines	Meets Requirements
-	19,841	19,841	\$620,031	\$405,000	Yes

⁽¹⁾ Committee membership and attendance details can be found under the heading "Election of Trustees - Attendance Record for Board of Trustees and Committee Meetings of the REIT".

⁽²⁾ Securities held as at April 3, 2020, at a market value of \$31.25 per REIT Unit

Todd R. Cook, CPA, CA, ICD.D Trustee, President & CEO

	Age: 53 Calgary, Alberta, Canada Trustee since 2014	Principal Occupation: President and CEO of the REIT. Mr. Todd Cook has been employed at the REIT since 2006, in a variety of senior finance and operations roles, and prior to his appointment as CEO in 2014, he acted as President & COO. Mr. Cook was previously the treasurer of Calgary-based TGS North American REIT from its IPO until 2004 when he was appointed as CFO, until its acquisition by Great-West Life Assurance Company in 2006.
	2019 Board & Committee Attendance 100% ⁽¹⁾	Mr. Cook is a Chartered Professional Accountant and holds a Bachelor of Administration from the University of Regina. Mr. Cook is a member of the Institute of Corporate Directors.

Areas of Expertise	Current Directorships
Real Estate/Construction Financial Acumen Corporate Governance Human Resource Development Enterprise Leadership Capital Markets	Non-Profit Directorships <ul style="list-style-type: none"> Habitat for Humanity Southern Alberta (2005-2019)

Voting Results of 2019 Annual General Meeting	
Votes For	Votes Withheld
39,011,930 (98.69%)	505,134 (1.31%)

Securities Held as at April 3, 2020					
REIT Units and Special Voting Units (#)	Unvested LTI Units (#) ⁽²⁾	Total REIT Units including Special Voting Units and unvested LTI (#)	Total REIT Units including Special Voting Units and unvested LTI ⁽³⁾	Minimum Ownership Guidelines	Meets Requirements
110,964	59,826	170,790	\$5,337,188	\$1,692,000	Yes

Notes:

- (1) Committee membership and attendance details can be found under the heading “*Election of Trustees - Attendance Record for Board of Trustees and Committee Meetings of the REIT*”.
- (2) Mr. Cook is employed as President & CEO of the REIT, and as such is not entitled to Trustee compensation, including awards of Deferred Units granted under the REIT’s Deferred Unit Plan. As an executive, he is eligible to earn equity-based compensation under the Unit Award Plan which is further detailed under the heading “*Elements of Compensation*”.
- (3) Securities held as at April 3, 2020, at a market value of \$31.25 per REIT Unit.



Age: 47

Toronto,
Ontario,
CanadaTrustee Since
2015**2019 Board &
Committee
Attendance**100%⁽¹⁾⁽²⁾

Principal Occupation: President & CEO, Starlight

Mr. Daniel Drimmer is the founder, President & CEO of Starlight, a Canadian real estate asset management company focused on the acquisition, ownership and management of commercial and residential properties across Canada and the US, with a portfolio of over 7.0 million square feet in commercial properties and approximately 43,000 residential rental units. Mr. Drimmer is also the founder, President & CEO of True North Commercial REIT, the founder, a director and CEO of Starlight U.S. Multi-Family (No. 1) Core Plus Fund, and the founder of Starlight Capital. Mr. Drimmer was previously a director and CEO of the general partner of Starlight U.S. Multi-Family (No. 1) Value-Add Fund and a director and CEO of the respective general partner of Starlight U.S. Multi-Family (No. 5) Core Fund and its predecessors. Over the last ten years, Mr. Drimmer has completed more than \$25 billion worth of acquisition and disposition transactions in commercial and residential real estate. Mr. Drimmer obtained a Bachelor of Arts degree from the University of Western Ontario and both a Master of Business Administration degree and a Master's degree in Contemporary European Policy Making from European University in Geneva, Switzerland.

Areas of Expertise

Real Estate/Construction
Financial Acumen
Corporate Governance
Human Resource
Development
Enterprise Leadership
Capital Markets

Current Directorships**Public Company Directorships**

- Starlight U.S. Multi-Family (No. 1) Core Plus Fund (2019-present)
- True North Commercial REIT (TSX), board chair (2012-present)

Previous Directorships (past 5 years)**Public Company Directorships**

- Starlight Hybrid Global Real Assets Trust (NEO) (2018-2019)
- Starlight U.S. Multi-Family (No.1) Value Add Fund (TSX-V) (2017–2020)
- Starlight U.S. Multi-Family (No.5) Core Fund (TSX-V) (2016-2019)
- Starlight U.S. Multi-Family (No.4) Core Fund (2015-2016)
- Starlight U.S. Multi-Family (No.3) Core Fund (2014-2016)
- Campar Capital Corporation (2014-2016)
- Starlight U.S. Multi-Family Core Fund (2013-2016)
- Starlight U.S. Multi-Family (No.2) Core Fund (2013-2016)
- True North Apartment REIT, chair (2012-2015)

Private Company Directorships

- Mortgage Company of Canada (2014-2016)

Voting Results of 2019 Annual General Meeting**Votes For**

37,443,093 (94.64%)

Votes Withheld

2,073,971 (5.36%)

Securities Held as at April 3, 2020

REIT Units and Special Voting Units (#)	Deferred Unit Plan (#)	Total REIT Units including Special Voting Units and Deferred Unit Plan (#)	Total REIT Units including Special Voting Units and Deferred Unit Plan ⁽³⁾	Minimum Ownership Guidelines	Meets Requirements
9,040,032	12,602	9,052,634	\$282,894,813	\$270,000	Yes

Notes:

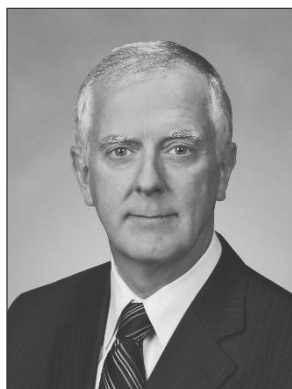
⁽¹⁾ Committee membership and attendance details can be found under the heading "Election of Trustees - Attendance Record for Board of Trustees and Committee Meetings of the REIT".

⁽²⁾ Mr. Drimmer recused himself from Special Board Meetings of the Board due to a conflict of interest.

⁽³⁾ Securities held as at April 3, 2020, at a market value of \$31.25 per REIT Unit.

Kevin Grayston, CPA, CA, ICD.D

Independent Trustee, Chair of Governance, Compensation & Nomination Committee



Age: 64

North Vancouver,
British Columbia,
Canada

Trustee since 2014
Tenure ends 2024

**2019 Board &
Committee
Attendance**

100%⁽¹⁾

Principal Occupation: Corporate Director

Mr. Kevin Grayston held the position of Principal of K. Grayston Consulting Ltd. until his retirement in 2014. He has had a 30 year career in Senior Finance, Operations and Human Resource roles, including 13 years at Canadian Airlines International Ltd. where he served as the Senior Vice President for Corporate Services, and 10 years as Executive Vice President & CFO at Canadian Hotel Income Properties Real Estate Investment Trust.

Mr. Grayston is a Chartered Professional Accountant and holds a Bachelor of Commerce from the University of British Columbia. Mr. Grayston is a member of the Institute of Corporate Directors.

Areas of Expertise

Real Estate/Construction
Financial Acumen
Corporate Governance
Human Resource
Development
Enterprise Leadership
Capital Markets

Previous Directorships (past 5 years)

Public Company Directorships

- American Hotel Income Properties REIT LP (TSX), audit committee chair (2013-2017)

Private Company Directorships

- K. Grayston Consulting Ltd., principal (2010-2014)
- NorSerCo Inc. (2011-2014)

Non-Profit Directorships

- Benevolent Fund, Institute of Chartered Accounts of British Columbia (2010-2016)

Voting Results of 2019 Annual General Meeting

Votes For

39,376,025 (99.64%)

Votes Withheld

141,039 (0.36%)

Securities Held as at April 3, 2020


REIT Units and Special Voting Units (#)	Deferred Unit Plan (#)	Total REIT Units including Special Voting Units and Deferred Unit Plan (#)	Total REIT Units including Special Voting Units and Deferred Unit Plan ⁽²⁾	Minimum Ownership Guidelines	Meets Requirements
3,971	10,396	14,367	\$448,969	\$270,000	Yes

Notes:

⁽¹⁾ Committee membership and attendance details can be found under the heading “*Election of Trustees - Attendance Record for Board of Trustees and Committee Meetings of the REIT*”.

⁽²⁾ Securities held as at April 3, 2020, at a market value of \$31.25 per REIT Unit.

Dennis J. Hoffman, FCPA, FCA, ICD.D
Lead Independent Trustee, Chair of Audit & Risk Management Committee and Chair of Special Committee

	Age: 73 Calgary, Alberta, Canada Trustee since 2005 Tenure ends 2020 ⁽¹⁾	Principal Occupation: Corporate Director Mr. Dennis Hoffman held the position of office managing partner and member of the Canadian Leadership Group from PricewaterhouseCoopers LLP, until his retirement in 2005, after more than 35 years in public practice. Mr. Hoffman is a Chartered Professional Accountant and possesses a Bachelor of Commerce and a Bachelor of Science from the University of Saskatchewan. Mr. Hoffman is a member of the Institute of Corporate Directors.
	2019 Board & Committee Attendance 100%⁽²⁾	


Areas of Expertise	Previous Directorships (past 5 years)
Real Estate/Construction Financial Acumen Corporate Governance Human Resource Development Enterprise Leadership	Public Company Directorships <ul style="list-style-type: none"> Mullen Group Ltd. (TSX), governance, audit & risk management committees (2005-2017) Rocky Mountain Dealerships (TSX), governance, audit & risk management committees (2007-2017) Non-Profit Directorships <ul style="list-style-type: none"> University of Calgary, finance and property committee member (2011-2015)

Voting Results of 2019 Annual General Meeting	
Votes For	Votes Withheld
38,655,548 (97.82%)	861,516 (2.18%)

Securities Held as at April 3, 2020					
REIT Units and Special Voting Units (#)	Deferred Unit Plan (#)	Total REIT Units including Special Voting Units and Deferred Unit Plan (#)	Total REIT Units including Special Voting Units and Deferred Unit Plan ⁽³⁾	Minimum Ownership Guidelines	Meets Requirements
18,100	10,396	28,496	\$890,500	\$270,000	Yes

Notes:

- (1) Notwithstanding the Term Limit Policy, Mr. Hoffman has been nominated as a Trustee to complete the Arrangement. If the Arrangement does not close, Mr. Hoffman intends to resign from the Board in accordance with the Term Limit Policy.
- (2) Committee membership and attendance details can be found under the heading "Election of Trustees - Attendance Record for Board of Trustees and Committee Meetings of the REIT".
- (3) Securities held as at April 3, 2020, at a market value of \$31.25 per REIT Unit.

	Age: 61 Calgary, Alberta, Canada Trustee since 2012 Tenure ends 2022	Principal Occupation: Corporate Director. Ms. Christine McGinley held the position of Senior Vice President, Operations for Canwest Broadcasting, a division of Canwest until her retirement in 2010. She has over 25 years of senior management experience specializing in the areas of operations, technology and finance.
	2019 Board & Committee Attendance 100%⁽¹⁾	Ms. McGinley is a Chartered Professional Accountant and graduated from the University of Alberta with a Bachelor of Commerce. Ms. McGinley is a member of the Institute of Corporate Directors.

Areas of Expertise	Current Directorships
Financial Acumen Corporate Governance Human Resource Development Enterprise Leadership Capital Markets	Public Company Directorships <ul style="list-style-type: none"> Mullen Group Ltd. (TSX), member of compensation, nomination & corporate governance committee, and audit committee (2017-present) DIRTT Environmental Solutions (TSX, NASDAQ), audit committee chair, governance committee member (2013-present) Non-Profit Directorships <ul style="list-style-type: none"> Blue Cross Life Insurance Company of Canada, vice chair (2017-present) ABC Benefits Corporation (Alberta Blue Cross), audit committee chair (2013-present)
	Previous Directorships (past 5 years)
	Private Company Directorships <ul style="list-style-type: none"> Tbaytel, Director on the Municipal Service, audit committee chair and member of the HRC committee (2011-2016) Canada Health Infoway, vice chair, member of human resources and compensation committee, and finance, investment and audit committee chair (2011-2018)

Voting Results of 2019 Annual General Meeting

Votes For	Votes Withheld
39,447,149 (99.82%)	69,915 (0.18%)

Securities Held as at April 3, 2020

REIT Units and Special Voting Units (#)	Deferred Unit Plan (#)	Total REIT Units including Special Voting Units and Deferred Unit Plan (#)	Total REIT Units including Special Voting Units and Deferred Unit Plan ⁽²⁾	Minimum Ownership Guidelines	Meets Requirements
3,731	10,396	14,127	\$441,469	\$270,000	Yes

Notes:

⁽¹⁾ Committee membership and attendance details can be found under the heading "Election of Trustees - Attendance Record for Board of Trustees and Committee Meetings of the REIT".

⁽²⁾ Securities held as at April 3, 2020, at a market value of \$31.25 per REIT Unit.

Terrance L. McKibbon, ICD.D

Independent Trustee



Age: 57
 Canmore, Alberta,
 Canada
 Trustee since 2015
 Tenure ends 2025

**2019 Board &
 Committee
 Attendance**

96%⁽¹⁾

Principal Occupation: President and CEO of Bird Construction Inc., one of Canada's leading construction contractors. Prior to becoming President and CEO, he held the position of Chief Operating Officer of Bird Construction for two years. Mr. Terrance McKibbon has over 35 years' experience in the construction industry, where he is recognized for his strategic capabilities, dedication and operational excellence. Prior to joining Bird Construction, Mr. McKibbon spent two decades holding senior management and executive positions with Aecon Group Inc., a national Canadian contractor, including the roles of Chief Operating Officer, President and CEO. Mr. McKibbon is certified by the Canadian Construction Association as a Gold Seal Project Manager. He attended Carleton University where he studied geology as well as integrated science and economics programs. Mr. McKibbon is a member of the Institute of Corporate Directors.


Areas of Expertise	Current Directorships
Real Estate/Construction Financial Acumen Corporate Governance Human Resource Development Enterprise Leadership Capital Markets	Public Company Directorships <ul style="list-style-type: none"> Bird Construction Inc. (TSX), director, president (2019-present)
	Previous Directorships (past 5 years)
	Public Company Directorships <ul style="list-style-type: none"> Aecon Group Inc. (TSX) director, president (2014–2015) Non-Profit Directorships <ul style="list-style-type: none"> Operating Engineers Local 793 Training Fund (2004-2015)

Voting Results of 2019 Annual General Meeting	
Votes For	Votes Withheld
39,391,716 (99.68%)	125,348 (0.32%)

Securities Held as at April 3, 2020					
REIT Units and Special Voting Units (#)	Deferred Unit Plan (#)	Total REIT Units including Special Voting Units and Deferred Unit Plan (#)	Total REIT Units including Special Voting Units and Deferred Unit Plan ⁽²⁾	Minimum Ownership Guidelines	Meets Requirements
-	11,217	11,217	\$350,531	\$270,000	Yes

Notes:

- ⁽¹⁾ Committee membership and attendance details can be found under the heading "Election of Trustees - Attendance Record for Board of Trustees and Committee Meetings of the REIT".
- ⁽²⁾ Securities held as at April 3, 2020, at a market value of \$31.25 per REIT Unit.

Valéry Zamuner, LLB, MBA		Independent Trustee			
	Age: 45 Montréal, Quebec, Canada Trustee since 2018 Tenure ends 2028	Principal Occupation: Vice-President, General Counsel and Corporate Secretary of Alimentation Couche-Tard Inc. Ms. Zamuner has more than 20 years of experience in international and domestic mergers and acquisitions for public and private companies. Before joining Alimentation Couche-Tard, she acted as an independent advisor in mergers, acquisitions and strategic initiatives and prior to that she held the positions of Senior Vice-President of Mergers, Acquisitions & Strategic Initiatives for Stingray Inc. and Executive Vice President, Mergers & Acquisitions and Chief Legal Officer and Corporate Secretary of WSP Global Inc. Ms. Zamuner also served as the Vice President, Legal Affairs for Consolidated Thompson Iron Mines from 2009 to 2011. Ms. Zamuner holds a Bachelor of Laws degree from Laval University and an MBA from the John Molson School of Business (Concordia University). She is a member of the Quebec Bar.			
	2019 Board & Committee Attendance 100%⁽¹⁾				
Areas of Expertise		Previous Directorships (past 5 years)			
Financial Acumen Corporate Governance Human Resource Development Enterprise Leadership Capital Markets		<ul style="list-style-type: none"> None 			
Voting Results of 2019 Annual General Meeting					
Votes For			Votes Withheld		
39,456,669 (99.84%)			60,395 (0.16%)		
Securities Held as at April 3, 2020					
REIT Units and Special Voting Units (#)	Deferred Unit Plan (#)	Total REIT Units including Special Voting Units and Deferred Unit Plan (#)	Total REIT Units including Special Voting Units and Deferred Unit Plan ⁽²⁾	Minimum Ownership Guidelines	Meets Requirements
-	2,912	2,912	\$91,000	\$270,000	Yes ⁽³⁾

Notes:

- (1) Committee membership and attendance details can be found under the heading “*Election of Trustees - Attendance Record for Board of Trustees and Committee Meetings of the REIT*”.
- (2) Securities held as at April 3, 2020, at a market value of \$31.25 per REIT Unit.
- (3) Ms. Zamuner has until 2023 to meet ownership guidelines outlined under the heading “*Elements of Compensation – Unit Ownership Guidelines*”.

ADDITIONAL DISCLOSURE RELATED TO TRUSTEES

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

- (a) Other than as disclosed below, none of the proposed Nominees:
 - (i) are, as at the date of this Circular, or have been, within ten years before the date of this Circular, a trustee, director, CEO or CFO of any company (including the REIT) that,
 - (ii) was subject to an order that was issued while the proposed Trustee was acting in the capacity as Trustee, CEO or CFO, or (ii) was subject to an order that was issued after the proposed Trustee ceased to be a Trustee, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as Trustee, CEO or CFO;
- (b) are, as at the date of this Circular, or has been within ten years before the date of this Circular, a Trustee or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or Trustee appointed to hold its assets; or
- (c) have, within the ten years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or Trustee appointed to hold the assets of the proposed Trustee.

Christine McGinley was the Senior Vice-President, Operations of Canwest when Canwest, its principal operating subsidiary, Canwest Media Inc. and certain other related entities (including the over-the-air networks, specialty cable channels and the National Post) voluntarily filed for creditor protection from bankruptcy under the CCAA and successfully obtained an order from the Ontario Superior Court of Justice (Commercial Division) to commence proceedings under the CCAA on October 6, 2009. Canwest successfully emerged from CCAA in October 2010 and was acquired by Shaw Communications Inc.

In addition, none of the proposed Nominees have been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable Unitholder in deciding whether to vote for a Nominee as Trustee.

MANDATE OF THE BOARD OF TRUSTEES

The Board has adopted a formal mandate, a copy of which is attached as Appendix “M” to this Circular.

BOARD COMPOSITION AND INDEPENDENCE

Since the 2019 AGM, the Board has been composed of eight (8) members, of which six (6) members are independent as defined by NI 58-101 and NI 52-110. The independent members are Scott Thon, Kevin Grayston, Dennis Hoffman, Christine McGinley, Terrance McKibbin and Valéry Zamuner. The non-independent members are Todd Cook, President & CEO of the REIT, and Daniel Drimmer, who beneficially owns or controls, in aggregate, more than 10% of the issued and outstanding REIT Units and Special Voting Units. The Board has four committees, the GC&N Committee, the Audit & Risk Management Committee, the Investment Committee, and the Special Committee (collectively, the “**Committees**”). During 2019, the

Board held Special Board Meetings. The Board Chair and each committee chair is an independent Trustee. The Audit & Risk Management Committee and the GC&N Committee is mandated to be comprised entirely of independent Trustees. The Investment Committee is mandated to be comprised of a majority of independent Trustees, which is further detailed under the heading “*Investment Committee*”. The Special Committee was comprised entirely of independent Trustees. To ensure appropriate stewardship of the REIT, the Board and each committee met independently of management during in camera sessions at each regularly scheduled meeting unless management was requested to be present. During 2019, the Board and Committees met as follows:

	Meetings Held	Meetings Held Independent of Management or with In-Camera Sessions
Board of Trustees – Regular Meetings	6	6
Board of Trustees – Special Board Meetings	9	9
Audit & Risk Management Committee	4	4
GC&N Committee	5	5
Investment Committee	3	3
Special Committee	12	12

POSITION DESCRIPTIONS

The Board has developed written position descriptions for the Chair, the committee chairs, and the President & CEO, which are available on the REIT’s website at www.northviewreit.com.

AUDIT & RISK MANAGEMENT COMMITTEE

The Audit & Risk Management Committee of the REIT is made up of three independent Trustees: Dennis Hoffman, FCPA, FCA, ICD.D (Chair), Christine McGinley, CPA, CA, ICD.D and Kevin Grayston, CPA, CA, ICD.D. The Audit & Risk Management Committee is primarily responsible for recommendations to the Board for public release of financial information and to ensure that external audits are independent, appropriate in scope and extent, properly planned and conducted effectively.

More detailed information related to the Audit & Risk Management Committee of the Trustees can be found in the REIT’s Annual Information Form for the year ended December 31, 2019 under the heading “*Audit and Risk Management Committee*”.

INVESTMENT COMMITTEE

The Investment Committee of the REIT is made up four Trustees, of which three are independent: Christine McGinley, CPA, CA, ICD.D, (Chair), Terrance McKibbon, ICD.D., Valéry Zamuner, LLB, MBA and Daniel Drimmer. Kevin Grayston, CPA, CA, ICD.D stepped down from the Investment Committee after the May meeting and Valéry Zamuner joined the Investment Committee as the third independent member. The Investment Committee is responsible for reviewing and approving potential investment transactions up to certain limits defined in the Mandate of the Investment Committee, including proposed acquisitions and dispositions of properties, borrowing (including the assumption or granting of any mortgage), and reviewing such matters and questions relating to investment as the Board may see fit. The Mandate of the Investment Committee is available on the REIT’s website at www.northviewreit.com.

GOVERNANCE, COMPENSATION & NOMINATION COMMITTEE

The GC&N Committee is made up entirely of independent Trustees, specifically:

- Mr. Kevin Grayston, CPA, CA, ICD.D, (Chair) semi-retired businessman, with a 30-year career in real estate and transportation industries in both the public and private sector. Mr. Grayston has also received formal training through the Institute of Corporate Directors in obtaining the ICD.D designation.

- Mr. Dennis Hoffman, FCPA, FCA, ICD.D, retired office managing partner and member of the Canadian Leadership Group from PricewaterhouseCoopers LLP, with more than 35 years in public practice. Mr. Hoffman has also received formal training through the Institute of Corporate Directors in obtaining the ICD.D designation.
- Mr. Terrance McKibbon, ICD.D, President and Chief Executive Officer of Bird Construction Ltd, with over 30 years extensive experience in his career spanning executive operations and senior management, which has included oversight of corporate compensation programs. Mr. McKibbon has also received formal training through the Institute of Corporate Directors in obtaining the ICD.D designation.
- Ms. Valéry Zamuner, LLB, MBA, Vice-President, General Counsel and Corporate Secretary of Alimentation Couche-Tard Inc., with more than 20 years' experience in international and domestic mergers and acquisitions for public and private companies.

The members of the GC&N Committee are resident Canadians who are not officers or employees of the REIT and are "independent" as defined by NI 58-101 and NI 52-110. The Mandate of the GC&N Committee is available on the REIT's website at www.northviewreit.com.

The GC&N Committee is responsible for developing and recommending to the Board, corporate governance guidelines applicable to the REIT for:

- Reviewing the guidelines at least annually and recommending to the Board any changes to the guidelines which it considers appropriate;
- Reviewing disclosure with respect to the REIT's system of governance required by applicable corporate and securities laws or stock exchange requirements before such disclosure is submitted to the Board for its approval;
- Making recommendations to the Board regarding disclosure policies with respect to matters not covered by mandated financial disclosure; and
- Reviewing the corporate governance sections of the information proxy circulars and annual information forms.

The GC&N Committee also reviews and recommends for Board approval:

- Board renewal;
- Trustee nomination process;
- Trustee committee appointments;
- Trustee orientation and education program;
- Board and committee mandates, on an annual basis;
- Policies, e.g., Code of Conduct and Business Ethics, Disclosure Policy, on an annual basis;
- Trustee self-evaluation process on an annual basis;
- Trustee compensation;
- Management succession; and

- Compensation and incentive structure of management. For further detail please refer to Executive Compensation Discussion and Analysis.

The Board recognizes the importance of appointing knowledgeable and experienced individuals to the GC&N Committee who have significant experience as leaders of complex organizations and through their prior and current membership on the GC&N Committee.

To provide clear guidance to all stakeholders and to ensure that the highest standards of corporate governance are adhered to, the REIT has adopted the following policies, which are available on the REIT's website at www.northviewreit.com:

- The Code
- Whistleblower Policy
- Declaration of Trust
- Disclosure Policy
- Privacy Policy
- Majority Voting Policy
- Term Limit Policy
- Diversity Policy
- Reimbursement of Annual and Long-Term Incentive Compensation ('Clawback') Policy
- Board Chair Position Description
- CEO Position Description

The Code sets out the principles that guide the behaviour of the REIT's Trustees, officers and employees. The Code deals with matters such as conflicts of interest, protection and proper use of assets, confidentiality of information, compliance with laws and regulations, reporting of illegal or unethical behaviour and fair dealing with the Unitholders, the REIT's competitors and employees. The GC&N Committee reviews compliance with the Code and ensures that management's systems to disclose and enforce the Code are satisfactory.

A Trustee or member of senior management of the REIT must disclose in writing, the nature and extent of any interest they have in an actual or proposed material contract or material transaction. A Trustee who has made such disclosure shall not vote on any resolution to approve the contract or transaction unless it relates primarily to his or her remuneration as a Trustee or is for indemnity or insurance. Monitoring of accounting, internal controls and auditing matters, as well as violations of the law, the Code and other policies occur through the reporting methods provided for in the REIT's Whistleblower Policy.

SPECIAL COMMITTEE

On October 2, 2019, the REIT received a proposal from the Transaction Proponents to acquire all of the outstanding REIT Units. As Mr. Drimmer, through Starlight and its affiliates, is the REIT's largest Unitholder, beneficially owning approximately 13.4% of the issued and outstanding REIT Units, and Mr. Drimmer serves as a Trustee of the REIT, the Arrangement, if consummated, will constitute a "business combination" for purposes of MI 61-101. On October 2, 2019, the Board of Trustees determined it was in the best interests of the REIT to form the Special Committee which was delegated authority to, among other things, review and evaluate the terms of the initial and subsequent proposals received from the Purchasers, make

recommendations to the Board in respect of such proposals, negotiate the terms of any transaction, and supervise the preparation of a formal valuation of the fair market value of the REIT Units in accordance with MI 61-101. The Special Committee was comprised of three independent Trustees: Dennis Hoffman, FCPA, FCA, ICD.D (Chair), Kevin Grayston, CPA, CA, ICD.D and Valéry Zamuner, LLB, MBA.

ATTENDANCE RECORD FOR BOARD OF TRUSTEES AND COMMITTEE MEETINGS OF THE REIT

During the financial year ended December 31, 2019: (i) the Board held 6 regular meetings and 9 Special Board Meetings; (ii) the Audit & Risk Management Committee held 4 meetings; (iii) the GC&N Committee held 5 meetings; (iv) the Investment Committee held 3 meetings; and (v) the Special Committee held 12 meetings.

Attendance at such meetings by the Trustees was as follows:

Trustee	Board		Committees ⁽¹⁾				Total Attendance
	Regular	Special	Audit & Risk Management	Governance, Compensation & Nomination	Investment	Special	
Todd Cook	6 of 6	9 of 9	n/a	n/a	n/a	n/a	100%
Daniel Drimmer ⁽²⁾	6 of 6	n/a	n/a	n/a	3 of 3	n/a	100%
Kevin Grayston ⁽³⁾	6 of 6	9 of 9	4 of 4	5 of 5	2 of 2	12 of 12	100%
Dennis Hoffman	6 of 6	9 of 9	4 of 4	5 of 5	n/a	12 of 12	100%
Christine McGinley	6 of 6	9 of 9	4 of 4	n/a	3 of 3	n/a	100%
Terrance McKibbon	6 of 6	9 of 9	n/a	5 of 5	2 of 3	n/a	96%
Valéry Zamuner ⁽⁴⁾	6 of 6	9 of 9	n/a	5 of 5	1 of 1	12 of 12	100%
Scott Thon ⁽⁵⁾	6 of 6	9 of 9	n/a	n/a	n/a	n/a	100%

Notes:

- (1) Other Trustees attended some Audit & Risk Management Committee, GC&N Committee, Investment Committee and Special Committee meetings as guests. All guests were excused from in camera sessions of the Committees.
- (2) Mr. Drimmer recused himself from Special Board Meetings of the Board due to a conflict of interest.
- (3) Kevin Grayston stepped down from the Investment Committee after the May meeting.
- (4) Valéry Zamuner joined the Investment Committee after the May meeting and has attended all Investment Committee meetings since her appointment.
- (5) Scott Thon attended some Audit & Risk Management Committee, GC&N Committee, Investment Committee and Special Committee meetings in his capacity as Board Chair.

BOARD RENEWAL

The REIT believes that the composition of the Board should reflect a balance between experience, learning and the need for fresh perspective, to ensure a balance between continuity and renewal at the Trustee level. The GC&N Committee carries out annual internal performance discussions to consider the retention or replacement for each individual. In 2014, the GC&N Committee recommended the Term Limit Policy be put in place with mandatory term limits. The Board approved the Term Limit Policy whereby the founding Trustees and those appointed during or prior to 2010 may serve up to 15 years on the Board, and Trustees appointed on or after 2010 may serve up to 10 years on the Board. The Term Limit Policy was amended in November 2017 to state that the President & CEO may continue to serve on the Board of Trustees during their tenure, and that Trustees nominated by Starlight under their nomination rights contained with the A&R

Exchange Agreement, are excluded from the term limits described above. The REIT's policy does not include a mandatory retirement age. The Trustees believe that this policy is the most effective scenario to ensure a measured turnover for continuity purposes is maintained between experienced and new Trustees on the Board.

Pursuant to the Term Limit Policy, Dennis Hoffman's tenure ends in 2020. Notwithstanding the Term Limit Policy, Mr. Hoffman has been nominated as a Trustee to complete the Arrangement. If the Arrangement is not completed for any reason, Mr. Hoffman intends to resign from the Board in accordance with the Term Limit Policy.

NOMINATION PROCESS

The GC&N Committee oversees the updating and execution of its management and Board succession plans. The GC&N Committee reviews the REIT's requirements for Trustees on an annual basis, taking into consideration specific skills, diversity, experience and Board/Committee expertise, as more fully described below, that are required by the REIT. When a new Trustee is required, the GC&N Committee recommends the criteria to be used in the recruitment of the potential Trustee. Once approved by the Board, an executive search firm is engaged to conduct a search for the potential Trustee using the approved criteria. Members of the GC&N Committee and the Board Chair review potential candidates and conduct interviews. The results of the search, interviews and recommendation of the GC&N Committee are ultimately provided to the Board for approval prior to the recommendation or appointment of a Trustee to the Board.

In assessing potential Trustees, the GC&N Committee considers the work, travel, and obligations prospective Trustees have to other boards and employers. The expectation of the GC&N Committee is that prospective Trustees should have sufficient time available for full participation at the Board and committee meetings of the REIT. The GC&N Committee considers the various competencies on the part of prospective Trustees, including financial literacy, knowledge of the real estate business, proven abilities to work effectively on boards and committees, and possession of special skills in which the existing Board may require augmentation. During this process, the GC&N Committee will conduct periodic assessments to consider the level of diverse Trustees on the Board, which includes the number of women on the Board. The GC&N Committee seeks candidates who will reflect the geographic and demographic background of the regions in which the REIT operates. The GC&N Committee also seeks to achieve gender diversity in the best interests of the Unitholders, to align with the Board Diversity Policy and the targets for gender diversity contained therein.

The nomination rights held by Starlight as part of the Exchange Agreement entered into as part of the 2015 Transaction allows for two Nominees to be put forward for election. For 2020, Starlight has put forward one Nominee, Daniel Drimmer, and his Nominee biography can be found under the heading "*Election of Trustees – Trustee Biographies*".

DIVERSITY POLICY

The Board believes that it is in the best interest of the Unitholders for the Board to be diverse and reflect the geography, gender and demographic background of the regions in which the REIT operates. The Board has taken note that good governance practices link diversity on boards with improved governance and financial performance and that gender diversity, in particular, is linked to improved financial decision making and overall governance. As such they adopted a written diversity policy in 2014 which was amended in February 2018 to include targets for the representation of women on the Board. The Diversity Policy is available on www.northviewreit.com.

The GC&N Committee will conduct periodic assessments to consider the level of diversity, which includes the number of women on the Board. In seeking candidates for vacancies on the Board, the GC&N Committee will seek candidates who will reflect the geographic and demographic background of the regions in which the REIT operates and will also seek to achieve gender diversity in the best interests of the Unitholders, while continuing to ensure optimum representation of skills and expertise. The Board is currently comprised of 25% women and has set a target that at least 30% of the Board be comprised of women by 2021.

Currently, 36% of the REIT’s senior management team is comprised of women. The REIT believes executive officers and senior management should be selected based on merit to ensure that the management team is comprised of the strongest individuals for the roles, to enable the REIT to deliver value for our Unitholders. The Board and management acknowledge that gender is an important factor to be considered when making hiring decisions and expects to review and revise the Diversity Policy to include management positions in 2020 should the Arrangement not be completed.

For more information on the diversity policy, please refer to Appendix “N” – Disclosure of Corporate Governance Practices.

The table below shows the number and percentage of women in leadership roles at the REIT:

Trustees	Senior Management
25% (2 of 8)	36% (4 of 11)

TRUSTEE SKILLS MATRIX

On an annual basis, the GC&N Committee determines the skills required from the Trustees of the Board to best support management. Detailed below is the current Trustee skills matrix. The skills matrix is used as a tool to assist with board renewal and selection of Nominees.

TRUSTEE SKILLS MATRIX						
Trustee Name	Real Estate / Construction	Financial Acumen	Corporate Governance	Human Resource Development	Enterprise Leadership	Capital Markets
Scott Thon		◆	◆	◆	◆	◆
Todd Cook	◆	◆	◆	◆	◆	◆
Daniel Drimmer	◆	◆	◆	◆	◆	◆
Kevin Grayston	◆	◆	◆	◆	◆	◆
Dennis Hoffman	◆	◆	◆	◆	◆	
Christine McGinley		◆	◆	◆	◆	◆
Terrance McKibbon	◆	◆	◆	◆	◆	◆
Valéry Zamuner		◆	◆	◆	◆	◆

2019 ORIENTATION AND CONTINUING EDUCATION

The GC&N Committee oversees the orientation and continuing education of the Trustees. New members of the Board are invited to meet with all officers of the REIT for orientation regarding the role of the Board, its committees and the Trustees, as well as the nature and operations of the REIT’s business and are

invited to all meetings of the committees of the Board. Existing Trustees provide orientation and education to new members in light of the particular needs of each new Trustee.

The previous Board minutes and corporate documents are available to the Trustee so they may acquaint themselves with the issues currently being considered by the Board.

New Trustees meet with management for orientation, which includes site tours, a review of head office operations and discussions regarding the REIT.

Management makes regular presentations to the Board on the main areas of the REIT's business. Presentations are made regularly to the Board and committees to educate and inform them of changes within the REIT and on other appropriate subjects such as regulatory and industry requirements and standards, governance trends, capital markets and commodity pricing.

The Audit & Risk Management Committee is provided with regular updates respecting financial disclosure, including presentation matters and recent commentary of securities and accounting authorities that may impact the REIT or its financial reporting.

The REIT encourages its Trustees to attend seminars, workshops and conferences to educate and enhance their skills and knowledge to enable them to carry out their roles effectively and discharge their responsibilities regarding corporate governance, operational, and regulatory issues.

The following table outlines the continuing education events offered to Trustees in 2019:

Date	Topic	Hosted/Presented by	Attended by
February 2019	Queen's Real Estate Capital Markets Seminar	Queen's Real Estate Roundtable	Daniel Drimmer
April 2019	Completion of Directors Education Program (DEP)	Institute of Corporate Directors and Rotman School of Management, University of Toronto; Haskayne School of Business, University of Calgary	Todd Cook
April 2019	CIBC Real Estate Conference	CIBC	Daniel Drimmer
May 2019	Governance Matters Update Presentation	Fred R. Pletcher, Legal Counsel, Borden Ladner Gervais	Todd Cook Daniel Drimmer Kevin Grayston Dennis Hoffman Christine McGinley Terrance McKibbon Scott Thon Valéry Zamuner
May 2019	CFAA Rental Housing Conference	Canadian Federation of Apartment Associations	Todd Cook
June 2019	Canada – US Real Estate Meeting	Carmo Companies	Daniel Drimmer
August 2019	Property Tour, Halifax, Dartmouth	REIT Management	Todd Cook Dennis Hoffman Christine McGinley Terrance McKibbon

Date	Topic	Hosted/Presented by	Attended by
February 2019	Queen's Real Estate Capital Markets Seminar	Queen's Real Estate Roundtable	Daniel Drimmer
			Scott Thon Valéry Zamuner
September 2019	Canadian Apartment Investment Conference	Informa Canada Inc.	Daniel Drimmer
September 2019	RealREIT Conference	Informa Exhibitions	Todd Cook Daniel Drimmer
October 2019	REALPAC CEO Summit	REALPAC	Todd Cook
November 2019	Board Oversight of Culture	Institute of Corporate Directors	Todd Cook
December 2019	Real Estate Forum	Informa Exhibitions	Todd Cook Daniel Drimmer

In addition to the ongoing education arranged through the REIT, four Trustees are chartered professional accountants and are required to partake in annual education to maintain their designations. Six Trustees also hold ICD.D designations, which requires a minimum of 14 hours of governance education annually.

TRUSTEE SELF-EVALUATION PROCESS

The GC&N Committee is responsible for ensuring the effective governance oversight of the REIT. The GC&N Committee annually assesses the effectiveness of the Board, its committees and Trustee performance. In its assessment, the GC&N Committee considers the attendance of Trustees, the credentials of individual Trustees and the competencies of the overall Board in relation to the task at hand and comments on the effectiveness of each committee.

The GC&N Committee conducts an annual, formal assessment process to examine Board effectiveness and to make suggestions for improvement. The results from the responses to a self-evaluation questionnaire are tabulated, and the Board Chair meets individually with each Trustee to discuss. The Board Chair then reports the results to the entire Board for discussion and the implementation of improvements.

EXECUTIVE COMPENSATION DISCUSSION AND ANALYSIS

The Compensation Discussion and Analysis provides information regarding all elements of compensation paid, payable, awarded, granted, given or otherwise provided by the REIT to the NEOs.

NAMED EXECUTIVE OFFICERS

The Executive Compensation Discussion and Analysis discusses the executive compensation program and pay decisions affecting the REIT's President & CEO, CFO and three next most highly compensated executives as of December 31, 2019, namely:

- Todd Cook - President & CEO
- D. Travis Beatty - CFO
- Leslie Veiner - COO
- Bo Rasmussen - Senior Vice President, Investments
- Lizaine Wheeler - Vice President, Residential Operations

EXECUTIVE SUMMARY

The following 2019 operational highlights reflect the execution of the REIT's annual Business Plan and long-term Strategic Plan:

- Diluted FFO per unit of \$2.05 for the year ended December 31, 2019, compared to \$2.11 for the same period of 2018, both excluding Non-recurring Items (as described in the REIT's 2019 Management's Discussion and Analysis under the heading "Non-recurring Items")
- Same Door NOI increase of 2.9%, including a 3.6% increase for multi-family business segment for the year ended December 31, 2019
- NOI margin of 58.8% for the year ended December 31, 2019, an improvement of 50 bps compared to the same period of 2018
- Multi-family portfolio occupancy improvement of 10 bps from the same period of 2018 to 93.6% for the year ended December 31, 2019
- Total net fair value increase on investment properties of \$179.3 million for the year ended December 31, 2019, mainly as a result of strong operating performance and reduction in market capitalization rate in Ontario
- Debt to gross book value as at December 31, 2019 decreased by 200 bps from December 31, 2018, to 51.8%, primarily as a result of the fair value increases on investment properties and the equity offering completed in June 2019
- Cash flow from operating activities was \$120.4 million for the year ended December 31, 2019, a decrease of \$18.7 million compared to the same period of 2018
- Net and comprehensive income was \$242.0 million for the year ended December 31, 2019, a decrease of \$47.7 million compared to the same period of 2018, primarily due to the fair value loss on Class B LP Units of \$48.6 million, which was attributable to the REIT Unit price increase from \$24.48 to \$29.64. The REIT rewards executives for the achievement of both short-term (one year) business plan objectives and long-term objectives under its executive compensation plans. Short-term objectives ultimately contribute to the long-term strategic objectives and success of the REIT, providing a strong correlation between incentive compensation and the interests of Unitholders.

OBJECTIVES OF THE REIT'S COMPENSATION STRATEGY AND RISK MANAGEMENT

Compensation of the NEOs is established by the GC&N Committee and approved by the Board annually. Further information on the GC&N Committee can be found under the heading "*Election of trustees – Governance, Compensation & Nomination Committee*". All members of the GC&N Committee are independent Trustees.

The GC&N Committee is responsible for overseeing the REIT's compensation policies and practices to ensure they do not encourage executives to take risks that are reasonably likely to have a material adverse effect on the REIT. Annually, the GC&N Committee conducts a review of the compensation program and reports their findings to the Board. Based on this report, the Board has determined that the REIT's compensation policies and practices do not encourage excessive or inappropriate risk-taking behaviour.

The REIT's compensation philosophy is that executive base pay should be adequate to attract and retain key personnel, and that performance pay should reasonably reward achievement rather than encourage executive risk taking. The REIT includes longer-term measures such as three-year TUR, the three-year annual cumulative growth of FFO per REIT Unit and three-year average Same Door NOI to ensure alignment with the interests of Unitholders. FFO and Same Door NOI are non-GAAP measures that are utilized in determining executive compensation. FFO and Same Door NOI are measures of operating performance representing the recurring cash flow generated through the ownership and management of income properties (as defined in the REIT's 2019 Management's Discussion and Analysis under the

headings “Non-GAAP and Additional GAAP Measures” and “Other Financial Measures”). When utilizing non-GAAP measures in the measurement of the executives’ performance, the GC&N Committee takes additional steps to ensure the accuracy and consistency of their application and measurement. Additional measures include obtaining independent third-party verification, certification of application of measurement from management and the engagement of independent consultants, where deemed necessary, to verify the calculation of the measures.

The members of the GC&N Committee recognize that total compensation arrangements for the REIT are designed to provide:

1. Alignment between the interests of executives and key management with those of Unitholders;
2. An overall structure that promotes a long-term focus through the use of equity incentive compensation;
3. A short-term incentive plan that is focused on the current year business plan, and personal objectives that encourage executives to meet the business plan goals;
4. Total compensation that is competitive in the markets in which the REIT operates and at the P50 at target with respect to the selected peer group;
5. Incentives that reward individual work and effort as well as the effective executive team leadership of the REIT, not just outcomes; and
6. A plan that provides an appropriate balance between retention and performance.

To ensure the REIT’s compensation program meets these objectives, the GC&N Committee conducts an annual review of the executive compensation program which includes performance, related salary level and incentive compensation for each of the NEOs. The review compares the REIT’s programs with those of an identified peer group and provides an effective ongoing evaluation of the program relative to current industry practices. In response to the review, the GC&N Committee facilitates appropriate and timely adjustments to the program. Base salaries are determined by evaluating the responsibilities of each position as well as the individual’s experience and knowledge. Base salaries may also reflect the individual executive’s earnings prior to recruitment, seniority in the REIT, and may be influenced by retention considerations. The GC&N Committee reviews and approves annual goals and targets to evaluate executive performance, determine compensation, and oversee the administration of the equity compensation plans.

The GC&N Committee may enlist the services of an independent compensation consultant to assist with review of executive compensation, including incentive awards and incentive compensation design, and benchmarking of executive compensation with a peer group of entities of a similar size and complexity.

The REIT’s overall approach to compensation and performance pay is designed to ensure that management risk and reward are in reasonable balance. A REIT executive’s performance includes higher target awards for LTI units compared to STI awards. LTI units are awarded in the form of Performance Awards and Restricted Awards. Performance Awards vest in the third year after grant if performance conditions are met. Once vested, there are limitations on their sale due to blackout periods and defined minimum holdings, which further rewards long-term decisions over short-term considerations. Restricted Awards vest in thirds each December 31 after grant, supporting retention for executives and key management personnel.

In addition to the compensation strategy, the REIT has additional best practices to further align executive compensation with the long-term success of the organization and interests of Unitholders. These include a say on pay advisory vote, hedging policy, executive compensation clawback policy, and ownership requirements for executive officers, which are described in further detail in this Circular.

INDEPENDENT COMPENSATION CONSULTANT

In fulfilling its responsibilities, the GC&N Committee periodically retains external compensation consultants in the evaluation of executive officer and Trustee compensation. Mercer was engaged by the GC&N Committee in September 2018 to: (i) review current compensation levels for the REIT executives; (ii) review Trustee compensation; (iii) review the compensation disclosure and analysis for the management information circular; (iv) review Unit Award Plan structure; (v) review executive severance and LTI entitlements; and (vi) review the peer group for 2019/2020. The GC&N Committee must pre-approve other services performed by the consultant or any of its affiliates for the REIT at the request of management. Mercer does not provide any services to the REIT other than described herein.

The following table details payments made to Mercer for their aforementioned services:

	2019	2018
Executive compensation-related fees	\$86,949	\$98,558
All other fees	-	-

SAY ON PAY

On the recommendation of the GC&N Committee, the Board has determined that Unitholders should have an annual non-binding advisory vote on the Board's approach to executive compensation, including the objectives, philosophy and principles used to approach executive compensation decisions. At the 2019 AGM, 95.03% of Unitholders voted on an advisory basis to approve the REIT's executive compensation program for the 2018 fiscal year.

PEER GROUP

In setting compensation for the NEOs and other executive officers, the GC&N Committee considers all factors it deems relevant, including the REIT's performance (including relative Unitholder return), the value of incentive awards to those with similar responsibilities at comparable organizations, and the awards given in previous years. In determining the total compensation of any NEO, the GC&N Committee considers all elements of compensation in total, rather than any one element in isolation. The GC&N Committee compares these compensation elements to those of a relevant peer group, which is reviewed annually to ensure it aligns with the organizational fit detailed below.

The peer group is developed by the GC&N Committee and the REIT's external compensation consultant, Mercer, to review compensation levels, including base salary, bonus and equity awards. It has been determined that the peer group should include:

- Organizations with similar business operations; this includes real estate investment trusts across all sub-sectors (e.g., residential, retail, industrial, etc.) as well as broader real estate operating and development companies;
- Organizations with similar business complexity, measured in terms of company size; these being assets (which reflects size of revenue generating portfolio) and market capitalization (which reflects the external expectations of growing distributions and is widely used by capital markets to assess company size) that range from 33% to 300% of the REIT's size as measured by assets and market capitalization; and
- At least 12 peers to provide statistically valid results; smaller peer groups can be skewed by outliers or aberrant data.

The 2019 peer group is comprised of the following companies:

2019 Peer Group	Assets (Dec 31, 2019) \$000	Market Capitalization (Dec 31, 2019) \$000	Revenue (2019) \$000	Distribution Yield (Dec 31, 2019)
Company				
Canadian Apartment Properties REIT	\$14,017.9	\$9,012.8	\$777.9	2.6%
SmartCentres REIT	\$9,928.5	\$5,336.7	\$806.4	5.9%
Allied Properties REIT	\$8,309.7	\$6,140.0	\$541.5	3.1%
Cominar REIT	\$6,892.4	\$2,583.4	\$704.0	5.1%
Boardwalk REIT	\$6,276.4	\$2,339.5	\$455.3	2.2%
CT REIT	\$6,024.5	\$3,683.4	\$489.0	4.9%
Artis REIT	\$5,330.0	\$1,641.7	\$521.7	4.5%
NorthWest Healthcare Properties REIT	\$5,535.3	\$1,907.8	\$366.1	6.7%
Granite REIT	\$4,804.0	\$3,566.4	\$273.7	3.7%
Crombie REIT	\$3,921.2	\$2,518.0	\$398.7	6.2%
Chartwell Retirement Residences	\$3,494.4	\$2,983.7	\$910.8	4.3%
Killam Apartment REIT	\$3,380.1	\$1,932.2	\$241.7	3.5%
Dream Office Real Estate Investment Trust	\$2,911.7	\$2,011.1	\$229.0	3.2%
InterRent REIT	\$2,791.9	\$1,956.4	\$145.3	1.7%
Summit Industrial Income REIT	\$2,608.7	\$1,663.2	\$142.2	4.5%
Plaza Retail REIT	\$1,162.0	\$471.8	\$112.5	6.0%
Melcor Developments Ltd.	\$783.5	\$234.2	\$71.2	8.3%
Northview Apartment REIT	\$4,575.2	\$2,043.8	\$392.6	5.5%
Positioning	48%	44%	49%	72%

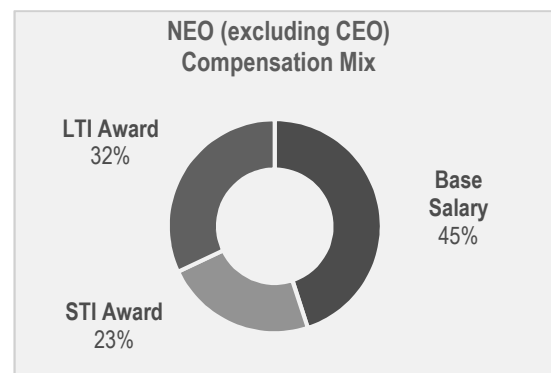
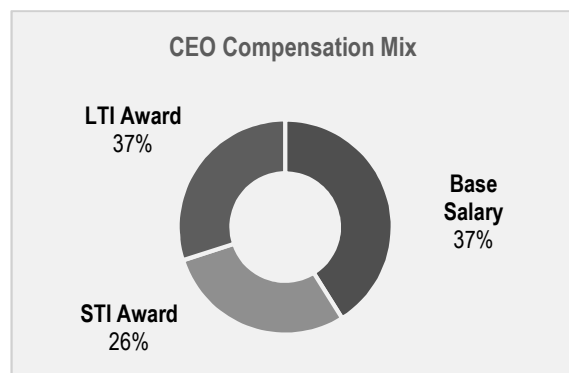
ELEMENTS OF COMPENSATION

2019 COMPENSATION MIX

Compensation for the REIT's senior executives is composed of the following elements:

Compensation Element	Form	Period	Description
Standard Compensation			
Base Salary	Cash	Annual	Reflects the executive's level of responsibility, performance, experience and market competitiveness
Perquisites	Cash	Annual	Car allowance, wellness initiatives, and the ability to participate in the Employee Unit Purchase Plan
Benefits	Cash	Annual	Group health, dental and insurance benefits paid for by the REIT
Variable/At Risk Compensation			
STI	Cash	Annual	Rewards executives for achievement of annual business plan objectives, progress toward the long-term financial and strategic interests of the REIT, and thereby its Unitholders
LTI	Restricted Award (40%)	Vest in thirds each December 31 after grant	Designed to align executives with the interests of the REIT and Unitholders, and provide a retention incentive
LTI	Performance Award (60%)	Vest on December 31 in the third year after grant	Designed to align executives with the interests of the REIT and Unitholders, and focus executives on long term objectives and deliverables
Bonus	Cash	Discretionary	Cash bonus, if any, awarded at the discretion of the GC&N Committee

The REIT's compensation strategy is to align compensation with both short and long-term corporate goals, including optimizing returns to Unitholders. As such, a significant portion of the executives' compensation is based on the REIT meeting its corporate objectives. The percentage of the NEOs' total compensation for the 2019 fiscal year that was based on the REIT meeting performance targets averaged 55% (for NEOs excluding the President & CEO) and 63% (for the President & CEO) of total compensation, depending on the executive's compensation structure.



Percentages given for LTI awards are based on achieving target results.

BASE SALARY

Salaries for NEOs and other executive officers are determined by evaluating the responsibilities of each executive's position, the individual's experience and knowledge, and comparable base salary levels within the compensation peer group. The competitive marketplace, personal performance, and corporate performance are among the factors that are considered by the GC&N Committee prior to setting an NEO's base salary. The GC&N Committee also recognizes the REIT's compensation philosophy which, among other things, strives to compensate executives at P50 within the compensation peer group. These factors were considered in the determination of salary levels for NEOs, as detailed in the following table.

Executive	2020 Salary ⁽¹⁾	% change from 2019 salary	2019 Salary	% change from 2018 salary	2018 Salary
Todd Cook President & CEO	\$579,000	2.6%	\$564,000	2.5%	\$550,000
Leslie Veiner Chief Operating Officer	\$500,000	2.6%	\$487,000	2.5%	\$475,000
D. Travis Beatty Chief Financial Officer	\$342,000	2.6%	\$333,000	2.5%	\$325,000
Bo Rasmussen ⁽²⁾ Senior VP, Investments	\$276,000	2.6%	\$269,000	5.1%	\$256,000
Lizaine Wheeler VP, Residential Operations	\$264,000	2.6%	\$257,000	2.4%	\$251,000

Notes:

(1) Rounded up to 1,000.

(2) Bo Rasmussen was appointed Senior Vice President, Investments on April 1, 2019. Prior to April 1, 2019, Mr. Rasmussen was VP, Property Development.

EMPLOYEE BENEFIT AND PERQUISITE PROGRAMS

The REIT offers a group benefits program covering dental, medical and insurance to all regular full-time staff. All of the executives of the REIT and certain other employees receive monthly car allowances. The REIT encourages senior executives to maintain a healthy lifestyle through wellness initiatives, and an allowance for the fees and dues associated with this are paid by the REIT.

The REIT has an Employee Unit Purchase Plan pursuant to which all permanent employees may contribute up to 5% of their base salary into a fund which purchases REIT Units on the TSX at market prices. For every \$4.00 contributed by an employee, the REIT contributes \$1.00.

In the case of all executives, employee benefits and perquisites are less than \$50,000 and 10% of salaries and therefore, are not disclosed in detail.

STI

The objective of the STI is to focus attention on the annual business plan and reward executives for achievement of the strategic interests of the REIT, and thereby its Unitholders. Targets are measurable and performance related. Performance measures included a combination of financial, strategic, and personal (varying by individual) goals. The 2019 STI goals, and their weightings, were as follows:

	Weighting	Goal	Results	Achievement
Financial Goals	50%	Achieve FFO per unit of \$2.08 as per Annual Business Plan	FFO per unit of \$2.05, excluding Non-Recurring Items	85%
Strategic Goals	25%	<p>Complete \$100 million of acquisition growth and commence developments in accordance with the Annual Business Plan</p> <p>Complete initiatives to improve asset portfolio and portfolio management</p> <p>Improve organization effectiveness by investing in our people, process and technology</p>	<ul style="list-style-type: none"> • Completed acquisitions of \$98.9M in Ontario, British Columbia, and Eastern Canada • New development projects commenced in Kitchener, Nanaimo and Iqaluit • Completed development project in Calgary - Vista Phase 2 • Energy Management Strategy and energy reduction initiatives completed • Improvements to customer service program, resulting in improved scores • Lease up of completed developments and financial performance of acquisitions consistent with underwriting assumptions • Enhanced internal organization structure with addition of key senior roles in Human Resources and Legal • Created and implemented an organization wide framework to be used for evaluating and prioritizing change management and implementing business processes improvements • Safety culture enhanced through: <ul style="list-style-type: none"> ○ 5-year plan to include training, policy development and safety targets ○ Training of all existing employees 	90%

	Weighting	Goal	Results	Achievement
Personal Goals	25%	Individual goals as set by the President & CEO for NEO, excluding the President & CEO. Individual goals for the President & CEO are reviewed and approved by the GC&N Committee and Board.	See Performance and Compensation of the NEOs for 2019 under the headings “ <i>Elements of Compensation – Performance and Compensation of the CEO for 2019</i> ” and “ <i>Elements of Compensation – Performance and Compensation of the NEOs for 2019</i> ”.	92-96%

The GC&N Committee annually establishes the minimum standards required to qualify for STI awards, the criteria used to determine such awards, and the participants and their respective percentage of base salary that could be achieved. Awards for financial, strategic and personal goals are granted using a sliding scale, with 100% of the award being granted for target performance, and a sliding scale ranging between 0-150% depending on the level of achievement of the goal. Results between the milestones laid out below will be interpolated. Below threshold performance will result in a zero payout. The thresholds for 2019 STI awards are detailed on the following tables.

Thresholds for financial goals:

	FFO per Unit Measurement	Multiplier
Below Threshold	Under \$1.98 or 95%	0%
Threshold	\$1.98 or 95%	50%
Target	\$2.08 or 100%	100%
Maximum	\$2.18 or 105%	150%

As some strategic and personal goals may include subjective measures, the following definitions and multipliers are put in place to assess results of these goals:

Rating Scale	Multiplier
Vastly Exceeds Expectations	125% - 150%
Exceeds Expectations	100% - 125%
Meets Expectations	80% - 100%
Below Expectations	Less than 80%

The award of STI cash bonuses can be found under the heading “*Elements of Compensation – Performance and Compensation of the NEOs for 2019*”.

The targets and achievements for each NEO under the 2019 STI are detailed as follows:

	Total entitlement of Cash Bonus as a Percentage of Base Salary (based on 100% achievement)	Level of Achievement of Goals			Total achievement (calculated using weightings and achievement of goals)	Cash Bonus Payout (as a percentage of salary)
		Financial (50% weighting)	Strategic (25% weighting)	Personal (25% weighting)		
Todd Cook President & CEO	80%	85%	90%	96%	89%	71%
Leslie Veiner Chief Operating Officer	70%	85%	90%	96%	89%	62%
D. Travis Beatty Chief Financial Officer	60%	85%	90%	92%	88%	53%
Bo Rasmussen Senior VP, Investments	45%	85%	90%	95%	89%	40%
Lizaine Wheeler VP, Residential Operations	40%	85%	90%	96%	89%	36%

UNIT AWARD PLAN

The REIT has a Unit Award Plan pursuant to which LTI awards are granted to NEOs and key management personnel annually. LTI grants are intended to align the interests of the REIT and Unitholders, and act as a retention incentive for employees. The LTI includes the grant of Restricted Awards and Performance Awards. The performance measure applied to the Performance Awards are linked to the achievement of the REIT's long-term goals, including the optimization TUR as reflected through generation of sustainable earnings. A significant portion of the NEO's incentive compensation is connected to the achievement of performance goals designed to enhance the REIT's capacity to sustain and increase NOI and FFO growth. Reflecting long-term performance measures, the Performance Awards vest on December 31 in the third year after initial grant. The Restricted Awards provide alignment with the compensation philosophy, with the awards vesting on December 31 in one third tranches each year following the grant. Restricted Awards have no performance measures applicable to the grant and act primarily as a retention tool.

The LTI awards are made in the form of Notional Units. The grant date fair value in the "Summary Compensation Table" is the same as the accounting fair value recorded at the time of grant. The grant date fair value is based on the volume weighted average market price of the REIT Units on the TSX for the 20 days immediately preceding the date of the grant. Over the course of the vesting period Notional Units in a participant's account are credited with distribution equivalents in REIT Units which are credited and vest on the same date as the Notional Units, whereby they are converted into REIT Units. When vested, participants have the option to receive REIT Units, the cash equivalent, or a combination thereof. Upon the resignation or termination of employment of an LTI participant, the Notional Units will terminate without payment, as of the termination or resignation date.

The performance metrics and weightings assigned to each metric are evaluated each year by the GC&N Committee to ensure they are appropriate and remain aligned with the long-term goals of Unitholders. In 2019, the performance metrics approved by the GC&N Committee for the 2019 LTI awards included TUR compared to the REIT peer group (60% weighting) and a three-year average of the annual Same Door NOI (40% weighting). These performance metrics were selected as they are both components of measuring the success of management in delivering long term returns for Unitholders. TUR is defined as the sum of both distributions paid and change in REIT Unit price over a period of time and is a relative measured against a determined peer group to allow the GC&N Committee to measure the REIT's relative performance against its peers. Same Door NOI is a key component of the REIT's earnings and is a metric aligned with both the targeted financial performance of the REIT and expectations of investors.

Targets and calculations for the 2019 awards are as follows:

Key features		LTI Awards	
Form of Award	Restricted Awards (40% of LTI)	Performance Awards (60% of LTI)	
Vesting period	Vest in thirds each December 31 after grant	Vest on December 31 in the third year after grant	
Performance Measures	n/a	TUR (60% of award) Percentile within peer group	Same Door NOI (40% of award) Average annual growth rate
Calculations	n/a	< 25 th percentile = 0% payout 25 th percentile = 50% payout 50 th percentile = 100% payout >75 th percentile = 150% payout (with linear interpolation between points)	<1.9% growth = 0% payout 1.9% growth = 50% payout 3.4% growth = 100% payout 4.9% growth = 150% payout (with linear interpolation between points)
Performance Period	n/a	Relative TUR over a three-year period against a TUR peer group.	Three-year average of annual Same Door NOI growth for the year ending December 31, 2021.

Upon vesting payment of the Performance Awards are calculated in accordance with the following table:

Calculation of Performance Awards upon vesting		
Notional Unit award + accumulated distributions (reinvested as Notional Units) = Total Notional Units		
Element	Weighting	Achievement Calculation
Same Door NOI	40%	(Total Notional Units x 40%) x performance multiplier
TUR	60%	(Total Notional Units x 60%) x performance multiplier
Sum of above = actual REIT Unit award		

The 2019 peer group for the TUR benchmarking was selected by the GC&N Committee, with assistance from Mercer using relative size to provide a meaningful set of comparators against which to evaluate the REIT's performance. The TUR peer group is detailed in the following table:

TUR Peer Group		
Agellan Commercial REIT	Allied Properties REIT	American Hotel Income Properties REIT LP
Artis REIT	Boardwalk REIT	Canadian Apartment Properties REIT
Chartwell Retirement Residences	Choice Properties REIT	Cominar REIT
Crombie REIT	CT REIT	Dream Global REIT
Dream Industrial REIT	Dream Office REIT	Granite REIT
H&R REIT	InterRent REIT	Killam Apartment REIT
Minto Apartment REIT	Morguard North American Residential REIT	Morguard REIT
Northwest Healthcare Properties REIT	Plaza Retail REIT	Pure Multi-Family REIT LP
RioCan REIT	Slate Office REIT	Slate Retail REIT
SmartCentres REIT	Summit Industrial Income REIT	WPT Industrial REIT

The value of the LTI awards summarized below for the NEOs in 2019 are described assuming a value at the target (100%) of performance of goals. Final payout of the vested awards will be determined by the accumulated notional dividend units and actual performance over the three-year vesting period.

	Total target Unit Award as a Percentage of Base Salary ⁽¹⁾	Portion of LTI Grant in RUs	Portion of LTI grant in Performance Awards	Value of the Notional Units at time of grant (\$)	Notional Unit Award (#) ⁽²⁾
Todd Cook President & CEO	100%	40%	60%	\$564,000	20,743
Leslie Veiner, Chief Operating Officer	80%	40%	60%	\$389,600	14,329
D. Travis Beatty CFO	70%	40%	60%	\$233,100	8,573
Bo Rasmussen Senior VP, Investments	60%	40%	60%	\$161,400	5,936
Lizaine Wheeler, VP, Residential Operations	60%	40%	60%	\$154,200	5,671

Notes:

- (1) LTI awards when calculated use interpolation, so the final multiplier can range between 50% and 150% if performance is between threshold and maximum. Performance below the threshold will result in no payout.
- (2) Notional Units were granted March 1, 2019 at a REIT Unit price of \$27.19 using the volume weighted average market price of the REIT Units on the TSX for the 20 days immediately preceding the date of the grant.

LTI outstanding during 2019

The LTIs granted, issued and outstanding as of April 3, 2020 are as follows:

Year	Awards	Notional Units granted⁽¹⁾	Notional Units vested ⁽²⁾	Notional Units expired	Notional Units outstanding⁽³⁾
2017	Performance Awards	50,261	50,261	-	-
	Restricted Awards	41,540	40,359 ⁽⁴⁾	1,181	-
2018	Performance Awards	48,222	-	-	48,222
	Restricted Awards	40,872	26,878 ⁽⁵⁾	718	13,276
2019	Performance Awards	46,937	-	-	46,937
	Restricted Awards	40,549	13,517 ⁽⁶⁾	296	26,736
2020	Performance Awards	-	-	-	-
	Restricted Awards	73,861	-	-	73,861
Total	Performance Awards	145,420	50,261	-	95,159
	Restricted Awards	196,822	80,754	2,195	113,873

Notes:

- (1) These figures reflect the total number of Notional Units granted to all participants in the Unit Award Plan including the NEOs and other members of senior management in each year.
- (2) Includes Notional Units that were cancelled or converted into REIT Units. Performance Awards vest at the end of the third year of grant. Restricted Awards vest in equal tranches at the end of the first, second and third year after grant.
- (3) These figures reflect the remaining REIT Units under LTI program which are outstanding and have not yet vested. The figures do not reflect the notional dividend distribution REIT Units which are accumulated and calculated at the time of vesting. Moreover, the portion of unvested Performance Awards in these figures do not reflect the multiplier to be applied to the Notional Units at the time of vesting.
- (4) 13,594 Restricted Awards vested in 2017, 13,383 Restricted Awards vested in 2018 and 13,382 Restricted Awards vested in 2019.
- (5) 13,439 Restricted Awards vested in 2018 and 13,439 Restricted Awards vested in 2019.
- (6) Restricted Awards vested in 2019.

LTI vested during 2019

The following is a discussion of those components of the Unit Award Plan (Performance Awards and Restricted Awards) that vested to the NEOs in 2019.

Restricted Awards

On December 31, 2019, one third tranches for the Restricted Awards granted to the NEOs in each of 2017, 2018 and 2019 vested, as summarized in the table below:

	Year of Grant	Initial Grant (#)	Outstanding Restricted Awards as at January 1, 2019 (#)	Restricted Awards vested on December 31, 2019 ⁽¹⁾ (#)	Market Value of Restricted Awards vested on December 31, 2019 ⁽²⁾ (\$)
Todd Cook President & CEO	2017	9,291	3,097	3,097	\$91,795
	2018	9,152	6,101	3,051	\$90,432
	2019	8,297	8,297	2,766	\$81,984
Leslie Veiner COO	2017	6,467	2,156	2,156	\$63,904
	2018	6,323	4,215	2,108	\$62,481
	2019	5,732	5,732	1,911	\$56,642
D. Travis Beatty CFO	2017	3,178	1,059	1,059	\$31,389
	2018	3,245	2,163	1,082	\$32,070
	2019	3,429	3,429	1,143	\$33,879
Bo Rasmussen Senior VP, Investments	2017	2,787	929	929	\$27,536
	2018	2,556	1,704	852	\$25,253
	2019	2,374	2,374	791	\$23,445
Lizaine Wheeler VP, Residential Operations	2017	2,732	911	911	\$27,002
	2018	2,506	1,671	835	\$24,749
	2019	2,268	2,268	756	\$22,408

Notes:

- (1) On December 31, 2019, the third one-third tranche of the Restricted Awards granted in 2017 vested, the second one-third tranche of the Restricted Awards granted in 2018 vested, and the first one-third tranche of the Restricted Awards granted in 2019 vested.
- (2) Market value is based on the REIT Unit price of \$29.64 per REIT Unit, the closing REIT Unit price on December 31, 2019.

Performance Awards

On December 31, 2019 the Performance Awards granted to the NEOs in 2017 vested. The measures and performance of goals applicable to the Performance Awards granted to the NEOs in 2017 were as follows:

Total Unitholder Return (TUR) – 60% Weighting

	TUR (60% weighting)	Multiplier
Below Threshold	Less than 25 th percentile of TUR Peer Group	0%
Threshold	25 th percentile of TUR Peer Group	50%
Target	50 th percentile of TUR Peer Group	100%
Maximum	75 th percentile or higher of TUR Peer Group	150%

The REIT's TUR in 2019 was at the 80th percentile, resulting in a multiplier of 150%.

Cumulative annual growth rate – 40% Weighting

	Cumulative annual growth rate of the REIT's FFO per REIT Unit (40% weighting)	Measure – FFO per REIT Unit for the year ended December 31, 2019	Multiplier
Below Threshold	Less than 1.0% FFO growth rate	Less than \$2.02	0%
Threshold	1.0% FFO growth rate	\$2.02	50%
Target	1.8% FFO growth rate	\$2.07	100%
Maximum	3.0% FFO growth rate	\$2.13	150%

The REIT's performance was \$2.05, resulting in an 80% multiplier.

The vesting of the LTI award for Performance Awards granted in 2017 is summarized in the table below:

	Notional target Unit Award granted in 2017 (\$)	REIT Units granted	Vesting date	Notional Unit Award Vesting Dec 31 2019 (#) ⁽¹⁾	Achievement of Goals		Actual award achieved upon vesting (#) ⁽¹⁾⁽²⁾
					TUR (60% weighting)	Cumulative annual growth rate (40% weighting)	
Todd Cook President & CEO	\$300,000	13,937	Dec 31, 2019	13,937	150%	80%	17,003
Leslie Veiner COO	\$209,000	9,700	Dec 31, 2019	9,700	150%	80%	11,834
D. Travis Beatty CFO	\$103,000	4,766	Dec 31, 2019	4,766	150%	80%	5,814
Bo Rasmussen Senior VP, Investments	\$90,000	4,181	Dec 31, 2019	4,181	150%	80%	5,101
Lizaine Wheeler VP, Residential Operations	\$88,000	4,097	Dec 31, 2019	4,097	150%	80%	4,998

Notes:

- (1) Actual awards are based on target awards adjusted for performance measures as noted.
- (2) Actual award achieved is prior to notional distributions which are earned from the date of grant.

Incentive plan awards – value vested or earned during 2019

Name and principal position	Option-based awards – Value vested during the year (\$)	Unit-based awards – Value vested during the year (\$) ⁽¹⁾⁽²⁾	Non-equity incentive plan compensation – Value earned during the year (\$) ⁽³⁾
Todd Cook President and CEO	-	\$768,180	\$401,568
Leslie Veiner, COO	-	\$533,787	\$303,402
D. Travis Beatty CFO	-	\$269,665	\$175,824
Bo Rasmussen Senior VP, Investments	-	\$227,428	\$107,433
Lizaine Wheeler VP, Residential Operations	-	\$222,300	\$91,492

Notes:

- (1) These figures reflect the value of the LTI awards vested during the year in accordance with the Unit Award Plan. In 2019, vested awards included the 2017 LTI Performance Awards and the 2017, 2018 and 2019 LTI Restricted Awards. Value of the vested awards is calculated using the closing price of \$29.64 per REIT Unit on December 31, 2019, unless otherwise noted.
- (2) Actual awards are based on notional awards plus distributions per the terms of the LTI.
- (3) Amounts represent STI cash bonuses and other bonuses for 2019, which were paid in 2020.

2020 LTI AWARDS

For the 2020 LTI awards to NEOs, the Board, on recommendation of the GC&N Committee and in consultation with its independent compensation consultant, exercised its discretion under the Unit Award Plan to issue the 2020 LTI in Restricted Awards only. The 2020 LTI grant was made shortly after the announcement of the Arrangement. Recognizing the exceptional circumstances of the Arrangement and the consequent disruption to the establishment of performance measures, the Board chose to issue 100% of the 2020 LTI award in Restricted Awards only.

HEDGING

NEOs and Trustees are not permitted to purchase financial instruments, including short-selling, options, puts and calls, as well as derivatives such as swaps, forwards and futures; and for greater certainty, no “hedging” of REIT Units is permitted.

EXECUTIVE COMPENSATION CLAWBACK POLICY

In 2018, the REIT implemented an executive compensation clawback policy concerning awards made under the REIT’s annual and long-term incentive programs to current and former employees occupying the role of CEO, CFO or COO. This policy permits the Board, in instances where it determines it is in the REIT’s best interests to do so, to require the stated executive officers to reimburse all or a portion of awards made under those plans where the individual engaged in intentional misconduct or fraud that resulted in a material restatement of financial results which would have impacted decisions made at the time the awards were granted.

PENSION PLAN

The REIT does not have a pension plan. Pension liabilities are nil.

OPTIONS EXERCISED DURING 2019

There were no options outstanding or exercised in 2019.

UNIT OWNERSHIP GUIDELINES FOR EXECUTIVE OFFICERS

The Board adopted a target minimum REIT Unit ownership guideline for executive officers in 2009 that was revised in May 2015, following Unitholder approval of the LTI. The guidelines were further amended in March 2016 to increase the multiple for the CEO. The guidelines state that executive officers should own at least an equivalent amount of one year's base pay in REIT Units (including Special Voting Units, and unvested LTI awards), and are required to obtain that value within five years of their appointment to a specific management position. The President & CEO of the REIT should own an equivalent aggregate purchase price equal to three year's base pay in REIT Units (including Special Voting Units) and was required to obtain the same by July 2019, as per the revised employment agreement entered into on July 29, 2016. All executive officers of the REIT are in compliance with the guidelines.

Name of Officers	Number of REIT Units Beneficially Owned (#) ⁽¹⁾	Total Value of REIT Units Beneficially Owned (\$) ^{(1), (2)}	Number of REIT Units and Unvested LTI Awards Beneficially Owned (#) ⁽¹⁾	Total Value of Notional Units Beneficially Owned, or Controlled or Directed, Directly or Indirectly (\$)	Minimum REIT Unit Ownership Guideline (\$)	Multiple of Officers Annual Salary	Meets REIT Unit Ownership Requirement
Todd Cook President & CEO	110,964	\$3,467,625	170,790	\$5,337,188	\$1,692,000	3	Yes
Leslie Veiner COO	26,243	\$820,094	61,415	\$1,919,219	\$487,000	1	Yes
D. Travis Beatty CFO	9,119	\$284,969	29,207	\$912,719	\$333,000	1	Yes
Bo Rasmussen, Senior VP, Investments	18,468	\$577,125	32,920	\$1,028,750	\$269,000	1	Yes
Lizaine Wheeler, VP, Residential Operations	19,837	\$619,906	36,269	\$1,133,406	\$257,000	1	Yes

Notes:

⁽¹⁾ Number includes REIT Units or LTIs, as applicable, controlled or directed, directly or indirectly.

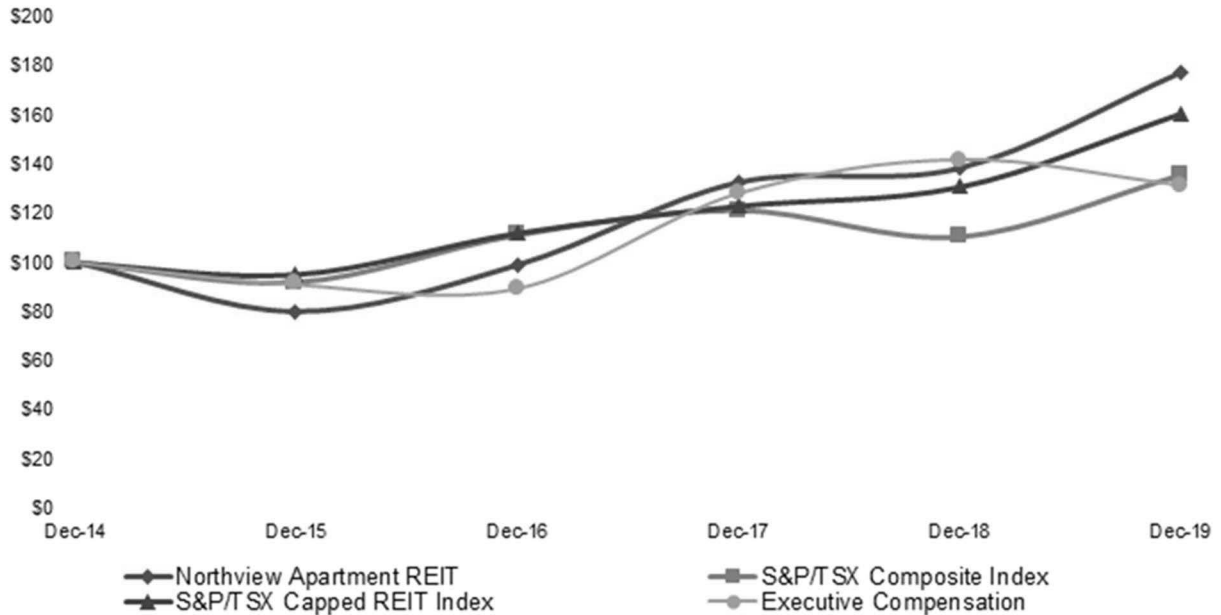
⁽²⁾ For securities held as at April 3, 2020, at market value of \$31.25 per REIT Unit.

ROLE OF EXECUTIVE OFFICERS IN COMPENSATION ARRANGEMENTS

The President & CEO assists the GC&N Committee by providing information and analysis for review, and by making recommendations regarding compensation decisions for executive officers. Any compensation decisions related to the President & CEO are proposed by the GC&N Committee and approved by the Board without the participation of the President & CEO.

TRENDS BETWEEN NEO COMPENSATION AND TOTAL UNITHOLDER RETURN

The following graph compares the cumulative Unitholder return on \$100 invested in REIT Units on December 31, 2014 with the equivalent value invested in the S&P TSX Composite Index and the S&P TSX Composite REIT Index for the same period. The chart also shows the comparison between investment values and the trend in aggregate executive compensation for the CEO, CFO and the three most highly compensated executive officers earning in excess of \$150,000 in each reporting year, using \$100 of total compensation as a base point. Executive compensation is defined as the aggregate of base salary, annual LTIP and LTI incentive awards and the value of all cash incentive compensation paid.



During the five-year period ended December 31, 2019, the cumulative TUR for \$100.00 invested in REIT Units was \$177.30 as compared to \$135.50 and \$160.60 for the S&P/TSX Composite Index and the S&P/TSX Capped REIT Index, respectively.

The GC&N Committee has developed performance metrics using Performance Awards to ensure that NEO compensation is aligned with the Unitholder returns.

CEO COMPENSATION: LOOK-BACK TABLE

To demonstrate the alignment between CEO pay and the Unitholder returns over the past five years, the following table compares the target value of compensation awarded to the CEO (as reflected in the Summary Compensation Table) with the actual value realized (or realizable) as at December 31, 2019. Compensation includes salary, STI and LTI.

CEO compensation is compared to Unitholders returns, measured as the change in value from a theoretical \$100 investment in REIT Units made on the first trading day of the period indicated, assuming the reinvestment of distributions. The comparison is over a three-year period to align the REIT's long-term compensation performance term to Unitholder return.

Year	Total Direct Compensation (TDC) Awards ⁽¹⁾	Actual TDC Realized ⁽²⁾	Actual TDC Realizable ⁽²⁾	Current Value (\$)	Value of \$100		
					Period	CEO ⁽³⁾	Unitholders ⁽⁴⁾
2015	1,150,000	1,020,744	-	\$1,020,744	1/1/15 - 12/31/19	\$88.76	\$177.29
2016	1,196,000	886,909	-	\$886,909	1/1/16 - 12/31/19	\$74.16	\$222.61
2017	1,400,000	1,679,094	-	\$1,679,094	1/1/17 - 12/31/19	\$119.94	\$179.92
2018	1,540,000	1,333,128	509,582	\$1,842,709	1/1/18 - 12/31/19	\$119.66	\$133.92
2019	1,579,200	1,052,457	542,677	\$1,595,133	1/1/19 - 12/31/19	\$101.01	\$128.28
					Average	\$100.70	\$168.40

Notes:

- (1) Includes base salary, short-term incentive compensation, and long-term incentive compensation (consisting of LTI awards and former awards under the former long-term incentive plan) awarded in respect to the given fiscal year. 2017 and 2018 LTI value in this column reflects the grant date fair value. See the "Summary Compensation Table" for further details. Excludes one-time cash bonus (eg., 2015 Transaction bonus and strategic milestone bonus in 2018).
- (2) Actual compensation realized (or realizable) includes salary, short-term cash incentives and long-term incentives received in the respective year. The grant value of long-term incentives includes the value of Performance Awards in respect of the REIT Units granted in each of the respective years. Where LTI has not vested, they are included at target in the year they were granted. Includes one-time cash bonuses (eg., 2015 Transaction bonus and strategic milestone bonus in 2018).
- (3) Represents the actual value realized (or realizable) as at December 31, 2019 for each \$100 awarded to the CEO in total direct compensation during the fiscal year indicated.
- (4) Represents the cumulative value as at December 31, 2019 of a \$100 investment in REIT Units made on the first day of the period indicated, assuming reinvestment of distributions.

COST OF MANAGEMENT

	2019	2018	2017
Total NEO Compensation (\$thousands)	\$4,492	\$4,845	\$4,376
Funds from Operations – Basic (\$thousands)	\$140,707	\$132,207	\$118,191
Market Capitalization as of Dec 31 (\$thousands)	\$2,043,790	\$1,569,475	\$1,393,613
Cost of Management Ratio (FFO)	3.19%	3.66%	3.70%
Cost of Management Ratio (Market Capitalization)	0.22%	0.31%	0.31%

PERFORMANCE AND COMPENSATION OF THE CEO FOR 2019



Todd Cook, CPA, CA, ICD.D, President and CEO

Mr. Todd Cook is responsible for the overall leadership and strategic direction of the REIT. In conjunction with the Board, he is responsible for setting the REIT's strategic direction and providing direct leadership to the executive leadership team in executing on initiatives within the Strategic Plan approved by the Board. This includes overall responsibility for operating and growing the REIT's portfolio to create long-term value for its Unitholders.

Key Personal Objectives for 2019

- Lead investor relation activities including refinement of messaging, coordination and presentation to institutional and retail investors, presentations at conference and meetings with key stakeholders with focus on communicating the REIT's financial performance and strategic direction.
- Leadership of execution of the REIT's long-term strategic plan which focuses on driving organic growth, external growth through acquisitions, developments and dispositions of non-core assets, enhancing the REIT's customer service delivery and continuing the improvement of the internal infrastructure of the REIT.
- Optimize performance of senior leadership team through coordinated leadership development, organizational design and enhancement of resources. Provide strategic leadership to executive leadership team and other key individuals in achieving both the annual business plan initiatives and the REIT's long-term strategic plan.

Mr. Cook's 2019 STI achievement is detailed in the following table:

Goal	Weighting	Potential Bonus (% of base salary)	Potential Bonus (\$)	Multiplier	Actual Bonus (\$)
Financial	50%	40%	\$225,600	85%	\$191,760
Strategic	25%	20%	\$112,800	90%	\$101,520
Personal	25%	20%	\$112,800	96%	\$108,288
Total	100%	80%	\$451,200	89%	\$401,568


Mr. Cook's three-year total compensation is reflected below:

Cdn \$	2019	2018	2017
Cash			
Salary	\$564,000	\$550,000	\$500,000
STI	\$401,568	\$414,700	\$521,000
Bonus	-	\$186,000 ⁽¹⁾	-
Total Cash	\$965,568	\$1,150,700	\$1,021,000
Equity			
LTI ⁽²⁾	\$564,000	\$550,000	\$500,000 ⁽³⁾
Total Equity	\$564,000	\$550,000	\$500,000
Total⁽⁴⁾	\$1,529,568	\$1,700,700	\$1,521,000
Change from prior year	(\$171,132)	\$179,700	\$566,711

Notes:

- (1) The Board, on the recommendation of the GC&N Committee, awarded a one-time cash bonus to executives to recognize significant progress made on strategic milestones from 2016 to 2018.
- (2) LTI value for 2018 and 2019 is the target payout of an award that has a future vesting date, other than the portion earned through RUs.
- (3) LTI 2017 awards reported are reported based on actual fair value of units issued to NEOs.
- (4) Other compensation was less than \$50,000 and 10% of salary and there was no compensation from pension service or compensation cost.

PERFORMANCE AND COMPENSATION OF THE NEOS FOR 2019

	<p>Leslie Veiner, CPA, CA, Chief Operating Officer</p> <p>Mr. Leslie Veiner was appointed Chief Operating Officer of the REIT in October 2015, following the acquisition of True North, where he served as CEO, and he has had a 20-year career within the real estate industry. Mr. Veiner is qualified as a Chartered Accountant in Canada and holds a Bachelor of Commerce and Graduate Diploma in Accounting from the University of Cape Town, South Africa.</p>
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Key Personal Objectives for 2019

- Provide strategic leadership to the senior operations team on achieving both the annual business plan initiatives and the long-term strategic plan.
- Participate in investor relation activities with the CEO and CFO, communicating the REIT's strategic direction to key stakeholders.
- Participate in development and implementation of the REIT's long term strategic plan which focuses on driving organic growth, external growth through acquisitions, developments and dispositions, enhancing the REIT's customer service and health and safety program, initial roll out of the Energy and Sustainability Program, and continued improvements to the internal infrastructure of the REIT.
- Develop and improve internal infrastructure within the operations division, including development of leadership skills, enhancement of skills and tools to improve operational efficiencies and support future growth and diversity of the REIT's portfolio.

Mr. Veiner's 2019 STI achievement is detailed in the following table:

Goal	Weighting	Potential Bonus (% of base salary)	Potential Bonus (\$)	Multiplier	Actual Bonus (\$)
Financial	50%	35%	\$170,450	85%	\$144,883
Strategic	25%	17.5%	\$85,225	90%	\$76,703
Personal	25%	17.5%	\$85,225	96%	\$81,816
Total	100%	70%	\$340,900	89%	\$303,402

Mr. Veiner's three-year total compensation is reflected below:

Cdn \$	2019	2018	2017
Cash			
Salary	\$487,000	\$475,000	\$435,000
STI	\$303,402	\$272,900	\$340,000
Bonus	-	\$122,000 ⁽¹⁾	-
Total Cash	\$790,402	\$869,900	\$775,000
Equity			
LTI ⁽²⁾	\$389,600	\$380,000	\$348,000 ⁽³⁾
Total Equity	\$389,600	\$380,000	\$348,000
Total⁽⁴⁾	\$1,180,002	\$1,249,900	\$1,123,000
Change from prior year	(\$69,898)	\$126,900	\$391,652

Notes:

- (1) The Board, on the recommendation of the GC&N Committee, awarded a one-time cash bonus to executives to recognize significant progress made on strategic milestones from 2016 to 2018.
- (2) LTI value for 2018 and 2019 is the target payout of an award that has a future vesting date, other than the portion earned through RUs.
- (3) LTI 2017 awards reported are reported based on actual fair value of units issued to NEOs.
- (4) Other compensation was less than \$50,000 and 10% of salary and there was no compensation from pension service or compensation cost.



D. Travis Beatty, CPA, CA, CFA, Chief Financial Officer

Mr. D. Travis Beatty was appointed CFO of the REIT in May 2016. Previously, Mr. Beatty was the CFO of West Valley Energy from 2012 to 2014. Prior to joining West Valley Energy, Mr. Beatty held various senior finance roles with OPTI Canada from 2002 to 2011 and was appointed CFO in 2009 until its acquisition by CNOOC Limited in 2011. Mr. Beatty is a qualified Chartered Professional Accountant, Chartered Financial Analyst, and holds a Bachelor of Commerce in Accounting and Finance from the University of Calgary.

Key Personal Objectives for 2019

- Continue improvements to the REIT's internal infrastructure within the finance division to support increased size and diversity of the REIT's portfolio. This includes focus on corporate planning, monitoring and reporting tools, enhanced internal control processes, project management, evaluation and reporting, treasury management and planning functions.
- Participate in investor relation activities with the CEO and COO, communicating the REIT's strategic direction to key stakeholders.
- Participate in development and implementation of the REIT's long-term strategic plan which focuses on driving organic growth, external growth through acquisitions, developments and dispositions, and enhancing the internal infrastructure of the REIT.

Mr. Beatty's 2019 STI achievement is detailed in the following table:

Goal	Weighting	Potential Bonus (% of base salary)	Potential Bonus (\$)	Multiplier	Actual Bonus (\$)
Financial	50%	30%	\$99,900	85%	\$84,915
Strategic	25%	15%	\$49,950	90%	\$44,955
Personal	25%	15%	\$49,950	92%	\$45,954
Total	100%	60%	\$199,800	88%	\$175,824

Mr. Beatty's three-year total compensation is reflected below:

Cdn \$	2019	2018	2017
Cash			
Salary	\$333,000	\$325,000	\$285,000
STI ⁽¹⁾	\$175,824	\$185,700	\$224,000
Bonus	-	\$64,000 ⁽¹⁾	-
Total Cash	\$508,824	\$574,700	\$509,000
Equity			
LTI ⁽²⁾	\$233,100	\$195,000	\$171,000 ⁽³⁾
Total Equity	\$233,100	\$195,000	\$171,000
Total⁽⁴⁾	\$741,924	\$769,700	\$680,000
Change from prior year	(\$27,776)	\$89,700	\$401,050

Notes:

- (1) The Board, on the recommendation of the GC&N Committee, awarded a one-time cash bonus to executives to recognize significant progress made on strategic milestones from 2016 to 2018.
- (2) LTI value for 2018 and 2019 is the target payout of an award that has a future vesting date, other than the portion earned through RUs.
- (3) LTI 2017 awards reported are reported based on actual fair value of units issued to NEOs.
- (4) Other compensation was less than \$50,000 and 10% of salary and there was no compensation from pension service or compensation cost.



Bo Rasmussen, Senior Vice President, Investments

Mr. Bo Rasmussen was appointed Senior Vice President, Investments of the REIT in March 2019, having previously served as Vice President, Property Development since 2011. Mr. Rasmussen joined the REIT in May 2007 as the Manager of Construction and Development. Previously, he was Vice President of Development for NewNorth Projects Ltd. from 2004 to 2007, and was with Ninety North Construction and Development Ltd. in the capacities of Regional Manager of Nunavut Operations, and General Manager of Greenland Operations from 1999 to 2004. Mr. Rasmussen graduated from Southern Alberta Institute of Technology in Calgary with a Diploma of Civil Engineering Technology in 1992, and received a Master of Business Administration (MBA) degree from the University of Calgary, Haskayne School of Business, in 2011.

Key Personal Objectives for 2019

- Develop and improve internal infrastructure within the Construction and Development division to support the expected increased scale of the REIT's development program. This includes focus on long term planning, project management, development of adequate and appropriate resources and acquisition of land for future developments.
- Participate in development and implementation of the REIT's long-term strategic plan which focuses on driving organic growth, external growth through acquisitions, developments and dispositions, enhancing the REIT's customer service delivery and enhancing the internal infrastructure of the REIT.
- Guide the overall execution of the REIT's growth through acquisition, development and capital recycling through non-core asset sales plans, including the commencement of development projects in Kitchener, ON, Nanaimo, BC and Iqaluit, NU.
- Oversee the REIT's IT function, including overall responsibility for IT-related internal infrastructure projects.

Mr. Rasmussen's 2019 STI achievement is detailed in the following table:

Goal	Weighting	Potential Bonus (% of base salary)	Potential Bonus (\$)	Multiplier	Actual Bonus (\$)
Financial	50%	22.50%	\$60,525	85%	\$51,446
Strategic	25%	11.25%	\$30,263	90%	\$27,237
Personal	25%	11.25%	\$30,263	95%	\$28,750
Total	100%	45%	\$121,051	89%	\$107,433

Mr. Rasmussen's three-year total compensation is reflected below:

Cdn \$	2019	2018	2017
Cash			
Salary	\$269,000	\$256,000	\$250,000
STI	\$107,433	\$98,800	\$132,000
Bonus	-	\$60,000 ⁽¹⁾	-
Total Cash	\$376,433	\$414,800	\$382,000
Equity			
LTI ⁽²⁾	\$161,400	\$153,600	\$150,000 ⁽³⁾
Total Equity	\$161,400	\$153,600	\$150,000
Total⁽⁴⁾	\$537,833	\$568,400	\$532,000
Change from prior year	(\$30,567)	\$36,400	\$118,512

Notes:

- (1) The Board, on the recommendation of the GC&N Committee, awarded a one-time cash bonus to executives to recognize significant progress made on strategic milestones from 2016 to 2018.
- (2) LTI value for 2018 and 2019 is the target payout of an award that has a future vesting date, other than the portion earned through RUs.
- (3) LTI 2017 awards reported are reported based on actual fair value of units issued to NEOs.
- (4) Other compensation was less than \$50,000 and 10% of salary and there was no compensation from pension service or compensation cost.



Lizaine Wheeler, Vice President, Residential Operations

Ms. Lizaine Wheeler was appointed Vice President, Residential Operations, of the REIT in October 2012. Previously, Ms. Wheeler was the Senior Vice President, Operations of Mainstreet Equity Corp. from 2010 to 2012, and at Boardwalk REIT from 1998 to 2010, progressing to VP Operations. Ms. Wheeler is currently undertaking her Master of Business Administration (MBA) degree from Athabasca University.

Key Personal Objectives for 2019

- Develop and improve internal infrastructure within the residential operations division to support future growth and diversity of the REIT’s portfolio. This includes focus on continued improvement of head office support functions for regional operations, coordination of residential operations with other internal departments, long term resource planning, improvements in Health and Safety Culture, Risk Management and process improvements for revenue and expense management.
- Participate in development and implementation of the REIT’s long-term strategic plan, focuses on driving organic growth, asset and portfolio management and enhancing the REIT’s customer service delivery.
- Lead, plan and coordinate the ongoing integration of acquired and newly developed properties, including staffing assessment and human resources integration, building lease-up, and the development, implementation and execution of property-specific capital expenditure plans.

Ms. Wheeler’s 2019 STI achievement is detailed in the following table:

Goal	Weighting	Potential Bonus (% of base salary)	Potential Bonus (\$)	Multiplier	Actual Bonus (\$)
Financial	50%	20%	\$51,400	85%	\$43,690
Strategic	25%	10%	\$25,700	90%	\$23,130
Personal	25%	10%	\$25,700	96%	\$24,672
Total	100%	40%	\$102,800	89%	\$91,492

Ms. Wheeler’s three-year total compensation is reflected below:

Cdn \$	2019	2018	2017
Cash			
Salary	\$257,000	\$251,000	\$245,000
STI	\$91,492	\$96,600	\$128,000
Bonus	-	\$58,000 ⁽¹⁾	-
Total Cash	\$348,492	\$405,600	\$373,000
Equity			
LTI ⁽²⁾	\$154,200	\$150,600	\$147,000 ⁽³⁾
Total Equity	\$154,200	\$150,600	\$147,000
Total⁽⁴⁾	\$502,692	\$556,200	\$520,000
Change from prior year	(\$53,508)	\$36,200	\$120,961

Notes:

- (1) The Board, on the recommendation of the GC&N Committee, awarded a one-time cash bonus to executives to recognize significant progress made on strategic milestones from 2016 to 2018.
- (2) LTI value for 2018 and 2019 is the target payout of an award that has a future vesting date, other than the portion earned through RUs.
- (3) LTI 2017 awards reported are reported based on actual fair value of units issued to NEOs.
- (4) Other compensation was less than \$50,000 and 10% of salary and there was no compensation from pension service or compensation cost.

SUMMARY COMPENSATION TABLE

The table below details the total compensation and its components, for each of the NEOs for the most recent three years.

Name and principal position	Year	Salary (\$)	Unit-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$) ⁽⁴⁾	All other compensation (\$) ⁽⁵⁾	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Todd Cook President & CEO ⁽¹⁾	2019	\$564,000	\$564,000 ⁽²⁾	-	\$401,568	-	-	n/a	\$1,529,568
	2018	\$550,000	\$550,000 ⁽²⁾	-	\$414,700	-	-	\$186,000	\$1,700,700
	2017	\$500,000	\$500,000 ⁽³⁾	-	\$521,000	-	-	n/a	\$1,521,000
Leslie Veiner COO	2019	\$487,000	\$389,600 ⁽²⁾	-	\$303,402	-	-	n/a	\$1,180,002
	2018	\$475,000	\$380,000 ⁽²⁾	-	\$272,900	-	-	\$122,000	\$1,249,900
	2017	\$435,000	\$348,000 ⁽³⁾	-	\$340,000	-	-	n/a	\$1,123,000
D. Travis Beatty CFO	2019	\$333,000	\$233,100 ⁽²⁾	-	\$175,824	-	-	n/a	\$741,924
	2018	\$325,000	\$195,000 ⁽²⁾	-	\$185,700	-	-	\$64,000	\$769,700
	2017	\$285,000	\$171,000 ⁽³⁾	-	\$224,000	-	-	n/a	\$680,000
Bo Rasmussen Senior VP, Investments	2019	\$269,000	\$161,400 ⁽²⁾	-	\$107,433	-	-	n/a	\$537,833
	2018	\$256,000	\$153,600 ⁽²⁾	-	\$98,800	-	-	\$60,000	\$568,400
	2017	\$250,000	\$150,000 ⁽³⁾	-	\$132,000	-	-	n/a	\$532,000
Lizaine Wheeler VP, Residential Operations	2019	\$257,000	\$154,200 ⁽²⁾	-	\$91,492	-	-	n/a	\$502,692
	2018	\$251,000	\$150,600 ⁽²⁾	-	\$96,600	-	-	\$58,000	\$556,200
	2017	\$245,000	\$147,000 ⁽³⁾	-	\$128,000	-	-	n/a	\$520,000

Notes:

- (1) Mr. Cook is a Trustee and employed as President & CEO of the REIT, and as such is not entitled to Trustee compensation.
- (2) 2018 and 2019 unit-based awards are shown at target performance prior to adjustment for actual performance measures, distributions or vesting of restricted units.
- (3) LTI 2017 awards reported are reported based on actual fair value of units issued to NEOs.
- (4) The REIT does not have a pension plan for executives or employees.
- (5) The Board awarded a one-time additional cash bonus to executives to recognize significant progress made on strategic milestones from 2016 to 2018 that were not included in the measurement of the 2016 LTI awards.

**OUTSTANDING UNIT-BASED AWARDS AND OPTION-BASED AWARDS (AS AT
DECEMBER 31, 2019)**

Name and principal position	Option-based awards				Unit-based awards		
	Number of securities underlying unexercised options (#)	Option Exercise Price (\$)	Option expiry date	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of units that have not vested (#) ⁽²⁾	Market or payout value of unit-based awards that have not vested (\$) ⁽¹⁾	Market or payout value of vested unit-based awards not paid out or distributed (\$)
Todd Cook President and CEO	-	-	n/a	-	34,755	\$1,030,138	-
Leslie Veiner COO	-	-	n/a	-	25,920	\$768,269	-
D. Travis Beatty CFO	-	-	n/a	-	13,440	\$398,362	-
Bo Rasmussen Senior VP, Investments	-	-	n/a	-	10,623	\$314,866	-
Lizaine Wheeler VP, Residential Operations	-	-	n/a	-	10,266	\$304,284	-

Notes:

- (1) Market value is based on the REIT Unit price of \$29.64 per REIT Unit, the closing REIT Unit price on December 31, 2019.
- (2) Comprised of unvested awards under the LTI, calculated based on a target (100%) payout.

TRUSTEE REMUNERATION

A person who is employed by and receives a salary from the REIT, does not receive any remuneration from the REIT for serving as a Trustee.

TRUSTEE COMPENSATION PROGRAM

A person who is employed by and receives a salary from the REIT does not receive any remuneration from the REIT for serving as a Trustee. Effective May 10, 2018, Trustees (other than the Board Chair) who are not so employed received remuneration from the REIT in the amount of \$45,000 per year and annual Deferred Units granted under the Deferred Unit Plan of the equivalent value of \$45,000 in REIT Units, calculated using the volume weighted average market price of the REIT Units on the TSX for the 20 days immediately preceding the date of the grant. The Board Chair receives an additional \$20,000 per year and an additional \$25,000 in REIT Units. The chair of the Audit & Risk Management Committee receives an additional \$15,000 per year, and the chairs of the GC&N Committee and the Investment Committee each receive an additional \$10,000 per year. Members of the GC&N Committee, Audit & Risk Management Committee, and Investment Committee receive an additional \$1,500. Members of the Special Committee received an additional meeting fee of \$1,000 and the chair of the Special Committee received an additional meeting fee of \$1,250 for each of the first five meetings of the Special Committee. Thereafter, members of the Special Committee received a retainer of \$20,000 with a meeting fee of \$500 and the chair of the Special Committee received a retainer of \$27,500 with a meeting fee of \$750.

For the 12-month period ending December 31, 2019, the total amount paid to Trustees for fees was \$450,500 and the equivalent of \$364,000 in Deferred Units. Trustees were reimbursed, directly or indirectly, a total of \$33,353 for costs associated with travel.

DEFERRED UNIT PLAN

On May 6, 2015, Unitholders voted to approve the issuance of Deferred Units as compensation for Trustees. Under the plan, Deferred Units are awarded annually, and vest immediately upon retirement, resignation or termination from the Board, at a value of one REIT Unit per Deferred Unit. Deferred Units accrue distributions in the form of further Deferred Units.

During 2019, there was an award of Deferred Units, for the period May 2019 to May 2020 for current Trustees. Annually, the Trustees receive an award of the equivalent value of \$45,000 in REIT Units. The Board Chair receives an additional \$25,000 in Deferred Units. Awards are made following Trustee election at the annual Unitholder meetings, with the number of Deferred Units being awarded calculated using the volume weighted average market price of the REIT Units on the TSX for the 20 days immediately preceding the date of the grant.

Trustees may also make an annual election to receive all or part of their annual cash compensation in the form of Deferred Units. In 2019, Mr. McKibbon elected to receive half of his cash compensation in the form of Deferred Units.

TRUSTEE COMPENSATION TABLE FOR 2019

The following table indicates the total compensation earned and awarded to the non-executive Trustees for 2019:

Name of Trustee	Fees (\$)	Unit-based awards (\$) ⁽¹⁾	All other compensation (\$)	Total compensation (\$)		
				Paid as cash	Paid as Deferred Units	Total
Scott Thon	\$65,000	\$70,000	n/a	\$65,000	\$70,000	\$135,000
Daniel Drimmer	\$46,500	\$45,000	n/a	\$46,500	\$45,000	\$91,500
Kevin Grayston	\$84,750	\$45,000	n/a	\$84,750	\$45,000	\$129,750
Dennis Hoffman	\$99,000	\$45,000	n/a	\$99,000	\$45,000	\$144,000
Christine McGinley	\$56,500	\$45,000	n/a	\$56,500	\$45,000	\$101,500
Terrance McKibbon ⁽²⁾	\$48,000	\$45,000	n/a	\$24,000	\$69,000	\$93,000
Valéry Zamuner	\$74,750	\$45,000	n/a	\$74,750	\$45,000	\$119,750

Notes:

- (1) The grant date value is calculated using the volume weighted average market price of the REIT Units on the TSX for the 20 days immediately preceding the date of the grant in accordance with the Deferred Unit Plan. Trustees were able to elect to receive all or part of their cash compensation for the 2019 financial year in the form of Deferred Units.
- (2) Mr. McKibbon elected to have half of his cash compensation for the 2019 financial year paid in the form of Deferred Units.

**OUTSTANDING UNIT-BASED AWARDS AND OPTION-BASED AWARDS (AS AT
DECEMBER 31, 2019)**

Name of Trustee	Option-based awards				Unit-based awards		
	Number of securities underlying unexercised options (#)	Option Exercise Price (\$)	Option expiry date	Value of unexercised in-the-money options (\$)	Number of units that have not vested (#)	Market or payout value of unit-based awards that have not vested (\$) ⁽¹⁾	Market or payout value of vested unit-based awards not paid out or distributed (\$)
Scott Thon	n/a	n/a	n/a	n/a	-	\$573,972	-
Daniel Drimmer	n/a	n/a	n/a	n/a	-	\$363,432	-
Kevin Grayston	n/a	n/a	n/a	n/a	-	\$308,126	-
Dennis Hoffman	n/a	n/a	n/a	n/a	-	\$308,126	-
Christine McGinley	n/a	n/a	n/a	n/a	-	\$308,126	-
Terrance McKibbon	n/a	n/a	n/a	n/a	-	\$327,501	-
Valéry Zamuner	n/a	n/a	n/a	n/a	-	\$86,312	-

Notes:

⁽¹⁾ Market value is based on the REIT Unit price of \$29.64 per REIT Unit, the closing REIT Unit price on December 31, 2019, and includes Deferred Unit awards and distribution reinvestments as per the Deferred Unit Plan.

OPTIONS EXERCISED DURING 2019

There were no options outstanding or exercised in 2019.

OWNERSHIP GUIDELINES FOR NON-EXECUTIVE TRUSTEES

The ownership guidelines for Trustees state that non-executive Trustees should hold at a minimum the equivalent value (calculated using the greater of market or cost) in REIT Units (comprised of REIT Units, Deferred Units and Special Voting Units) of three years of annual base cash retainer and equity awards. Non-executive Trustees are required to obtain unit ownership guidelines by 2021 (for Trustees as at November 2016), or else within five years of their appointment.

Name of Trustee	Number of REIT Units Beneficially Owned ⁽¹⁾ (#) ⁽²⁾	Deferred Units (#)	Total REIT Units Beneficially Owned (#) ⁽¹⁾	Total Value of REIT Units Beneficially Owned (\$) ^{(1), (3)}	Minimum Ownership Guidelines (\$)	Meets Unit Ownership Requirement
Scott Thon	-	19,841	19,841	\$620,031	\$405,000	Yes
Daniel Drimmer	9,040,032	12,602	9,052,634	\$282,894,813	\$270,000	Yes
Kevin Grayston	3,971	10,396	14,367	\$448,969	\$270,000	Yes
Dennis Hoffman	18,100	10,396	28,496	\$890,500	\$270,000	Yes
Christine McGinley	3,731	10,396	14,127	\$441,469	\$270,000	Yes
Terrance McKibbon	-	11,217	11,217	\$350,531	\$270,000	Yes
Valéry Zamuner ⁽⁴⁾	-	2,912	2,912	\$91,000	\$270,000	Yes ⁽⁴⁾

Notes:

- (1) Number includes REIT Units controlled or directed, directly or indirectly.
- (2) Includes REIT Units and Special Voting Units.
- (3) Securities held as at April 3, 2020 at a market value of \$31.25 per REIT Unit.
- (4) Valéry Zamuner was appointed to the Board on an interim basis on September 4, 2018. Ms. Zamuner has until 2023 to meet ownership requirements.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth information with respect to the options, the Deferred Unit Plan, the LTI and LTIP units outstanding under the REIT's equity compensation plans as at December 31, 2019.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity Compensation Plans approved by Unitholders:			
LTI ⁽¹⁾	226,234	n/a	310,988
Deferred Unit Plan	81,874	n/a	54,978
Equity Compensation Plans not approved by Unitholders	n/a	n/a	n/a

Notes:

- (1) Represents REIT Units granted prior to adjustment for performance related to TUR and cumulative annual growth rate.

INDEMNIFICATION OF OFFICERS AND TRUSTEES

Each Trustee, each former Trustee, each officer of the REIT and each former officer of the REIT is entitled to be indemnified and reimbursed out of the REIT's property in respect of any and all taxes, penalties or interest in respect of unpaid taxes or other governmental charges imposed upon the Trustee or former Trustee or officer or former officer in consequence of his or her performance of his or her duties under the Declaration of Trust and in respect of any and all costs, charges and expenses, including amounts paid to settle an action or satisfy a judgment, reasonably incurred in respect of any civil, criminal or administrative action or proceeding to which the Trustee, former Trustee, officer or former officer is made a party by reason of being or having been a Trustee or officer of the REIT; provided that a Trustee, former Trustee, officer or former officer shall not be indemnified out of the REIT's property in respect of unpaid taxes or other governmental charges or in respect of such costs, charges and expenses that arise out of or as a result or in the course of a breach of the standard of care, diligence and skill set out in the Declaration of Trust.

The REIT maintains liability insurance for its Trustees and officers. The policy provides insurance for Trustees and officers of the REIT in respect of certain losses arising from claims against them for their acts, errors or omissions in their capacity as Trustees or officers. The REIT is also insured against any loss arising out of any payment that it may be required or permitted by law to make to Trustees or officers in respect of such claims. The policy does not distinguish between the liability insurance for its Trustees and officers, the coverage being the same for both groups. The current policy limit for such insurance coverage is \$50 million per claim and in the annual aggregate with no deductible for individual Trustees or Officers for non-indemnifiable loss and a deductible of \$250,000 for the REIT per claim in respect of corporate reimbursement and securities claims. The policy limit for such insurance coverage was \$40 million per claim and in the annual aggregate with no deductible for individual Trustees or Officers for non-indemnifiable loss and a deductible of \$100,000 for the REIT per claim in respect of corporate securities claims for the twelve-

month period ending September 30, 2019, and the premium paid by the REIT for the twelve-month period ending September 30, 2019 was \$86,017. The premium paid by the REIT for the twelve-month period ending September 30, 2020 was \$105,150. The REIT also has an additional run off policy for claims arising from acts, errors or omissions of the former directors and officers of True North that occurred from the time of formation to the date of acquisition. The policy limit for such insurance coverage is \$10 million per claim and in the annual aggregate with no deductible for individual Trustees or officers for non-indemnifiable loss and a deductible of \$50,000 for the REIT per claim in respect of corporate reimbursement and securities claims. The premium paid by the REIT in 2015 for a six-year period ending October 29, 2021 was \$39,356.

INDEBTEDNESS OF TRUSTEES AND EXECUTIVE OFFICERS

There are no amounts outstanding to the REIT in respect of indebtedness of the REIT's present and former Trustees or executive officers, or proposed Nominees for election as Trustees, or associates of any of the foregoing persons, during the financial period ended December 31, 2019, other than routine indebtedness.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Interests of Certain Persons in the Arrangement

In considering the Arrangement and the Board Recommendation, Unitholders should be aware that the Trustees, executive officers or employees of the REIT may have certain interests in connection with the Arrangement or may receive benefits that may differ from, or be in addition to, the interests of Unitholders generally. Therefore, the Trustees, executive officers or employees of the REIT may have actual or potential conflicts of interest in connection with the Arrangement. These interests and benefits are described below.

Other than as disclosed herein, all benefits received, or to be received, by Trustees, executive officers or employees of the REIT as a result of the Arrangement are, and will be, solely in connection with their services as Trustees, officers or employees of the REIT. No benefit has been, or will be, conferred to the Trustees, executive officers or employees of the REIT for the purpose of increasing the value of Consideration to which they are entitled pursuant to the Arrangement. No Consideration is, or will be, conditional on the Trustees, executive officers or employees of the REIT supporting the Arrangement.

REIT Units

As at April 3, 2020, the Trustees and certain executive officers of the REIT, beneficially owned, directly or indirectly, or exercised control or direction over in the aggregate 9,292,752 REIT Units, which represented approximately 13.4% of the REIT Units on an undiluted basis. All of the REIT Units held by the Trustees and executive officers of the REIT, except for those REIT Units held indirectly by Mr. Drimmer through Starlight, will be treated in the same manner under the Arrangement as REIT Units held by all other Unitholders. Deferred Units, Performance Awards and Restricted Awards will be exchanged for cash payment pursuant to the Plan of Arrangement. For a detailed description of the treatment of Deferred Units, Performance Awards and Restricted Awards under the Arrangement, see "*The Arrangement – Treatment of REIT Securities*" of this Circular for additional information. As at April 3, 2020, there were 77,760 Deferred Units issued and outstanding, 95,159 Performance Awards issued and outstanding and 113,873 Restricted Awards issued and outstanding.

Termination without Cause Provisions

Mr. Cook is entitled to a separation package in an amount equal to the sum of:

- (i) base salary paid over the previous twenty-four (24) month period;
- (ii) sum of the annual cash bonuses paid to Mr. Cook under the STI for the last two completed financial years;
- (iii) sum of the annual security-based compensation granted to Mr. Cook and vested under the LTI for the last two completed financial years of Northview;

- (iv) continuation of benefits for the earlier of twenty-four (24) months from the termination date or Mr. Cook obtaining alternate coverage under the terms of any new employment;
- (v) STI and LTI awards for which Mr. Cook is eligible, pro-rated up to the termination date. LTI awards outstanding for less than 5 fiscal quarters are measured using a 100% performance multiplier. LTI awards outstanding for more than 5 fiscal quarters are measured using the appropriate payout multiplier calculated to the end of the last completed fiscal quarter;
- (vi) base salary due to Mr. Cook up to and including the termination date; and
- (vii) three (3) months of career counselling services.

Mr. Veiner is entitled to a separation package in an amount equal to the sum of:

- (i) monthly base salary paid to Mr. Veiner multiplied by twenty-four (24) months;
- (ii) sum of the annual cash bonuses paid to Mr. Veiner for the last two completed financial years of Northview, excluding special one-time bonuses;
- (iii) a single cash payment for any accrued but unused vacation to the date of termination equal to the base salary, pro-rated for the number of such accrued and unused vacation days;
- (iv) continuation of benefits for the earlier of twenty-four (24) months from the date of termination or Mr. Veiner obtaining alternate coverage under the terms of any new employment;
- (v) STI and LTI, pro-rated for the calendar year up to the date of termination;
- (vi) base salary due to Mr. Veiner up to and including the termination date;
- (vii) reimbursement of reasonable expenses; and
- (viii) three (3) months of career counselling services.

Mr. Beatty is entitled to a separation package in an amount equal to the sum of:

- (i) base salary paid to Mr. Beatty over the previous twelve (12) month period, plus one incremental month's base salary for every year for every as an executive since May 2016 up to a maximum of six months;
- (ii) sum of the annual cash bonus paid to Mr. Beatty under the STI for the last completed financial year of Northview, excluding special one-time bonuses;
- (iii) a single cash payment for any accrued but unused vacation to the date of equal to the base salary, pro-rated for the number of such accrued and unused vacation days;
- (iv) continuation of benefits for the earlier of twelve (12) months from the date of termination or Mr. Beatty obtaining alternate coverage under the terms of any new employment;
- (v) STI and LTI, pro-rated for the calendar year up to the date of termination;
- (vi) base salary due to Mr. Beatty up to and including the termination date;
- (vii) reimbursement of reasonable expenses; and
- (viii) three (3) months of career counselling services.

Mr. Rasmussen is entitled to a separation package in an amount equal to one times annual salary.

Change of Control Arrangements

Each of (i) Todd Cook, (ii) Leslie Veiner, and (iii) Travis Beatty is currently employed by the REIT and has an agreement with the REIT in respect of his employment. Severance benefits are due in the event of a change of control of the REIT, if Messrs Cook, Veiner or Beatty resign from their employment with the REIT, or in the event that the Board terminates their employment, during the period not less than 90 days and not longer than 180 days for Mr. Cook and 12 months for Messrs Veiner or Beatty after the date of a change of control (as defined below), if a triggering event (as defined below) occurs. A 'double trigger' test must be met before any change of control payments are made. However, in no circumstance shall Messrs Cook,

Veiner or Beatty be entitled to more than one payment of severance benefits upon a termination of his employment or a change of control. The Arrangement will constitute a change of control.

Change of control is defined as:

1. any merger or amalgamation in which voting securities of the REIT possessing more than 50% of the total combined voting power of the REIT's outstanding securities are transferred to a Person or Persons different from the Persons holding those securities immediately prior to such transaction;
2. any acquisition, directly or indirectly, by a Person or related group of Persons of beneficial ownership of voting securities of the REIT possessing more than fifty percent (50%) of the total combined voting power of the REIT's outstanding securities;
3. any acquisition, directly or indirectly, by a Person or related group of Persons of the right to appoint a majority of the Board or otherwise directly or indirectly control the management, affairs and business of the REIT;
4. the majority of the Board being comprised of individuals who were neither: (i) nominated for election by the Board; or (ii) appointed by the Board;
5. any sale, transfer or other disposition of all or substantially all of the assets of the REIT;
6. a liquidation, dissolution or winding-up of the REIT; or
7. any transaction or series of transactions involving the REIT or any of its affiliates that the Board in its discretion deems to be a change of control.

However, a change of control will not be deemed to have occurred if the change of control results from:

1. the issuance, in connection with a bona fide financing or series of financings by the REIT or any of the REIT Subsidiaries that is not undertaken as part of a transaction described in 1 to 7 above, of voting securities of the REIT or any of the REIT Subsidiaries or any securities which are convertible into, or exchangeable for, voting securities of the REIT and the REIT Subsidiaries; or
2. a transaction or series of transactions involving the REIT or any of its affiliates whereby the holders of the voting securities of the REIT continue to hold voting securities in the capital of the surviving or successor entity in substantially the same proportion as such holders held voting securities in the REIT immediately prior to the commencement of such transaction or series of transactions.

The Arrangement will constitute a change of control.

A triggering event means any one of the following events which occurs without Messrs Cook, Veiner or Beatty's express agreement in writing:

1. a material adverse change in any of Messrs Cook, Veiner or Beatty's title, authority, status, duties, responsibilities, base salary, eligibility for participation in the STI awards and LTI awards, benefits or perquisites, or with respect to financial entitlements, the conditions or manner in which they were payable;
2. a change in the office or body to whom Messrs Cook, Veiner or Beatty reports, except if such office or body is of equivalent rank or stature; or
3. a material change in the hours during, or location at, which each of Messrs Cook, Veiner or Beatty is regularly required to work to carry out the terms of his employment.

The following table shows the potential estimated incremental payouts and benefits that the NEOs would receive under various plans and arrangements, assuming that termination occurred on the REIT's last business day prior to its fiscal year ended December 31, 2019.

	Todd Cook	Leslie Veiner	D. Travis Beatty	Bo Rasmussen
Termination without cause				
i) Base Salary	\$1,114,000	\$974,000	\$416,250	\$269,000
ii) STI	\$1,386,900	\$916,301	\$431,887	-
iii) LTI	\$1,585,348	\$938,616	\$483,495	-
iv) Benefits	\$119,831	\$109,400	\$42,215	-
TOTAL	\$4,206,079	\$2,938,317	\$1,373,847	\$269,000
Change in control				
i) Base Salary	\$1,114,000	\$974,000	\$416,250	-
ii) STI	\$1,386,900	\$916,301	\$431,887	-
iii) LTI	\$1,585,348	\$938,616	\$483,495	-
iv) Benefits	\$119,831	\$109,400	\$42,215	-
TOTAL	\$4,206,079	\$2,938,317	\$1,373,847	-

Retention Payments

In regard to the Arrangement, the REIT has implemented a retention program with a budget of approximately \$1.6 million in total payments. The program is to be available to certain employees that the REIT has determined to be individuals critical to the Arrangement and the ongoing operation of the REIT during the pendency of the Arrangement.

Consideration

Other than as disclosed elsewhere in this Circular and in the table below, no Trustee or executive officer of the REIT who has been a Trustee or executive officer at any time since the beginning of the REIT's last financial year, and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting. As at April 3, 2020, Trustees and executive officers of the REIT beneficially owned, directly or indirectly, or exercised control or direction over, the number of REIT Units and Deferred Units disclosed below. As at April 3, 2020, the Trustees and executive officers of the REIT did not beneficially own, directly or indirectly, any securities of the Purchasers. All of the REIT Units held by the executive officers and Trustees of the REIT (including former Trustees of the REIT) will be treated in the same manner under the Arrangement as REIT Units held by any other Unitholder, except as otherwise disclosed above.

Name and Position	Number of REIT Units	Number of Deferred Units	Number of Performance Awards and Restricted Awards ⁽¹⁾	Total
Scott Thon <i>Trustee</i>	Nil	19,841	Nil	19,841
Daniel Drimmer <i>Trustee</i>	9,040,032	12,602	Nil	9,052,634
Kevin Grayston <i>Trustee</i>	3,971	10,396	Nil	14,367
Dennis Hoffman <i>Trustee</i>	18,100	10,396	Nil	28,496
Christine McGinley <i>Trustee</i>	3,731	10,396	Nil	14,127
Terrance McKibbon <i>Trustee</i>	Nil	11,217	Nil	11,217
Valéry Zamuner <i>Trustee</i>	Nil	2,912	Nil	2,912

Name and Position	Number of REIT Units	Number of Deferred Units	Number of Performance Awards and Restricted Awards ⁽¹⁾	Total
Todd Cook <i>President & Chief Executive Officer</i>	110,964	Nil	59,826	170,790
Leslie Veiner <i>Chief Operating Officer</i>	26,243	Nil	35,172	61,415
Travis Beatty <i>Chief Financial Officer</i>	9,119	Nil	20,088	29,207
Bo Rasmussen <i>VP, Property Development</i>	18,468	Nil	14,452	32,920
Lizaine Wheeler <i>VP, Residential Operations</i>	19,837	Nil	16,432	36,269
Richard Anda <i>Vice President, Business Development</i>	40,948	Nil	16,239	57,187
Karl Bomhof <i>VP, Legal and Corporate Secretary</i>	Nil	Nil	8,111	8,111

Notes:

1. Performance Awards and Restricted Awards will be treated as set out under the heading “*The Arrangement - Treatment of REIT Securities – Equity-Based Incentive Awards*”.

INTEREST OF INSIDERS IN MATTERS TO BE ACTED UPON

Other than as set out herein, none of the Trustees or senior officers of the REIT, nor any person who has held such a position since the beginning of the last completed financial year of the REIT, nor any proposed Nominee for election as a Trustee, nor any associate or affiliate of any of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting.

For interests related to the proposed Arrangement, see the section titled “*Interests of Certain Persons or Companies in Matters to be Acted Upon – Interests of Certain Persons in the Arrangement*”.

INTEREST OF RELATED INSIDERS IN MATERIAL TRANSACTIONS

Other than as set out herein and below, none of the Trustees or executive officers of the REIT or proposed Nominees for election as Trustees, nor any person who beneficially owns controls or directs, directly or indirectly, more than 10% of the voting rights attached to all outstanding REIT Units and Special Voting Units nor any associate or affiliate of any of the foregoing persons, has any material interest, direct or indirect, in any transactions since the commencement of the REIT’s last completed financial year or in any proposed transaction which, in either case, has or will materially affect the REIT except Daniel Drimmer. Daniel Drimmer is the President & CEO of Starlight, who, through the Transitional Services Agreement, received fees of \$1.8 million in 2017 and \$1.7 million in 2018 for services related to the property management of the institutional portfolio and True North assets that were part of the 2015 Transaction which were approved by Trust Unitholders in October 2015. The Transitional Services Agreement was terminated on October 30, 2018. In addition, Daniel Drimmer is a trustee and a control person Starlight LP, who, through the Transactional Fee Agreement, may receive fees for certain advisory services related to the identification of multi-unit residential properties for acquisition. However, no such fees were paid to Starlight under the Transactional Fee Agreement in 2019. The REIT purchased one property from Starlight in 2019 for a total purchase price of \$52.7 million. As at April 3, 2020, Daniel Drimmer holds an approximate 13.4% effective interest in the REIT through ownership of, or the control or direction over, REIT Units.

For interests related to the proposed Arrangement, see the section titled “*Interests of Certain Persons or Companies in Matters to be Acted Upon – Interests of Certain Persons in the Arrangement*”.

INTEREST OF EXPERTS

The Annual Financial Statements incorporated by reference in this Circular have been audited by KPMG LLP. KPMG LLP are the auditors of the REIT and have confirmed with respect to the REIT that they are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

Certain legal matters in this Circular have been reviewed by Borden Ladner Gervais LLP on behalf of the REIT and certain U.S. legal matters in this Circular have been reviewed by Skadden, Arps, Slate, Meagher & Flom LLP on behalf of the REIT. As of the date hereof, the partners and associates of each of Borden Ladner Gervais LLP, and Skadden, Arps, Slate, Meagher & Flom LLP as a group, own, directly or indirectly, less than 1% of the REIT Units.

OTHER BUSINESS

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

AUDITOR, TRANSFER AGENT AND REGISTRAR

The REIT’s auditor, KPMG LLP, is located at Calgary, Alberta. KPMG LLP was appointed auditor of the REIT effective June 29, 2018, replacing the REIT’s former auditors, Deloitte LLP, who resigned effective June 29, 2018.

The transfer agent and registrar for the REIT Units is Computershare at its principal office in Calgary, Alberta.

ADDITIONAL INFORMATION

Additional information relating to the REIT is available on the internet on SEDAR at www.sedar.com. Financial Information is provided in the REIT’s Annual Financial Statements and Annual MD&A. Unitholders may also request copies of the REIT’s Annual Financial Statements and Annual MD&A from the Corporate Secretary at Suite 200, 6131 – 6 Street SE, Calgary, Alberta T2H 1L9, by facsimile at 1 (403) 531-0727, or by email at info@northviewreit.com.



CONSENT OF SCOTIA CAPITAL INC.

To: Northview Apartment Real Estate Investment Trust

We hereby consent to the references within the management information circular of Northview Apartment Real Estate Investment Trust (the “**REIT**”) dated April 23, 2020 (the “**Circular**”) to the fairness opinion of our firm dated February 19, 2020 (the “**Fairness Opinion**”), which we prepared for the Board of Trustees of the REIT in connection with the arrangement agreement dated February 19, 2020 entered into between the REIT, Galaxy Real Estate Core Fund LP, Galaxy Value Add Fund LP, NPR GP Inc., Kingsett Real Estate Growth LP No.7, Kingsett Canadian Real Estate Income Fund LP, and D.D. Acquisitions Partnership, to the filing of the Fairness Opinion with the Canadian securities regulatory authorities and to the inclusion of the full text of the Fairness Opinion as Appendix “E” to the Circular. In providing this consent, we do not intend that any persons other than the REIT rely upon such fairness opinion.

(signed) Scotia Capital Inc.

SCOTIA CAPITAL INC.

April 22, 2020

CONSENT OF NATIONAL BANK FINANCIAL INC.

To: Northview Apartment Real Estate Investment Trust

We hereby consent to the references within the management information circular of Northview Apartment Real Estate Investment Trust (the “**REIT**”) dated April 23, 2020 (the “**Circular**”) to the fairness opinion of our firm dated February 19, 2020 (the “**Fairness Opinion**”) and the formal valuation of our firm dated February 19, 2020 (the “**Valuation**”), which we prepared for the Special Committee of the REIT in connection with the arrangement agreement dated February 19, 2020 entered into between the REIT, Galaxy Real Estate Core Fund LP, Galaxy Value Add Fund LP, NPR GP Inc., Kingsett Real Estate Growth LP No.7, Kingsett Canadian Real Estate Income Fund LP, and D.D. Acquisitions Partnership, to the filing of the Fairness Opinion and the Valuation with the Canadian securities regulatory authorities and to the inclusion of the full text of the Fairness Opinion and the Valuation as Appendix “F” to the Circular. In providing this consent, we do not intend that any persons other than the REIT rely upon such fairness opinion and formal valuation.

(signed) National Bank Financial Inc.

National Bank Financial Inc.
April 22, 2020

Borden Ladner Gervais LLP
1200 Waterfront Centre
200 Burrard St, P.O. Box 48600
Vancouver, BC, Canada V7X 1T2
T 604.687.5744
F 604.687.1415
blg.com



CONSENT OF BORDEN LADNER GERVAIS LLP

To: Northview Apartment Real Estate Investment Trust

We hereby consent to the references within the management information circular of Northview Apartment Real Estate Investment Trust dated April 23, 2020 (the “**Circular**”) to our firm name and to the opinions of our firm under “*Certain Canadian Federal Income Tax Considerations*” and to the use of our opinions in the Circular.

(signed) Borden Ladner Gervais LLP

Borden Ladner Gervais LLP
April 23, 2020

APPROVAL OF THE BOARD OF TRUSTEES

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

DATED April 20, 2020.

BY ORDER OF THE BOARD OF TRUSTEES

(signed) "*Karl Bomhof*"

Name: Karl Bomhof

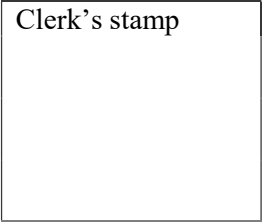
Title: Vice President, Legal & Corporate Secretary

APPENDIX "A" ARRANGEMENT RESOLUTION

BE IT RESOLVED THAT:

1. The arrangement (the "**Arrangement**") under Section 193 of the *Business Corporations Act* (Alberta) (the "**ABCA**") of Northview Apartment Real Estate Investment Trust (the "**REIT**"), pursuant to the arrangement agreement among the REIT, NPR GP Inc. ("**NPR GP**"), Galaxy Real Estate Core Fund LP, Galaxy Value Add Fund LP, KingSett Real Estate Growth LP No. 7, KingSett Canadian Real Estate Income Fund LP and D.D. Acquisitions Partnership dated February 19, 2020, as it may be modified, supplemented or amended from time to time in accordance with its terms (the "**Arrangement Agreement**"), all as more particularly described in the management proxy circular of the REIT dated April 23, 2020 (the "**Circular**"), and all transactions contemplated thereby, are hereby authorized and approved.
2. The plan of arrangement of the REIT (as it has been or may be amended, modified or supplemented in accordance with the Arrangement Agreement (the "**Plan of Arrangement**")), the full text of which is set out in Appendix D to the Circular, and the completion of each of the steps described in the Plan of Arrangement (whether completed as part of the Plan of Arrangement or otherwise) are hereby authorized and approved.
3. The Arrangement Agreement and related transactions, the actions of the trustees of the REIT in approving the Arrangement Agreement, and the actions of the trustees and officers of the REIT in executing and delivering the Arrangement Agreement, and any amendments, modifications or supplements thereto, are hereby ratified, approved and confirmed.
4. The REIT be and is hereby authorized to apply for a final order from the Court of Queen's Bench of Alberta (the "**Court**") to approve the Arrangement on the terms set forth in the Arrangement Agreement and the Plan of Arrangement (as they may be amended, modified or supplemented in accordance with the Arrangement Agreement).
5. Notwithstanding that this resolution has been passed (and the Arrangement approved) by the unitholders of the REIT or that the Arrangement has been approved by the Court, the trustees of the REIT are hereby authorized and empowered to, without notice to or approval of the unitholders of the REIT, (a) amend, modify or supplement the Arrangement Agreement or the Plan of Arrangement to the extent permitted by their terms and (b) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement and related transactions.
6. Any officer or trustee of the REIT is hereby authorized and directed, for and on behalf of the REIT and NPR GP, to execute and deliver for filing with the Registrar under the ABCA, articles of arrangement and such other documents as are necessary or desirable to give effect to the Arrangement in accordance with the Arrangement Agreement, such determination to be conclusively evidenced by the execution and delivery of such articles of arrangement and any such other documents.
7. Any officer or trustee of the REIT is hereby authorized and directed for and on behalf of the REIT to execute or cause to be executed and to deliver or cause to be delivered all such other documents and instruments and to perform or cause to be performed all such other acts and things as such person determines may be necessary or desirable to give full effect to the foregoing resolution and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or instrument or the doing of any such act or thing.

APPENDIX "B" INTERIM ORDER



Court File Number

Court

COURT OF QUEEN'S BENCH OF ALBERTA

Judicial Centre

CALGARY

Matter

IN THE MATTER OF SECTION 193 OF THE *BUSINESS CORPORATIONS ACT*, RSA 2000, c B-9, AS AMENDED

AND IN THE MATTER OF A PROPOSED PLAN OF ARRANGEMENT INVOLVING NORTHVIEW APARTMENT REAL ESTATE INVESTMENT TRUST, GALAXY REAL ESTATE CORE FUND LP, GALAXY VALUE ADD FUND LP, NPR GP INC., KINGSETT REAL ESTATE GROWTH LP NO. 7, KINGSETT CANADIAN REAL ESTATE INCOME FUND LP, D.D. ACQUISITIONS PARTNERSHIP AND THE UNITHOLDERS OF NORTHVIEW APARTMENT REAL ESTATE INVESTMENT TRUST

Applicant

NORTHVIEW APARTMENT REAL ESTATE INVESTMENT TRUST AND NPR GP INC.

Respondent

Not Applicable

Document

INTERIM ORDER

Address for Service and Contact Information of Party Filing this Document

BORDEN LADNER GERVAIS LLP
1900, 520 – 3rd Avenue SW
Calgary, Alberta T2P 0R3
Attention: David T. Madsen, Q.C
Telephone: 403-232-9612
Facsimile: 403-266-1395
Email: DMadsen@blg.com
File Number: 431457.000135

DATE ON WHICH ORDER WAS PRONOUNCED:

April 23, 2020

NAME OF JUDGE WHO MADE THIS ORDER:

Justice K. Horner

LOCATION OF HEARING:

Calgary, Alberta

UPON the originating application (the "**Originating Application**") of Northview Apartment Real Estate Investment Trust (the "**REIT**") and NPR GP Inc. ("**NPR GP**");

AND UPON reading the Originating Application, the affidavit of Todd Cook, President, Chief Executive Officer and a Trustee of the REIT sworn April 20, 2020 (the “**First Affidavit**”), the affidavit of Todd Cook, President, Chief Executive Officer and a Trustee of the REIT sworn on April 22, 2020 (the “**Second Affidavit**”, and collectively with the First Affidavit, the “**Affidavits**”) and the documents referred to therein;

AND UPON HEARING counsel for the REIT and NPR GP;

AND UPON BEING ADVISED that the REIT and a newly created “close-end fund” established pursuant to a declaration of trust under the laws of the Province of Ontario (the “**High Yield Fund**”) intend to rely on the exemption from registration provided by section 3(a)(10) of the U.S. Securities Act of 1933, as amended, in connection with the issuance of units of the High Yield Fund to be received by Unitholders (as defined herein) in exchange for units of the REIT based on the Arrangement (as defined herein), based on this Court’s approval of the transactions contemplated in the Arrangement Agreement (as defined herein) and the Plan of Arrangement (as such term is defined in the Information Circular (as defined herein)) after this Court’s consideration of the procedural and substantive fairness of the proposed transactions;

FOR THE PURPOSES OF THIS ORDER:

- (a) the capitalized terms not defined in this order (the “**Order**”) shall have the meanings attributed to them in the draft management information circular of the REIT (the “**Information Circular**”) which is attached as Exhibit “A” to the Second Affidavit; and
- (b) all references to “Arrangement” used herein mean the arrangement as set forth in the substantially final plan of arrangement attached as Appendix “D” to the Information Circular and attached as Schedule A to the second amending agreement to the arrangement agreement (the “**Arrangement Agreement**”), which Arrangement Agreement can be found under the REIT’s SEDAR profile at www.sedar.com.

IT IS HEREBY ORDERED THAT:

General

1. The REIT and NPR GP may proceed with the Arrangement, as described in the Affidavits.
2. The REIT shall seek approval of the Arrangement as described in the Information Circular by the unitholders (the “**Trust Unitholders**”) and the holders of special voting units (“**Special Voting Unitholders**”) and collectively with the Trust Unitholders, “**Unitholders**”) of the REIT, in the manner set forth below.

The Meeting

3. The REIT shall call and conduct a special meeting (the “**Meeting**”) of Unitholders on or about May 25, 2020. At the Meeting, the Unitholders will consider and vote upon a resolution to approve the Arrangement substantially in the form attached as Appendix “A” to the Information Circular (the “**Arrangement Resolution**”) and such other business as may properly be brought before the Meeting or any adjournment or postponement thereof, all as more particularly described in the Information Circular.
4. A quorum at the Meeting shall be two or more individuals present in person either holding personally or representing as proxies not less than 25% of the votes attached to all outstanding REIT Units and Special Voting Units. In the event of such quorum not being present at the appointed place on the date for which the Meeting is called within 30 minutes after the time fixed for the holding of the Meeting, the Meeting shall stand adjourned to such day being not less than 14 days later and to such place and time as may be appointed by the chairperson of the Meeting. If at such adjourned meeting a quorum as above defined is not present, the Unitholders present either personally or by proxy shall form a quorum, and any business may be brought before or dealt with at such an adjourned meeting which might have been brought before or dealt with at the original Meeting in accordance with the notice calling the same.
5. The record date for the Meeting has been fixed by the REIT’s board of trustees as the close of business (Mountain Daylight Time) on March 27, 2020 (the “**Record Date**”) for the purpose of determining Unitholders entitled to receive notice of the Meeting and to vote at the Meeting. Each Unitholder is entitled to one vote for each REIT Unit or Special Voting Unit held and shown as registered in such Unitholder’s name on the list of Unitholders prepared as of the Record Date. Except as required by applicable Law or the Court, the Record Date for the Unitholders entitled to receive notice of and to vote at the Meeting will not change in respect of or as a consequence of any adjournment(s) or postponement(s) of the Meeting.
6. In all other respects, the Meeting shall be conducted in accordance with the REIT Declaration of Trust, subject to such modifications as may be adopted by this Interim Order.

Conduct of the Meeting

7. The only persons entitled to attend the Meeting shall be Unitholders or their authorized representatives or proxy holders, the trustees, officers, directors, employees and solicitors of the parties to the Arrangement, the auditors of the REIT, the scrutineers and its representatives, and

such other persons who may be permitted to attend by the chairperson of the Meeting.

8. The number of votes required to pass the Arrangement Resolution shall be not less than:
 - (a) 66 $\frac{2}{3}$ % of the votes cast by Unitholders present in person or represented by proxy at the Meeting; and
 - (b) a simple majority of the votes of Unitholders present in person or represented by proxy at the Meeting, after excluding the votes of Starlight Group Property Holdings Inc., its affiliates and any other Unitholders whose votes are required to be excluded under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*.
9. The Unitholders, voting together as a single class, shall be entitled to one vote in respect of the Arrangement Resolution for each REIT Unit or Special Voting Unit held.
10. To be valid, a proxy must be deposited with Computershare Trust Company of Canada, in the manner described in the Information Circular.
11. The REIT may hold a hybrid Meeting that will allow registered Unitholders participation both online and in person.
12. Registered Unitholders and duly appointed proxyholders shall be permitted to attend the Meeting in person, provided that the maximum number of registered Unitholders and duly appointed proxyholders able to attend the Meeting in person is not more than the number permitted by applicable laws (including for greater certainty, orders of the Alberta Chief Medical Officer of Health) at the time of such Meeting, in the sole discretion of the REIT.
13. Registered Unitholders and duly appointed proxyholders shall be permitted to attend the meeting online, where they can participate, vote or submit questions during the Meeting's live webcast.
14. Registered Unitholders and duly appointed proxyholders are entitled to participate in, and vote at, the Meeting and who are participating by electronic communications medium shall be deemed to be present at the Meeting.
15. The accidental omission to give notice of the Meeting or the non-receipt of the notice shall not invalidate any resolution passed or proceedings taken at the Meeting.

Amendments to the Arrangement

16. The REIT is authorized to make such amendments, revisions or supplements to the Arrangement as they may determine necessary or desirable, provided that such amendments, revisions or supplements are made in accordance with and in the manner contemplated by the Arrangement and the Arrangement Agreement. The Arrangement so amended, revised or supplemented shall be deemed to be the Arrangement submitted to the Meeting and the subject of the Arrangement Resolution, without need to return to this Court to amend this Order.

Amendments to Meeting Materials

17. The REIT is authorized to make such amendments, revisions or supplements (“**Additional Information**”) to the Information Circular, form of proxy (“**Proxy**”), form of voting instruction form (“**VIF**”), notice of the Meeting (“**Notice of Meeting**”), form of letter of transmittal and election form (“**Letter of Transmittal and Election Form**”) and notice of Originating Application (“**Notice of Originating Application**”) as it may determine, and the REIT may disclose such Additional Information, including material changes, by the method and in the time most reasonably practicable in the circumstances as determined by the REIT. Without limiting the generality of the foregoing, if any material change or material fact arises between the date of this Order and the date of the Meeting, which change or fact, if known prior to mailing of the Information Circular, would have been disclosed in the Information Circular, then:

- (a) the REIT shall advise the Unitholders of the material change or material fact by disseminating and filing a news release (a “**News Release**”) in accordance with applicable securities laws and the policies of the Toronto Stock Exchange; and
- (b) provided that the News Release describes the applicable material change or material fact in reasonable detail, the REIT shall not be required to deliver an amendment to the Information Circular to the Unitholders or otherwise give notice to the Unitholders of the material change or material fact other than dissemination and filing of the News Release as aforesaid.

Solicitation of Proxies

18. The REIT is hereby authorized to solicit proxies from Unitholders to be used at the Meeting. The solicitation of proxies will primarily be by mail but proxies may also be solicited by telephone, fax or personally by the trustees, officers, employees or agents of the REIT.

Dissent Rights

19. The registered Trust Unitholders are, subject to the provisions of this Order and the Arrangement, accorded the right to dissent (“**Dissent Rights**”) under section 191 of the ABCA with respect to the Arrangement Resolution, as if such Trust Unitholders were shareholders of a corporation and the REIT being the said corporation.
20. The Dissent Rights shall conform with section 191 of the ABCA, and section 191 of the ABCA shall be incorporated into the Dissent Rights, except as follows:
 - (a) subsections 191(1) and (2) of the ABCA shall be of no force or effect;
 - (b) defined terms used in section 191 of the ABCA such as “corporation”, “shareholder”, “dissenting shareholder” and other similar references applicable to a corporation shall be deleted and replaced with comparable terms applicable to a trust and, for greater certainty but without limiting the generality of the foregoing:
 - (i) “corporation” shall mean the REIT;
 - (ii) “shareholder” shall mean a registered Trust Unitholder; and
 - (iii) “dissenting shareholder” shall mean a registered Trust Unitholder that exercises the Dissent Rights in strict accordance herewith in respect of any and all REIT Units held by that Trust Unitholder and who does not withdraw the exercise of the Dissent Rights prior to the Effective Time (a “**Dissenting Unitholder**”);
 - (c) notwithstanding any provision of section 191 of the ABCA to the contrary, only a registered Trust Unitholder may exercise Dissent Rights granted hereby and may only exercise such right as provided herein;
 - (d) CDS & Co. may exercise Dissent Rights on behalf of a beneficial holder of REIT Units, but only may do so in respect of all of that beneficial holder’s interest in REIT Units and in respect of all such REIT Units held by that beneficial holder;
 - (e) a vote against the Arrangement Resolution, whether in person or by proxy, shall not constitute a written objection to the Arrangement Resolution as required under paragraph 20(i) herein;

- (f) a Dissenting Unitholder shall not have voted his or her REIT Units at the Meeting, either by proxy or in person, in favour of the Arrangement Resolution;
- (g) a Trust Unitholder may not exercise the right to dissent in respect of only a portion of the Trust Unitholder's REIT Units, but may dissent only with respect to all of the REIT Units held by the Trust Unitholder;
- (h) a Dissenting Unitholder who fails to comply with the provisions of the Dissent Rights has no right to make a claim pursuant to the Dissent Rights or otherwise pursuant to section 191 of the ABCA but shall instead receive the consideration to be given under the Plan of Arrangement as though no Dissent Rights was exercised in respect thereof;
- (i) the "resolution" referenced in subsection 191(5) and 191(6) of the ABCA shall mean the Arrangement Resolution and the written objection required to be sent by a dissenting shareholder pursuant to subsection 191(5) of the ABCA, must be received by the REIT at 200, 6131 – 6th Street SE, Calgary, Alberta, T2H 1L9, Attention: Karl Bomhof or by e-mail at: corpsecretary@northviewreit.com, not later than 5:00 p.m. (Mountain Daylight Time) on May 21, 2020 or 5:00 p.m. (Mountain Daylight Time) on the day that is two (2) business days immediately preceding the date that any adjournment or postponement of the Meeting is reconvened or held, as the case may be, notwithstanding that the Trust Unitholder did not receive actual notice of the Meeting or of their right to dissent;
- (j) subsection 191(14) of the ABCA shall be deleted from the Dissent Rights and, instead, in accordance with the Plan of Arrangement and in the sequence contemplated thereby, each of the REIT Units ("**Dissenting Units**") held by Dissenting Unitholders shall be transferred to the REIT, free and clear of all encumbrances in consideration for the right to be paid by the REIT an amount determined under Article 4 of the Plan of Arrangement and, effective at the time of this step in the Plan of Arrangement:
 - (i) such Dissenting Unitholders shall cease to be the holders of such REIT Units and shall cease to have any rights as Unitholders in respect of such REIT Units, other than the right to be paid fair value for such REIT Units, as determined under Article 4 of the Plan of Arrangement and to receive the Stub Distribution;
 - (ii) such Dissenting Unitholders' names shall be removed as holders of such REIT Units from the registers of REIT Units maintained by or on behalf of the REIT; and

- (iii) the REIT shall be deemed to be the transferee of such REIT Units (free and clear of all Liens) and such REIT Units shall thereupon be cancelled;
 - (k) subsection 191(15) of the ABCA shall be deleted from the Dissent Rights;
 - (l) subsection 191(16) of the ABCA shall be deleted from the Dissent Rights and, instead, it shall be a provision of the Dissent Rights that a Dissenting Unitholder may withdraw their exercise of the Dissent Rights until the Effective Time; and
 - (m) subsection 191(19) of the ABCA shall be deleted from the Dissent Rights and, instead, the Dissent Rights shall provide that notwithstanding that a judgment has been given in favour of a Dissenting Unitholder under subsection 191(13)(b) of the ABCA, if subsection 191(20) of the ABCA applies, the Dissenting Unitholder, by written notice delivered to the REIT within 30 days after receiving the notice in subsection 191(18) of the ABCA, may withdraw the Dissenting Unitholders' notice of the exercise of the Dissent Rights, in which case the REIT shall be deemed to consent to the withdrawal and the Dissenting Unitholder shall be treated in accordance with paragraph 22(b) below.
21. The fair value of the consideration to which a Dissenting Unitholder is entitled pursuant to the Arrangement shall be determined as of the close of business on the last Business Day before the Arrangement Resolution is approved by the Unitholders at the Meeting and shall be paid to the Dissenting Unitholders by the REIT as contemplated by the Arrangement and this Order.
22. Dissenting Unitholders who validly exercise their right to dissent, as set out in paragraphs 20 and 21 above, and:
- (a) are ultimately entitled to be paid fair value for its REIT Units shall be deemed to have transferred the REIT Units to the REIT in consideration for a debt claim against the REIT pursuant to the Dissent Rights, and shall not be entitled to any other payment or consideration, including any payment under the Arrangement had such holders not exercised their Dissent Rights; or
 - (b) are for any reason ultimately not entitled to be paid fair value for its REIT Units, shall be deemed to have not participated in the Arrangement, and shall be entitled to be paid an amount equal to the sum of \$36.25 and the Stub Distribution for each REIT Unit held by such Dissenting Unitholder and shall not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such holders not

exercised their Dissent Rights,

but in no event shall the REIT or any other person be required to recognize such Trust Unitholders as holders of REIT Units after the Effective Time, and the names of such Trust Unitholders shall be removed from the register of REIT Units.

23. Subject to further order of this Court, the rights available to Trust Unitholders under the ABCA and the Arrangement to dissent from the Arrangement Resolution shall constitute full and sufficient dissent rights for the Trust Unitholders with respect to the Arrangement Resolution.
24. Notice to the Trust Unitholders of their right to dissent with respect to the Arrangement Resolution and to receive, subject to the provisions of the ABCA and the Arrangement, the fair value of the consideration to which a Dissenting Unitholder is entitled pursuant to the Arrangement shall be sufficiently given by including information with respect to this right as set forth in the Information Circular which is to be sent to Unitholders in accordance with paragraph 25 of this Order.

Notice

25. The Information Circular, substantially in the form attached as Exhibit “A” to the Second Affidavit, with such amendments thereto as counsel to the REIT may determine necessary or desirable (provided such amendments are not inconsistent with the terms of this Order), and including the Notice of the Meeting, the Proxy, the VIF, the Letter of Transmittal and Election Form, the Notice of Originating Application and this Order, together with any other communications or documents determined by the REIT to be necessary or advisable (collectively, the “**Meeting Materials**”), shall be sent, by or on behalf of the REIT to:
 - (a) the Unitholders by pre-paid first class or ordinary mail, addressed to each such Unitholder at such holder’s address recorded in the records of the REIT at the close of business on the Record Date, not later than 21 days prior to the Meeting; and
 - (b) the trustees and auditors of the REIT by pre-paid first class or ordinary mail, by courier, by delivery in person, or by electronic mail, addressed to each trustee and firm of auditors, as applicable, not later than 21 days prior to the date of the Meeting.

In calculating the 21 day period, the date of mailing shall be included and the date of the Meeting shall be excluded.

26. Delivery of the Meeting Materials in the manner directed by this Order shall be deemed to be good

and sufficient service upon the Unitholders, the trustees and auditors of the REIT of:

- (a) the Originating Application;
- (b) this Order;
- (c) the Notice of the Meeting; and
- (d) the Notice of Originating Application,

all in substantially the forms set forth in the Information Circular, together with instruments of proxy and such other material as the REIT may consider fit and shall be deemed to have been received three days after mailing.

Final Application

27. Subject to further order of this Court, and provided that the Unitholders have approved the Arrangement in the manner directed by this Court and the trustees of the REIT have not revoked their approval, the REIT and NPR GP may proceed with an application for a final Order of the Court approving the Arrangement (the “**Final Order**”) on May 28, 2020 at 2:00 p.m. (Mountain Daylight Time) by teleconference or so soon thereafter as counsel may be heard. Subject to the Final Order and to the issuance of the proof of filing of the articles of arrangement, the REIT, NPR GP, all Unitholders and all other persons affected will be bound by the Arrangement in accordance with its terms.
28. Any Unitholder or other interested party (each an “**Interested Party**”) desiring to appear and make submissions at the application for the Final Order is required to file with this Court and serve upon the REIT, on or before 4:30 p.m. (Mountain Daylight Time) on May 22, 2020, a notice of intention to appear (“**Notice of Intention to Appear**”) including the Interested Party’s address for service (or alternatively, a facsimile number for service by facsimile or an email address for service by electronic mail), indicating whether such Interested Party intends to support or oppose the application or make submissions at the application, together with a summary of the position such Interested Party intends to advocate before the Court, and any evidence or materials which are to be presented to the Court. Service of this notice on the REIT shall be effected by service upon the solicitors for the REIT, c/o Borden Ladner Gervais LLP, Suite 1900, 520 – 3rd Avenue S.W., Calgary, Alberta, T2P 0R3, Attention: David T. Madsen, Q.C. All Interested Parties who have served a Notice of Intention to Appear in accordance with this paragraph shall, within two days of

the receipt of such Notice of Intention to Appear, be provided with notice as to how the application for the Final Order shall be heard by the Court.

29. In the event that the application for the Final Order is adjourned, only those parties appearing before this Court for the Final Order, and those Interested Parties serving a Notice of Intention to Appear in accordance with paragraph 28 of this Order, shall have notice of the adjourned date.

Leave to Vary Interim Order

30. The REIT is entitled at any time to seek leave to vary this Order upon such terms and the giving of such notice as this Court may direct.

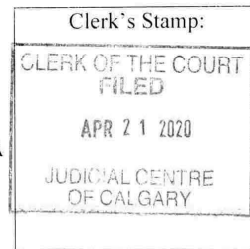
“K. Horner”

Justice of the Court of Queen’s
Bench of Alberta

APPENDIX "C" NOTICE OF ORIGINATING APPLICATION

See attached.

COURT FILE NUMBER 2001 05584
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY



MATTER IN THE MATTER OF SECTION 193 OF THE
BUSINESS CORPORATIONS ACT, R.S.A.
2000, C. B-9, AS AMENDED

AND IN THE MATTER OF A PROPOSED
PLAN OF ARRANGEMENT INVOLVING
NORTHVIEW APARTMENT REAL ESTATE
INVESTMENT TRUST, GALAXY REAL
ESTATE CORE FUND LP, GALAXY VALUE
ADD FUND LP, NPR GP INC., KINGSETT
REAL ESTATE GROWTH LP NO. 7,
KINGSETT CANADIAN REAL ESTATE
INCOME FUND LP, D.D. ACQUISITIONS
PARTNERSHIP AND THE UNITHOLDERS
OF NORTHVIEW APARTMENT REAL
ESTATE INVESTMENT TRUST

APPLICANTS NORTHVIEW APARTMENT REAL ESTATE INVESTMENT TRUST
AND NPR GP INC.

DOCUMENT **ORIGINATING APPLICATION**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT

BORDEN LADNER GERVAIS LLP
1900, 520 – 3rd Avenue SW
Calgary, Alberta T2P 0R3
Attention: David T. Madsen, Q.C.
Telephone: (403) 232-9612
Fax Number: (403) 266-1395
Email: DMadsen@blg.com
File Number: 431457.000135

NOTICE

This application will be heard as shown below:

DATE	April 23, 2020
TIME	2:00 p.m. (by teleconference)
WHERE	Calgary – Calgary Courts Centre 601 – 5 Street S.W. Calgary, Alberta T2P 5P7

BEFORE WHOM

Justice K. Horner

Basis for this claim:

1. The basis for this claim is:
 - (a) Northview Apartment Real Estate Investment Trust (the “**REIT**”) is an unincorporated, open-ended real estate investment trust established under the laws of the Province of Alberta with its registered and head office located in Calgary, Alberta. The REIT is a “reporting issuer” (or the equivalent) in each of the provinces and territories of Canada.
 - (b) NPR GP Inc. (“**NPR GP**”) is a body corporate existing under the *Business Corporations Act* (Alberta) R.S.A., c. B-9, as amended (the “**ABCA**”) and is a wholly-owned subsidiary of the REIT.
 - (c) The REIT and NPR GP seek approval of this Honourable Court pursuant to Section 193 of the ABCA for a plan of arrangement (the “**Arrangement**”) which is proposed pursuant to the terms of an arrangement agreement (the “**Arrangement Agreement**”) dated February 19, 2020 between the REIT, Galaxy Real Estate Core Fund LP (“**Purchaser A**”), Galaxy Value Add Fund LP (“**Purchaser B**”, and collectively with Purchaser A, the “**Purchasers**”), NPR GP, KingSett Real Estate Growth LP No. 7, KingSett Canadian Real Estate Income Fund LP and D.D. Acquisitions Partnership.
 - (d) It is impracticable to effect the result contemplated by the Arrangement under any provision of the ABCA other than Section 193 thereof.
 - (e) The Order of this Honourable Court approving the Arrangement will allow the Purchasers to acquire the REIT (other than Starlight Group Property Holdings Inc.’s and its affiliates’ interest in the REIT) and the unitholders (the “**Trust Unitholders**”) and the holders of special voting units (“**Special Voting Unitholders**”, and collectively with the Trust Unitholders, the “**Unitholders**”) of the REIT will receive \$36.25 per trust unit of the REIT (the “**Offer Price**”). The Unitholders will be able to elect to receive: (i) 100% of the Offer Price in all cash consideration; or (ii) all or a portion of the Offer Price in units of a newly created “closed-end fund” established pursuant to a declaration of trust under the laws of the Province of Ontario (the “**High Yield Fund**”), subject to proration.

- (f) The Order of this Honourable Court approving the Arrangement will constitute the basis for an exemption from the registration requirements of the U.S. *Securities Act of 1933*, as amended, pursuant to Section 3(a)(10) thereof, with respect to the issuance of units of the High Yield Fund to received by Unitholders in exchange for units of the REIT pursuant to the Arrangement.
- (g) The registered Trust Unitholders will be granted the right to dissent in respect of the Arrangement Resolution (as such term is defined in Arrangement Agreement) in accordance with the provisions of Section 191 of the ABCA, as modified by the Arrangement and the interim order.
- (h) The Arrangement is fair, substantively and procedurally, to all affected parties.
- (i) Subject to the approval of the Unitholders, the Arrangement is permitted under Section 10.3 of the REIT's ninth amended and restated declaration of trust dated May 5, 2016 (the "**REIT Declaration of Trust**"). Section 10.3 of the REIT Declaration of Trust grants the trustees such powers as may be approved by a majority of the votes cast by Unitholders at a meeting of Unitholders. A copy of the REIT Declaration of Trust will be attached as an exhibit to the Affidavit of Todd Cook to be filed herein.

Remedy Sought:

2. The REIT and NPR GP seek the following relief:
 - (a) an interim order and directions for the calling and holding of a special meeting of Unitholders to, among other things, consider and vote upon the proposed Arrangement, for the giving of notice of such meeting and for the return of this Application, for the manner of conducting the vote in respect of such meeting, and for such other matters as may be required for the proper consideration of the Arrangement;
 - (b) an order approving the Arrangement pursuant to Section 193(9) of the ABCA and pursuant to the terms and conditions of the Arrangement Agreement as described in the Affidavit of Todd Cook, President, Chief Executive Officer and a Trustee of the REIT, to be filed herein;

- (c) an order declaring that the registered Trust Unitholders shall have the right to dissent in respect of the Arrangement pursuant to the provisions of Section 191 of the ABCA, as modified by the interim order;
- (d) a declaration that the Arrangement will, upon the filing of Articles of Arrangement under the ABCA and the issuance of the proof of filing of Articles of Arrangement under the ABCA be effective under the ABCA in accordance with its terms and will be binding on and after the effective date of the Arrangement;
- (e) a declaration that the terms and conditions of the Arrangement, and the procedures relating thereto, are fair to the persons affected from a substantive and procedural point of view; and
- (f) such further and other orders, declarations and directions as this Honourable Court may deem just.

Affidavit or other evidence to be used in support of this application:

3. The Affidavit of Todd Cook, President, Chief Executive Officer and a Trustee of the REIT to be sworn and filed herein.

Applicable Acts and Regulations:

4. *Business Corporations Act*, R.S.A. 2000, c.B-9, as amended.

APPENDIX “D” PLAN OF ARRANGEMENT

PLAN OF ARRANGEMENT

Plan of Arrangement under Section 193 of the Business Corporations Act (Alberta)

ARTICLE 1 INTERPRETATION

1.1 Defined Terms

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

“**ABCA**” means the *Business Corporations Act* (Alberta).

“**Additional NV2 Subscribers**” means those purchasers resident in Canada or otherwise outside of the United States who will subscribe for a class of units of NV2 pursuant to and in accordance with Section 2.4(aa), which may include subscribers resident in Canada or otherwise outside of the United States who purchase units under an initial public offering of units of NV2, as specified in the Pre-Closing Notice.

“**Additional NV2 Units**” means NV2 Units in respect of which a unitholder electing the Subscription Election is entitled to subscribe pursuant to Sections 3.1 and 3.2.

“**Arrangement**” means an arrangement under section 193 of the ABCA on the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments or variations thereto made in accordance with the terms of the Interim Order or the Arrangement Agreement or made at the direction of the Court in the Final Order with the prior written consent of the REIT, NPR GP and the Purchasers, each acting reasonably.

“**Arrangement Agreement**” means the arrangement agreement dated February 19, 2020 among the Purchasers, the REIT, NPR GP, KingSett Real Estate Growth LP No. 7, KingSett Canadian Real Estate Income Fund LP and D.D. Acquisitions Partnership, including all schedules annexed thereto, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof.

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

“**Articles of Arrangement**” means the articles of arrangement in the prescribed form in respect of the Arrangement required by the ABCA to be sent to the Registrar after the Final Order is made and otherwise be in form and substance satisfactory to the REIT, NPR GP and the Purchasers, each acting reasonably.

“**Benco**” means a corporation specified in the Pre-Closing Notice.

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

“**Cash Consideration**” means \$36.25 in cash per REIT Unit.

“**Certificate of Arrangement**” means the certificate of arrangement to be issued by the Registrar pursuant to subsection 193(11) of the ABCA in respect of the Articles of Arrangement.

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

“**Consolidation**” has the meaning set out in Section 2.4(dd).

“**Consolidation Ratio**” means the ratio of one Post-Consolidation NV2 Unit for every 1.7683 NV2 Units outstanding.

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

“**Court**” means the Alberta Court of Queen’s Bench.

“**Credit Documents**” means the agreements specified in the Pre-Closing Notice governing the Refinancings.

“**DD Unitholders**” means the Unitholders affiliated with D.D. Acquisitions Partnership as specified in the Pre-Closing Notice.

“**DD Units**” means the units of the REIT held by the DD Unitholders as of the Effective Time, as specified in the Pre-Closing Notice.

“**Deferred Units**” means deferred units granted under the Deferred Unit Plan.

“**Deferred Unit Account**” has the meaning set out in section 6.2 of the Deferred Unit Plan.

“**Deferred Unit Plan**” means the deferred unit plan of the REIT effective as of March 11, 2015, as it may be amended, supplemented or restated from time to time.

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

“**Dissent Rights**” has the meaning set out in Section 4.1.

“**Dissenting Unitholders**” means registered holders of REIT Units who validly exercise the Dissent Rights and whose Dissent Rights remain valid immediately prior to the Effective Time.

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

“**DRIP**” means the REIT’s distribution reinvestment plan with an effective date of September 4, 2019, as amended, supplemented or restated from time to time.

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

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

“**Election Deadline**” means 3:00 p.m. on the date that is two Business Days prior to the date of the Meeting.

“Eligible Unit” means a REIT Unit held at the Effective Time or received as payment of the redemption price for an Exchangeable LP Unit held at the Effective Time pursuant to Section 2.4(b).

“Employee Unit Purchase Plan” means the employee unit purchase plan of the REIT effective as of January 1, 2016, as it may be amended, supplemented or restated from time to time.

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

“Exchangeable LP Units” means the Class B Exchangeable Units of True North LP, NPR LP, NVF LP and NVRK LP, each of which is exchangeable for the number of REIT Units calculated in accordance with the relevant limited partnership agreement.

“Exchangeable Unitholders” means the registered or beneficial holders of the Exchangeable LP Units.

“Final Order” means the order of the Court made pursuant to Section 193(9) of the ABCA in a form acceptable to the REIT, NPR GP and the Purchasers, each acting reasonably, approving the Arrangement, as such order may be amended, modified, supplemented or varied by the Court (with the consent of the REIT, NPR GP and the Purchasers, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended, modified, supplemented or varied (provided that any such amendment, modification, supplement or variation is acceptable to the REIT, NPR GP and the Purchasers, each acting reasonably) on appeal.

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

“Interim Order” means the order of the Court made pursuant to Section 193(4) of the ABCA in a form acceptable to the REIT, NPR GP and the Purchasers, each acting reasonably, providing for, among other things, the calling and holding of the Meeting, as such order may be amended, modified, supplemented or varied by the Court (with the consent of the REIT, NPR GP and the Purchasers, each acting reasonably).

“Law” means, with respect to any Person, any and all applicable law (including statutory and common law), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling, published administrative policy, or other similar requirement, whether domestic or foreign, enacted, adopted, incorporated by reference, promulgated or applied by a Governmental Entity.

“Letter of Transmittal and Election Form” means the letter of transmittal and election form accompanying the Circular sent to the Unitholders.

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

“Maximum Subscription” has the meaning set out in Section 3.2(a).

“Meeting” means the special meeting of Unitholders and holders of Special Voting Units, including any adjournment or postponement of such special meeting in accordance with the terms of the Arrangement Agreement, called and held in accordance with the Interim Order to consider and, if deemed advisable, approve the Arrangement, the Arrangement Resolution, ancillary matters to the foregoing and, if agreed by the Purchasers acting reasonably, for any other purpose set out in the Circular.

“Minimum Additional Subscription Amount” means the minimum dollar value of net subscription proceeds to be received by NV2 from the Additional NV2 Subscribers pursuant to Section 2.4(aa), as specified in the Pre-Closing Notice.

“Minimum Additional Subscription Number” means (i) the Minimum Additional Subscription Amount divided by (ii) NV2 Subscription Price.

“NPR GP” means NPR GP Inc.

“NV2” Northview Canadian High Yield Residential Fund, a trust formed under the laws of the Province of Ontario, the sole unitholder and beneficiary of which as of the Effective Time will be the REIT, or, where the context so requires, the trustees of NV2 acting in their capacity as trustees.

“NV2 Declaration of Trust” means the declaration of trust of NV2, as amended, modified or supplemented from time to time.

“NV2 General Partner” means a REIT Subsidiary that is a general partner of a partnership and is designated as a “NV2 General Partner” in the Pre-Closing Notice.

“NV2 Partnerships” means the REIT Subsidiaries designated as “NV2 Partnerships” in the Pre-Closing Notice.

“NV2 Redemption Price” means \$7.06875.

“NV2 Subscription Price” means \$7.06875.

“NV2 Units” means, collectively, the units of NV2 of such class or series as designated in the Pre-Closing Notice and **“NV2 Unit”** means any one of them.

“Nominal Cash Distribution” has the meaning specified in Section 2.4(p).

“Parties” means the parties to the Arrangement Agreement and **“Party”** means any one of the Parties.

“Pending Employee Unit” means a REIT Unit that an employee is entitled to receive pursuant to the Employee Unit Purchase Plan, but has not received as of the Effective Time.

“Performance Award” means a performance award granted pursuant to Section 8.1 of the Unit Award Plan.

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

“Plan of Arrangement” means this plan of arrangement, subject to any amendments or variations made in accordance with the Arrangement Agreement or Article 6, or made at the direction of the Court in the Final Order (with the prior written consent of the REIT and the Purchasers, each acting reasonably).

“Portfolio A Cash Amount” means the amount by which the Portfolio A Purchase Price exceeds the aggregate principal amount of the Portfolio A Purchase Notes, as specified in the Pre-Closing Notice.

“Portfolio A Interests” means all of the limited partnership interests in the Portfolio A Partnerships and all of the shares, trust interests or partnership interests, as applicable, of the Portfolio A General Partners.

“Portfolio A General Partner” means a REIT Subsidiary that is a general partner of a partnership and is designated as a “Portfolio A General Partner” in the Pre-Closing Notice.

“Portfolio A Partnerships” means the REIT Subsidiaries designated as “Portfolio A Partnerships” in the Pre-Closing Notice.

“Portfolio A Purchase Agreement” means the purchase agreement to be entered into between Purchaser A, the Portfolio A Sellers and the REIT for the acquisition of the Portfolio A Interests by the Purchaser A at the time specified herein.

“Portfolio A Purchase Notes” means the demand promissory notes to be issued by Purchaser A to the Portfolio A Sellers in partial satisfaction of the Portfolio A Purchase Price, the principal amount of which shall be set out in the Pre-Closing Notice.

“Portfolio A Purchase Price” means the aggregate purchase price payable by Purchaser A for Portfolio A Interests, as specified in the Pre-Closing Notice.

“Portfolio A Sellers” means the REIT, together with the REIT Subsidiaries, that directly own the Portfolio A Interests, as specified in the Pre-Closing Notice.

“Portfolio B Cash Amount” means the amount by which the Portfolio B Purchase Price exceeds the aggregate principal amount of the Portfolio B Purchase Notes, as specified in the Pre-Closing Notice.

“Portfolio B Interests” means all of the limited partnership interests in the Portfolio B Partnerships and all of the shares, trust interests or partnership interests, as applicable, of the Portfolio B General Partners.

“Portfolio B General Partner” means a REIT Subsidiary that is a general partner of a partnership and is designated as a “Portfolio B General Partner” in the Pre-Closing Notice.

“Portfolio B Partnerships” means the REIT Subsidiaries designated as “Portfolio B Partnerships” in the Pre-Closing Notice.

“Portfolio B Purchase Agreement” means the purchase agreement to be entered into between Purchaser B, the Portfolio B Sellers and the REIT for the acquisition of the Portfolio B Interests by Purchaser B at the time specified herein.

“Portfolio B Purchase Notes” means the demand promissory notes to be issued by Purchaser B to the Portfolio B Sellers in partial satisfaction of the Portfolio B Purchase Price, the principal amount of which shall be set out in the Pre-Closing Notice.

“Portfolio B Purchase Price” means the aggregate purchase price payable by Purchaser B for the Portfolio B Interests, as specified in the Pre-Closing Notice.

“Portfolio B Sellers” means the REIT, together with the REIT Subsidiaries, that directly own the Portfolio B Interests, as specified in the Pre-Closing Notice.

“Post-Consolidation NV2 Redemption Price” means \$12.50.

“Post-Consolidation NV2 Units” means the NV2 Units (including any Additional NV2 Units) as they are constituted after the Consolidation.

“Pre-Closing Notice” means a notice to be delivered by the Purchasers to the REIT three Business Days prior to the Effective Date specifying certain amounts and other actions required to be taken by the Parties in furtherance of the Arrangement, as provided herein, including the Additional NV2 Units; Additional NV2 Subscribers; Credit Documents; DD Unitholders; DD Units; Minimum Additional Subscription Amount; Minimum Additional Subscription Number; NV2 General Partners; NV2 Partnerships; NV2 Redemption Price; NV2 Units; Portfolio A Cash Amount; Portfolio A General Partners; Portfolio A Partnerships; principal amount of the Portfolio A Purchase Notes; Portfolio A Purchase Price; Portfolio A Sellers; Portfolio B Cash Amount; Portfolio B General Partners; Portfolio B Partnerships; principal amount of the Portfolio B Purchase Notes; Portfolio B Purchase Price; Portfolio B Sellers; Refinancing Borrowers; Refinancing Distribution Steps; the identities of Benco and Trusteeco; Refinancing Lenders; Refinancings; REIT Redemption Price; amount of Taxable Income to be distributed pursuant to the Special Distribution; allocation of the Portfolio A Purchase Price to the Portfolio A Interests; allocation of the Portfolio B Purchase Price to the Portfolio B Interests; and steps to distribute the proceeds from the sale of the Portfolio A Interest and Portfolio B Interests from the REIT Subsidiaries to the REIT as required; and aggregate subscription price and manner of subscription by Additional NV2 Subscribers.

“Pro Forma Eligible Units” means the REIT Units and the REIT Units that would be issued if the exchange rights attaching to the Exchangeable LP Units were exercised, and **“Pro Forma REIT Unit”** means one of such REIT Units.

“Pro Forma Eligible Unitholders” means the holders from time to time of the REIT Units and the Exchangeable LP Units.

“Purchaser A” means Galaxy Real Estate Core Fund LP.

“Purchaser B” means Galaxy Value Add Fund LP.

“Purchasers” means collectively, Purchaser A and Purchaser B.

“Redemption Election” has the meaning specified in Section 3.1(a).

“Refinancing Borrowers” means the REIT Subsidiaries and Subsidiaries of NV2 specified in the Pre-Closing Notice that will be the borrowers under the Refinancings.

“Refinancing Distribution Steps” means the transactions, if any, specified in the Pre-Closing Notice pursuant to which the net proceeds of the Refinancings will be distributed by the Refinancing Borrowers (directly or indirectly) to the REIT and/or NV2.

“Refinancing Lender(s)” means the entities specified in the Pre-Closing Notice that will be the lenders under the Refinancings.

“Refinancings” means the refinancing transactions, if any, described in the Pre-Closing Notice to be entered into by the REIT Subsidiaries and/or Subsidiaries of NV2 as part of this Plan of Arrangement.

“Registrar” means the Registrar of Corporations duly appointed under section 263 of the ABCA.

“REIT” means Northview Apartment Real Estate Investment Trust, a trust established under the laws of the Province of Alberta.

“REIT Declaration of Trust” means the Ninth Amended and Restated Declaration of Trust of the REIT dated as of May 5, 2016, as further amended from time to time, which is governed by the laws of the Province of Alberta.

“REIT Entities” means the REIT and REIT Subsidiaries immediately before the Effective Time.

“REIT Redemption Price” means \$29.18125 less the amount of cash per REIT Unit, if any, distributed in any Special Distribution.

“REIT Released Parties” means, collectively, the REIT Entities and their respective present and former officers, directors, trustees, employees, auditors, financial advisors, legal counsel and agents.

“REIT Subsidiary” means a Subsidiary of the REIT.

“REIT Units” means, collectively, the units of the REIT designated as “Trust Units” under the REIT Declaration of Trust outstanding at any particular time, and **“REIT Unit”** means any one of them (together with the associated URP Right), and for greater certainty includes units of the REIT issued pursuant to Section 2.4.

“Restricted Awards” means restricted awards granted pursuant to Section 8.2 of the Unit Award Plan.

“Sellers” means, collectively, the Portfolio A Sellers and Portfolio B Sellers.

“Special Distribution” has the meaning specified in Section 2.4(n).

“Special Voting Unit” means a non-participating special voting unit of the REIT, other than a REIT Unit, issued pursuant to and having the attributes described in the REIT Declaration of Trust.

“Stub Distribution” has the meaning specified in Section 2.4(e).

“Stub Period” means the period from the beginning of the month that includes the Effective Date to the Effective Date.

“Subscribing Unitholder” has the meaning specified in Section 2.4(bb).

“Subscription Election” has the meaning specified in Section 3.1(a).

“Subscription Election Units” has the meaning specified in Section 3.2(b).

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

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

“Taxable Income” means for any taxation year, the aggregate of: (a) the net income for the year (excluding capital gains and capital losses) determined in accordance with the Tax Act having regard to the provisions thereof which relate to the calculation of income for the purpose of determining the “taxable income” of a trust, and read without reference to paragraph 82(1)(b) and subsection 104(6) of the Tax Act, less any non-capital losses carried forward from prior taxation years that are deductible in the taxation year, and (b) the amount of realized capital gains for the year less the amount of realized capital losses for the year, in each case, as calculated in accordance with the Tax Act, less any net capital losses carried forward from prior taxation years that are deductible in the taxation year.

“Taxes” means: (a) any and all taxes, duties, fees, excises, premiums, assessments, imposts, levies and other charges or assessments of any kind whatsoever imposed by any Governmental Entity, whether computed on a separate, consolidated, unitary, combined or other basis, including those levied on, or measured by, or described with respect to, income, gross receipts, profits, gains, windfalls, capital, capital stock, production, recapture, transfer, land transfer, license, gift, occupation, wealth, environment, net worth, indebtedness, surplus, sales, goods and services, harmonized sales, use, value-added, excise, special assessment, stamp, withholding, business, franchising, real or personal property, health, employer health, payroll, workers’ compensation, employment or unemployment, severance, social services, social security, education, utility, surtaxes, customs, import or export, and including all license and registration fees and all employment insurance, health insurance and government pension plan premiums or contributions, and (b) all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Entity on or in respect of amounts of the type described in clause (a) above or this clause (b).

“Trusteeco” means a corporation specified in the Pre-Closing Notice.

“Unit Award Plan” means the unit award plan of the REIT as amended, supplemented or restated from time to time.

“Unit Difference” has the meaning specified in Section 3.2(b).

“Unitholder Rights Plan” means the amended and restated unitholder rights plan agreement dated May 9, 2017 between the REIT and Computershare Trust Company of Canada.

“Unitholders” means the registered and beneficial holders of the REIT Units and **“Unitholder”** means any one of them.

“URP Rights” means the rights issued pursuant to the Unitholder Rights Plan.

- 1.2 All references to “\$” are references to Canadian dollars, unless otherwise stated.
- 1.3 The division of this Plan of Arrangement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement.
- 1.4 Unless reference is specifically made to some other document or instrument, all references herein to **“Articles”** and **“Sections”** are to articles and sections of this Plan of Arrangement.
- 1.5 Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa; words importing any gender shall include all genders. Wherever the term **“includes”** or **“including”** is used, it shall be deemed to mean “includes, without limitation” or “including, without limitation”, respectively. The word **“or”** includes “and/or”.
- 1.6 In the event that the date on which any action is required to be taken hereunder by any of the parties is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.
- 1.7 A period of time is to be computed as beginning on the day following the event that began the period and ending at 4:30 p.m. on the last day of the period, if the last day of the period is a Business Day, or at 4:30 p.m. on the next Business Day if the last day of the period is not a Business Day. If the date on which any action is required or permitted to be taken under this Plan of Arrangement by a Person is not a Business Day, such action shall be required or permitted to be taken on the next succeeding day which is a Business Day.

- 1.8 References to time herein or in any Letter of Transmittal and Election Form are to local time, Calgary, Alberta.
- 1.9 Any reference to a statute refers to such statute and all rules and regulations made under it, as it or they may have been or may from time to time be amended or reenacted, unless stated otherwise.

ARTICLE 2 THE ARRANGEMENT

2.1 Arrangement Agreement

This Plan of Arrangement is made pursuant to and subject to the provisions of the Arrangement Agreement.

2.2 Binding Effect

This Plan of Arrangement and the Arrangement, upon the filing of the Articles of Arrangement and the issuance of the Certificate of Arrangement, if any, shall become effective at the Effective Time, and shall be binding on the Purchasers, the REIT, NV2, the REIT Subsidiaries, the Subsidiaries of NV2, Benco, Trusteeco, all registered and beneficial holders of REIT Units, including Dissenting Unitholders, registered and beneficial holders of NV2 Units, Additional NV2 Units and Post-Consolidation NV2 Units issued under this Plan, Exchangeable Unitholders, all holders and beneficial holders of Deferred Units, Performance Awards, Restricted Awards, rights to receive Pending Employee Units, Special Voting Units, URP Rights, the registrar and transfer agent in respect of the REIT Units, the Depository and all other Persons, at and after the Effective Time, without any further act or formality required on the part of any Person.

- 2.3 The Articles of Arrangement and the Certificate of Arrangement shall be filed and issued, respectively, with respect to this Arrangement in its entirety. The Certificate of Arrangement shall be conclusive evidence that the Arrangement has become effective and that each of the provisions of Section 2.4 has become effective in the sequence and at the times set out therein. If no Certificate of Arrangement is required to be issued by the Registrar pursuant to subsection 193(11) of the ABCA, the Arrangement shall become effective on the date that the Articles of Arrangement are sent to the Registrar pursuant to subsection 193(10) of the ABCA.

2.4 Arrangement

Commencing at the Effective Time, each of the steps set out below shall occur in the following order without any further act or formality, with each such step occurring five (5) minutes after the completion of the immediately preceding step unless otherwise specified or unless the context otherwise requires:

- (a) The REIT Declaration of Trust, and the Constatting Documents of each REIT Subsidiary participating in the transactions below, shall be amended to the extent necessary to facilitate the Arrangement and the implementation of the steps and transactions contemplated herein. Without limiting the generality of the foregoing, such amendments shall include, among other things, an amendment to permit the resignation of the existing trustees of the REIT and the replacement of the REIT's board of trustees by a single corporate trustee, and all amendments provided for in the Arrangement Agreement.
- (b) Notwithstanding the terms of the DRIP, the DRIP shall be terminated.
- (c) Each of the persons who are trustees of the REIT immediately prior to the Effective Time shall be removed as trustees and simultaneously Trusteeco shall become the sole trustee of the REIT. For greater certainty, such change to the composition of the trustees of the REIT shall not result in a termination or resettlement of the REIT.

- (d) Each Dissenting Unit held by a Dissenting Unitholder described in Section 4.1 shall be transferred to the REIT (free and clear of all Liens) in consideration for a debt claim against the REIT for the amount determined under Article 4. Effective at the time of this step:
- (i) the Dissenting Unitholders shall cease to be the holders of such REIT Units and to have any rights as holders of such REIT Units, other than the right to be paid fair value for such REIT Units as determined under Article 4;
 - (ii) the Dissenting Unitholders' names shall be removed as holders of such REIT Units from the registers of REIT Units maintained by or on behalf of the REIT; and
 - (iii) the REIT shall be deemed to be the transferee of such REIT Units (free and clear of all Liens) and such REIT Units shall thereupon be cancelled.
- (e) The REIT shall pay out on each REIT Unit (excluding, for greater certainty, Dissenting Units) as a regular monthly distribution, an amount of cash equal to the product obtained when (A) \$0.1358 is multiplied by (B) a fraction, the numerator of which is the number of days in the Stub Period and the denominator of which is the total number of days in the month in which the Effective Date occurs (the "**Stub Distribution**").
- (f) Each Exchangeable LP Unit shall be redeemed, pursuant to and in accordance with its terms and the relevant limited partnership agreement with the redemption price of each Exchangeable LP Unit being paid and satisfied in full by the issuance to the holder of the Exchangeable LP Unit of that number of REIT Units provided for in the relevant limited partnership agreement provided that no unit certificates shall be issued with respect to such REIT Units, and the associated number of Special Voting Units will be cancelled.
- (g) Notwithstanding the terms of the Unitholder Rights Plan, the Unitholder Rights Plan shall be terminated and all URP Rights, if any, shall be cancelled without any payment in respect thereof.
- (h) Based on the date immediately preceding the Effective Date being a "Calculation Date" as defined in Section 6.3 of the Deferred Unit Plan, in accordance with Section 2.7(2) of the Arrangement Agreement, the Deferred Unit Account of a participant under the Deferred Unit Plan shall be credited with the number of Deferred Units that the Deferred Unit account would be credited with under Section 6.3 of the Deferred Unit Plan in respect of cash distributions paid on REIT Units prior to the Effective Date in 2020 and the Stub Distribution. For the purpose of determining the number of Deferred Units to be credited to a Deferred Unit Account under Section 6.3 of the Deferred Unit Plan, the "Market Value" in respect of a REIT Unit shall be equal to the Cash Consideration.
- (i) Each participant under the Deferred Unit Plan shall surrender all of the participant's rights under the Deferred Unit Plan in exchange for a cash payment equal to the product of the Cash Consideration multiplied by the number of Deferred Units in such participant's Deferred Unit Account, including any fraction of a Deferred Unit, whether or not such Deferred Units have vested and whether or not any conditions attaching to such Deferred Units have been met.
- (j) Based on the date immediately preceding the Effective Date being a "Calculation Date" as defined in Section 6.5 of the Unit Award Plan, in accordance with Section 2.7(2) of the Arrangement Agreement, the number of REIT Units issuable pursuant to each Performance Award and Restricted Award shall be increased in accordance with Section 6.5 of the Unit Award Plan in respect of cash distributions paid on REIT Units prior to the Effective Date in 2020 and the Stub Distribution. For the purpose of determining the number of additional REIT Units that will become issuable pursuant to each Performance

Award and Restricted Award under Section 6.5 of the Unit Award Plan, the “Market Value” in respect of a REIT Unit shall be equal to the Cash Consideration.

- (k) Each holder of a Performance Award or Restricted Award shall surrender all of the holder’s rights under the Unit Award Plan to the REIT in exchange for a cash payment equal to the product of the Cash Consideration multiplied by the number of REIT Units issuable to such holder pursuant to the Unit Award Plan (provided that, excluding the increase in REIT Units issuable under Section 2.4(j), the number of REIT Units such holder is entitled to receive in respect of a Performance Award or Restricted Award granted in 2020 will be multiplied by a fraction, the numerator of which is the number of days from January 1, 2020 to the Effective Date, and the denominator of which is 366), including any fraction of a REIT Unit, whether or not such Performance Award or Restricted Award has vested and whether or not any conditions attaching to such Performance Award or Restricted Award have been met.
- (l) Each holder of a Pending Employee Unit shall surrender all of the holder’s rights under the Employee Unit Purchase Plan in exchange for a cash payment equal to the product of the Cash Consideration multiplied by the number of REIT Units such holder is entitled to pursuant to the Employee Unit Purchase Plan, including any fraction of a REIT Unit.
- (m) The Deferred Unit Plan, Unit Award Plan and Employee Unit Purchase Plan shall be terminated.
- (n) The REIT shall pay out, as a special distribution on the REIT Units, the amount, if any, that is determined by it prior to the Effective Time to be equal to its *bona fide* best estimate, as set forth in the Pre-Closing Notice, of the amount, if any, of its Taxable Income, for the taxation year of the REIT that includes the Effective Date (such amount to be reduced to take into account any deductions under subsection 104(6) of the Tax Act in respect of prior distributions during that taxation year of the REIT, including the Stub Distribution, and determined without reference to any Taxable Income that may arise as a consequence of the transactions contemplated herein), provided for greater certainty that the amount of the distribution under this Section 2.4(n) may be zero (the “**Special Distribution**”). The Special Distribution, if any, shall be paid in cash.
- (o) The REIT will subscribe for a number of additional units of NV2 equal to the number of issued and outstanding REIT Units after giving effect to the steps described in Sections 2.4(a) through 2.4(n) above, less the number of NV2 Units already held by the REIT at the time of such subscription, for an aggregate subscription price of \$1,000.
- (p) The REIT shall pay out, as a special distribution on the REIT Units, an aggregate cash amount of \$1,000, such aggregate distribution amount to be delivered to, and held by, the Depository as agent for and on behalf of the unitholders *pro rata* based on the number of REIT Units held by each unitholder (the “**Nominal Cash Distribution**”).
- (q) The REIT will sell and transfer to each holder of REIT Units, on a *pro rata* basis in proportion to their respective holdings of REIT Units, all of the NV2 Units held by the REIT for an aggregate purchase price of \$1,000, such that each unitholder will hold one NV2 Unit for each REIT Unit held; such aggregate purchase price to be delivered to the REIT from the funds held by the Depository as agent for and on behalf of the unitholders as a result of the step described in Section 2.4(p) and in respect thereof:
 - (i) the REIT shall cease to be the holder of such NV2 Units and to have any rights as holder of such NV2 Units;

- (ii) the REIT's name shall be removed as holder of such NV2 Units from the registers of NV2 Units maintained by or on behalf of NV2;
 - (iii) the unitholders shall be deemed to be the transferees of such NV2 Units (free and clear of all Encumbrances) and shall be entered as holders of such NV2 Units in the registers of NV2 Units maintained by or on behalf of NV2; and
 - (iv) the NV2 Units so acquired shall be non-transferrable, and no unitholder shall be permitted to transfer such NV2 Units, until the conclusion of the steps contemplated herein.
- (r) Pursuant to and in accordance with section 107.4 of the Tax Act, the REIT will transfer all of its limited partnership interests in the NV2 Partnerships and all of its shares, trust interests or partnership interests, as applicable, of the NV2 General Partners to NV2 for no consideration by way of a "qualifying disposition" (as defined in subsection 107.4(1) of the Tax Act).
 - (s) At 2:01 a.m. on the day immediately following the Effective Date, pursuant to and in accordance with the Credit Documents, the Refinancings will be completed, at which time the portion of the funds held by the Depository representing the proceeds from the Refinancings will cease to be held by the Depository for the benefit of the Refinancing Lenders and will be held by the Depository for the benefit of the Refinancing Borrowers.
 - (t) The Refinancing Distribution Steps will be completed in the order and in the manner specified in the Pre-Closing Notice.
 - (u) Pursuant to and in accordance with the Portfolio A Purchase Agreement, Purchaser A will purchase all of the Portfolio A Interests from the Portfolio A Sellers for an aggregate purchase price equal to the Portfolio A Purchase Price. The Portfolio A Purchase Price shall be satisfied by way of a cash payment equal to the Portfolio A Cash Amount and the issuance to the REIT of the Portfolio A Purchase Notes. The Portfolio A Purchase Price shall be allocated in respect of the Portfolio A Interests in the manner specified in the Pre-Closing Notice.
 - (v) Pursuant to and in accordance with the Portfolio B Purchase Agreement, Purchaser B will purchase all of the Portfolio B Interests from the Portfolio B Sellers for an aggregate purchase price equal to the Portfolio B Purchase Price. The Portfolio B Purchase Price shall be satisfied by way of a cash payment equal to the Portfolio B Cash Amount and the issuance to the REIT of the Portfolio B Purchase Notes. The Portfolio B Purchase Price shall be allocated in respect of the Portfolio B Interests in the manner specified in the Pre-Closing Notice.
 - (w) Benco shall subscribe for one REIT Unit (the "**Benco Unit**") for a subscription price equal to the REIT Redemption Price.
 - (x) To the extent that a REIT Subsidiary has sold Portfolio A Interests or Portfolio B Interests, the proceeds of such sale shall be distributed up to the REIT in successive steps as follows, as specified in the Pre-Closing Notice, and each applicable REIT Subsidiary shall be deemed to have directed the Purchasers to pay the proceeds of such sale directly to the REIT in satisfaction of such distributions:
 - (i) each Portfolio A Seller and Portfolio B Seller (other than the REIT) that is a partnership or a trust shall distribute the proceeds received from the sale of the Portfolio A Interests and Portfolio B Interests (including any Portfolio A Purchase Notes and Portfolio B Purchase Notes) to its partners or beneficiaries;

- (ii) each Portfolio A Seller and Portfolio B Seller that is a corporation shall distribute and/or advance the proceeds from the sale of the Portfolio A Interests and Portfolio B Interests (less any applicable income taxes) to its shareholders; and
 - (iii) any REIT Subsidiary receiving a distribution or advance referred to in (i) or (ii) shall distribute or advance the proceeds of such distribution to its partners, beneficiary or shareholders, as applicable, (less any applicable income taxes) such that all proceeds of the sale of the Portfolio A Interests and Portfolio B Interests (less any applicable income taxes payable by the relevant REIT Subsidiaries in respect thereof) are received by the REIT.
- (y) The REIT will redeem the DD Units for a redemption price per REIT Unit equal to the REIT Redemption Price and will satisfy the redemption price by transferring to the DD Unitholders, the Portfolio A Purchase Notes, the Portfolio B Purchase Notes and an amount of cash equal to the remainder of the redemption price payable.
- (z) The REIT will redeem all of the issued and outstanding REIT Units not redeemed in the step described in Section 2.4(y), other than the Benco Unit, for a cash redemption price per REIT Unit equal to the REIT Redemption Price and such aggregate redemption amount shall be delivered to, and held by, the Depository as agent for and on behalf of the holders of REIT Units. Following such redemption, Benco shall be the sole unitholder of the REIT. Effective at the time of this step:
 - (i) holders of REIT Units redeemed pursuant to this step shall cease to be the holders of such REIT Units or to have any rights as holders of such REIT Units, other than the right to be paid the amount set out herein for such REIT Units;
 - (ii) such unitholders' names shall be removed as the holders of such REIT Units from the registers of REIT Units maintained by or on behalf of the REIT; and
 - (iii) the REIT shall be deemed to be the transferee of such REIT Units (free and clear of all Liens) and such REIT Units shall be cancelled.
- (aa) The Additional NV2 Subscribers shall subscribe for units of NV2 for the aggregate subscription price and in the manner specified in the Pre-Closing Notice, and the proceeds of such subscriptions shall be deposited with the Depository.
- (bb) Each former holder of a REIT Unit entitled to receive Additional NV2 Units in accordance with and subject to the provisions of Sections 3.1 and 3.2 (a "**Subscribing Unitholder**") shall be deemed to have subscribed for that number of Additional NV2 Units for which such Subscribing Unitholder is entitled to subscribe pursuant to Sections 3.1 and 3.2, and NV2 will issue to such Subscribing Unitholder such Additional NV2 Units in exchange for payment by such Subscribing Unitholder of the NV2 Subscription Price per Additional NC2 Unit, which subscription price shall be paid to NV2 by the Depository on behalf of such Subscribing Unitholder from the redemption proceeds held by the Depository pursuant to step described in Section 2.4(z), which proceeds shall thereafter be held by the Depository on behalf of NV2, and such unitholders shall be deemed to be the holders of such Additional NV2 Units (free and clear of all Encumbrances) and shall be entered as holders of such Additional NV2 Units in the registers of NV2 Units maintained on or behalf of NV2.
- (cc) Each NV2 Unit purchased by the holder pursuant to Section 2.4(q) with the proceeds from the Nominal Cash Distribution attributable to an Eligible Unit in respect of which a Redemption Election was made, shall be redeemed by NV2 for a cash redemption price equal to the NV2 Redemption Price, to be paid out of the subscription proceeds held by the Depository pursuant to Section 2.4(aa) and Section 2.4(bb), and such aggregate NV2

Redemption Price shall thereupon be held by the Depositary as agent for and on behalf of such holders. Effective at the time of this step:

- (i) holders of the NV2 Units redeemed in this step shall cease to be the holders of such NV2 Units and to have any rights as holders of such NV2 Units, other than the right to be paid the amount provided for herein for such NV2 Units;
 - (ii) such holders' names shall be removed as the holders of such NV2 Units maintained by or on behalf of NV2; and
 - (iii) NV2 shall be deemed to be the transferee of such NV2 Units (free and clear of all Liens) and such NV2 Units shall be cancelled.
- (dd) The NV2 Units (including any Additional NV2 Units issued pursuant to Section 2.4(bb)) shall be, and shall be deemed to be, consolidated based on the Consolidation Ratio (the "**Consolidation**").
- (ee) Each fractional Post-Consolidation NV2 Unit resulting from the Consolidation in Section 2.4(dd) shall be redeemed by NV2 for an amount in cash equal to such fraction multiplied by the Post-Consolidation NV2 Redemption Price.
- (ff) The resignations (other than those referred to in Section 2.4(c)) referred to in Article 5 shall become effective.

For greater certainty, none of the foregoing steps shall occur unless all of the foregoing steps occur.

ARTICLE 3 ELECTION, CONSIDERATION, REGISTERS AND CERTIFICATES

3.1 Election in respect of the Consideration to be received under the Arrangement

- (a) Subject to Section 3.2 and the other provisions of this Article 3, each Pro Forma Eligible Unitholder will be entitled to make an election in respect of each Eligible Unit on or prior to the Election Deadline:
- (i) To (A) redeem in accordance with Section 2.4(cc) in exchange for the NV2 Redemption Price, the NV2 Unit purchased by the holder pursuant to Section 2.4(q) with the proceeds from the Nominal Cash Distribution attributable to such Eligible Unit, and (B) retain the redemption proceeds to which it is entitled in respect of the redemption of such Eligible Unit in accordance with Section 2.4(y) or (2.4)(z) (a "**Redemption Election**"), or
 - (ii) to (A) retain the NV2 Unit purchased by the holder pursuant to Section 2.4(q) with the proceeds from the Nominal Cash Distribution attributable to such Eligible Unit, and (B) in the case of a Pro Forma Eligible Unitholder that is not resident in the United States and is otherwise outside the United States, to use none, all or a portion of the redemption proceeds to which it is entitled in respect of the redemption of such Eligible Unit in accordance with Section 2.4(y) or Section 2.4(z) to purchase Additional NV2 Units, at a subscription price equal to the NV2 Subscription Price per Additional NV2 Unit, which subscription price shall be paid to and held on behalf of NV2 by the Depositary on behalf of such holder from the redemption proceeds attributable to such Eligible Unit and held by the Depositary pursuant to Section 2.4(y) or Section 2.4(z), as the case may be, (a "**Subscription Election**").

- (b) For the avoidance of doubt, a Pro Forma Eligible Unitholder may make any one or more of the Redemption Election and Subscription Election for any whole number of Pro Forma Eligible Units held by such Pro Forma Unitholder.
- (c) For the avoidance of doubt, fractional NV2 Units may be issued pursuant to a Subscription Election.

3.2 Pro-Ration Mechanics for Holders Making a Subscription Election

- (a) The aggregate number of Additional NV2 Units available for subscription by Pro Forma Eligible Unitholders making Subscription Elections pursuant to Section 3.1(a) shall be limited to the amount, if any, by which (i) the number of Eligible Units in respect of which holders have elected the Redemption Election exceeds (ii) the Minimum Additional Subscription Number, rounded down to the nearest whole number (the “**Maximum Subscription**”).
- (b) If the aggregate number of Additional NV2 Units in respect of which Subscribing Unitholders have made Subscription Elections exceeds the Maximum Subscription (such excess the “**Unit Difference**”), then the number of Additional NV2 Units in respect of which each Subscribing Unitholder shall have subscribed for under the Subscription Election (“**Subscription Election Units**”) shall be deemed to be reduced by the whole number of Additional NV2 Units (or fractions thereof) equal to the product obtained when: (A) the Unit Difference, is multiplied by (B) a fraction, the numerator of which is the number of Subscription Election Units of such Subscribing Unitholder (before reduction by this Section 3.2) and the denominator of which is the total number of Subscription Election Units of all Subscribing Unitholders (before reduction by this Section 3.2).

3.3 Method of Election and Deemed Election

- (a) The Redemption Election or Subscription Election with respect to an Eligible Unit shall be made (i) by the holder of a REIT Unit by depositing with the Depositary, on or prior to the Election Deadline, a Letter of Transmittal and Election Form, duly completed and executed in the manner described therein, with such election indicated therein, together with the unit certificates or instruments representing such holder’s REIT Unit and accompanied by such other documents and instruments as the Depositary may reasonably require, and (ii) by the holder of an Exchangeable LP Unit by depositing with the Depositary the unit certificates or instruments representing such holder’s Exchangeable LP Units, together with written notice of such Pro Forma Unitholder’s election and such other documents and instruments as the Depositary may reasonably require. The REIT shall provide at least four Business Days of notice of the Election Deadline to holders of REIT Units and Exchangeable LP Units by means of a news release disseminated by way of a national wire service.
- (b) If a valid election has not been made with respect to a particular Eligible Unit, the Redemption Election shall be deemed to have been made with respect to that Eligible Unit.

3.4 Registers of Holders and Certificates for NV2 Units and Units

- (a) For greater certainty, following completion of the steps in Section 2.4, each NV2 Unit delivered to a unitholder or the Depositary hereunder constitutes a validly issued “Unit”, as provided in the NV2 Declaration of Trust.
- (b) After completion of the steps in Section 2.4, each certificate or instrument formerly representing REIT Units or Exchangeable LP Units shall represent only the right to receive (i) in the case of certificates or instruments held by Dissenting Unitholders described in

Section 4.1(a), the fair value of the REIT Units represented by such certificates or instrument, (ii) in the case of certificates or instruments held by Dissenting Unitholders described in Section 4.1(b), the amount specified therein, and (iii) in the case of holders of all other REIT Units or Exchangeable LP Units, the Stub Distribution, Special Distribution, the REIT Redemption Price, NV2 Redemption Price, and/or certificates or instruments representing the NV2 Units, as the case may be, that the holder is entitled to receive in accordance with the terms of the Arrangement upon such holder depositing with the Depositary the certificate or instrument and such other documents and instruments as the Depositary may reasonably require and subject to compliance with the requirements set forth in this Article 3.

3.5 Payment of Consideration

- (a) In accordance with the timing set out in Section 2.4, the Depositary shall, for each holder entitled to a cash payment, cause individual cheques (or, if requested by such unitholders or required by applicable Law, wire transfers) to be sent to those Persons who have deposited the certificates or instruments for such REIT Units or Exchangeable LP Units, if any, and such documents and instruments required by the Depositary pursuant to Section 3.3. Such cheques, wire transfers and instruments shall be:
 - (i) in the case of cheques, certificates or other instruments, forwarded by first class mail, postage pre-paid, to the Person and at the address specified in the relevant Letter of Transmittal and Election Form or, if no address has been specified therein, at the address specified in the registers of the Unitholders and Exchangeable Unitholders;
 - (ii) in the case of wire transfers, sent to an account specified in the relevant Letter of Transmittal and Election Form; or
 - (iii) if requested by such unitholder in the Letter of Transmittal and Election Form, made available or caused to be made available at the Depositary for pick up by such unitholder.

Cheques, certificates and instruments mailed pursuant hereto will be deemed to have been delivered at the time of delivery thereof to the post office.

- (b) All amounts receivable by holders of REIT Units pursuant to the Arrangement shall be without interest and any interest earned on funds held in trust by the Depositary for the benefit of such Persons shall be for the sole benefit of NV2.
- (c) As regards to Persons entitled to receive NV2 Units pursuant to this Plan of Arrangement, the Depositary shall make the registrations provided in this Plan of Arrangement in the name of each Person entitled to be registered or as otherwise instructed in the Letter of Transmittal and Election Form deposited by such Person and shall deliver instruments representing Post-Consolidation NV2 Units in accordance with Section 3.5(a) and this Section 3.5(c). In the event of a transfer of ownership of the REIT Units that was not registered in the registers of REIT Units maintained by or on behalf of the REIT, an instrument representing the proper number of Post-Consolidation NV2 Units may be issued to the transferee if the certificate or instrument representing such REIT Units is presented to the Depositary as provided above, accompanied by all documents required to evidence and effect such transfer and to evidence that any applicable Taxes have been paid.
- (d) In any case where the aggregate amount of cash payable to a particular Person under this Plan of Arrangement would, but for this provision, include a fraction of a cent, the cash payable shall be rounded down to the nearest whole cent.

3.6 Distributions with Respect to Unsurrendered Certificates

- (a) No distributions declared or made with respect to the REIT Units with a record date after the Effective Time shall be paid to a holder of REIT Units for any unsurrendered certificate or instrument which immediately prior to the Effective Time represented outstanding REIT Units unless and until the holder of such certificate or instrument shall have complied with the provisions of this Article 3.
- (b) Subject to applicable Law and to Section 3.9 hereof, at the time of such compliance, a former holder REIT Units entitled to receive Post-Consolidation NV2 Units shall receive, in addition to the delivery of an instrument representing the applicable Post-Consolidation NV2 Units, a cheque for the amount of the dividend or other distribution with a record date after the Effective Time, without interest, theretofore paid with respect to such Post-Consolidation NV2 Units.

3.7 Lost Instruments of Certificates

In the event that any instrument or certificate which immediately prior to the Effective Time represented one or more outstanding REIT Units or Exchangeable LP Units that were redeemed and cancelled pursuant to Section 2.4 shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Unitholder or Exchangeable Unitholder claiming such instrument or certificate to be lost, stolen or destroyed, the transfer agent (prior to the Effective Time) or the Depositary (following the Effective Time) will issue in exchange for such lost, stolen or destroyed instrument or certificate a certified cheque representing the appropriate aggregate amount of Cash Consideration deliverable to such Unitholder or Exchangeable Unitholder, or a certificate representing the Post-Consolidation NV2 Units, as applicable, deliverable to such Unitholder or Exchangeable Unitholder in accordance with the provisions of Sections 3.5(a) and (c). When authorizing such payment in exchange for any lost, stolen or destroyed instrument or certificate, the Unitholder or Exchangeable Unitholder to whom such payment is to be issued shall, as a condition precedent to the issuance thereof, give a bond satisfactory to the Purchasers, the REIT and the transfer agent or the Depositary, as applicable, in such sum as the Purchasers, the REIT or the transfer agent or the Depositary, as applicable, may direct, acting reasonably, or otherwise indemnify the Purchasers, the REIT and the transfer agent and the Depositary, as applicable in a manner satisfactory to the Purchasers, the REIT and the transfer agent and the Depositary, as applicable, acting reasonably, against any claim that may be made against the Purchasers, the REIT or the transfer agent or the Depositary, as applicable, with respect to the instrument or certificate alleged to have been lost, stolen or destroyed.

3.8 Extinction of Rights

If any instrument or certificate which immediately prior to the Effective Time represented outstanding REIT Units that were redeemed and cancelled pursuant to Section 2.4 (or an affidavit of loss and bond or other indemnity pursuant to Section 3.7), together with such other documents or instruments that are required to be delivered by such former Unitholder in order to receive payment for its REIT Units and all other instruments required by Section 3.4(b), are not deposited on or prior to the sixth anniversary of the Effective Date, such instrument and certificate shall cease to represent a claim or interest of any kind or nature against the REIT and NV2. On such date, the REIT Redemption Price, NV2 Redemption Price and Post-Consolidation NV2 Units to which the former holder referred to in the preceding sentence was ultimately entitled shall be deemed to have been surrendered for no consideration to NV2 and shall be returned to NV2 by the Depositary.

3.9 Withholding Rights

NV2, the REIT and the Depositary, as applicable, shall be entitled to deduct or withhold from any payment to any Person pursuant to this Plan of Arrangement such amounts as it is required to deduct or withhold or is required to deduct and withhold with respect to such payment under the

Tax Act or any provision of any Law and remit such deduction and withholding amount to the appropriate Governmental Entity. To the extent that amounts are so properly deducted or withheld, such deducted or withheld amounts shall be treated for all purposes of this Agreement and the Arrangement as having been paid to the person to whom such amounts would otherwise have been paid, provided that such withheld amounts are actually remitted to the appropriate Governmental Entity. Without limiting the generality of the foregoing, NV2, the REIT and the Depositary shall have the right to effect any deduction or withholding from a payment to a Person by way of holdback from the number of Post-Consolidation NV2 Units received by such Person hereunder and selling or otherwise dealing with such units on behalf of such Person as necessary to fund the amount of such deduction or withholding (including in the case of a Subscribing Unitholder, by way of holdback and sale of Post-Consolidation NV2 Units in order to fund required deduction or withholding from the payments used by such unitholders to fund the subscription price paid for Additional NV2 Units hereunder).

3.10 Adjustments to Non-Cash Consideration

The number of NV2 Units issuable under Section 2.4(o) and under Section 2.4(bb) and Post-Consolidation NV2 Units issuable following the Consolidation, the NV2 Redemption Price and the Maximum Additional NV2 Units shall be adjusted to reflect fully the effect of any unit split, reverse split, issuance of units (including any units issued in satisfaction of any amounts made payable to holders of NV2 Units, Post-Consolidation NV2 Units or REIT Units or the issuance of NV2 Units, Post-Consolidation NV2 Units or REIT Units on a conversion of securities convertible into such units), consolidation, reorganization, recapitalization or other like change with respect to Post-Consolidation NV2 Units or REIT Units occurring after the date of the Arrangement Agreement and prior to the Effective Time, or with a record date prior to the Effective Time and occurring after the Effective Time.

3.11 U.S. Securities Laws Exemption

Notwithstanding any provision herein to the contrary, the Parties agree that this Plan of Arrangement will be carried out with the intention that any NV2 Units issued to holders of REIT Units pursuant to Sections 2.4(q) and 3.1(a)(ii)(A) hereof and any Post-Consolidation NV2 Units issued to holders of REIT Units in substitution of such NV2 Units upon completion of this Plan of Arrangement will be issued in reliance on the exemption from the registration requirements of the U.S. Securities Act of 1933, as amended, provided by Section 3(a)(10) thereof.

ARTICLE 4 DISSENTING UNITHOLDERS

4.1 Dissent Rights

Subject to Section 4.2, each registered holder of REIT Units (which, for greater certainty does not include holders of REIT Units issued pursuant to this Plan of Arrangement) may exercise dissent rights with respect to the REIT Units held by such holder ("**Dissent Rights**") in connection with the Arrangement pursuant to and in the manner set forth in the Interim Order, as modified by this Article 4; provided that, notwithstanding the procedures set forth in the REIT Declaration of Trust as applicable under the Interim Order, the written objection to the Arrangement Resolution must be received by the REIT not later than 5:00 p.m. two Business Days immediately preceding the date of the Meeting (as it may be adjourned or postponed from time to time). The Dissenting Units held by Dissenting Unitholders who validly exercise their Dissent Rights shall be redeemed by the REIT as provided in Section 2.4 and if they:

- (a) ultimately are entitled to be paid fair value for such Dissenting Units shall: (i) in respect of such Dissenting Units be treated as not having participated in the transactions in Article 2, other than Section 2.4(d), (ii) be entitled to be paid, subject to Section 3.9, the fair value of

such Dissenting Units by the REIT, which fair value shall be determined as of the close of business on the day before the Arrangement Resolution was adopted at the Meeting, and (iii) not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such holders not exercised their Dissent Rights in respect of such Dissenting Units; or

- (b) ultimately are not entitled, for any reason, to be paid fair value for such Dissenting Units, shall (i) in respect of such Dissenting Units be treated as not having participated in the transactions in Article 2, other than Section 2.4(d), (ii) be entitled to be paid, subject to Section 3.9, an amount equal to the sum of the Cash Consideration and the Stub Distribution for each such Dissenting Unit, and (iii) not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such holders not exercised their Dissent Rights in respect of such Dissenting Units.

4.2 Recognition of Dissenting Unitholders

In no circumstances shall the Purchasers, the REIT, NV2 or any other Person be required to recognize a Person exercising Dissent Rights unless such Person is the registered holder of those REIT Units in respect of which such rights are sought to be exercised. For greater certainty, in no case shall the Purchasers, the REIT, NV2 or any other Person be required to recognize a Dissenting Unitholder as a holder of REIT Units in respect of which Dissent Rights have been validly exercised after the completion of the transfers in the steps in Section 2.4(d). In addition to any other restrictions in the REIT Declaration of Trust as applicable under the Interim Order, any Person who has voted in favour of the Arrangement shall not be entitled to exercise Dissent Rights, and Exchangeable Unitholders shall not be entitled to exercise Dissent Rights in respect of Exchangeable LP Units.

ARTICLE 5 RELEASES AND RESIGNATIONS

- 5.1** At the Effective Time, each of the REIT Released Parties will be released and discharged from any and all demands, claims, liabilities, indemnities, indebtedness, obligations, causes of action, debts, accounts, covenants, damages, executions and other recoveries based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place including, those arising by contract, at common law, by statute or otherwise howsoever, on or prior to and including the Effective Time of any of (a) the Unitholders, or (b) the holders of Special Voting Units, relating to, arising out of, or in connection with, the REIT, including control thereof, the REIT Entities, the business or assets directly or indirectly owned by the REIT, any securities of the REIT Entities, this Plan of Arrangement and any proceedings commenced with respect to or in connection with this Plan of Arrangement; provided that: (i) nothing in this paragraph will release or discharge any of the REIT Released Parties from or in respect of its obligations under or any other terms of this Plan of Arrangement, any documents executed in connection herewith or the Final Order (including, any consideration payable hereunder or thereunder); (ii) nothing herein will release or discharge a REIT Released Party to the extent such REIT Released Party has admitted to having committed, or is determined by a court of competent jurisdiction or regulatory or self-regulatory body to have committed, gross negligence, fraud or wilful misconduct; (iii) nothing herein will release or discharge a REIT Released Party with respect to claims that any director, trustee, officer, employee, former director, former trustee, former officer or former employee of any REIT Entity may have under an indemnification or employment agreement, organizational documents of the applicable REIT Entity or otherwise; and (iv) the auditors, financial advisors and legal counsel of the REIT Entities shall be released and discharged only with respect to matters relating to, arising out of, or in connection with, this Plan of Arrangement, including the transactions contemplated hereby, and any proceedings commenced with respect to or in connection with this Plan of Arrangement.
- 5.2** At the effective time of the step in Section 2.4(c), all trustees of the REIT shall be deemed to have resigned from such positions and to have been replaced by Trusteeco but, for greater clarity,

nothing in this Section 5.2 shall affect the status or role of any of them insofar as they are officers of such or any other entity.

ARTICLE 6 AMENDMENTS

- 6.1** The Purchasers and the REIT may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that any such amendment, modification and/or supplement must be: (a) set out in writing, (b) approved by the Purchasers and the REIT, each acting reasonably; (c) filed with the Court and, if made following the Meeting, approved by the Court; and (d) communicated to holders of the REIT Units held at the Effective Time or issuable pursuant to this Plan of Arrangement if and as required by the Court.
- 6.2** Any amendment, modification and/or supplement to this Plan of Arrangement may be proposed by the Purchasers or the REIT, each acting reasonably, at any time prior to the Meeting (provided that the Purchasers and the REIT shall have consented thereto) with or without any other prior notice or communication, and if so proposed and accepted by the Persons voting at the Meeting, shall become part of this Plan of Arrangement for all purposes.
- 6.3** Any amendment, modification and/or supplement to this Plan of Arrangement that is approved or directed by the Court following the Meeting shall be effective only if: (a) it is consented to in writing by each of the Purchasers and the REIT (in each case, acting reasonably), and (b) if required by the Court, it is consented to by some or all of the Unitholders and holders of Special Voting Units voting in the manner directed by the Court.
- 6.4** Any amendment, modification and/or supplement to this Plan of Arrangement may be made following the Effective Date unilaterally by the Purchasers, provided that it concerns a matter which, in the reasonable opinion of the Purchasers, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and in no way is adverse to the economic interests of any of holders of the REIT Units and holders of Exchangeable LP Unit, Deferred Units, Performance Awards, Restricted Awards and Pending Employee Units if and as required by the Court and such amendments, modifications or supplements to the Plan of Arrangement need not be filed with the Court or communicated to holders of the REIT Units and holders of Exchangeable LP Units, Deferred Units, Performance Awards, Restricted Awards and Pending Employee Units if and as required by the Court.
- 6.5** This Plan of Arrangement may be withdrawn prior to the Effective Time in accordance with the terms of the Arrangement Agreement.

ARTICLE 7 PARAMOUNTCY

- 7.1** From and after the Effective Time:
- (a) this Plan of Arrangement shall take precedence and priority over the terms of any and all REIT Units, Deferred Units, Performance Awards and Restricted Awards issued prior to the Effective Time;
 - (b) the rights and obligations of the registered and beneficial holders of REIT Units, Deferred Units, Performance Awards, Restricted Awards, NV2 Units, the Purchasers, NV2, REIT Subsidiaries, the Subsidiaries of NV2, Benco, Trusteeco and any transfer agent or other depository therefor in relation thereto, shall be governed by and subject to this Plan of Arrangement; and

- (c) all actions, causes of action, claims or proceedings (actual or contingent and whether or not previously asserted) based on or in any way relating to any REIT Units, NV2 Units, Post-Consolidation NV2 Units, Deferred Units, Performance Awards and Restricted Awards shall be deemed to have been settled, compromised, released and determined without liability except as set forth herein.

ARTICLE 8 FURTHER ASSURANCES

- 8.1** Notwithstanding that the transactions and events set out herein shall occur and be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the parties to the Arrangement Agreement shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order further to document or evidence any of the transactions or events set out herein. The Purchasers and the REIT may agree not to implement this Plan of Arrangement, notwithstanding the passing of the Arrangement Resolution and receipt of the Final Order.

APPENDIX “E” SCOTIABANK FAIRNESS OPINION

February 19, 2020

The Board of Trustees
Northview Apartment REIT
200, 6131 – 6th Street SE
Calgary, Alberta T2H 1L9

To the Board of Trustees

Scotia Capital Inc. (“Scotia Capital”, “we”, “us” or “our”) understands that Northview Apartment REIT (“Northview” or the “REIT”) and affiliates of Starlight Group Property Holdings Inc. (“Starlight”) and affiliates of Kingsett Capital Inc. (“Kingsett”) (collectively, the “Purchasers”) propose to enter into an agreement to be dated February 19, 2020 (the “Arrangement Agreement”), pursuant to which, among other things, the Purchasers will acquire Northview, and the holders of Northview’s outstanding trust units (the “Units”), other than Starlight’s interest in Northview which will be rolled into the acquiring entities, will receive \$36.25 per Unit (the “Consideration”) by way of an arrangement (the “Arrangement”) under the *Business Corporations Act* (Alberta). Holders of Units (each, a “Trust Unitholder”) will be able to elect to receive 100% of the Consideration in the form of cash (the “All-Cash Consideration”). Alternatively, Trust Unitholders may elect to receive all or a portion of the Consideration in units of a new, multi-residential fund that would own a geographically diverse portfolio of Northview properties located in six Canadian provinces and two territories (the “High Yield Fund”). Elections to receive High Yield Fund units will be subject to proration. Elections to receive the All-Cash Consideration will not be subject to proration. Trust Unitholders not specifying an election will be deemed to have elected to receive the All-Cash Consideration. The terms and conditions of the Arrangement Agreement will be more fully described in a management information circular (the “Circular”) which will be mailed to Trust Unitholders in connection with the Arrangement.

Scotia Capital also understands that each of the trustees and senior officers of the REIT will enter into voting and support agreements with the Purchasers (each a “Voting Support Agreement”) pursuant to which, among other things, each of them will agree to vote all Units owned or controlled by them in favour of the Arrangement.

We have been retained to provide financial advice and assistance to the REIT in evaluating the Arrangement, including providing our opinion (the “Opinion”) to the board of trustees of the REIT (the “Board of Trustees”) as to the fairness, from a financial point of view, of the Consideration to be received by Trust Unitholders who elect to receive, or are deemed to have elected to receive, the All-Cash Consideration under the Arrangement (other than the Purchasers and their affiliates).

Engagement of Scotia Capital

The REIT initially contacted Scotia Capital regarding a potential advisory assignment on October 3, 2019. Scotia Capital was formally engaged by the REIT pursuant to an engagement letter dated October 25, 2019 (the “Engagement Letter”). Under the terms of the Engagement Letter, the REIT has agreed to pay Scotia Capital a fee for its services as financial advisor. The fee that Scotia Capital will receive for its advisory services is contingent upon the completion of the Arrangement. In addition, the REIT has agreed to reimburse Scotia Capital for its reasonable out-of-pocket expenses and to indemnify us in respect of certain liabilities that may arise out of our engagement.

Subject to the terms of the Engagement Letter, Scotia Capital consents to the inclusion of the Opinion in its entirety and a summary thereof in the Circular and to the filing of the Opinion by the REIT, as necessary, with the applicable securities commissions, stock exchanges and other similar regulatory authorities in Canada.

Credentials of Scotia Capital

Scotia Capital represents the global corporate and investment banking and capital markets business of The Bank of Nova Scotia ("Scotiabank"), one of North America's premier financial institutions. In Canada, Scotia Capital is one of the country'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 and investment research. Scotia Capital has participated in a significant number of transactions involving private and public companies and has extensive experience in preparing fairness opinions.

The Opinion expressed herein represents the opinion of Scotia Capital. The form and content of the Opinion have been approved for release by a committee of officers and other professionals of Scotia Capital, each of whom is experienced in merger, acquisition, divestiture, fairness opinion and valuation matters.

Independence of Scotia Capital

None of Scotia Capital or any of its affiliates is an insider, associate or affiliate (as those terms are defined in the *Securities Act* (Ontario)) of the REIT, the Purchasers or any of their respective associates or affiliates (collectively, the "Interested Parties"). None of Scotia Capital or any of its affiliates has been engaged to provide any financial advisory services, nor has Scotia Capital or any of its affiliates participated in any financing, involving the Interested Parties within the past two years, other than pursuant to the Engagement Letter and as described herein. In the past two years, Scotia Capital and its affiliates have been engaged in the following capacity for, or transacted business with, the Interested Parties: (i) acting as a Co-Lead Arranger, Sole Bookrunner, Administrative Agent and lender to the REIT in connection with its \$200 million corporate revolver in March 2019, as a lender to the REIT in connection with its \$22 million project financing term loan in June 2018, and as a joint bookrunner to the REIT in connection with its \$127 million and \$86 million unit offerings in June 2018 and May 2019, respectively; (ii) acting as Co-manager to True North Commercial REIT in connection with its \$40 million, \$58 million, and two \$81 million unit offerings in March 2018, July 2018, September 2019 and November 2019, respectively; (iii) acting as Co-manager to Starlight U.S. Multi-Family (No. 1) Core Plus Fund in connection with its \$218 million initial public offering of limited partnership units in February 2020, as a lender to Starlight in connection with its \$650 million acquisition term loan in December 2019 and as Co-manager to Starlight Hybrid Global Real Assets Trust in connection with its \$29 million initial public offering of units in December 2018; and (iv) acting as a Lead Arranger, Bookrunner, Administrative Agent and lender to KingSett in connection with its \$470 million syndicated term loan for its acquisition of a stake in Scotia Plaza in June 2019, and as a Co-Lead Arranger and lender to KingSett in connection with its \$384 million syndicated term loan for its acquisition of Atrium on Bay in June 2019. There are no material understandings, agreements or commitments between Scotia Capital and the Interested Parties with respect to any future business dealings. Scotia Capital may, in the future, in the ordinary course of its business, perform financial advisory or investment banking services for the Interested Parties. Scotiabank, of which Scotia Capital is a wholly-owned subsidiary, or one or more affiliates of Scotiabank, may provide banking or other financial services to one or more of the Interested Parties in the ordinary course of business.

Scotia Capital acts as a trader and dealer, both as principal and agent, in the financial markets in Canada, the United States and elsewhere and, as such, it and Scotiabank may have had and may have positions in the securities of the Interested Parties from time to time and may have executed or may execute transactions on behalf of such companies or clients for which it receives compensation. As an investment dealer, Scotia Capital conducts research on securities and may, in the ordinary course of business, provide research reports and investment advice to its clients on investment matters, including with respect to the Interested Parties, or with respect to the Arrangement.

Overview of the REIT

Northview is one of Canada's largest publicly traded multi-family REITs with a portfolio of approximately 27,000 residential suites and 1.2 million square feet of commercial space in more than 60 markets across eight provinces and two territories. Northview's well-diversified portfolio includes markets

characterized by expanding populations and growing economies, which provides Northview the means to deliver stable and growing profitability and distributions to unitholders of Northview over time.

Scope of Review

In preparing the Opinion, we have reviewed, considered and relied upon, among other things, the following:

1. a draft of the Arrangement Agreement dated February 19, 2020;
2. drafts of the Voting and Support Agreements dated February 15, 2020;
3. a draft of the voting and support agreement between the REIT and Daniel Drimmer dated February 15, 2020;
4. audited annual financial statements of the REIT and management's discussion and analysis related thereto for the fiscal years ended December 31, 2018 and 2017;
5. unaudited interim financial statements of the REIT and management's discussion and analysis related to the three and nine month periods ended September 30, 2019;
6. the notices of annual meeting of the unitholders and the information circulars of the REIT for the meetings dated May 9, 2019 and May 10, 2018;
7. annual information forms of the REIT for the fiscal years ended December 31, 2018 and 2017;
8. internal management forecasts, projections, estimates and budgets prepared or provided by or on behalf of management of the REIT;
9. internal financial, operating and corporate information or reports of the REIT;
10. discussions with senior management of the REIT;
11. discussions with the REIT's legal counsel;
12. a review of National Bank Financial's independent valuation range ("NBF Valuation Range") for the Units delivered verbally to the Board of Trustees on February 17, 2020;
13. public information relating to the business, operations, financial performance, stock trading history and trading statistics of the REIT and other selected public entities considered by us to be relevant;
14. public information with respect to other transactions of a comparable nature considered by us to be relevant;
15. various reports published by equity research analysts and industry sources we considered relevant;
16. representations contained in a certificate addressed to Scotia Capital, dated as of the date hereof, from senior officers of the REIT as to the completeness, accuracy and fair presentation of the information upon which the Opinion is based; and
17. such other corporate, industry and financial market information, investigations and analyses as Scotia Capital considered necessary or appropriate in the circumstances.

Scotia Capital has not, to the best of its knowledge, been denied access by the REIT to any information requested by Scotia Capital.

Prior Valuations

The REIT has represented to Scotia Capital that there have not been any prior valuations (as defined in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*) of the REIT or any of its subsidiaries or any of its material assets or securities in the past twenty-four month period other than those which have been provided to Scotia Capital.

Assumptions and Limitations

The Opinion is subject to the assumptions, qualifications and limitations set forth below.

With the Board of Trustees' approval and as provided in the Engagement Letter, we have relied upon the completeness, accuracy and fair presentation of all of the financial and other information, data, advice, agreements, opinions and representations obtained by us from public sources, or that was provided to us, by the REIT, and its associates and affiliates and advisors (collectively, the "Information"). The Opinion is conditional upon the completeness, accuracy and fair presentation of the Information. Subject to the exercise of our professional judgment, we have not attempted to verify independently the completeness, accuracy or fair presentation of the Information.

We are not legal, regulatory, accounting or tax experts and have relied on the assessments made by the REIT and its professional advisors with respect to such matters. We have assumed the accuracy and fair presentation of, and relied upon the REIT's audited financial statements and the reports of the auditors thereon and the REIT's interim unaudited financial statements. We have assumed that forecasts, projections, estimates and budgets provided to us and used in our financial analysis supporting this Opinion, were reasonably prepared on bases reflecting the best currently available estimates and judgments of management of the REIT as to the matters covered thereby.

Senior officers of the REIT have represented to Scotia Capital in a certificate delivered as at the date hereof, among other things, that to the best of their knowledge (a) the REIT has no information or knowledge of any facts public or otherwise not specifically provided to Scotia Capital relating to the REIT or any of its subsidiaries which would reasonably be expected to affect the Opinion in any material respect; (b) with the exception of budgets, forecasts, projections or estimates referred to in (d), below, the Information and data supplied or otherwise made available to, Scotia Capital provided orally by, or in the presence of, an officer of the REIT or any of its subsidiaries, in connection with the Opinion is or, in the case of historical information, was, at the date of preparation, true and accurate in all material respects (except to the extent superseded by more current information) and no additional material, data or information would be required to make the Information provided to Scotia Capital by the REIT not misleading in any material respect in light of circumstances in which it was prepared; (c) to the extent that any of the Information identified in (b), above, is historical, there have been no changes in material facts or new material facts since the respective dates thereof which have not been disclosed to Scotia Capital or updated by more current Information or data disclosed; and (d) any portions of the Information provided to Scotia Capital which constitute budgets, forecasts, projections or estimates were prepared using the assumptions identified therein, which, in the reasonable opinion of management of the REIT, are (or were at the time of preparation and continue to be) reasonable in the circumstances and are not, in the reasonable belief of management of the REIT, misleading in any material respect in light of the assumptions used therefor.

In preparing the Opinion, Scotia Capital made several assumptions, including that the final executed versions of the Arrangement Agreement and Voting Support Agreements will be identical to the most recent drafts thereof reviewed by us, and that the Arrangement will be consummated in accordance with the terms set forth in the Arrangement Agreement without any waiver or amendment of any terms or conditions. In addition, we have assumed that the conditions precedent to the completion of the Arrangement can be satisfied in due course, all consents, permissions, exemptions or orders of relevant third parties or regulatory authorities will be obtained without adverse condition or qualification, and the procedures being followed to implement the Arrangement are valid and effective.

The Opinion is rendered on the basis of the securities markets and economic, financial and general business conditions prevailing as at the date hereof and the conditions and prospects, financial and otherwise, of the REIT and its subsidiaries and affiliates, as they were reflected in the Information and as they have been represented to Scotia Capital in discussions with management of the REIT and its representatives. In its analyses and in preparing the Opinion, Scotia Capital made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of Scotia Capital or any party involved in the Arrangement.

The Opinion has been provided for the sole use and benefit of the Board of Trustees in connection with, and for the purpose of, its consideration of the Arrangement and may not be used or relied upon by any other person. Our opinion was not intended to be, and does not constitute, a recommendation to the Board of Trustees as to whether they should approve the Arrangement or to any unitholder as to how such unitholder should vote or act with respect to the Arrangement or its Units. The Opinion does not address in any manner the prices at which the REIT's securities will trade at any time. The Opinion does not address the relative merits of the Arrangement as compared to other transactions or business strategies that might be available to the REIT or the REIT's underlying business decision to effect the Arrangement. The Opinion does not address the fairness of the Consideration for Trust Unitholders that may elect to receive all or a portion of the Consideration in units of the High Yield Fund.

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 or any of its affiliates, and the Opinion should not be construed as such. The Opinion is given as of the date hereof, and Scotia Capital 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 Scotia Capital after the date hereof. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting the Opinion after the date hereof, Scotia Capital reserves the right to change, modify or withdraw the Opinion.

Approach to Fairness

In considering the fairness of the All-Cash Consideration under the Arrangement from a financial point of view to the Trust Unitholders, Scotia Capital considered and relied upon, among other things, the following: (i) a comparison of the All-Cash Consideration to the results of a net asset value analysis of the REIT utilizing, but not limited to, discounted cash flow and direct capitalization analyses; (ii) a comparison of the premiums and capitalization rates implied by the All-Cash Consideration to the premiums and capitalization rates paid in selected precedent transactions; (iii) a comparison of the All-Cash Consideration to the recent market trading prices of the Units; (iv) a comparison of selected capitalization rates for real estate entities whose securities are publicly traded to the capitalization rates implied by the All-Cash Consideration; and (v) such other factors, studies and analyses, as we deemed appropriate. In arriving at its fairness determination, Scotia Capital considered the results of all of its analyses and did not attribute any particular weight to any factor or analysis considered by it. In addition to the foregoing, Scotia Capital considered but did not rely on the fact that the All-Cash Consideration was within the NBF Valuation Range. Rather, Scotia Capital made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all of its analyses.

Conclusion

Based upon and subject to the foregoing, Scotia Capital is of the opinion that, as of the date hereof, the Consideration to be received by Trust Unitholders who elect to receive, or are deemed to have elected

to receive, the All-Cash Consideration under the Arrangement is fair, from a financial point of view, to such Trust Unitholders (other than the Purchasers and their affiliates).

Yours very truly,

A handwritten signature in cursive script that reads "Scotia Capital Inc." with a small mark at the end.

SCOTIA CAPITAL INC.

APPENDIX “F” VALUATION AND NBF FAIRNESS OPINION



February 19, 2020

The Special Committee of the
Board of Trustees of Northview Apartment Real Estate Investment Trust
200, 6131 – 6th Street SE
Calgary, Alberta
T2H 1L9

To the Special Committee:

National Bank Financial Inc. (“**NBF**”) understands that Northview Apartment Real Estate Investment Trust (“**Northview**” or the “**REIT**”) proposes to enter into an arrangement agreement to be dated February 19, 2020 (“**Arrangement Agreement**”) with affiliates of Starlight Group Property Holdings Inc. (“**Starlight**”) and affiliates of KingSett Capital Inc. (“**KingSett**”) (collectively the “**Purchasers**”), pursuant to which the Purchasers will acquire the REIT (other than Starlight’s interest in the REIT, which will be rolled into the acquiring entities) (the “**Transaction**”). Holders of units of the REIT (other than Starlight and its affiliates) designated as “Trust Units” under the REIT’s declaration of trust (“**Trust Units**” and holders thereof the “**Unitholders**”) will receive \$36.25 per Trust Unit (the “**Consideration**”). Unitholders will be able to elect to receive 100% of the Consideration in the form of cash (the “**Cash Consideration**”). Alternatively, Unitholders may elect to receive all or a portion of the Consideration in the form of units of a newly formed closed-end fund that would own a geographically diverse portfolio of Northview properties located in six Canadian provinces and two territories (“**New Northern**”). Unitholders not specifying an election will be deemed to have made an election to receive the Cash Consideration. Completion of the Transaction will be subject to the satisfaction of certain conditions, including the requisite approval of the holders of Trust Units and holders of special voting units of the REIT (collectively the “**Northview Unitholders**”). NBF understands that a meeting of the Northview Unitholders (the “**Meeting**”) will be called to seek such unitholder approval.

Pursuant to the Arrangement Agreement, Northview has an initial 30-day go-shop period, beginning on February 19, 2020 and ending at 11:59:59 p.m. (Mountain time) on March 20, 2020 (the “**Go-Shop Period**”), during which it is permitted to actively solicit, evaluate and enter into negotiations with third parties that express an interest in acquiring Northview. Northview has the option to extend the Go-Shop Period by up to 30 days (to April 21, 2020), in certain circumstances. The Purchasers will have the right to match any superior proposals received either during or after the Go-Shop Period.

Mr. Daniel Drimmer, President and Chief Executive Officer of Starlight, directly or indirectly owns or exercises control over approximately 13% of the issued and outstanding Trust Units. Mr. Drimmer and each of the other trustees and officers of Northview have entered into voting and support agreements (the “**Support Agreement(s)**”) with the Purchasers to, among other things, vote their Trust Units in favour of the Transaction. In addition, Mr. Daniel Drimmer has committed to vote the Trust Units he beneficially owns, controls or directs in favour of, or tender his Trust

Units into, any all-cash superior proposal completed during the Go-Shop Period, subject to certain terms and conditions, pursuant to the Support Agreement between Mr. Drimmer, the REIT and the Purchasers.

NBF understands that a committee (the “**Special Committee**”) of independent members of the board of trustees (the “**Board**”) of Northview has been constituted to evaluate the Transaction and make recommendations thereon to the Board. NBF understands that the terms of the Transaction, the Arrangement Agreement, the Plan of Arrangement and the Support Agreements will be more fully described in a management information circular (the “**Circular**”) prepared by the REIT, which will be mailed to the Northview Unitholders in connection with the Meeting.

NBF has been advised by the Special Committee that the Transaction is a “business combination” within the meaning of *Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). The Special Committee has retained NBF to prepare and deliver to the Special Committee, on behalf of the Board, a formal valuation of the Trust Units in accordance with the requirements of MI 61-101 (the “**Valuation**”). The Special Committee has also retained NBF to prepare and deliver an opinion (the “**Fairness Opinion**”) to the Special Committee, as to whether the Cash Consideration to be received by holders of Trust Units pursuant to the Transaction is fair, from a financial point of view, to such Unitholders, other than the Purchasers and their affiliates (the “**Interested Unitholders**”).

This Valuation and the Fairness Opinion have 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 Valuation or the Fairness Opinion.

All dollar amounts herein are expressed in Canadian dollars, unless stated otherwise.

ENGAGEMENT OF NATIONAL BANK FINANCIAL

The Special Committee initially contacted NBF on December 16, 2019 regarding a potential assignment to prepare and deliver a valuation in conformity with MI 61-101 and a fairness opinion. NBF was formally engaged by the Special Committee through an agreement dated January 14, 2020 between the Special Committee and NBF (the “**Engagement Agreement**”). The terms of the Engagement Agreement provide for the payment of a fixed fee by the REIT upon delivery to the Special Committee of the Valuation and the Fairness Opinion. NBF has only been engaged to provide a Fairness Opinion to the Special Committee in respect of the Cash Consideration to be received by Unitholders in connection with the Transaction and is not providing any fairness opinion with respect to consideration received by Unitholders who elect to receive units in New Northern under the Transaction. Furthermore, NBF has only provided a Valuation with respect to the Trust Units and has not provided any valuation with respect to units in New Northern that a Unitholder may receive as consideration if it elects to do so under the Transaction. None of the fees payable to NBF are contingent upon the conclusions reached by NBF in the Valuation or the Fairness Opinion or on the completion of the Transaction. In the Engagement Agreement, the REIT has agreed to indemnify NBF in respect of certain liabilities that might arise out of its engagement and to reimburse it for its reasonable expenses. NBF consents to the inclusion of the Valuation and the Fairness Opinion in their entirety and a summary thereof in the Circular and to the filing thereof by the REIT with the securities commissions or similar regulatory authorities in each province and territory of Canada.

RELATIONSHIP WITH INTERESTED PARTIES

Neither NBF nor any “affiliated entity” (as such term is defined in MI 61-101) of NBF (i) is an “issuer insider”, “associated entity” or “affiliated entity” (as those terms are defined in MI 61-101) of Starlight, KingSett and any other “interested party” (as such term is defined in MI 61-101) for purposes of a “business combination” as defined in MI 61-101) in the Transaction (Starlight, KingSett and any other “interested party” each an “interested party” and collectively, the “interested parties”); (ii) acts as a advisor to an interested party in respect of the Transaction; (iii) is the external auditor of the REIT or of an interested party; (iv) has a material financial interest in the completion of the Transaction; (v) has a material financial interest in future business under an agreement, commitment or understanding involving the REIT, an interested party or an associated or affiliated entity of the REIT or an interested party; (vi) during the 24 months before NBF was first contacted by the REIT in respect of the Transaction, has (a) had a material involvement in an evaluation, appraisal or review of the financial condition of an interested party or an associated or affiliated entity of an interested party, (b) had a material involvement in an evaluation, appraisal or review of the financial condition of the REIT or an associated or affiliated entity of the REIT, if the evaluation, appraisal or review was carried out at the direction or request of any interested party or paid for by an interested party, (c) acted as a lead or co-lead underwriter of a distribution of securities by an interested party, or acted as a lead or co-lead underwriter of a distribution of securities by the REIT if the retention of the underwriter was carried out at the direction or request of an interested party or paid for by an interested party, (d) had a material financial interest in a transaction involving an interest party, or (e) had a material financial interest in a transaction involving the REIT; or (vii) is (x) a lead or co-lead lender or manager of a lending syndicate in respect of the Transaction, or (y) a lender of a material amount of indebtedness in a situation where an interested party or the REIT is in financial difficulty and where the transaction would reasonably be expected to have the effect of materially enhancing the lender’s position.

In December 2018, December 2019 and February 2020, NBF participated in public equity offerings of affiliates of Starlight, but did not act as lead or co-lead underwriter in respect of such offerings. NBF also participated in Northview’s public equity offerings in June 2018 and June 2019, but did not act as lead or co-lead underwriter in respect of such offerings. NBF and/or its affiliates may, in the future, in the ordinary course of their respective businesses, perform financial advisory or investment banking or other services to the REIT, the interested parties or any of their respective associated entities or affiliated entities.

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 REIT and Starlight and, from time to time, may have executed or may execute transactions on behalf of such companies or clients for which it received or may receive compensation. As an investment dealer, NBF 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 REIT, Starlight or the Transaction.

CREDENTIALS OF NATIONAL BANK FINANCIAL

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. NBF has extensive experience in the Canadian capital markets and has been involved in a significant number of transactions involving private and publicly traded companies, including real estate entities. The Valuation and the Fairness Opinion are the opinions of NBF and the form and content hereof 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.

SCOPE OF REVIEW

In connection with the Valuation and Fairness Opinion, NBF has reviewed and relied upon or carried out, among other things, the following:

1. information in respect of a potential transaction, including the non-binding proposal letter from Starlight and KingSett to Northview dated January 13, 2020 and the confidentiality agreement among Northview, Starlight and KingSett dated January 14, 2020;
2. drafts of the definitive documentation in respect of the Transaction, including the Arrangement Agreement dated February 19, 2020, including the plan of arrangement, and draft Voting and Support Agreement dated February 16, 2020;
3. audited annual financial statements and management's discussion and analysis of the REIT for each of the fiscal years ended December 31, 2017 and 2018;
4. quarterly financial statements and management's discussion and analysis of the REIT for the three month period ended September 30, 2019;
5. draft annual consolidated financial statements and notes of the REIT for the fiscal year ended December 31, 2019;
6. the annual information form of the REIT for the year ended December 31, 2018, dated March 26, 2019;
7. notice of meeting and management information circular for an annual general meeting of unitholders of the REIT, dated March 25, 2019;
8. internal consolidated budgets prepared by management of the REIT for historical and forecast periods, including the fiscal years 2016 to 2020;
9. unaudited projected cash flows for the REIT at a geographic region level for a six year period, prepared by management of the REIT;
10. detailed financial information for each property prepared by management of the REIT, including adjustments made by management to arrive at stabilized NOI, to the extent deemed necessary by NBF;
11. detailed capital expenditure forecast for a six year period, prepared by management of the REIT;
12. corporate general and administrative forecast for the fiscal year 2020 prepared by management of the REIT;
13. independent appraisals of the REIT's properties, engaged by the REIT to supplement the internally generated fair value;
14. outstanding debt and detailed mortgage schedules for each of the REIT's properties;
15. various reports published by equity research analysts and industry sources regarding the REIT, and other selected public companies, to the extent deemed relevant by NBF;
16. trading statistics and selected financial information of the REIT and other selected public companies;
17. comparable acquisition transactions considered by NBF to be relevant;

18. site visits to and discussions with property managers at certain of the REIT's properties;
19. discussions with representatives of Goodmans LLP, legal counsel to the Special Committee;
20. discussions with Northview's management with regards to, among other things, the Transaction, as well as Northview's business, operations, financial position, budget, assets and prospects; and,
21. such other corporate, industry and financial market information, investigations and analyses as NBF considered necessary or appropriate in the circumstances.

NBF has not, to the best of its knowledge, been denied access by the REIT to any information requested by NBF.

PRIOR VALUATIONS

The REIT has represented to NBF that there have been no independent appraisals or valuations or material non-independent appraisals or valuations relating to the REIT 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 (2) years preceding the date of the Engagement Agreement other than those exempt from the definition of "prior valuation" under MI 61-101.

ASSUMPTIONS AND LIMITATIONS

With the Special Committee's approval, and as provided for in the Engagement Agreement, NBF has relied upon the completeness, accuracy and fair presentation of all of the financial and other information, data, advice, opinions or representations obtained by it from public sources, the REIT and the REIT's consultants and advisors, including the advisors of the Board and the Special Committee. NBF did not meet with the auditors of the REIT and has assumed the accuracy and fair presentation of, and relied upon, the audited consolidated financial statements of the REIT and the reports of its auditors thereon as well as the unaudited interim financial statements of the REIT. The Valuation and the Fairness Opinion are conditional upon such completeness, accuracy and fair presentation of the foregoing information. Subject to the exercise of professional judgment and except as expressly described herein, NBF has not attempted to verify independently the completeness, accuracy or fair presentation of any of the foregoing information.

Three senior officers of the REIT have each represented to NBF in certificates delivered as of the date hereof, among other things, that (i) with the exception of forecasts, projections or estimates, the information, data and other material (financial or otherwise) (the "**Information**") provided orally by, or in the presence of, an officer or employee of the REIT or in writing by the REIT or any of its subsidiaries (as such term is defined in the *Securities Act (Ontario)*) or their respective agents (including the agents of the Board and the Special Committee) to NBF relating to the REIT, any of its subsidiaries or the Transaction for the purpose of preparing the Valuation or the Fairness Opinion was, at the date the Information was provided to NBF complete, true and correct in all material respects, and did not contain any untrue statement of a material fact in respect of the REIT, its subsidiaries or the Transaction and did not omit to state a material fact in respect of the REIT, 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, there has been no material change, financial or otherwise, in the financial condition, assets or liabilities (contingent or otherwise), business, operations or prospects of the REIT and its subsidiaries, taken together, 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 the Valuation or the Fairness Opinion; (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 the REIT or any of its material assets or securities which have been prepared as of a date within the two years preceding the date hereof and which have not been provided to NBF; and (iv) any portions of the Information provided to NBF (or filed on SEDAR) which constitute forecasts, projections or estimates (a) were prepared using assumptions which, in the reasonable opinion of the REIT, are (or were at the time of preparation and, except as otherwise disclosed to NBF, to the extent reasonably practicable, in writing, continue to be) reasonable in the circumstances, and (b) are not, in the senior officers' reasonable belief, misleading in any material respect in light of the assumptions used therefor.

NBF has assumed that all draft documents referred to under "Scope of Review" above are accurate reflections, in all material respects, of the final form of such documents.

With respect to operating and financial forecasts provided to NBF concerning the REIT and relied upon in the analysis, NBF has assumed (subject to the exercise of professional judgment) that they have been prepared on the bases reflecting the most reasonable assumptions, estimates and judgments of management of the REIT, as the case may be, having regard to the REIT's business plans, financial conditions and prospects.

This Valuation and the Fairness Opinion are rendered on the basis of securities markets, economic, financial and general business conditions prevailing as at the date hereof and the condition and prospects, financial and otherwise, of the REIT and its respective subsidiaries and affiliates, as they were reflected in the Information and as they have been represented to NBF in discussions with the management and employees of the REIT. In its analyses and in preparing this Valuation and the 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 any party involved in the Transaction.

NBF is not a legal, tax or accounting expert and NBF expresses no opinion concerning any legal, tax or accounting matters concerning the Transaction.

This Valuation and the Fairness Opinion have been provided for the use of the Special Committee and, other than as permitted by the Engagement Agreement or herein, may not be used by any other person or relied upon by any other person other than the Special Committee and the Board without the express prior written consent of NBF. This Valuation and the Fairness Opinion are given as of the date hereof and NBF disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting this Valuation or the Fairness Opinion which may come or be brought to NBF's attention after the date hereof. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting this Valuation or the Fairness Opinion after the date hereof, NBF reserves the right to change, modify or withdraw this Valuation and/or the Fairness Opinion in accordance with the terms of the Engagement Agreement.

NBF believes that its analyses must be considered as a whole and that selecting portions of the analyses or the factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying this Valuation and the Fairness Opinion. The preparation of a valuation and 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. Neither this Valuation nor the Fairness Opinion

should be construed as a recommendation to Northview Unitholder as to whether to vote in favour of the Transaction.

OVERVIEW OF THE REIT

Northview is an unincorporated, open-ended Canadian real estate investment trust that is primarily engaged in the investment and operation of multi-family residential real estate. Its Trust Units are listed on the Toronto Stock Exchange under the symbol “NVU.UN”.

Northview is one of Canada's largest publicly traded multi-family REITs with a portfolio of approximately 27,000 residential suites and 1.2 million square feet of commercial space in more than 60 markets across eight provinces and two territories. Northview's well-diversified portfolio includes markets characterized by expanding populations and growing economies, which provides Northview the means to deliver stable and growing profitability and distributions to its Unitholders over time.

Northview was formed following a transaction on October 30, 2015, which included a merger of Northern Property Real Estate Investment Trust (“**Northern Property REIT**”) and True North Apartment Real Estate Investment Trust (“**True North Apartment REIT**”), and an acquisition of an institutional portfolio of multi-family assets. Prior to the merger, Northern Property REIT was an owner and operator of real estate with a large exposure to Northern Canada. Its portfolio was comprised of 10,765 residential units, 419 executives and 1.2 million square feet of commercial space. True North Apartment REIT was a multi-residential landlord with 83 properties comprising 8,908 residential units, which were primarily located in Ontario and Quebec.

Northview's properties are managed by an internal property and asset management platform. The REIT however, entered into a Transactional Fee Agreement on February 27, 2019, under which Starlight provides advisory services to Northview in sourcing and identifying certain multi-residential properties for acquisition.

DEFINITION OF FAIR MARKET VALUE

For purposes of the Valuation, fair market value means the monetary consideration that, in an open and unrestricted market, a prudent and informed buyer would pay to a prudent and informed seller, each acting at arm's length with the other and each under no compulsion to act. In accordance with MI 61-101, NBF has not made any downward adjustment to the value of the Trust Units to reflect the liquidity of the Trust Units, the effect of the Transaction on the Trust Units, or whether or not the Trust Units form part of a controlling interest. Consequently, the Valuation provides a conclusion on a per Trust Unit basis with respect to the REIT's “en bloc” value, being the price at which all of the Trust Units could be sold to one or more buyers at the same time.

NORTHVIEW VALUATION

NBF's primary valuation methodology in preparing the REIT's Valuation was a net asset value (“**NAV**”) approach. NBF also considered a precedent transactions analysis involving public real estate entities, including an analysis of premiums / discounts to NAV. Additionally, NBF considered the premiums applied in change of control transactions in the Canadian real estate industry. NBF also reviewed and considered a comparable trading analysis involving public real estate entities. Finally, NBF reviewed and considered valuation reference points such as the 52-week trading range and equity research analysts' price targets of the Trust Units and NAV per Trust Unit estimates.

NAV Analysis Approach

The NAV approach ascribes a separate value for each asset and liability category, utilizing the methodology appropriate in each case. The sum of total assets less total liabilities equals NAV.

There are seven key components to NBF's calculation of the REIT's NAV:

1. income producing properties;
2. development properties;
3. portfolio premium;
4. mortgages and corporate level debt;
5. other assets and liabilities;
6. capitalized general and administrative (“G&A”) expenses; and
7. distinct material value.

Income Producing Properties

To value the income producing properties, NBF used (i) a six-year discounted cash flow (“DCF”) approach; and (ii) a net operating income (“NOI”) capitalization approach.

DCF Approach

The DCF approach requires that certain assumptions be made regarding, among other things, future unlevered free cash flows, discount rates and terminal values. As part of its DCF approach, NBF reviewed the long-term forecasted cash flows provided by management including assumptions on individual portfolio regarding expected rents, occupancy, operating expenses and capital expenditures.

The following is a summary of the unlevered free cash flow projections, excluding synergies, terminal value and development properties, used in the DCF analysis on a consolidated basis:

<i>(C\$ millions)</i>	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
NOI	\$243.7	\$252.5	\$260.9	\$269.2	\$277.1	\$284.5
Maintenance Capex	(\$31.8)	(\$32.7)	(\$33.6)	(\$34.6)	(\$35.5)	(\$36.5)
Growth Capex	(\$9.9)	(\$46.9)	(\$45.9)	(\$44.8)	(\$43.9)	(\$42.9)
Free Cash Flow	\$202.0	\$172.9	\$181.4	\$189.8	\$197.6	\$205.0

Discount rates for each portfolio were based on management guidance and NBF's knowledge of the current real estate market. The resulting portfolio specific discount rates used by NBF ranged from 4.7% to 11.1%, with a weighted average discount rate of 7.0% for all the portfolios. The terminal value was calculated using a terminal year NOI value for each portfolio and applying a terminal capitalization rate ranging from 4.0% to 11.3% with a weighted average of 5.8%.

This resulted in an aggregate value for the REIT's income producing properties of \$4,127.2 million to \$4,349.8 million, excluding any portfolio premiums. NBF has not assumed any acquisitions or disposals of properties over the forecast period.

NOI Capitalization Approach

NBF utilized a NOI capitalization approach to value the REIT's income producing properties. Capitalization rates for each property were selected based on management guidance, independent market sources and NBF's knowledge of the current real estate market. The individual property capitalization rates used by NBF ranged from 3.3% to 14.0% with a weighted average capitalization rate of 5.8% for the entire portfolio.

As part of the NOI capitalization approach, NBF utilized stabilized NOIs for individual income producing properties. The stabilization adjustments largely related to adjustments including, but not limited to, occupancy, expected rents, lease incentives and operating expenses for certain properties.

This analysis resulted in an aggregate value for the REIT's income producing properties of \$4,328.3 million to \$4,540.9 million, excluding any portfolio premiums. NBF has not assumed any acquisitions or disposals of producing properties over the forecast period.

Development Properties

NBF used a DCF approach to value development properties. As a part of the DCF, NBF reviewed the long-term forecasted cash flows provided by management including assumptions on individual development properties regarding expected development costs, stabilized NOIs and capital expenditures.

Discount rates for each development property were based on management guidance and NBF's knowledge of the current real estate market. The resulting development property specific discount rates used by NBF ranged from 6.2% to 6.4%. The terminal value was calculated using a terminal year NOI value for each development property and applying a terminal capitalization rate.

Portfolio Premium

NBF applied a premium to certain portfolios of income producing properties, ranging from 3.0% to 15.0%, with a weighted average premium of 7.8% to 8.9% across all portfolios. The portfolio premiums were based on management guidance, independent market sources and NBF's knowledge of the current real estate market. NBF did not apply a portfolio premium to development properties.

This resulted in an aggregate portfolio premium of \$337.5 million to \$356.9 million for the NOI capitalization approach and \$364.7 million to \$387.9 million for the DCF approach.

Mortgages and Corporate Level Debt

Northview's total mortgage debt was included in NBF's assessment based upon the current principal amount outstanding and a mark-to-market adjustment. The REIT has a total mortgage principal amount outstanding of approximately \$2,138.0 million. The weighted average interest rate on mortgages is modestly above the current market rates for a portfolio of this nature at 3.0% with a weighted average term of approximately 4.8 years. Based on current Government of Canada Bond yields and real estate lending spreads, the total principal amount for mortgages

recorded in the REIT's financial statements is lower than its fair market value. NBF has calculated the mark-to-market associated with the REIT's mortgage debt as approximately \$14.0 million.

The REIT's corporate level debt was included in NBF's assessment based on the current principal amount outstanding under its credit facilities of approximately \$216.9 million. The REIT's credit facilities are comprised of two operating facilities, three construction financing loans and land financing loans. The REIT has an operating facility maturing on March 29, 2022 with an outstanding balance of approximately \$150.0 million. The facility's interest rate is based on a formula calculated as the prime rate plus 65 basis points or Banker's Acceptance rate plus 170 basis points. The REIT has another operating facility maturing on May 31, 2020 with no balance outstanding. The facility's interest rate is based on a formula calculated as the prime rate plus 115 basis points or Banker's Acceptance rate plus 240 basis points. Both operating facilities are secured by certain investment properties.

The REIT has three construction financing loans of approximately \$52.5 million related to the developments in Canmore, AB, Calgary, AB and Kitchener, ON. Interest rates on the loans are based on a formula, ranging from prime rate plus 0 basis points to 85 basis points or Banker's Acceptance rate plus 140 basis points to 200 basis points. The construction loans' maturity dates range from June 27, 2020 to December 19, 2022.

The REIT has land financing of approximately \$14.4 million related to land held for development. It bears interest at prime plus 50 basis points or Bankers' Acceptance plus 200 basis points and the maturity dates range from May 31, 2020 to March 31, 2021. The financing is secured by land held for development.

Other Assets and Liabilities

For the purposes of NBF's valuation, the REIT's other non-real estate assets and liabilities, including working capital, were valued at their book value.

G&A Expenses

Based on management's forecast for the fiscal year 2020, the REIT is expected to spend total corporate G&A of approximately \$20.0 million. For the purposes of the NAV analysis, NBF has deducted an amount of approximately \$139.9 million for the capitalized cost of the G&A expenses based on a 7.0x multiple.

Distinct Material Value

NBF is aware that the Purchasers will likely realize operational and financial benefits from the Transaction. NBF assumed that potential buyers would be prepared to pay for 50% of the value of these benefits in an open and unrestricted market less any one-time costs incurred. Accordingly, NBF has reflected an amount of approximately \$14.1 million for these benefits accruing to the REIT as distinct material value.

NAV Summary

The following table summarizes NBF's NAV analysis of the REIT (applying the DCF approach and NOI capitalization approach to the income producing properties):

				NOI Capitalization		DCF	
				Approach		Approach	
				Low	High	Low	High
<i>(C\$ millions, except per unit amounts)</i>							
Income Producing Properties				\$4,328.3	\$4,540.9	\$4,127.2	\$4,349.8
Developments and Other				\$180.4	\$192.3	\$180.4	\$192.3
Portfolio Premium				\$337.5	\$356.9	\$364.7	\$387.9
Income Producing Properties With Premium				\$4,846.1	\$5,090.1	\$4,672.3	\$4,930.0
Mortgages				(\$2,138.0)	(\$2,138.0)	(\$2,138.0)	(\$2,138.0)
Mortgage Adjustment		Mark-to-Market		(\$14.0)	(\$14.0)	(\$14.0)	(\$14.0)
Corporate Debt		Level		(\$216.9)	(\$216.9)	(\$216.9)	(\$216.9)
Other Liabilities	Assets		and	(\$62.6)	(\$62.6)	(\$62.6)	(\$62.6)
Capitalized G&A ⁽¹⁾				(\$122.6)	(\$122.6)	(\$139.9)	(\$139.9)
Distinct Value		Material		\$14.1	\$14.1	\$14.1	\$14.1
Net Value		Asset		\$2,306.2	\$2,550.2	\$2,114.9	\$2,372.7
Fully-Diluted Outstanding		Units		69.3	69.3	69.3	69.3
NAV Unit	per	Trust		\$33.30	\$36.82	\$30.54	\$34.26

Notes:

- (1) Capitalized G&A for the NOI capitalization approach includes an adjustment for corporate expense allocations included in stabilized NOI to arrive at the value of income producing properties.

NAV Sensitivity Analysis

In completing the NAV analysis, NBF performed a variety of sensitivity analyses. Variables included capitalization rates, portfolio premiums, vacancy allowances, vacancy allowances for properties in Northern Alberta and Northern British Columbia, property management expense, discount rates and NOI growth rate in Ontario. A change of 0.125% in capitalization rates for the REIT's income producing properties resulted in a change in the NAV by approximately \$1.75 per Trust Unit. The results of these sensitivity analyses are, in NBF's judgment, appropriate in the context of the NAV approach.

Precedent Transactions Approach

NBF considered precedent public market M&A transactions in the Canadian real estate sector of comparable size and nature. The following table illustrates the premiums / discounts to NAV at which selected transactions have been completed involving public real estate entities in Canada over the past eight years.

Announcement			Enterprise Value	Premium /
Date	Target	Acquirer	(\$MM)	Discount to NAV ⁽¹⁾
15-Sep-19.....	Dream Global REIT ⁽²⁾	Blackstone	\$6,229.4	1.9%
18-Jul-19.....	Pure Multi-Family REIT LP	Cortland Partners, LLC	US\$1,233.4	5.5%
15-Feb-18.....	CREIT	Choice Properties REIT	\$6,037.5	10.4%
09-Jan-18.....	Pure Industrial Real Estate Trust	Blackstone	\$3,747.7	26.5%
19-Jan-17.....	Milestone Apartment REIT	Starwood Capital	\$3,809.6	5.3%
10-Aug-15.....	True North Apartment REIT ⁽³⁾	Northern Property REIT	\$836.7	(1.4%)
26-Apr-12.....	TransGlobe Apartment REIT	Starlight Investments	\$2,284.6	20.5%

Notes:

- (1) Premiums / discounts to NAV are based on research analysts' consensus at the time of announcement/ unaffected price date of the applicable transaction
- (2) Premium to NAV excludes \$395.2 million payment to Dream Asset Management Corporation with respect to Dream Global REIT's obligation under its asset management agreement
- (3) Metrics exclude a \$535 million institutional portfolio of real estate assets acquired separately in the transaction

In selecting the appropriate premiums / discounts to NAV to apply to the REIT, NBF considered the characteristics of the entities involved in the transactions referred to above including, among other things, the quality and mix of their assets. Based on the foregoing, NBF selected the following range of premiums / discounts to NAV for the REIT:

Premium / Discount	to	4.8%	14.8%
NAV.....		\$30.32	\$33.21
Implied Value per Trust Unit ⁽¹⁾			

Notes:

- (1) Based on research analysts' consensus NAV available as of February 14, 2020

The precedent transaction analysis implies a value of \$30.32 to \$33.21 per Trust Unit.

Precedent Premia Approach

The following table illustrates change of control premiums paid in the Canadian public markets for selected real estate transactions.

Announcement			Premium to 1- Day	Premium to
<u>Date</u>	<u>Target</u>	<u>Acquirer</u>	<u>/ Unaffected Price</u>	<u>20-day VWAP</u>
15-Sep-19.....	Dream Global REIT ⁽¹⁾	Blackstone	18.5%	16.9%
18-Jul-19.....	Pure Multi-Family REIT LP	Cortland Partners, LLC	15.0%	14.7%
02-Apr-19.....	Starlight U.S. Multi-Family (No. 5) Core Fund	Tricon Capital Group	25.9% ⁽²⁾	26.4% ⁽²⁾
15-Feb-18.....	CREIT	Choice Properties REIT	23.1%	20.9%
09-Jan-18.....	Pure Industrial Real Estate Trust	Blackstone	20.5%	21.6%
19-Jan-17.....	Milestone Apartment REIT	Starwood Capital	10.2%	12.9%
10-Aug-15.....	True North Apartment REIT ⁽³⁾	Northern Property REIT	16.4%	14.9%
26-Apr-12.....	TransGlobe Apartment REIT	Starlight Investments	15.4%	19.4%

Notes:

- (1) Premium excludes \$395.2 million payment to Dream Asset Management Corporation with respect to Dream Global REIT's obligation under its asset management agreement
- (2) Represents premium on Class A units only
- (3) Metrics exclude a \$535 million institutional portfolio of real estate assets acquired separately in the transaction

The application of a change of control premium considers value in the context of the purchase or sale of a company to estimate the “en bloc” value of a particular company. In selecting the appropriate premiums to apply to the REIT, NBF considered the characteristics of the entities involved in the transactions referred to above, including, among other things, the size, quality and mix of their assets. Based on the foregoing, NBF considers an appropriate change of control premium range to be 13.5% to 23.5%, applied to the REIT's 20-day volume weighted average trading price (“**VWAP**”)⁽¹⁾ of the trading price of Trust Units.

Notes:

- (1) Based on the 20-day VWAP of the Trust Units on the Toronto Stock Exchange as at February 14, 2020

The precedent premia analysis implies an average value of \$35.50 to \$38.63 per Trust Unit.

Comparables Trading Analysis

In applying this valuation methodology to the REIT, NBF reviewed the public market trading metrics of TSX listed entities focused on the ownership of Canadian multi-family real estate, as illustrated in the following table:

<u>Comparable Company</u>	<u>Market Capitalization</u> <u>(\$MM)⁽¹⁾</u>	<u>Premium / Discount to NAV⁽²⁾</u>
CAPREIT.....	\$10,004.7	14.9%
...		
Boardwalk REIT.....	\$2,559.5	0.8%
InterRent REIT.....	\$2,246.3	27.1%
Killam Apartment REIT.....	\$2,239.9	11.8%
Minto Apartment REIT.....	\$1,528.1	16.3%
Mainstreet Equity Corp.....	\$832.3	4.7%

Notes:

(1) Closing unit prices as at February 14, 2020

(2) NAV based on research analysts' consensus estimates available as of February 14, 2020

NBF considered the characteristics of the publicly traded multi-family real estate entities above, including, among other things, growth profile, quality and mix of their assets, exposure to secondary and tertiary markets, market capitalization, analyst coverage, forward trading multiples of funds from operations (“FFO”) and adjusted funds from operations (“AFFO”), current yields, payout ratios, capitalization rates, leverage, asset management arrangements and governance. Based on the foregoing, NBF selected an appropriate range of premiums / discounts to NAV from the comparable sample referred to above.

These range of premiums / discounts to NAV from the comparable sample are as follows:

Premium	/	Discount	to	7.7%	17.7%
NAV.....				\$31.14	\$34.04
Implied Value per Trust Unit ⁽¹⁾					

Notes:

Based on research analysts' consensus NAV available as of February 14, 2020

The comparables analysis implies a value of \$31.14 to \$34.04 per Trust Unit.

Valuation Reference Points

NBF also reviewed and took into consideration the following valuation reference points.

Historical Trading Analysis

NBF reviewed historical trading prices of the Trust Units on the Toronto Stock Exchange for the twelve months ended February 14, 2020. Over this twelve month period, the Trust Units traded in a band achieving a twelve month low of \$26.09 and a twelve month high of \$32.37 per Trust Unit. As of February 14, 2020, the trading price and 20-day VWAP of the Trust Units were \$32.15 and \$31.29, respectively.

Research Analysts Price Targets and NAV Estimates

NBF reviewed select public market trading price targets and estimated NAV for the Trust Units. Equity research analyst price targets reflect each analyst's estimate of the future public market trading price of the Trust Units at the time the price target is published. The NAV per Trust Unit estimate represents an equity research analyst's estimate of the intrinsic value of the REIT's net assets on a per Trust Unit basis.

	<u>Low</u>	<u>High</u>
Price Target.....	\$29.50	\$34.00
NAV per Trust Unit.....	\$27.25	\$31.35

Valuation Summary

The following is a summary of the range of "en bloc" fair market values of the Trust Units resulting from the NAV approaches and precedent transactions approach:

	<u>Low</u>	<u>High</u>
NAV Analysis using NOI Capitalization Approach	\$33.30	\$36.82
NAV Analysis using DCF Approach.....	\$30.54	\$34.26
Precedent Transactions Approach.....	\$30.32	\$33.21

Valuation Conclusion

In arriving at an opinion of fair market value of the Trust Units, NBF has not attributed any particular weight to any specific factor but has made qualitative judgments based on its experience in rendering such opinions and on circumstances prevailing as to the significance and relevance of each factor. NBF did, however, ascribe the greatest amount of importance to the NAV approaches.

Based upon and subject to the foregoing, NBF is of the opinion that, as of the date hereof, the fair market value of the Trust Units is in the range of \$33.25 to \$36.75 per Trust Unit.

FAIRNESS OPINION

Factors Considered

In considering the fairness, from a financial point of view, to holders of Trust Units other than the Interested Unitholders, of the Cash Consideration payable to the holders of Trust Units pursuant to the Transaction, NBF reviewed, considered and relied upon or carried out, among other things, those items listed under "Scope of Review" and the following:

- (i) NBF's Valuation; and,
- (ii) such other information, investigations and analyses considered necessary or appropriate in the circumstances.

Pursuant to the Transaction, holders of Trust Units would receive consideration equivalent to \$36.25 per Trust Unit in cash, which is in the fair market value range of the Trust Units as of the date hereof as determined by NBF in the Valuation.

Fairness Conclusion

Based upon and subject to the foregoing, NBF is of the opinion that, as of the date hereof, the Cash Consideration to be received by holders of Trust Units pursuant to the Transaction is fair, from a financial point of view, to such Unitholders, other than the Interested Unitholders.

Yours very truly,

A handwritten signature in cursive script that reads "National Bank Financial Inc.".

NATIONAL BANK FINANCIAL INC.

APPENDIX “G” INFORMATION CONCERNING THE REIT

All capitalized words and terms used but not otherwise defined in this Appendix G have the meanings set out in the Glossary of Terms.

The REIT

The REIT is an unincorporated open-ended investment trust governed by the laws of the Province of Alberta and created pursuant to the REIT Declaration of Trust. The REIT became a public real estate investment trust in May 2002. The registered and head office of the REIT is located at 200, 6131-6th Street SE, Calgary, Alberta, T2H 1L9.

Summary Description of Business

The REIT is one of Canada’s largest publicly traded multi-family real estate investment trusts with a portfolio of approximately 27,000 residential suites and 1.2 million square feet of commercial space in more than 60 markets across eight provinces and two territories. Geographically, the REIT operates in Alberta, British Columbia, New Brunswick, Newfoundland and Labrador, the Northwest Territories, Nova Scotia, Nunavut, Ontario, Québec, and Saskatchewan. The REIT’s residential portfolio is comprised of a multi-family segment: apartments, town homes, and single-family rental units where the rental period ranges from six to twelve months. The commercial and executives segment is comprised of office, industrial, and retail properties primarily in areas where the REIT has residential operations and executive properties that offer apartment style accommodation. Commercial lease terms are generally five years and executive rental periods range from several days to several months.

The REIT’s strategy and objectives are based on the following:

- **Portfolio diversification.** The REIT has a well-diversified multi-family portfolio across Canada. This portfolio allows for stable returns, and distributions, with flexibility for growth opportunities.
- **Organic growth.** The REIT’s high-quality property portfolio is located in a number of markets with expanding populations and growing economies. The REIT will seek to increase same door NOI by improving occupancy and average monthly rent (“AMR”) and operating efficiencies to reduce expenses.
- **Growth through acquisitions.** The REIT acquires properties in strong markets across the country including where it has an established operating platform and market knowledge. The REIT has a strategic relationship with Starlight that may generate future acquisition opportunities.
- **Growth through development.** In-house expertise and a diversified portfolio enable the REIT to target developments in strong markets with planned yields of 100 to 200 basis points higher than market capitalization rates contributing to net asset value growth.

Reporting Segments

The REIT has two market segments: (i) multi-family, and (ii) commercial and executives. The REIT provides segmented reporting for both geographic and market segments in its audited annual consolidated financial statements. In 2019, 89% of the REIT’s revenue was generated from the multi-family segment and 11% was generated from the commercial and executive segments.

Principal Markets

The geographical segment reporting consists of Ontario, Western Canada, Northern Canada, Atlantic Canada, and Québec. The Ontario and Québec regions include only the operation of properties located in those respective provinces. The Western Canada segment includes the operation of properties located in

Alberta, British Columbia and Saskatchewan. The Northern Canada segment includes the operation of properties located in Nunavut and the Northwest Territories. The Atlantic Canada segment includes the operation of properties located in Newfoundland and Labrador, Nova Scotia, and New Brunswick.

For further information regarding the REIT and its properties, see “*Business of Northview*” in the AIF, which is incorporated herein by reference.

Documents Incorporated by Reference

The following documents of the REIT, which have been filed with the securities commissions or similar regulatory authorities in each of the provinces and territories of Canada, are specifically incorporated by reference into, and form an integral part of, this Circular:

- (a) the AIF;
- (b) the management information circular dated March 25, 2019 in respect of the REIT’s annual general meeting held on May 9, 2019;
- (c) the Annual Financial Statements;
- (d) the Annual MD&A; and
- (e) the material change report of the REIT dated February 28, 2020 with respect to the Arrangement.

Information has been incorporated by reference in this Circular from documents filed with securities commissions or similar regulatory authorities in each of the provinces and territories of Canada.

Copies of the documents incorporated herein by reference are available under the REIT’s profile on SEDAR at www.sedar.com or upon request without charge to the Vice President, Legal and Corporate Secretary of the REIT at 200, 6131 – 6th Street SE, Calgary, Alberta, T2H 1L9 (telephone: 403-531-0720).

All material change reports (other than confidential reports), audited annual financial statements and management’s discussion and analysis and all other documents of the type referred to in section 11.1 of Form 44-101F1 – *Short Form Prospectus Distributions* filed by the REIT with the applicable securities regulatory authorities in each of the provinces and territories of Canada on SEDAR at www.sedar.com after the date of this Circular and before the Meeting are deemed to be incorporated by reference into this Circular.

Any statement contained in this Circular or in any other document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded, for purposes of this Circular, to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement will not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not be deemed in its unmodified or superseded form to constitute part of this Circular except as so modified or superseded.

Information contained or otherwise accessed through the REIT’s website, www.northviewreit.com, or any website, other than those documents incorporated by reference herein and filed on the SEDAR website, does not form part of this Circular.

Description of Authorized and Issued Capital

The REIT is authorized to issue an unlimited number of REIT Units and an unlimited number of Special Voting Units. As at April 3, 2020, there were 67,278,189 REIT Units outstanding and 1,884,510 Special Voting Units were outstanding.

Unitholders are entitled to receive notice of any meetings of Unitholders, to attend and to cast one vote per REIT Unit at all such meetings. Unitholders are also entitled to an equal share in any distribution paid by the REIT and an equal share in the distribution of the surplus assets of the REIT on its liquidation. Other than as described in the AIF, REIT Units do not carry any conversion, retraction, redemption or pre-emptive rights.

For further information regarding the REIT's capital structure, see "Declaration of Trust and Description of Units" in the AIF, which is incorporated herein by reference.

Distributions

In each of the 12 months prior to the date of this Circular, the REIT has made monthly distributions to Unitholders in \$0.1358 per month.

Prior Sales

The following table sets forth the number and prices at which the REIT has issued securities during the 12-month period prior to the date of this Circular.

Date	Type of Securities Issued	Total Securities Issued	Price per Security Issued
April 2019	REIT Units	12,983 ⁽¹⁾	\$28.74
April 2019	REIT Units	84 ⁽¹⁾	\$28.44
April 2019	REIT Units	22,478 ⁽¹⁾	\$28.01
April 2019	REIT Units	504 ⁽¹⁾	\$28.18
May 2019	REIT Units	2,857 ⁽¹⁾	\$28.10
May 2019	REIT Units	19,075 ⁽¹⁾	\$26.98
June 2019	REIT Units	28,781 ⁽¹⁾	\$26.59
June 2019	REIT Units	168 ⁽¹⁾	\$26.66
June 2019	REIT Units	3,220,000	\$26.80
June 2019	REIT Units	840 ⁽¹⁾	\$27.18
June 2019	REIT Units	630 ⁽¹⁾	\$27.18
June 2019	REIT Units	45,294 ⁽¹⁾	\$27.42
June 2019	REIT Units	1,344 ⁽¹⁾	\$27.52
June 2019	REIT Units	2,226 ⁽¹⁾	\$27.34
June 2019	REIT Units	1,470 ⁽¹⁾	\$27.39
June 2019	REIT Units	27,352 ⁽¹⁾	\$27.34
June 2019	REIT Units	204,075 ⁽¹⁾	\$26.90
October 2019	REIT Units	15,751 ⁽⁴⁾	\$29.20
November 2019	REIT Units	13,573 ⁽⁴⁾	\$28.43
December 2019	REIT Units	6,855,486 ⁽³⁾	\$30.22

Date	Type of Securities Issued	Total Securities Issued	Price per Security Issued
December 2019	REIT Units	12,826 ⁽⁴⁾	\$29.01
January 2020	REIT Units	57,248 ⁽⁴⁾	\$28.96
February 2020	REIT Units	55,270 ⁽⁴⁾	\$30.82
March 2020	REIT Units	44,528 ⁽²⁾	\$35.19
March 2020	REIT Units	51,850 ⁽⁴⁾	\$33.59
April 2020	REIT Units	49,537 ⁽⁴⁾	\$31.65
May 2019	Performance Awards	2,346	\$28.13
May 2019	Restricted Awards	1,564	\$28.13
March 2020	Restricted Awards	73,861	\$35.84
April 2019	Deferred Units	209	\$28.73
May 2019	Deferred Units	12,085	\$28.13
September 2019	Deferred Units	222	\$27.00
September 2019	Deferred Units	205	\$29.26
March 2020	Deferred Units	167	\$36.02
March 2020	Deferred Units	816	\$34.16
June 2019	Exchangeable LP Units	186,567	\$26.80

Notes:

- (1) REIT Units were issued upon conversion of debentures issued pursuant to a trust indenture with Equity Financial Trust Company dated October 30, 2015.
- (2) REIT Units were issued upon conversion of awards issued pursuant to the LTI.
- (3) REIT Units issued upon the conversion of Exchangeable LP Units.
- (4) REIT Units were issued pursuant to the dividend reinvestment plan ("DRIP")

Trading Prices and Volumes

The REIT Units are currently listed on the TSX under the symbol "NVU.UN". The following table sets forth the high and low trading prices and the volumes traded of the REIT Units on the TSX for the periods indicated:

Period	High (\$)	Low (\$)	Volume
2019			
April	\$29.29	\$27.57	2,070,634
May	\$28.48	\$26.50	3,427,657
June	\$27.645	\$26.09	3,179,140
July	\$27.49	\$26.80	2,454,851
August	\$29.75	\$27.09	3,004,947
September	\$29.92	\$28.63	3,310,694
October	\$30.75	\$28.46	4,184,438
November	\$30.49	\$28.55	2,965,689
December	\$30.66	\$29.11	2,934,995
2020			
January	\$31.59	\$29.03	2,951,225
February	\$36.70	\$30.25	10,713,471

Period	High (\$)	Low (\$)	Volume
March	\$36.38	\$25.15	22,182,928
April 1-23	\$34.62	\$30.90	7,451,713

On February 19, 2020, the last trading day on which the REIT Units traded prior to announcement of the Arrangement, the closing price of the REIT Units on the TSX was \$36.00. On April 23, 2020, the closing price of the REIT Units on the TSX was \$34.26.

Risk Factors

Investments in securities of the REIT are subject to certain risks. Unitholders should carefully consider the risks and uncertainties described in the AIF, including under the heading “*Risk Factors*”, and in the Annual MD&A, each of which is incorporated by reference in this Circular, as well as the other information contained and incorporated by reference in this Circular. These risks and uncertainties are not the only ones facing the REIT. Additional risks and uncertainties not presently known to the REIT or that the REIT currently deems immaterial may also impair the REIT’s business operations. If any of such risks actually occur, the REIT’s business, financial condition, liquidity and operating results could be materially adversely affected.

APPENDIX “H” INFORMATION CONCERNING THE HIGH YIELD FUND POST-ARRANGEMENT

The following information about the High Yield Fund should be read in conjunction with the information concerning the High Yield Fund appearing elsewhere in the Circular. Capitalized terms used but not otherwise defined in this Appendix “H” shall have the meaning ascribed to them in the Circular.

INVESTMENT OPPORTUNITY IN THE HIGH YIELD FUND

The Arrangement provides Unitholders with the opportunity to participate in the High Yield Fund alongside Starlight and the KingSett Investors. The High Yield Fund was established for the primary purpose of indirectly acquiring, owning and operating a high quality, geographically diversified real estate portfolio currently owned by Northview. The property portfolio selected for the High Yield Fund comprises income-producing multi-residential suites, commercial real estate and executives that can achieve stable operating income or increases in operating income as a result of an active asset management strategy and located in the Secondary Markets. The High Yield Fund’s investments objectives are to: (a) indirectly acquire, own and operate a high quality, geographically diversified real estate portfolio exhibiting attractive Capitalization Rates and a significant component of government and credit-rated commercial tenants comprising income-producing multi-residential suites, commercial real estate and executives, that can achieve stable operating income or increases in operating income as a result of an active asset management strategy and located in the Secondary Markets; (b) make stable monthly cash distributions; and (c) effect a Recapitalization Event by the Target Recapitalization Date. The Manager believes that the multi-residential real estate sector in the Secondary Markets presents a compelling investment opportunity that provides the potential for competitive risk-adjusted long term returns when compared to other real estate asset classes.

The *pro forma* ownership interest in the High Yield Fund of Unitholders will be determined based on the number of Unitholders electing to receive all or a portion of the Consideration in High Yield Fund Units pursuant to the High Yield Fund Subscription Elections.

Capitalization of the High Yield Fund

Concurrently with the Arrangement, the High Yield Fund is expected to complete the Offering. Following completion of the Arrangement and the Offering, the consolidated capitalization of the High Yield Fund is expected to be \$430,000,000 (the “**Target Capitalization**”). See “*Capitalization*”.

The Target Capitalization is expected to be achieved through a combination of deemed contribution of value by Unitholders pursuant to High Yield Fund Subscription Elections, investments by Starlight and the KingSett Investors, and the public offering of High Yield Fund Units under the Offering, together with one or more concurrent private placements by the High Yield Fund, including the Lead Order.

The High Yield Fund expects to file a (final) long form prospectus (the “**Final Prospectus**”) prior to the Effective Date to qualify the distribution of up to \$430,000,000 of Listed High Yield Fund Units and/or Class F High Yield Fund Units (the “**Offered Units**”) at a price of \$12.50 per unit under the Offering. The ultimate issue size of Offered Units under the Final Prospectus will be determined by reference to the Target Capitalization, the deemed contribution of value by Unitholders pursuant to High Yield Fund Subscription Elections, and certain other investments or contributions, as more particularly described below. References to the Offering herein are inclusive of the Pre-Prospectus Contributions and assumes the Target Capitalization has been achieved in the manner described below under the heading “– *Determination of Capitalization*”, below.

Determination of Capitalization

In connection with the Arrangement, Unitholders will have the opportunity to receive 0.5655 High Yield Fund Units pursuant to the High Yield Fund Subscription Election on a tax-free basis, which will not be subject to proration, pursuant to the Arrangement and subscribe for additional High Yield Fund Units as described below. In addition, Starlight (through D.D. Acquisitions Partnership or another affiliate) will make the Starlight Base Contribution, pursuant to which Starlight will make a High Yield Fund Subscription

Election, as a Unitholder, to receive \$30,000,000 of High Yield Fund Units for a portion of the REIT Units held by Starlight under the terms of the Arrangement.

In the event that the value deemed contributed to the High Yield Fund by the subscriptions for High Yield Fund Units in the preceding paragraph is less than the Target Capitalization, then the difference will be raised as follows:

- (a) the KingSett Base Contribution pursuant to which the KingSett Investors will subscribe for an aggregate number of High Yield Fund Units equal to \$75,000,000.
- (b) the issuance by the High Yield Fund pursuant to elections (“**top-up elections**”) by Unitholders, excluding Starlight, to subscribe for further High Yield Fund Units under the Plan of Arrangement pursuant to the High Yield Fund Subscription Election, subject to pro ration if such contributions exceed the remaining contributions required;
- (c) the Lead Order (collectively, the contributions in this and the foregoing paragraphs and the lead-in, are the “**Pre-Prospectus Contributions**”);
- (d) the Offering (and any concurrent private placement of units of the High Yield Fund, other than the Lead Order);
- (e) as applicable, further subscriptions for High Yield Fund Units, as follows (and in such order):
 - (i) by Starlight (through D.D. Acquisitions Partnership or another affiliate) for up to an amount, if any, that when added to the Starlight Base Contribution equals at least 20% of the Required Proceeds;
 - (ii) by the KingSett Investors for up to an amount, if any, that when added to the KingSett Base Contribution equals at least 20% of the Required Proceeds;
 - (iii) by Starlight (through D.D. Acquisitions Partnership or another affiliate) in an amount, if any, that when added to all amounts contributed thus far by Starlight equals the sum of all amounts contributed by the KingSett Investors in the aggregate; and
 - (iv) by Starlight (through D.D. Acquisitions Partnership or another affiliate) and the KingSett Investors, in an aggregate amount, if any, required to satisfy the remaining balance, split between Starlight and the KingSett Investors equally.

“**Required Proceeds**” means \$430,000,000 *minus* the aggregate value of High Yield Fund Units issued pursuant to elections by existing Unitholders (other than Starlight) to receive and retain High Yield Fund Units pursuant to the High Yield Fund Subscription Election (including top-up elections). For the avoidance of doubt, the amount of the Required Proceeds does not include the Starlight Base Contribution or the KingSett Base Contribution, and such contributions will be in satisfaction of a corresponding amount of the Required Proceeds.

See “*Use of Proceeds*”.

High Yield Fund Subscription Election

Unitholders may participate in the High Yield Fund alongside Starlight and KingSett by making one of the following elections to receive High Yield Fund Units pursuant to the High Yield Fund Subscription Election in accordance with the terms of the Letter of Transmittal and Election Form (see also “*Procedure for the Delivery of Securities and Payment of Consideration*” in the Circular):

- (a) **19.5% Tax-Deferred Unit Election** – Unitholders will receive \$29.18 in cash and 0.5655 of a High Yield Fund Unit (such 0.5655 of a High Yield Fund Unit on a tax deferred basis) having a value of \$7.07 for each REIT Unit (or each REIT Unit into which Exchangeable LP Units are exchangeable on the Effective Date) for which this election is made.
- (b) **40% Unit Election** – Unitholders will receive \$21.75 in cash and 1.1600 High Yield Fund Units (including 0.5655 of a High Yield Fund Unit on a tax deferred basis) having a value of \$14.50 for each REIT Unit (or each REIT Unit into which Exchangeable LP Units are exchangeable on the Effective Date) for which this election is made.
- (c) **50% Unit Election** – Unitholders will receive \$18.125 in cash and 1.4500 High Yield Fund Units (including 0.5655 of a High Yield Fund Unit on a tax deferred basis) having a value of \$18.125 for each REIT Unit (or each REIT Unit into which Exchangeable LP Units are exchangeable on the Effective Date) for which this election is made.
- (d) **60% Unit Election** – Unitholders will receive \$14.50 in cash and 1.7400 High Yield Fund Units (including 0.5655 of a High Yield Fund Unit on a tax deferred basis) having a value of \$21.75 for each REIT Unit (or each REIT Unit into which Exchangeable LP Units are exchangeable on the Effective Date) for which this election is made.
- (e) **100% Unit Election** – Unitholders will receive all of the Consideration in the form of High Yield Fund Units (including 0.5655 of a High Yield Fund Unit on a tax deferred basis) having a value of \$36.25 for each REIT Unit (or each REIT Unit into which Exchangeable LP Units are exchangeable on the Effective Date) for which this election is made.
- (f) **Other Unit Election** – Unitholders will be able to select the amount of the Consideration they wish to receive in High Yield Funds for each REIT Unit (or each REIT Unit into which Exchangeable LP Units are exchangeable on the Effective Date) which this election is made (provided that a minimum of 19.5% of the Consideration is elected to be received in High Yield Fund Units).

Non-residents electing to receive High Yield Fund Units (other than pursuant to the 19.5% Tax-Deferred Unit Election described in paragraph (a) above) may have a portion of their High Yield Fund Units sold to fund Canadian withholding tax obligations.

NOTICE TO READER

The following describes the proposed business of the High Yield Fund. As at the date hereof, the High Yield Fund has not carried on any business. Unless otherwise noted, the disclosure in this Appendix “H” has been prepared assuming that the Arrangement has been completed and assuming that the Offering and the Target Capitalization has been completed. The following information is a summary of the business and affairs of the High Yield Fund and should be read together with the more detailed information including audited and unaudited financial data and statements regarding the High Yield Fund, the REIT, and the Arrangement contained elsewhere in the Circular.

No securities regulatory authority has expressed an opinion about the Arrangement or the High Yield Fund Units to be issued pursuant to the Arrangement and it is an offense to claim otherwise.

The High Yield Fund was formed for the sole purpose of participating in the Arrangement and has not carried on any business other than in connection with the Arrangement and related matters.

There is currently no market through which the High Yield Funds received by Unitholders may be sold and such a market may not develop, and Unitholders may not be able to resell High Yield Funds received under the Arrangement. This may affect the pricing and liquidity of the High Yield Fund Units in the secondary market, the transparency and availability of trading prices, the liquidity of the High Yield Fund Units, and the extent of issuer regulation. The High Yield Fund has applied to have the Listed High Yield Fund Units listed on the TSX and the High Yield Fund Units issued to Unitholders pursuant to the Arrangement will be convertible into such Listed High Yield Fund Units. Listing is subject to the approval of the TSX in accordance with its original listing requirements. The TSX has not conditionally approved the High Yield Fund’s listing application and there is no assurance that the TSX will approve the listing application. Holders of High Yield Fund Units may convert their High Yield Fund Units into Listed High Yield Fund Units in accordance with the High Yield Fund Declaration of Trust. See “*Description of the Units of the High Yield Fund – High Yield Fund Declaration of Trust – Conversion of Units*”. If listing approval is ultimately obtained prior to the Effective Time, trading on the TSX in the Listed High Yield Fund Units is expected to commence shortly following the Effective Date. See “*Risk Factors*” of this Appendix “H”.

References to the High Yield Fund

Unless otherwise indicated or the context otherwise indicates, use of the term “**High Yield Fund**” in this Appendix “H” refers to the High Yield Fund and its Subsidiaries, where the context requires, and in each case, refer to such entities as constituted on the Effective Date and after giving effect to the Arrangement. In addition, any reference to the indirect acquisition of the Initial Portfolio by the High Yield Fund means the acquisition of the Initial Portfolio by the High Yield Fund through its acquisition of NV Holdings LP, which through its interest in NV LP, will be the indirect owner of the Initial Portfolio. Unless otherwise noted herein, this Appendix “H” assumes that the High Yield Fund will indirectly acquire the High Yield Fund Properties without participation by any co-investors (other than Starlight West LP’s interest in the NV Holdings LP Class B Units). Co-investors, if any, may invest by acquiring securities of NV Holdings LP or otherwise as the High Yield Fund Trustees determine to be in the best interests of the High Yield Fund. Such co-investors may be entitled to the rights associated with securities of NV Holdings LP, or otherwise, as described in this Appendix H. See “*Risk Factors – Risks Related to the High Yield Fund – Co-Investment/Joint Ventures*”.

Financial Information

Unless otherwise indicated, all financial information referred to in this Appendix “H” was prepared in accordance with IFRS.

Currency References and Exchange Rate Information

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

MARKET DATA

This Appendix “H” contains statistical data, market research and industry forecasts that were obtained from government and industry publications and reports or are based on estimates derived from such publications and reports and the Manager’s knowledge of, and experience in, the markets in which the High Yield Fund operates. Government and industry publications and reports generally indicate that they have obtained their information from sources believed to be reliable, but do not guarantee the accuracy and completeness of their information. Actual outcomes may vary materially from those forecast in such publications or reports, and the prospect for material variation can be expected to increase as the length of the forecast period increases. While the Manager believes this data to be reliable, market and industry data is subject to variations and cannot be verified due to limits on the availability and reliability of data inputs and other limitations and uncertainties inherent in any statistical survey. Accordingly, the accuracy, currency and completeness of this information cannot be guaranteed. None of the High Yield Fund or the Manager has independently verified any of the data from third party sources referred to in this Appendix “H” or ascertained the underlying assumptions relied upon by such sources.

NON-IFRS MEASURES

Certain measures in this Appendix “H” do not have any standardized meaning as prescribed by IFRS and are therefore, considered non-IFRS measures. These measures are provided to enhance the reader’s overall understanding of the High Yield Fund’s current financial condition. They are included to provide investors and the High Yield Fund’s management with an alternative method for assessing the High Yield Fund’s operating results in a manner that is focused on the performance of the High Yield Fund’s ongoing operations and to provide a more consistent basis for comparison between periods. These measures include widely accepted measures of performance for Canadian real estate investment trusts; however, these measures are not defined by IFRS. In addition, the definitions of these measures are subject to interpretation by the preparers and may not be applied consistently. These non-IFRS and additional IFRS measures include funds from operations (“**FFO**”), FFO payout ratio (“**FFO Payout Ratio**”), average monthly rent (“**AMR**”), average rent per square foot (“**Average Rent per Square Foot**”), capitalization rate (“**Capitalization Rate**”), debt (“**Debt**”), gross book value (“**Gross Book Value**”), net operating income (“**NOI**”), NOI margin (“**NOI margin**”), occupancy (“**occupancy**”), same door revenue (“**same door revenue**”), same door expenses (“**same door expenses**”) and same door NOI (“**same door NOI**”), which have the meanings set out below. Unless the context otherwise requires, any reference in this Appendix “H” of any agreement instrument, indenture or other document shall mean such agreement, instrument, indenture or other document, as amended, supplemented and restated at any time and from time to time prior to the date hereof or in the future.

The High Yield Fund’s FFO definition provides a general indication of its capacity to earn and distribute cash returns to High Yield Fund Unitholders as required by the High Yield Fund Declaration of Trust. FFO as computed by the High Yield Fund may differ from similar computations as reported by other similar organizations and, accordingly, may not be comparable to FFO as reported by such organizations. FFO has been developed as a supplemental measure of operating performance for the real estate industry. The Real Property Association of Canada, after discussions with Canadian real estate publicly accountable entities, developed and published a white paper on FFO for IFRS. The report contains standard adjustments that are made to net comprehensive earnings with the desire to adjust it to be a better measure of cash generated or distribution capacity.

Non-IFRS and Additional IFRS Measures

The following non-IFRS measures are used to monitor the High Yield Fund’s financial performance. All non-IFRS measures do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. These measures are included to provide investors and management with an alternative method for assessing the High Yield Fund’s operating results in a manner that is focused on the performance of the High Yield Fund’s ongoing operations.

FFO: FFO measures operating performance and is calculated in accordance with Real Property Association of Canada's definition. FFO - basic is calculated by adjusting net and comprehensive income (loss) for depreciation of property, plant and equipment excluding depreciation of items (i.e. computer and auto) that are not uniquely significant to the real estate industry, gain or loss on disposition, fair value gain or loss, Unit distributions recorded as interest, and other applicable items. The most comparable IFRS measure to FFO is net and comprehensive income (loss).

FFO Payout Ratio: FFO Payout Ratio – basic is calculated as distributions declared to Unitholders – basic divided by FFO – basic. FFO Payout Ratio – diluted is calculated as distributions declared to Unitholders – diluted divided by FFO – diluted.

Other Financial Measures

AMR: calculated as monthly gross residential rent net of lease incentive divided by the number of occupied suites as at the period end date.

Average Rent per Square Foot: calculated as annualized total commercial rent for the quarter, divided by average total occupied square footage for the quarter for commercial operations.

Capitalization Rate: a percentage calculated as NOI divided by the fair value or sales price of the asset. It is a measure of stabilized rate of return on the real estate investment.

Debt: the sum of credit facilities and mortgages payable, including liabilities related to assets held for sale, less cash.

Gross Book Value: at any time, the book value of the assets of the High Yield Fund as shown on its then most recent consolidated balance sheet plus the amount of accumulated depreciation and amortization included therein or in the notes thereto, less the amount of future income tax liability arising out of indirect acquisitions, or, if approved by a majority of the High Yield Fund Trustees, the appraised value of the real property held by the High Yield Fund can be substituted for the book value of the investment properties owned by the High Yield Fund.

NOI: calculated by deducting the direct operating costs of maintaining and operating investment properties from the revenue which they generate.

NOI margin: calculated by dividing NOI by the revenue generated from investment properties.

Occupancy: a percentage measure used by management to evaluate the performance of its properties on a comparable basis. The occupancy presented in this Appendix "H" is financial occupancy for each period based on AMR, excluding recently completed developments, which have not reached stabilized occupancy.

Same door revenue / Same door expenses / Same door NOI: measured as stabilized properties owned by the Initial Portfolio for both the current reporting period and on or before the first day of the previous annual reporting period. For the year ended December 31, 2019, stabilized properties owned and in operation by the Initial Portfolio for both the current reporting period and on or before January 1, 2018, are included in the same door calculation. For the year ended December 31, 2018, stabilized properties owned and in operation by the Initial Portfolio for both the current reporting period and on or before January 1, 2017, are included in the same door calculation.

FORWARD-LOOKING STATEMENTS

This Appendix "H" includes statements with respect to the High Yield Fund, including its business operations and strategy, and financial performance and condition, which may constitute forward-looking information, future oriented financial information, or financial outlooks (collectively, "**forward-looking information**") within the meaning of Canadian securities laws. Forward-looking information may relate to the High Yield Fund's future outlook and anticipated events, including future results, performance, achievements, prospects or opportunities for the High Yield Fund or the real estate industry or the Offering

and may include statements regarding the financial position, budgets, litigation, projected costs, capital expenditures, financial results, taxes, plans and objectives of, or involving, the High Yield Fund. Particularly, statements regarding the High Yield Fund's expected annual distribution yield, total return on liquidation, target investments, recapitalization strategy and timing thereof, analytical business strategy, the expected date of completion of the Arrangement or the Offering, future market demographics and projected occupancy rates of the Initial Portfolio, are forward-looking information. Such forward-looking information in some cases, can be identified by terminology such as "may", "might", "will", "could", "should", "would", "occur", "expect", "plan", "anticipate", "believe", "intend", "seek", "aim", "estimate", "target", "project", "predict", "forecast", "potential", "continue", "likely", "schedule", "potentially" or the negative thereof or other similar expressions concerning matters that are not historical facts.

Forward-looking information in this Appendix "H" includes, but is not limited in any manner to statements with respect to:

- (a) opportunities in multi-residential suites, commercial real estate and executives in the Secondary Markets that can achieve stable operating income or increases in operating income as a result of an active asset management strategy;
- (b) market conditions in the Secondary Markets;
- (c) expectations regarding recent economic developments in Canada and the future of the Canadian real estate markets generally;
- (d) opportunities to increase the NOI of the Initial Portfolio;
- (e) the availability of financing for the High Yield Fund Properties;
- (f) the High Yield Fund's intention to make distributions monthly;
- (g) the number of High Yield Fund Units issued to Unitholders under the Arrangement;
- (h) the number of High Yield Fund Units for which Retained Interest Holders will subscribe;
- (i) expectations and plans with respect to scheduled rent increases, deferred payment plans, rental abatements and occupancy levels for the Initial Portfolio in the second quarter of 2020 and beyond;
- (j) any impact of COVID-19 on the Initial Portfolio and the business and operations of the High Yield Fund;
- (k) the High Yield Fund's objective to enhance the operating income and property values through an active asset management strategy and to effect a Recapitalization Event by the Target Recapitalization Date;
- (l) the High Yield Fund's target annual pre-tax distribution yield and investor internal rate of return, in each case across all High Yield Fund Unit classes;
- (m) the Target Recapitalization Date;
- (n) the possibility of completing any private placements concurrent with the closing of the Offering;
- (o) the expected public filings of the High Yield Fund;

- (p) acquisitions or dispositions, development activities, financing and the availability of financing, future operating efficiencies, tenant incentives and occupancy levels; and
- (q) the timing and satisfaction of the closing conditions of the Arrangement.

Material factors and assumptions used by management of the High Yield Fund to develop the forward-looking information include, but are not limited to, the High Yield Fund's current expectations about: vacancy and rental growth rates in the multi-residential suites, commercial real estate and executives markets in the Secondary Markets; demographic trends in Canada; the impact of COVID-19 on the Initial Portfolio and the Secondary Markets; the occupancy level of the Initial Portfolio; the continued receipt of rental payments in line with historical collections; the applicability of any government regulation concerning tenants or rents as a result of COVID-19; the value and timing of any Recapitalization Event; the availability of mortgage financing and future interest rates; the capital structure of the High Yield Fund; the growth in NOI generated from the asset management strategy; the population of multi-residential real estate market participants; assumptions about the markets in which the High Yield Fund intends to operate; expenditures and fees in connection with the maintenance, operation and administration of the High Yield Fund Properties; the ability of the Manager to manage and operate the High Yield Fund Properties; the global and North American economic environment; and governmental regulations or tax laws. While management considers these assumptions to be reasonable based on currently available information, they may prove to be incorrect.

Although the Manager believes that the expectations reflected in such forward-looking statements are reasonable and represent the High Yield Fund's internal projections, expectations and beliefs at this time, such statements involve known and unknown risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved. A variety of factors, many of which are beyond the High Yield Fund's control, may affect the operations, performance and results of the High Yield Fund, and could cause actual results in future periods to differ materially from current expectations of estimated or anticipated events or results expressed or implied by such forward-looking statements. Such factors include, among other things, the availability of mortgage financing for the High Yield Fund Properties, and general economic and market factors, including interest rates, prospective purchasers of real estate, the attractiveness of the High Yield Fund Properties and the ability of the High Yield Fund to effect a Recapitalization Event by the end of the Target Recapitalization Date, business competition, and changes in government regulations or income tax laws, as well as the other risk factors described at "Risk Factors" of this Appendix "H".

Unitholders are cautioned against placing undue reliance on forward-looking statements.

Except as required by law, the High Yield Fund undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

GLOSSARY OF TERMS

Certain capitalized terms and abbreviations used but not otherwise defined in the Circular or this Appendix "H" have the following meanings:

"**AB RTA**" has the meaning set out in "*Description of the Activities of the High Yield Fund – The Initial Portfolio – Overview of Rent Control Regulation*";

"**Advance Notice Provision**" has the meaning set out in "*Description of the Units of the High Yield Fund – High Yield Fund Declaration of Trust – Advance Notice Provisions*";

"**Agents' Fee**" means a fee payable by the High Yield Fund equal to \$0.65625 (5.25%) per Listed High Yield Fund Unit and \$0.28125 (2.25%) per Class F High Yield Fund Unit. The Agents' Fee for the Listed High Yield Fund Units includes a selling concession of 3%;

“Aggregate Class A Interest” is equal to (i) the aggregate gross proceeds received by the High Yield Fund for the issuance of the Listed High Yield Fund Units pursuant to the Offering and any concurrent private placements less the aggregate Agents’ Fee payable in respect of the Listed High Yield Fund Units, divided by (ii) the number of Listed High Yield Fund Units issued pursuant to the Offering and any concurrent private placements, multiplied by (iii) the number of Listed High Yield Fund Units outstanding at the time the Aggregate Class A Interest is being calculated;

“Aggregate Class C Interest” is equal to (i) the sum of (A) the aggregate subscription amount received and deemed to have been received by the High Yield Fund for the issuance of High Yield Fund Units pursuant to the Pre-Prospectus Contributions, and (B) the aggregate gross proceeds received by the High Yield Fund in respect of any concurrent private placements of High Yield Fund Units, divided by (ii) the number of High Yield Fund Units issued pursuant to the Pre-Prospectus Contributions and any concurrent private placements, multiplied by (iii) the number of High Yield Fund Units outstanding at the time the Aggregate Class C Interest is being calculated;

“Aggregate Class F Interest” is equal to (i) the aggregate gross proceeds received by the High Yield Fund for the issuance of Class F High Yield Fund Units pursuant to the Offering and any concurrent private placements, less the aggregate Agents’ Fee payable in respect of the Class F High Yield Fund Units, divided by (ii) the number of Class F High Yield Fund Units issued pursuant to the Offering and any concurrent private placements, multiplied by (iii) the number of Class F High Yield Fund Units outstanding at the time the Aggregate Class F Interest is being calculated;

“Aggregate Units Interest” means, at any time, the sum of (i) the Aggregate Class A Interest, (ii) the Aggregate Class C Interest, and (iii) the Aggregate Class F Interest, at such time;

“Alternative Liquidity Event” means a transaction other than a Recapitalization Event, which transaction may take the form of (i) a sale of the units of the High Yield Fund, (ii) a reverse take-over, merger, amalgamation, arrangement, take-over bid, insider bid, reorganization, joint venture or similar transaction or other combination with a public issuer, (iii) a transaction involving a combination of the High Yield Fund’s portfolio of High Yield Fund Properties and operations with one or more other portfolios of properties (whether owned, controlled or managed by a related party or otherwise), or (iv) an other event (other than a Recapitalization Event) similar, comparable or analogous to, or having similar, comparable or analogous effect for the High Yield Fund Unitholders to those described in items (i) to (iii) above;

“AMR” has the meaning set out in *“Non-IFRS Measures”*;

“annuitant” has the meaning set out under *“Risk Factors – Risks Related to the Fund – Trust Unitholder Liability”*;

“Applicable Laws” means, in respect of any Person, all laws, statutes, regulations, statutory rules, principles of common law or equity, orders and terms and conditions of any grant of approval, permission, authority or license of any governmental authority applicable to such Person or its business, undertaking and property having jurisdiction over the Person or its business, undertaking or property, in each case as amended from time to time;

“ARRL” has the meaning set out in *“Description of the Activities of the High Yield Fund – The Initial Portfolio – Overview of Rent Control Regulation”*;

“Asset Management Fee” means an annual fee payable to the Manager by the High Yield Fund and NV LP in accordance with the terms of the Management Agreement, in consideration of the Manager providing specified management services to the High Yield Fund as described in *“Material Contracts – Management Agreement”*;

“Audit Committee” means the Audit Committee established by the High Yield Fund Board and described under *“Corporate Governance and Board Committees – Audit Committee”*;

“Average Rent per Square Foot” has the meaning set out in *“Non-IFRS Measures”*;

“**BC RTA**” has the meaning set out in “*Description of the Activities of the High Yield Fund – The Initial Portfolio – Overview of Rent Control Regulation*”;

“**Bid Units**” has the meaning set out in “*Description of the Units of the High Yield Fund – High Yield Fund Declaration of Trust – Coattail Provisions*”;

“**Capitalization Rate**” has the meaning set out in “*Non-IFRS Measures*”;

“**Carried Interest**” means the entitlement of the partners of Starlight West LP (currently being entities wholly owned by Daniel Drimmer), through Starlight West LP’s direct interest in NV Holdings LP, to 20% of the total of all amounts, if any, by which (i) the aggregate amount of distributions which would have been paid on all units of the High Yield Fund of a particular class if all Distributable Cash of NV LP were received by the High Yield Fund (through NV Holdings LP and NV Holdings GP), together with all other amounts distributable by the High Yield Fund (including Distributable Cash generated by investees of the High Yield Fund not held through NV LP, if any), and distributed by the High Yield Fund to High Yield Fund Unitholders of the High Yield Fund in accordance with the High Yield Fund Declaration of Trust, exceeds (ii) the aggregate Minimum Return in respect of such class of units of the High Yield Fund (the calculation of which includes the amount of the Investors Capital Return Base), each such excess, if any, to be calculated on the date of the applicable distribution by any relevant investee to the High Yield Fund, provided that, to the extent that the aggregate amount of distributions which would have been paid on all units of the High Yield Fund of a particular class pursuant to the foregoing exceeds the Minimum Return for such class, the partners of Starlight West LP (currently being entities wholly owned by Mr. Drimmer), through Starlight West LP’s direct interest in NV Holdings LP, will be entitled to 50% of each such excess amount (i.e., a catch-up) until the amounts, if any, distributable to High Yield Fund Unitholders in excess of the Investors Capital Return Base is equal to four times (i.e., 80%/20%) the catch-up payment receivable by the partners of Starlight West LP in respect of such class. Starlight West LP will pay a percentage of the catch-up payment received to the KingSett Investors;

“**Cash Flow**” means, for any Distribution Period:

- (a) the sum of all cash amounts received by the High Yield Fund for or in respect of such Distribution Period, including amounts received as a limited partner holding NV Holdings LP Units pursuant to the terms of the NV Holdings LP Agreement and all other income, interest, distributions, dividends, proceeds from the investment in NV Holdings LP Units (other than by way of security interest), returns of capital and repayments of indebtedness, as well as all amounts received by the High Yield Fund in any prior Distribution Period to the extent not previously distributed; less
- (b) all costs and expenses of the High Yield Fund that, in the opinion of the High Yield Fund Board, may reasonably be considered to have accrued and become owing in respect of, or which relate to, such Distribution Period or a prior Distribution Period if not accrued in such prior period; less
- (c) any interest expense incurred by the High Yield Fund between distributions, provided that any funds borrowed by the High Yield Fund will not be included in the calculations of Cash Flow in respect of any Distribution Period;

“**CBCA**” means the *Canada Business Corporations Act*, as amended from time to time;

“**CCQ**” has the meaning set out in “*Description of the Activities of the High Yield Fund – The Initial Portfolio – Overview of Rent Control Regulation*”;

“**CDOR**” means the Canadian Dollar Offered Rate;

“**Class Excess Return**” means the amount by which (i) the aggregate amount of distributions which would have been paid on all units of the High Yield Fund of a particular class if all Distributable Cash were received by the High Yield Fund (through NV Holdings LP and NV Holdings GP), together with all other amounts

distributable by the High Yield Fund (including Distributable Cash generated by investees of the High Yield Fund not held through NV LP, if any), and distributed by the High Yield Fund to High Yield Fund Unitholders of the High Yield Fund in accordance with the High Yield Fund Declaration of Trust, exceeds (ii) the aggregate Minimum Return in respect of such class of units of the High Yield Fund (the calculation of which includes the amount of the Investors Capital Return Base for such class);

“Class F High Yield Fund Unit Conversion Rate” is equal to (i) (A) the aggregate gross proceeds received by the High Yield Fund for the issuance of the Class F High Yield Fund Units pursuant to the Offering and any concurrent private placements less the aggregate Agents’ Fee payable in respect of the Class F High Yield Fund Units, divided by (B) the number of Class F High Yield Fund Units issued pursuant to the Offering and any concurrent private placements, divided by (ii) (A) the aggregate gross proceeds received by the High Yield Fund for the issuance of Listed High Yield Fund Units pursuant to the Offering and any concurrent private placements less the aggregate Agents’ Fee payable in respect of the Listed High Yield Fund Units, divided by (B) the number of Listed High Yield Fund Units issued pursuant to the Offering and any concurrent private placements;

“Class F High Yield Fund Units” means the trust units of the High Yield Fund, designated as “Class F Units”;

“Class Offer” has the meaning set out under *“Description of the Units of the High Yield Fund – High Yield Fund Declaration of Trust – Coattail Provisions”*;

“Class Threshold Return” means the amount by which (i) the aggregate Minimum Return in respect of a particular class of units of the High Yield Fund (the calculation of which includes the amount of the Investors Capital Return Base for such class), exceeds (ii) the aggregate Investors Capital Return Base in respect of such class of Units of the High Yield Fund;

“Coattail Conversion Rate” is equal to (i) (A) the sum of the aggregate gross proceeds received by the High Yield Fund for the issuance of the Listed High Yield Fund Units pursuant to the Offering and any concurrent private placements, less the aggregate Agents’ Fee payable in respect of the Listed High Yield Fund Units, divided by (B) the number of Listed High Yield Fund Units issued pursuant to the Offering and any concurrent private placements, divided by (ii) (A) the sum of the aggregate gross proceeds received by the High Yield Fund for the issuance of the applicable class of Bid Units pursuant to the Offering and any concurrent private placements and, in the case of High Yield Fund Units, the aggregate subscription amount received and deemed to have been received by the High Yield Fund for the issuance of High Yield Fund Units pursuant to the Pre-Prospectus Contributions, less the aggregate Agents’ Fee payable in respect of the applicable class of Bid Units, divided by (B) the number of the applicable class of Bid Units issued pursuant to the Offering and any concurrent private placements and, in the case of High Yield Fund Units, pursuant to the Pre-Prospectus Contributions and any concurrent private placements following the cancellation of the initial High Yield Fund Unit;

“Code of Conduct” has the meaning set out in *“Corporate Governance and Board Committees”*;

“Conversion End Date” has the meaning set out in *“Description of the Units of the High Yield Fund – High Yield Fund Declaration of Trust – Coattail Provisions”*;

“Convertible Units” means the Listed High Yield Fund Units, High Yield Fund Units and Class F High Yield Fund Units;

“Debt” has the meaning set out in *“Non-IFRS Measures”*;

“Demand Distribution” has the meaning set out under *“Material Contracts – Investor Rights Agreement - Demand Registration Right”*;

“Demand Registration Right” has the meaning set out under *“Material Contracts – Investor Rights Agreement - Demand Registration Right”*;

“Distributable Cash” means the aggregate of all cash flow from operations of the High Yield Fund Properties in a period after payment of all current obligations relating to the High Yield Fund Properties, including all current principal and interest payments under the Mortgage Loans after the creation of reasonable working capital and capital improvement reserves as determined by the High Yield Fund, payment of the portion of the Asset Management Fee payable to the Manager and payment of the fees payable in respect of the High Yield Fund Properties;

“Distributable Cash Flow” means, for any Distribution Period, an amount equal to the Cash Flow for such Distribution Period, less any amount that the High Yield Fund Board may reasonably consider to be necessary to provide for the payment of any costs or expenses, including any tax liability of NV Holdings LP, NV Holdings GP or the High Yield Fund, that have been or are reasonably expected to be incurred in the activities and operations of NV Holdings LP, NV Holdings GP or the High Yield Fund (to the extent that such costs or expenses have not otherwise been taken into account in the calculation of the Cash Flow) and less such reserves or amounts as are, in the opinion of the High Yield Fund Board, necessary or desirable;

“Distributable Cash Flow Balance” has the meaning set out in *“Description of the Units of the High Yield Fund – High Yield Fund Declaration of Trust – Distributions”*;

“Distribution Period” means each month of each calendar year commencing following closing of the Offering and the Arrangement;

“Diversity Policy” has the meaning set out in *“Corporate Governance and Board Committees – Diversity”*;

“Entity” means any one of the High Yield Fund, NV Holdings LP or NV LP and **“Entities”** means all of them;

“FFO” has the meaning set out under *“Non-IFRS Measures”*;

“FFO Payout Ratio” has the meaning set out under *“Non-IFRS Measures”*;

“Final Prospectus” has the meaning set out in *“Investment Opportunity in the High Yield Fund – Capitalization of the High Yield Fund”*;

“Fund Property” means all of the property and assets of the High Yield Fund held pursuant to the High Yield Fund Declaration of Trust;

“GAAP” has the meaning set out in *“Non-IFRS Measures”*;

“Governance and Nominating Committee” means the Governance and Nominating Committee established by the High Yield Fund Board and described under *“Corporate Governance and Board Committees – Governance and Nominating Committee”*;

“Gross Asset Value” means, at any time, the greater of (A) the value of the assets of the High Yield Fund and its consolidated Subsidiaries, as shown on its then most recent consolidated balance sheet prepared in accordance with IFRS; and (B) the historical cost of the investment properties, plus (i) the carrying value of cash and cash equivalents; (ii) the carrying value of mortgages receivable; and (iii) the historical cost of other assets and investments used in operations;

“Gross Book Value” has the meaning set out in *“Non-IFRS Measures”*;

“Gross Subscription Proceeds” means the gross proceeds received by the High Yield Fund from (a) the issuance of the units of the High Yield Fund pursuant to the Offering; and (b) the issuance of units of the High Yield Fund pursuant to any concurrent private placements;

“Health Crisis” has the meaning set out under *“Risk Factors – Risks Related to the High Yield Fund – Public Health Crises and Disease Outbreaks”*;

“High Yield Fund Board” means the board of trustees of the High Yield Fund;

“High Yield Fund Trustee”, at any time, means an individual who is, in accordance with the provisions hereof, a trustee of the High Yield Fund at that time and **“High Yield Fund Trustees”** means, at any time, all of the individuals each of whom is at that time a trustee;

“High Yield Fund Unit to Listed High Yield Fund Unit Conversion Rate” is equal to (i) (A) the sum of (x) the aggregate subscription amount received and deemed to have been received by the Fund for the issuance of High Yield Fund Units pursuant to the Pre-Prospectus Contributions and (y) the aggregate gross proceeds received by the Fund in respect of any concurrent private placements of High Yield Fund Units, divided by (B) the aggregate number of High Yield Fund Units issued pursuant to the Pre-Prospectus Contributions and any concurrent private placements following the cancellation of the initial High Yield Fund Unit and any concurrent private placements, divided by (ii) (A) the aggregate gross proceeds received by the Fund for the issuance of Listed High Yield Fund Units pursuant to the Offering and any concurrent private placements less the aggregate Agents’ Fee payable in respect of the Listed High Yield Fund Units, divided by (B) the number of Listed High Yield Fund Units issued pursuant to the Offering and any concurrent private placements;

“High Yield Fund Unit to Class F High Yield Fund Unit Conversion Rate” is equal to (i) (A) the sum of (x) the aggregate subscription amount received and deemed to have been received by the Fund for the issuance of High Yield Fund Units pursuant to the Pre-Prospectus Contributions and (y) the aggregate gross proceeds received by the Fund in respect of any concurrent private placements of High Yield Fund Units, divided by (B) the aggregate number of High Yield Fund Units issued pursuant to the Pre-Prospectus Contributions and any concurrent private placements following the cancellation of the initial High Yield Fund Unit and any concurrent private placements, divided by (ii) (A) the aggregate gross proceeds received by the Fund for the issuance of Class F High Yield Fund Units pursuant to the Offering and any concurrent private placements less the aggregate Agents’ Fee payable in respect of the Class F High Yield Fund Units, divided by (B) the number of Class F High Yield Fund Units issued pursuant to the Offering and any concurrent private placements;

“ICP” has the meaning set out in *“Description of the Activities of the High Yield Fund –The Initial Portfolio – Joint Venture Relationships”*;

“ICS” has the meaning set out in *“Description of the Activities of the High Yield Fund –The Initial Portfolio – Joint Venture Relationships”*;

“Initial Portfolio MD&A” has the meaning set out in *“Management’s Discussion and Analysis of Results of Operations”*;

“Insider Trading Policy” has the meaning set out in *“Corporate Governance and Board Committees”*;

“Investors Capital Return Base” means in respect of a unit of the High Yield Fund of a particular class of units of the High Yield Fund, (i) the sum of (A) the aggregate gross amount of all cash subscription proceeds received by the High Yield Fund for the issuance of the subject class of units of the High Yield Fund pursuant to the Offering and any concurrent private placements less the aggregate Agents’ Fee payable, if any, in respect of the subject class of units of the High Yield Fund and (B) the aggregate gross subscription amount received and deemed to have been received by the High Yield Fund upon the issuance of the subject class units of the High Yield Fund pursuant to the Pre-Prospectus Contributions, divided by (ii) the number of subject class of units of the High Yield Fund issued pursuant to the Offering and any concurrent private placements and the Pre-Prospectus Contributions;

“Investor Rights Agreement” means the investor rights agreement to be entered into by the High Yield Fund and the Retained Interest Holders on the Offering Closing Date as more particularly described under *“Material Contracts — Investor Rights Agreement”*;

“Investment Restrictions” has the meaning set out in *“Investment Strategy – Investment Restrictions”*;

“KingSett” means KingSett Real Estate Growth LP No. 7 and KingSett Canadian Real Estate Income Fund LP, affiliates of KingSett Capital Inc.

“KingSett Base Contribution” means KingSett’s commitment to invest a minimum of \$75,000,000 in the High Yield Fund;

“KingSett Investors” means KingSett, together with their third-party co-investors;

“Lead Agent” means CIBC World Markets Inc.;

“Lead High Yield Fund Trustee” means the High Yield Fund Board-designated trustee among the independent High Yield Fund Trustees, who will provide leadership for the independent High Yield Fund Trustees in certain circumstances if the Chairman is not independent, as more particularly described under *“Corporate Governance and Board Committees”*;

“Lead Order” means the subscription on a lead order basis for an aggregate of \$35,000,000 of High Yield Fund Units by way of private placement concurrent with the Offering;

“Listed High Yield Fund Unit Conversion Rate” is equal to (i) (A) the aggregate gross proceeds received by the High Yield Fund for the issuance of the Listed High Yield Fund Units pursuant to the Offering and any concurrent private placements less the aggregate Agents’ Fee payable in respect of the Listed High Yield Fund Units and, divided by (B) the aggregate of the number of Listed High Yield Fund Units issued pursuant to the Offering and any concurrent private placements, divided by (ii) (A) the aggregate gross proceeds received by the High Yield Fund for the issuance of Class F High Yield Fund Units pursuant to the Offering and any concurrent private placements less the aggregate Agents’ Fee payable in respect of the Class F High Yield Fund Units, divided by (B) the number of Class F High Yield Fund Units issued pursuant to the Offering and any concurrent private placements;

“Management Agreement” means the agreement to be entered into among the High Yield Fund, NV LP and the Manager pursuant to which the Manager will provide certain services relating to the High Yield Fund Properties;

“MD&A” means management’s discussion and analysis;

“Minimum Return” means in respect of a unit of the High Yield Fund of a particular class of units of the High Yield Fund, an amount equal to the sum of (i) the Investors Capital Return Base for a unit of the High Yield Fund of the subject class of units of the High Yield Fund and (ii) a return of 8.0% per annum on the Investors Capital Return Base for a unit of the High Yield Fund of the subject class of units of the High Yield Fund calculated on a cumulative basis to the date of calculation of the Minimum Return, whether or not attributable directly or indirectly to any particular High Yield Fund Unitholder and, for greater certainty, all units of the High Yield Fund issued pursuant to the Pre-Prospectus Contributions, the Offering and any concurrent private placement shall be deemed to have been issued on the same date for purposes of the calculation of the Minimum Return;

“Mortgage Loans” means one or more mortgages, charges, pledges, hypothecs, liens, security interests or other encumbrances of any kind or nature whatsoever of the High Yield Fund Properties, to be granted by NV LP (or, if a High Yield Fund Property is held by a Subsidiary or nominee entity on behalf of NV LP, by such entity) to one or more lenders, the proceeds of which will be used to finance the purchase, ownership and leasing of such High Yield Fund Property;

“NB RTA” has the meaning set out in *“Description of the Activities of the High Yield Fund – The Initial Portfolio – Overview of Rent Control Regulation”*;

“NCI” means the non-certificated inventory system of CDS;

“NI 51-102” means National Instrument 51-102 – *Continuous Disclosure Obligations*, as replaced or amended from time to time;

“NL RTA” has the meaning set out in *“Description of the Activities of the High Yield Fund – The Initial Portfolio – Overview of Rent Control Regulation”*;

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

“**NOI margin**” has the meaning set out in “*Non-IFRS Measures*”;

“**Nominating High Yield Fund Unitholder**” has the meaning set out in “Description of the Units of the High Yield Fund – High Yield Fund Declaration of Trust – Advance Notice Provisions”;

“**Non-Resident**” means either a “non-resident” of Canada within the meaning of the Tax Act or a partnership that is not a “Canadian partnership” within the meaning of the Tax Act;

“**Notice Date**” has the meaning set out in “*Description of the Units of the High Yield Fund – High Yield Fund Declaration of Trust – Advance Notice Provisions*”;

“**NS RTA**” has the meaning set out in “*Description of the Activities of the High Yield Fund – The Initial Portfolio – Overview of Rent Control Regulation*”;

“**NU RTA**” has the meaning set out in “*Description of the Activities of the High Yield Fund – The Initial Portfolio – Overview of Rent Control Regulation*”;

“**NV GP**” means Northview Canadian HY Properties GP Inc. or Northview Canadian HY Properties GP Trust, a corporation or a trust that will be incorporated or formed, as applicable, under the laws of the Province of Ontario, and the general partner of NV LP;

“**NV Holdings LP Agreement**” means the agreement establishing NV Holdings LP, as it may be amended and restated from time to time, to be entered into between the REIT and NV Holdings GP and all persons who become holders of NV Holdings LP Units as provided therein;

“**NV Holdings LP Class A Units**” means the Class A limited partnership units of NV Holdings LP;

“**NV Holdings LP Class B Units**” means the Class B limited partnership units of NV Holdings LP;

“**NV Holdings LP Units**” means collectively, the NV Holdings LP Class A Units and the NV Holdings LP Class B Units;

“**NV LP**” means Northview Canadian HY Properties LP, a limited partnership that will be established by the REIT (or a Subsidiary of the REIT) and NV GP under the laws of the Province of Ontario and pursuant to the NV LP Agreement;

“**NV LP Agreement**” means the agreement establishing NV LP, as it may be amended and restated from time to time, to be entered into between NV Holdings LP and NV GP and all persons who become holders of NV LP Units as provided therein;

“**NV LP Units**” means collectively, the limited partnership units of NV LP;

“**NWT RTA**” has the meaning set out in “*Description of the Activities of the High Yield Fund – The Initial Portfolio – Overview of Rent Control Regulation*”;

“**occupancy**” has the meaning set out in “*Non-IFRS Measures*”;

“**Offered Units**” has the meaning set out in “*Investment Opportunity in the High Yield Fund – Capitalization of the High Yield Fund*”;

“**Operating Expenses**” means all amounts paid or payable on account of expenses in the operation of and/or leasing of the High Yield Fund Properties;

“**Operating Policy**” has the meaning set out in “*Investment Strategy – Operating Policy*”;

“Ordinary Resolution” means a resolution of the unitholders or limited partners of an Entity, as the case may be, approved by not less than 50% of the votes cast by those persons who vote in person or by proxy at a duly convened meeting of the respective Entity, or a written resolution signed by the unitholders or limited partners of an Entity, entitled, in the aggregate, to not less than 50% of the aggregate number of votes of those persons;

“OSC” means the Ontario Securities Commission;

“Partnership” means NV Holdings LP or NV LP, collectively, the **“Partnerships”**;

“Pre-Prospectus Contributions” has the meaning set out in *“Investment Opportunity in the High Yield Fund – Determination of Capitalization”*

“Proportionate Class A Interest” is equal to the Aggregate Class A Interest, divided by the Aggregate Units Interest;

“Proportionate Class C Interest” is equal to the Aggregate Class C Interest, divided by the Aggregate Units Interest;

“Proportionate Class F Interest” is equal to the Aggregate Class F Interest, divided by the Aggregate Units Interest;

“RDL” has the meaning set out in *“Description of the Activities of the High Yield Fund – The Initial Portfolio – Overview of Rent Control Regulation”*;

“Redemption Notice” has the meaning set out in *“Description of the Units of the High Yield Fund– High Yield Fund Declaration of Trust – Redemption”*;

“Related Party” means, with respect to any person, a person who is a “related party” as that term is defined in MI 61-101;

“Required Proceeds” has the meaning set out in *“Investment Opportunity in the High Yield Fund – Determination of Capitalization”*;

“Retained Interest Holders” means D.D. Acquisitions Partnership, KingSett and its affiliates;

“same door expenses” has the meaning set out in *“Non-IFRS Measures”*;

“same door revenue” has the meaning set out in *“Non-IFRS Measures”*;

“same door NOI” has the meaning set out in *“Non-IFRS Measures”*;

“Saskatchewan RTA” has the meaning set out in *“Description of the Activities of the High Yield Fund – The Initial Portfolio – Overview of Rent Control Regulation”*;

“Securities Act” means the *Securities Act* (Ontario), and the regulations thereunder, as amended from time to time;

“Special Resolution” means a resolution of the unitholders or limited partners of an Entity, as the case may be, approved by not less than 66²/₃% of the votes cast by those persons who vote in person or by proxy at a duly convened meeting of the respective Entity, or a written resolution signed by the unitholders or limited partners of an Entity, entitled, in the aggregate, to not less than 66²/₃% of the aggregate number of votes of those persons;

“Starlight Base Contribution” means Starlight's commitment to invest a minimum of \$30,000,000 in the High Yield;

“Starlight Group” means Starlight Group Property Holdings Inc., a British Columbia corporation;

“**Starlight West GP**” means Starlight West GP Ltd., a corporation incorporated under the laws of the Province of Ontario, and the general partner of Starlight West LP;

“**Starlight West LP**” means Starlight West LP, a limited partnership formed under the laws of the Province of Ontario, the general partner of which is Starlight West GP and the limited partnership interests of which are indirectly held by Starlight Group;

“**Target Capitalization**” has the meaning set out in “*Investment Opportunity in the High Yield Fund – Capitalization of the High Yield Fund*”; and,

“**top up elections**” has the meaning set out in “*Investment Opportunity in the High Yield Fund – Determination of Capitalization*”.

CORPORATE STRUCTURE

Name and Formation

The High Yield Fund

The High Yield Fund is a newly-created, “closed-end fund”, managed by the Manager. The High Yield Fund is governed by the laws of the Province of Ontario and was established on April 14, 2020 pursuant to the initial declaration of trust of the High Yield Fund. Currently, Daniel Drimmer, Martin Liddell and David Hanick are, and have been since formation, High Yield Fund Trustees. Upon filing of the Final Prospectus, the High Yield Fund expects the High Yield Fund Board to comprise Daniel Drimmer, Rob Kumer, Graham Rosenberg, Harry Rosenbaum and Lawrence D. Wilder.

The head and registered office of the High Yield Fund is 3280 Bloor Street West, Centre Tower, Suite 1400, Toronto, Ontario, M8X 2X3.

NV Holdings LP

NV Holdings LP is a limited partnership that will be formed prior to closing of the Arrangement and the acquisition of the Initial Portfolio pursuant to and governed by the laws of the Province of Ontario. The general partner of NV Holdings LP will be NV Holdings GP, a corporation or trust that will be incorporated or formed, as applicable, pursuant to and governed by the laws of the Province of Ontario. All of the issued and outstanding shares or units, as applicable, of NV Holdings GP will be owned by the High Yield Fund.

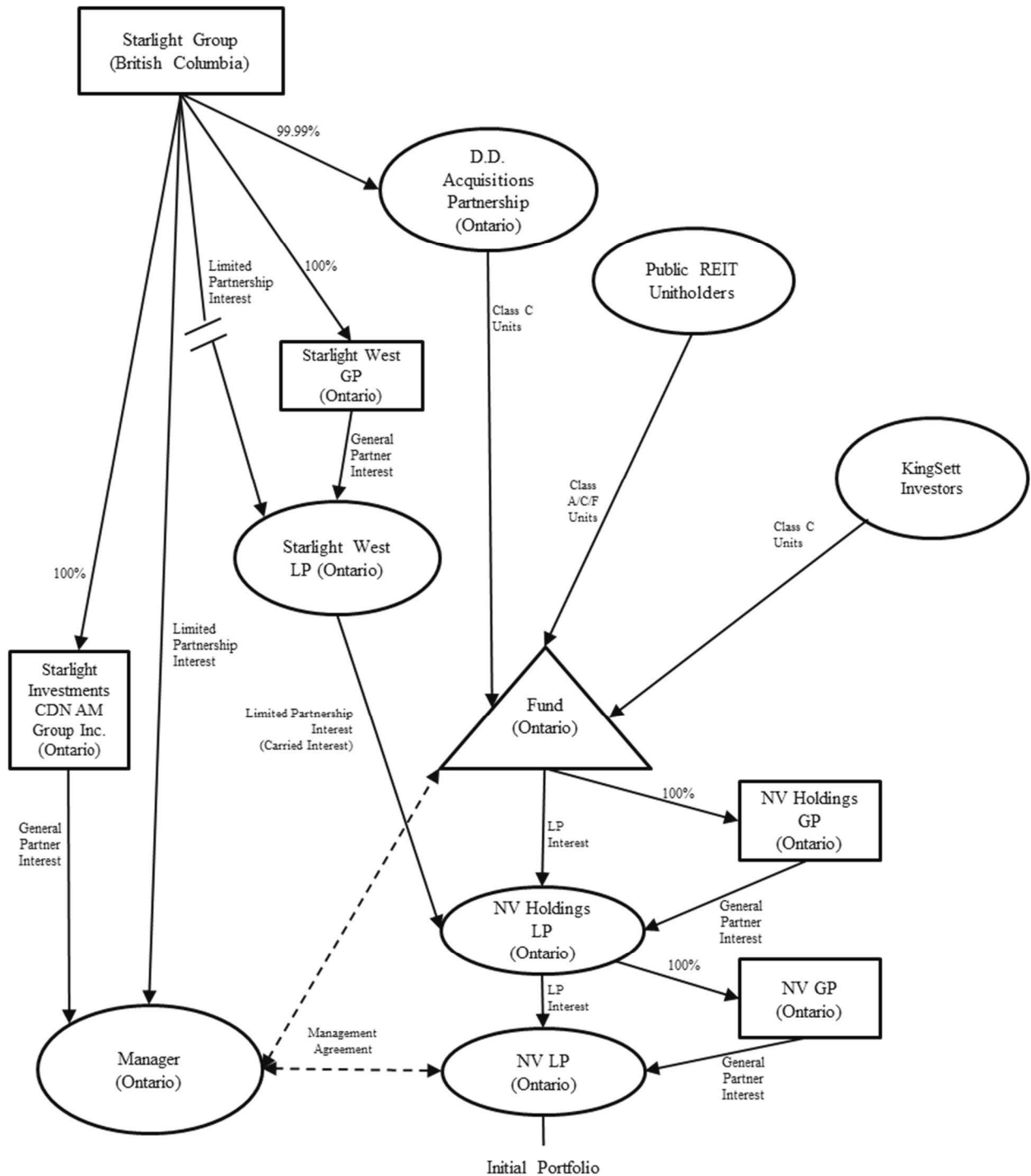
NV LP

NV LP is a limited partnership that will be formed prior to closing of the Arrangement and the acquisition of the Initial Portfolio pursuant to and governed by the laws of the Province of Ontario. The general partner of NV LP will be NV GP, a corporation or trust that will be incorporated or formed, as applicable, pursuant to and governed by the laws of the Province of Ontario. All of the issued and outstanding shares or units, as applicable, of NV GP will be owned by NV Holdings LP.

NV LP will be established, among other things, for the purposes of acquiring, owning and operating the Initial Portfolio. In order to accommodate the expected requirements of lenders and to segregate any risks of ownership between High Yield Fund Properties, NV LP may have certain of the High Yield Fund Properties owned by a separate underlying limited partnership or other Subsidiary wholly-owned by NV LP.

Inter-corporate Relationships

As of the date hereof, the Starlight Group holds the sole High Yield Fund Unit issued by the High Yield Fund. The following chart sets forth the relationships among the High Yield Fund, NV Holdings LP, NV LP, the Retained Interest Holders, the Manager and Starlight Group, assuming the completion of the Arrangement and acquisition of the Initial Portfolio.



* Starlight Group indirectly owns the limited partnership interest in Starlight West LP. Starlight Group and Starlight West GP are entitled to the Carried Interest through Starlight West LP's direct interest in NV Holdings LP. See "Description of the Units of the High Yield Fund – NV Holdings LP – Distributions".

GENERAL DEVELOPMENT OF THE BUSINESS

General

The High Yield Fund has been formed to acquire, own and operate, through an Ontario limited partnership, the Initial Portfolio. The Initial Portfolio is currently owned and operated by the REIT, and is set out in Schedule "A" to this Appendix "H". Assuming the Arrangement becomes effective, following the Effective Time, the High Yield Fund will own or hold, directly or indirectly a 100% interest in the Initial Portfolio.

The High Yield Fund's principal undertaking will be to issue Offered Units and acquire, own and operate the High Yield Fund Properties indirectly through NV Holdings LP. The High Yield Fund does not have an operating history. The High Yield Fund's ultimate objective, through NV Holdings LP is to enhance operating income and property values and effect a Recapitalization Event by the Target Recapitalization Date.

A complete description of the business of the High Yield Fund is provided in this Appendix "H". The following financial statements are provided in this Circular: (i) the audited financial statements of the High Yield Fund as at April 14, 2020, the High Yield Fund's date of formation and the notes thereto, can be found in Appendix "I" to this Circular, (ii) the audited combined carve-out financial statements of the High Yield Fund Properties which comprise the Initial Portfolio as at December 31, 2019, December 31, 2018 and December 31, 2017 and the notes thereto can be found in Appendix "J" to this Circular; and, (iii) *pro forma* financial statements of the High Yield Fund as at December 31, 2019 and the notes thereto can be found in Appendix "K" to this Circular.

The Arrangement and Related Matters

Pursuant to the Arrangement and subject to adjustment as provided in the Arrangement Agreement and Plan of Arrangement, the *pro forma* ownership of Unitholders in the High Yield Fund will be determined by, among other things, the aggregate value deemed contributed by existing Unitholders that elect to receive and/or retain High Yield Fund Units for Units held under the Arrangement, excluding the Starlight Base Contribution. See "*Investment Opportunity in the High Yield Fund*" and "*Use of Proceeds*".

In connection with the completion of the Arrangement, the High Yield Fund is expected to complete the Offering, pursuant to which the High Yield Fund will distribute Offered Units in each of the provinces and territories of Canada, other than Québec, pursuant to the Final Prospectus to be filed prior to the Effective Date. The Offering is anticipated to close concurrently with the closing of the Arrangement.

The Manager

The High Yield Fund will be managed by the Manager, a limited partnership formed under the laws of the Province of Ontario and a Subsidiary of Starlight Group, which will be engaged by the High Yield Fund for specified functions in connection with the ownership and operation of the High Yield Fund Properties, in combination with employees of the REIT. Led by a team of industry veterans with a record of creating long-term investor value, Starlight is an experienced multi-residential real estate owner and asset manager. Starlight's principal, Daniel Drimmer, has over 25 years of experience identifying undervalued properties in the multi-residential real estate sector, acquiring such properties and realizing value through individual asset or portfolio sales.

Starlight currently owns and/or manages \$14.0 billion in assets in Canada and the U.S., including 400 properties, approximately 43,000 multi-residential suites (of which approximately 30,000 multi-residential suites are located in Canada spread across five provinces with a current approximate value of \$8.5 billion and of which approximately 13,000 multi-residential suites are located in the U.S. with a current approximate value of \$3.5 billion), and approximately 7,000,000 square feet of commercial space in Canada through various entities (spread across five provinces with a current approximate value of \$2.0 billion), including its partnership with several global institutional investors. Starlight has extensive experience overseeing and working with publicly listed entities and currently provides services to two publicly listed

entities: True North Commercial REIT (TSX: TNT.UN) and Starlight U.S. Multi-Family (No. 1) Core Plus Fund (TSX-V: SCPO.UN). Starlight believes it has been among North America's most active real estate investors since its inception in 1995 and employs more than 200 professionals, including more than 125 professionals in Canadian multi-residential real estate with expertise in investments, asset management, finance and legal. Starlight has completed transactions having an aggregate value of over \$25.0 billion, with a transaction volume of approximately 85,000 multi-residential suites with over \$6.0 billion of invested capital.

Assuming the closing of the Arrangement, Starlight expects to manage approximately \$19.0 billion in assets in Canada and the U.S., including more than 500 properties, approximately 55,000 multi-residential suites in Canada across six provinces and two territories with a current approximate value of \$13.5 billion and approximately 8,000,000 square feet of commercial real estate in Canada through various entities (spread across eight provinces and two territories with a current approximate value of \$3 billion), including its partnership with several institutional investors. Post-closing of the Arrangement, Starlight expects to employ more than 300 professionals, including more than 175 professionals in Canadian multi-residential real estate with expertise in investments, asset management, finance and legal. Including the Arrangement, Starlight will have completed transactions having an aggregate value of over \$30.0 billion, with a transaction volume of approximately 100,000 multi-residential suites with over \$7.0 billion of invested capital.

The Manager is wholly-owned by Starlight Group and controlled by its principal, Daniel Drimmer (see the biography of Mr. Drimmer under "*High Yield Fund Trustees and Executive Officers – Personal Profiles*").

In addition to Mr. Drimmer and Mr. Liddell, Starlight's executive leadership also comprises Raj Mehta, Global Head, Private Capital and Partnerships, Glen Hirsh, Chief Operating Officer, David Hanick, Chief Legal Officer, Tracy Sherren, President of Canadian Commercial and Chief Financial Officer of TSX-listed True North Commercial Real Estate Investment Trust, David Chalmers, President of Canadian Multi-Family and Evan Kirsh, President of U.S. Multi-Family. Mr. Mehta previously led Goldman Sach's European sovereign wealth and pension fund investment banking group and has deep expertise in private and public markets in North America and Europe with over 20 years of experience. Mr. Hirsh previously led National Bank Financial's real estate investment banking group, has over 20 years of experience in real estate and financial services and is a leader in structuring of capital markets transactions and is a trustee of NEO Exchange Inc.-listed Starlight Hybrid Global Real Assets Trust. Mr. Hanick previously was a corporate partner in the Toronto office of Osler, Hoskin & Harcourt LLP, has more than 17 years of legal, capital markets, mergers and acquisitions, and corporate governance expertise, and has participated in transactions totaling more than \$22 billion. Ms. Sherren has over 25 years of real estate and finance experience, has extensive experience in transaction structuring and has participated in over \$1.0 billion of financings and led asset management, acquisition due diligence and real estate development teams. Mr. Chalmers previously held positions in property and asset management with TransGlobe Investment Management Ltd. and Redcliff Realty Advisors Inc. (now Triovest Realty Advisors Inc.) and has over 20 years of experience managing real estate investments for private, public and pension fund stakeholders in all asset classes including residential and commercial. Mr. Kirsh has approximately 30 years of real estate experience with the last 20 years of his career having been dedicated exclusively to the multi-residential housing industry and has been involved in the asset management and operation of over \$10 billion of multi-suite housing assets as well as the acquisition or disposition of approximately 25,000 multi-suite housing suites comprising a total value of more than \$3.5 billion.

Listing and Securities Law Matters

There is currently no market through which the High Yield Funds received by Unitholders may be sold and such a market may not develop, and Unitholders may not be able to resell High Yield Funds received under the Arrangement. This may affect the pricing and liquidity of the High Yield Fund Units in the secondary market, the transparency and availability of trading prices, the liquidity of the High Yield Fund Units, and the extent of issuer regulation. The High Yield Fund has applied to have the Listed High Yield Fund Units listed on the TSX and the High Yield Fund Units issued to Unitholders pursuant to the Arrangement will be convertible into such Listed High Yield Fund Units. Listing is subject to the approval of

the TSX in accordance with its original listing requirements. The TSX has not conditionally approved the High Yield Fund's listing application and there is no assurance that the TSX will approve the listing application. Holders of High Yield Fund Units may convert their High Yield Fund Units into Listed High Yield Fund Units in accordance with the High Yield Fund Declaration of Trust. See "*Description of the Units of the High Yield Fund – High Yield Fund Declaration of Trust – Conversion of Units*". If listing approval is ultimately obtained prior to the Effective Time, trading on the TSX in the Listed High Yield Fund Units is expected to commence shortly following the Effective Date. See "*Risk Factors*" of this Appendix "H".

If the Arrangement is completed, the High Yield Fund expects that it will be a reporting issuer in each of the provinces and territories of Canada, other than Québec. Upon becoming a reporting issuer, the High Yield Fund will become subject to the informational reporting requirements under applicable Canadian securities laws. For a discussion of the treatment of Unitholders in the United States under U.S. securities laws, see "*Information for U.S. Unitholders*" in the Circular.

Bankruptcy and Similar Procedures

There have been no bankruptcy, receivership or similar proceedings against the High Yield Fund, or any voluntary receivership, bankruptcy or similar proceeding by the High Yield Fund, within the three most recently completed financial years or completed during or proposed for the current financial year.

Material Restructuring Transactions

Other than the Arrangement, there have been no material restructuring transactions of the High Yield Fund within the three most recently completed financial years or completed during or proposed for the current financial year. See "*The Arrangement*" in the Circular.

INVESTMENT STRATEGY

The High Yield Fund was established for the primary purpose of indirectly acquiring, owning and operating a high quality, geographically diversified real estate portfolio comprising income-producing multi-residential suites, commercial real estate and executives that can achieve stable operating income or increases in operating income as a result of an active asset management strategy and located in the Secondary Markets. The Manager believes that the multi-residential real estate sector in the Secondary Markets presents a compelling investment opportunity that provides the potential for competitive risk-adjusted long term returns when compared to other real estate asset classes.

Investment Objectives

The High Yield Fund's investment objectives are to:

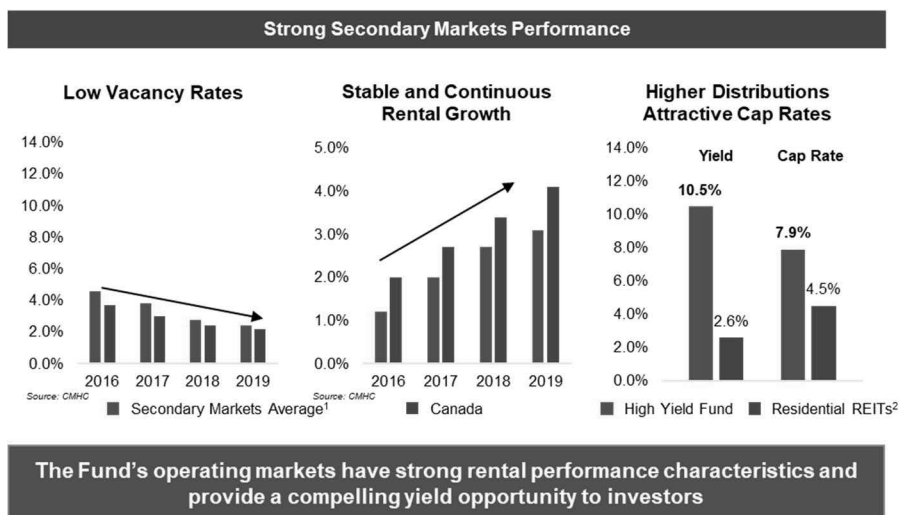
- (a) indirectly acquire, own and operate a high quality, geographically diversified real estate portfolio exhibiting attractive Capitalization Rates and a significant component of government and credit-rated commercial tenants comprising income-producing multi-residential suites, commercial real estate and executives, that can achieve stable operating income or increases in operating income as a result of an active asset management strategy and located in the Secondary Markets;
- (b) make stable monthly cash distributions; and
- (c) effect a Recapitalization Event by the Target Recapitalization Date. See "*Risk Factors – Risks Related to the High Yield Fund – A Recapitalization Event May Not Occur*".

The High Yield Fund will target an annual pre-tax distribution yield of 10.5% on Gross Subscription Proceeds (or implied gross proceeds for any High Yield Fund Units issued under the Arrangement) across all unit classes in the aggregate, although this amount will necessarily vary as between classes of units based on the proportionate entitlements of each class. See "*Risk Factors*" of this Appendix "H" and "*Description of the Units of the High Yield Fund – High Yield Fund Declaration of Trust – Distributions*".

An annual pre-tax distribution yield of 10.5% on Gross Subscription Proceeds (or implied gross proceeds for any High Yield Fund Units issued under the Arrangement) would represent an expected FFO Payout Ratio of approximately 79.0% based on the pro forma financial statements included in the Circular. The foregoing FFO Payout Ratio also assumes that the aggregate amount of the Pre-Prospectus Contributions is equal to \$195,000,000 (based on the assumption that Unitholders elect to receive an aggregate of \$55,000,000 of High Yield Fund Units under the Arrangement) and that \$57,000,000 of Listed High Yield Fund Units and \$178,000,000 of Class F High Yield Fund Units are distributed under the Offering and based on the applicable Agents' Fee and costs of the Offering. The High Yield Fund will seek to achieve its investment objectives through its investment strategy as described under the heading "Investment Strategy"

Strategy of the High Yield Fund

The High Yield Fund is being formed to provide investors with an attractive investment opportunity to participate in a geographically diverse portfolio comprising income-producing multi-residential suites, commercial real estate and executives located in the Secondary Markets with high corporate demand for housing, with an anchor portfolio leased largely by the federal, provincial and territorial governments as well as credit rated corporations. The Manager believes that multi-residential suites, commercial real estate and executives markets in the selected markets within the Secondary Markets represent an attractive investment opportunity and offer the potential for attractive risk adjusted returns. Specifically, the High Yield Fund has selected the Secondary Markets, which have exhibited high growth characteristics while providing stable and relatively high yields. The Manager believes there are significant barriers to the expansion of multi-residential supply in the High Yield Fund's target markets given the challenge associated with achieving economies of scale, general unavailability of developable land, and the high cost of development. Additionally, rising unaffordability and the growing demand for living in the more affordable Secondary Markets, coupled with a supply-constrained multi-residential market, creates an appealing investment opportunity for investors.



Notes:

- (1) Based on data from British Columbia, Alberta, Saskatchewan, Québec, New Brunswick, Newfoundland and Labrador and the Northwest Territories.
- (2) Includes public market comparables as of Oct 29, 2019: CAR.UN, BEI.UN, KMP.UN, IIP.UN, MI.UN, MRG.UN and MEQ.UN.

The Manager has, and the High Yield Fund's Chief Executive Officer and Chief Financial Officer are expected to have significant experience in the Canadian multi-residential real estate market sector with a focus on Canadian markets, including real estate acquisitions, dispositions, finance and administration,

property management, construction and renovation, and marketing and sales. These skills are expected to permit the Fund to capitalize on real estate opportunities which may be unavailable to other real estate investors who lack experience in these real estate markets and more specifically, with the High Yield Fund's asset classes.

The Manager expects to undertake regular reviews of the High Yield Fund's property investments and, based on experience and local market knowledge, will assess the ongoing opportunities for the High Yield Fund Properties, including capital improvement projects and enhanced asset management opportunities.

The High Yield Fund's investment strategy will capitalize on the following characteristics of the Initial Portfolio in order to meet its objectives:

- (a) ***Robust Asset Class with Compelling Characteristics:*** The Canadian real estate sector experienced, until recently, an unprecedented decade of demand and returns since the global financial crisis in 2008. Historically strong property fundamentals, driven by compelling economic and population growth as well as employment gains, led to record high commercial real estate acquisition volumes and record low Capitalization Rates. Against the backdrop of these results, the multi-residential sector has been the top performing commercial property class in North America.

The Manager believes that the multi-residential sector's historical ability to generate consistent cash flows and provide defensive positioning against economic cycle downturns, makes it an attractive option for investors, including in the current economic environment. Historical performance drivers including a growing population stemming from Canada's normal immigration policies, rising home ownership costs and an imbalance between rental supply and demand are becoming entrenched in many markets across the country. The Manager expects these performance drivers to continue, and therefore increase the appeal of multi-residential assets, both currently and as the current economic environment improves in the future, well-positioning the Initial Portfolio to outperform during the expected period of recovery.

- (b) ***Attractive Capitalization Rates:*** Highly attractive Capitalization Rates (approximately 7.88% in 2019) in the Secondary Markets are exhibited by the Initial Portfolio compared to historically lower Capitalization Rates in primary Canadian markets.
- (c) ***Portfolio Diversification:*** The Initial Portfolio is a geographically diverse portfolio of income-producing multi-residential suites, commercial real estate and executives across six Canadian provinces and two territories. The Manager believes the diversity of the markets in which the Initial Portfolio is situated allows for the mitigation of negative shocks and cyclicalities within both specific industries and markets and on a macro level, while providing the potential for stable returns and distributions with flexibility for growth opportunities.
- (d) ***Low Vacancy Rates and Strong Rental Rates:*** Overall, the Canadian multi-residential sector and, specifically, the markets in which the Initial Portfolio is situated, have historically experienced significant shortages of housing that have resulted in low vacancy rates in the Initial Portfolio. According to CBRE Group Inc., the Canadian national average multi-residential vacancy rate at the end of 2019 was approximately 2.3%, which is below the ten-year average of approximately 2.6%, and was projected to decline further in 2020. With multi-residential properties at near full occupancy in markets from coast to coast, rent growth has also accelerated. Over the past two years, as a result of a robust economy and continued economic growth, the rental rate for two bedroom suites grew on average over 4.6%. During the course of the COVID-19 pandemic, the REIT has not been issuing rental increases, or enforcing increases that were due to come into effect.

- (e) **Strong Rental Covenants:** Nunavut and the Northwest Territories represented approximately 52% of the High Yield Fund's aggregate NOI for fiscal 2019. Approximately 66% of the rental revenue from Nunavut and the Northwest Territories is derived from leases to, or leases guaranteed by, governments or credit-rated corporations. The Manager believes that the benefits of these arrangements are fourfold: (i) governments represent a minimal credit risk; (ii) the leases are administratively and operationally simpler; (iii) as the High Yield Fund's relationship will not be with individual sub-tenants, damages and repairs that may occur will often be covered by the government or corporate entity leasing the suite; and (iv) turnover which is typical of residential portfolios is significantly reduced.

Additionally, mixed residential/commercial complexes in the Secondary Markets were pioneered by the predecessor to the High Yield Fund. These complexes are mainly residential with ground floors leased to credit-rated corporations and government agencies. The rents for the ground floor commercial space are much higher per square foot than residential rents and add significant yield.

- (f) **Barriers to Entry:** The Manager believes that the opportunity for new competition or over-building in the Secondary Markets is limited due to the focus by most developers on major metropolitan markets in Canada and the barriers to entry into the High Yield Fund's secondary multi-residential markets, particularly the Northern Canadian markets, experienced by other developers. These barriers to entry include limited land availability suitable for development and unique building techniques, shorter duration of the building season, and significant construction costs.
- (g) **Availability of CMHC Financing:** CMHC-insured financing has historically been available at attractive rates for the Initial Portfolio's residential and mixed-use buildings. Approximately 90% of the mortgages on the multi-residential properties forming part of the Initial Portfolio are presently CMHC-insured. Moreover, CMHC mitigates against renewal risk of existing CMHC-insured financing given the fact that the insurance remains valid for the entire amortization period of the loan (typically ranging from 25 to 40 years). Together with interest rates at substantially below conventional mortgage rates, CMHC-insured financing is expected to mitigate the High Yield Fund's exposure to interest rate risk in a rising interest rate environment.
- (h) **Strategic Relationships:** Through its strategic relationship with Starlight Group, the High Yield Fund will have the opportunity to make additional acquisitions of high quality residential and commercial properties. The High Yield Fund will attempt to enhance the yield on the Units, including by making accretive real estate investments.

Implementation Strategies

The High Yield Fund plans to achieve growth by implementing the internal and external strategies described below.

- (a) **Internal Property Management and External Asset Management:** The High Yield Fund will manage the High Yield Fund Properties utilizing its strong internal property and market knowledge and will benefit from Starlight Group's asset management platform which will, among other things, provide the services of a Chief Executive Officer and a Chief Financial Officer at no additional cost to the High Yield Fund. This will provide the High Yield Fund with access to one of Canada's strongest multi-residential platforms and the opportunity to achieve cost efficiencies and revenue synergies. The High Yield Fund will also maintain resident and senior property management personnel to ensure that key tenant relations are addressed by professional and capable local personnel. In addition, accounting and financial operations will be centrally located and administered by personnel familiar with the Initial Portfolio. This will allow for continuity of management and local knowledge of the

High Yield Fund's markets. Based on its prior track record, decades of combined experience, including navigating the global financial crisis in 2008, and the deep knowledge of the Canadian multi-residential sector possessed by its personnel, the Manager believes that it is well positioned to manage the High Yield Fund through the current pandemic.

- (b) **Residential "Out-Sourcing" Through Execusuites Platform:** The Manager and internal property management team's expertise in providing housing to corporations and government agencies that wish to "outsource" their housing needs is expected to continue and will allow the High Yield Fund to provide rental housing solutions tailored to meet their specific needs in remote areas where there are few conventional housing market providers. The Manager believes that there is a housing out-sourcing market particularly related to the resource exploration and development industry which the High Yield Fund will be qualified to access, thereby providing the opportunity to generate additional low-risk high-yield returns.
- (c) **Long-Term Tenant Relationship Management:** The Manager intends to continue to nurture positive tenant relations in order to maintain the Initial Portfolio's low turnover and low level of vacancy which will enhance growth.
- (d) **Preventive Maintenance and Repair:** The High Yield Fund will continue to maintain the high standard of maintenance and repair established by the REIT in order to ensure a high level of tenant satisfaction and reduce risk of turnover. During the COVID-19 pandemic, only emergency work orders in multi-residential suites will be addressed. However, the High Yield Fund intends to maintain property cleaning schedules, with increased frequency and focus on cleaning high traffic areas.
- (e) **Internal Growth through Development:** The Initial Portfolio includes one property which is currently in redevelopment as well as over 26.6 acres of land held for potential development, of which approximately: (i) 15.6 acres are located in Northern Alberta and Northern British Columbia; (ii) 10.9 acres are located in Newfoundland and Labrador; and (iii) 1.1 acres are located in Nunavut.

Other than the Chief Executive Officer and Chief Financial Officer of the High Yield Fund, whose services will be provided to the High Yield Fund by the Manager, the High Yield Fund will provide the platform necessary to capitalize on this opportunity, offering a team with operational and strategic experience and expertise and the benefit of its established network of industry contacts.

Investment Restrictions

The High Yield Fund Declaration of Trust provides certain restrictions on investments that may be made directly or indirectly by the High Yield Fund. The assets of the High Yield Fund may be invested only in accordance with the following restrictions.

- (a) the High Yield Fund may only invest, directly or indirectly, in interests (including fee ownership and leasehold interests) in multi-residential suites, commercial real estate and execusuites located in the Secondary Markets and assets ancillary thereto necessary for the operation of such real estate and such other activities as are consistent with the other investment restrictions in the High Yield Fund Declaration of Trust (the "**Investment Restrictions**"), provided that the High Yield Fund may invest up to 25% of the size of the Gross Book Value in real properties which do not comply with the foregoing;
- (b) other than the Initial Portfolio, neither the appraised value nor the purchase price of the interest of the High Yield Fund in any single High Yield Fund Property shall exceed \$100 million unless approved by the High Yield Fund Board;

- (c) except for temporary investments held in cash, deposits with a Canadian chartered bank or trust company registered under the laws of a province of Canada, deposits with a savings institution, trust company, credit union or similar financial institution that is organized or chartered under the laws of Canada or a province or territory, short-term government debt securities or money market instruments maturing prior to one year from the date of issue and except as permitted pursuant to the Investment Restrictions and Operating Policy of the High Yield Fund, the High Yield Fund may not hold securities of a person other than to the extent such securities would constitute an investment in real property (as determined by the High Yield Fund Board);
- (d) the High Yield Fund shall not invest in rights to or interests in mineral or other natural resources, including oil or gas, except as incidental to an investment in real property;
- (e) the High Yield Fund shall not invest in raw land for development, except for the purpose of the renovation or expansion of existing High Yield Fund Properties in an amount that does not exceed 1% of the aggregate Gross Book Value of the High Yield Fund;
- (f) the High Yield Fund may invest in mortgages (including participating or convertible mortgages) and similar instruments where: (i) the High Yield Fund Board has approved such investment; (ii) the real property which is security therefor is income-producing real property which otherwise meets the Investment Restrictions; (iii) the aggregate book value of the investments of the High Yield Fund in mortgages, after giving effect to the proposed investment, will not exceed 25% of the Gross Book Value; (iv) such investments are not entered into for speculative purposes; and (v) the High Yield Fund Board believes that such investments will provide the High Yield Fund with the opportunity to acquire the High Yield Fund Property underlying such investment within one year from the date such investment is made;
- (g) notwithstanding anything else contained in the High Yield Fund Declaration of Trust, the High Yield Fund will not make any investment, take any action or omit to take any action that would result in the High Yield Fund not qualifying as a “unit trust”, a “mutual fund trust” and a “real estate investment trust”; that would result in the High Yield Fund, NV Holdings LP, NV LP or any other subsidiary of the High Yield Fund being a “SIFT trust” or a “SIFT partnership”; or that would result in any units of the High Yield Fund not being “qualified investments” for trusts governed by Plans, in each case within the meaning of the Tax Act;
- (h) the High Yield Fund shall not invest more than 10% of the Gross Book Value in securities of a publicly traded entity; and
- (i) notwithstanding any other provisions of the High Yield Fund Declaration of Trust, the High Yield Fund shall require NV LP to only make investments and adopt the Operating Policy and undertake activities that will allow the High Yield Fund to meet all requisite organizational, operational, income, asset and distribution requirements for the High Yield Fund to qualify as a “real estate investment trust” under the Tax Act.

For the purpose of the foregoing Investment Restrictions, the assets, liabilities and transactions of a corporation or other entity wholly or partially-owned by the High Yield Fund, including NV Holdings LP and NV LP, will be deemed to be those of the High Yield Fund and they will be accounted for in accordance with the methods prescribed by IFRS, except in the case of the Investment Restrictions described in paragraphs (g) and (i) above, to the extent that such treatment would be inconsistent with the relevant requirements or interpretation of the Tax Act. In addition, any references in the foregoing Investment Restrictions to investment in real property will be deemed to include an investment in a joint venture arrangement that invests in real property.

Operating Policy

The High Yield Fund Declaration of Trust provides that the operations and affairs of the High Yield Fund, NV Holdings LP and NV LP are to be conducted in accordance with the following policy (the “**Operating Policy**”):

- (a) the High Yield Fund shall not purchase, sell, market or trade in currency or interest rate futures contracts other than for hedging purposes where, for the purposes hereof, the term “hedging” has the meaning ascribed thereto by National Instrument 81-102 – *Investment Funds* adopted by the Canadian Securities Administrators, as replaced or amended from time to time;
- (b) the High Yield Fund may only engage in construction or development of real property to maintain its real properties in good repair or to improve the income-producing potential of properties in which the High Yield Fund has an interest;
- (c) title to each real property shall be held by and registered in the name of NV Holdings LP, a limited partnership or a corporation formed (or acquired) and wholly-owned, directly or indirectly, by the High Yield Fund or NV Holdings LP or jointly-owned, directly or indirectly, by the High Yield Fund or NV Holdings LP, with joint venturers or in such other manner which, in the opinion of the High Yield Fund Board, is commercially reasonable;
- (d) the High Yield Fund shall not incur or assume any indebtedness if, after giving effect to the incurrence or assumption of such indebtedness, the total indebtedness of the High Yield Fund would be more than 70% of Gross Book Value;
- (e) the High Yield Fund shall obtain and maintain at all times property insurance coverage in respect of potential liabilities of the High Yield Fund and the accidental loss of value of the assets of the High Yield Fund from risks, in amounts, with such insurers, and on such terms as the High Yield Fund Board considers appropriate, taking into account all relevant factors including the practice of owners of comparable properties;
- (f) the High Yield Fund shall obtain a Phase I environmental site assessment of each real property to be acquired by it (other than the High Yield Fund Properties comprising the Initial Portfolio) and, if the Phase I environmental site assessment report recommends that a further environmental site assessment be conducted, the High Yield Fund shall conduct such further environmental site assessments, in each case by an independent and experienced environmental consultant; as a condition to any acquisition such assessments shall be satisfactory to the High Yield Fund Board;
- (g) the High Yield Fund shall obtain a property condition assessment of each real property that it intends to acquire (other than the High Yield Fund Properties comprising the Initial Portfolio); and
- (h) the High Yield Fund shall obtain an independent appraisal of each property, or an independent valuation of a portfolio of properties, that it intends to acquire.

For the purpose of the foregoing Operating Policy, the assets, liabilities and transactions of a corporation or other entity wholly or partially-owned by the High Yield Fund, including NV Holdings LP and NV LP, will be deemed to be those of the High Yield Fund and they will be accounted for in accordance with the methods prescribed by IFRS. In addition, any references in the foregoing Operating Policy to investment in real property will be deemed to include an investment in a joint venture arrangement that invests in real property.

For the purpose of paragraph (d) of the foregoing Operating Policy, “**indebtedness**” means (without duplication) on a consolidated basis:

- (a) any obligation of the High Yield Fund for borrowed money;
- (b) any obligation of the High Yield Fund incurred in connection with the acquisition of property, assets or business, other than the amount of future income tax liability arising out of indirect acquisitions;
- (c) any obligation of the High Yield Fund issued or assumed as the deferred purchase price of property;
- (d) any capital lease obligation of the High Yield Fund; and
- (e) any obligation of the type referred to in clauses (a) through (d) of another person, the payment of which the Fund has guaranteed or for which the High Yield Fund is responsible for or liable;

provided that (i) for the purposes of clauses (a) through (d), an obligation (other than convertible debentures) will constitute indebtedness only to the extent that it would appear as a liability on the consolidated balance sheet of the High Yield Fund in accordance with generally accepted accounting principles; (ii) obligations referred to in clauses (a) through (c) exclude trade accounts payable, distributions payable to High Yield Unitholders and accrued liabilities arising in the ordinary course of business; (iii) convertible debentures will constitute indebtedness to the extent of the principal amount thereof outstanding; and (iv) indebtedness will be calculated net of cash and cash equivalents.

Amendments to Investment Restrictions and Operating Policy

Pursuant to the High Yield Fund Declaration of Trust, any of the Investment Restrictions and the Operating Policy contained in paragraph (d) set out under the heading “– *Operating Policy*”, above, may be amended only by Special Resolution. The remaining Operating Policy may be amended by Ordinary Resolution. Notwithstanding the foregoing, the High Yield Fund Board may, without the approval of or notice to High Yield Fund Unitholders, amend the High Yield Fund Declaration of Trust for certain limited purposes specified therein. See “*Description of the Units of the High Yield Fund – High Yield Fund Declaration of Trust – Meetings of Unitholders and Resolutions*” and “*Description of the Units of the High Yield Fund – High Yield Fund Declaration of Trust – Amendments to the High Yield Fund Declaration of Trust*”.

Notwithstanding the foregoing paragraph, if at any time a government or regulatory authority having jurisdiction over the High Yield Fund or any property owned directly or indirectly by the High Yield Fund shall enact any law, regulation or requirement which is in conflict with any Investment Restriction or Operating Policy of the High Yield Fund then in force (other than subparagraph (b) set out under the heading “– *Investment Restrictions*”, above), such Investment Restriction or Operating Policy in conflict shall, if the High Yield Fund Board, on the advice of legal counsel to the High Yield Fund, so resolves, be deemed to have been amended to the extent necessary to resolve any such conflict and any such resolution of the High Yield Fund Board shall not require the prior approval of High Yield Fund Unitholders.

DESCRIPTION OF THE ACTIVITIES OF THE HIGH YIELD FUND

The High Yield Fund will use the proceeds from the Offering to fund the cash consideration payable under the Arrangement and, as part of the Arrangement, the High Yield Fund will acquire all of the issued and outstanding NV Holdings LP Class A Units and Starlight West LP will acquire all of the issued and outstanding NV Holdings LP Class B Units. NV Holdings LP will own all of the NV LP Units and NV LP will directly or indirectly acquire the High Yield Fund Properties, including the Initial Portfolio. See “– *The Initial Portfolio*” and “*Investment Strategy*”.

As a result, an investment in High Yield Fund Units will be an indirect investment in the acquisition, ownership and leasing of the High Yield Fund Properties and other returns on and of capital payable to NV Holdings LP will also ultimately form part of the Distributable Cash Flow and be available for distribution to Unitholders after payment of all High Yield Fund expenses.

Activities of the High Yield Fund

The High Yield Fund was established on April 14, 2020 for the primary purpose of indirectly acquiring, owning and operating a high quality, geographically diversified real estate portfolio comprising income-producing multi-residential suites, commercial real estate and executives that can achieve stable operating income or increases in operating income as a result of an active asset management strategy and located in the Secondary Markets. The Manager believes that the multi-residential real estate sector in the Secondary Markets presents a compelling investment opportunity and provides the potential for competitive risk-adjusted long term returns when compared to other real estate asset classes. The High Yield Fund's principal undertaking will be to issue High Yield Fund Units in the Offering and to acquire, own and operate the High Yield Fund Properties indirectly through NV Holdings LP. The High Yield Fund does not have an operating history. The High Yield Fund's ultimate objective, through NV Holdings LP is to enhance operating income and property values and effect a Recapitalization Event by the Target Recapitalization Date.

In order to provide High Yield Fund Unitholders with liquidity, the High Yield Fund intends to complete a Recapitalization Event by way of a direct or indirect public offering or listing of new, additional or successor securities of the High Yield Fund or a traditional real estate investment trust or other entity that owns or will own all or substantially all of the High Yield Fund's properties and otherwise carries on the High Yield Fund's operations as an indirect owner of such properties, or by way of reorganization, restructuring (corporate, capital or otherwise), combination or merger involving the High Yield Fund or the High Yield Fund Unitholders, or similar transaction as recommended by the Manager and approved by the High Yield Fund Board, some of which may include an acquisition, redemption or repurchase of all or a portion of the then-outstanding units of the High Yield Fund. Any Recapitalization Event will require the approval of High Yield Fund Unitholders by Special Resolution. There can be no assurance that the High Yield Fund will be able to complete a Recapitalization Event as described herein by the Target Recapitalization Date, if at all. See "*Risk Factors – Risks Related to the High Yield Fund – A Recapitalization Event May Not Occur*".

Business of NV Holdings LP and NV LP

NV Holdings LP will be established for the purposes of issuing NV Holdings LP Units and holding the NV LP Units. NV LP will be established for the purposes of owning and leasing a portfolio of income-producing rental properties in the multi-residential suites, commercial real estate and executives markets in the Secondary Markets. Each of the High Yield Fund Properties may be owned by a separate underlying limited partnership or other Subsidiary entity established (or acquired) and owned by NV LP. See "*Corporate Structure – Inter-corporate Relationships*".

The High Yield Fund Properties

The High Yield Fund intends, on recommendation from the Manager and through the experience of internal property management and the senior executive team, to invest (directly or indirectly through a Subsidiary) in income-producing rental properties in the multi-residential suites, commercial real estate and executives markets in the Secondary Markets including the Initial Portfolio. See "*– The Initial Portfolio*" below. The Manager intends to manage the High Yield Fund Properties with the view to preserving capital and providing monthly cash returns. The Manager expects to focus on multi-residential suites, commercial real estate and executives that can achieve stable operating income or increases in operating income as a result of an active asset management strategy and located in the Secondary Markets.

The High Yield Fund's investment objectives are to: (a) indirectly acquire, own and operate a high quality, geographically diversified real estate portfolio exhibiting attractive Capitalization Rates and a significant component of government and credit-rated commercial tenants comprising income-producing multi-residential suites, commercial real estate and executives that can achieve stable operating income

or increases in operating income as a result of an active asset management strategy and located in the Secondary Markets; (b) make stable monthly cash distributions; and (c) effect a Recapitalization Event by the Target Recapitalization Date. See “*Risk Factors – Risks Related to the High Yield Fund – A Recapitalization Event May Not Occur*”.

The High Yield Fund will provide disclosure for select High Yield Fund Properties acquired by NV LP in the High Yield Fund’s interim and annual MD&A, which disclosure is expected to be similar to that previously provided for the REIT. The High Yield Fund anticipates such information will include, as appropriate, for disclosed High Yield Fund Properties, details on the location, size, age, suite distribution, occupancy, purchase price and purchase date. Disclosure will also include any material capital expenditures intended to be made on the High Yield Fund Property and a summary of the results of any third-party appraisal.

To the extent the acquisition of a High Yield Fund Property constitutes a “material change” or “significant acquisition” under NI 51-102, the High Yield Fund will file a press release, material change report and/or business acquisition report, as applicable, for the acquisition containing the required disclosure.

Management and Leasing of the High Yield Fund Properties

The Manager believes that maximizing revenue and careful scrutiny of capital expenditures is the key to driving value when investing in real estate. The Manager intends to enhance the value of the High Yield Fund Properties through an active asset management strategy, which includes property-specific business plans to improve NOI. The Manager believes active management of leasing is one key to driving revenue as it allows the Manager to be intimately aware of resident needs. This allows the Manager to anticipate future revenue opportunities and mitigate potential leasing risks. The Manager also intends to enhance assets with targeted capital expenditures to increase operating income and to improve resident relationships and increase resident retention through customer service initiatives and new service offerings. The Manager believes it is aligned, through the investment in the High Yield Fund by its affiliate, to ensure that capital will not be spent unnecessarily and only where it is beneficial to the value of the investment.

The High Yield Fund intends to manage the ongoing day-to-day management of the High Yield Fund Properties through its own employees, and accordingly no property management fee will be charged to the High Yield Fund.

Operating Expenses of the High Yield Fund

The High Yield Fund and NV LP will collectively pay for all ordinary expenses incurred in connection with their operation and administration. It is expected these expenses will include, without limitation: (a) mailing and printing expenses for periodic reports to High Yield Fund Unitholders and other High Yield Fund Unitholder communications; (b) any reasonable out-of-pocket expenses incurred by the Manager or its agents and paid to third parties in connection with their on-going obligations to the High Yield Fund; (c) travel expenses including those related to performance of the Manager’s obligations in connection with the Management Agreement; (d) regulatory filing fees; (e) administrative expenses and costs incurred in connection with the continuous public filing requirements of the High Yield Fund; (f) investor relations; (g) costs and expenses arising as a result of complying with all Applicable Laws; (h) insurance expenses; (i) extraordinary expenses the Manager may incur in connection with its ongoing obligations to the High Yield Fund; and (j) any expenditures incurred to effect a Recapitalization Event or resulting from an Alternative Liquidity Event. Such expenses will also include expenses of any action, suit or other proceedings in which or in relation to which the Manager (and any of its officers, directors, employees consultants or agents) or the High Yield Fund Trustees or the executive officers of the High Yield Fund are entitled to an indemnity from the High Yield Fund. The aggregate annual amount of these fees and expenses is estimated to be approximately \$2.1 million.

In addition, because the High Yield Fund will indirectly own and operate physical real estate assets, the High Yield Fund will be indirectly responsible for the payment of ordinary course Operating Expenses relating to real estate, which expenses are customary for real estate related entities such as salaries and

benefits for on-site and certain other employees, insurance, utilities, repairs and maintenance, advertising and general and administrative expenses.

The Initial Portfolio

Total Portfolio By Province

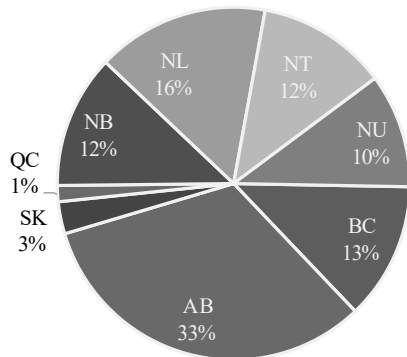
Province	Multi-Residential		Commercial Square Footage
	Suites	Execusuites	
British Columbia	1,379	-	85,390
Alberta	3,557	-	45,703
Saskatchewan	323	-	-
Québec	161	-	-
New Brunswick	1,338	-	17,680
Newfoundland and Labrador	1,730	145	225,449
Northwest Territories	1,308	158	532,798
Nunavut	1,146	42	220,676
Total	10,942	345	1,127,696

Total Portfolio By City

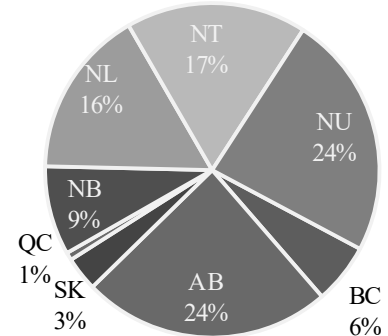
City	Multi-Residential		Commercial Square Footage
	Suites	Execusuites	
British Columbia			
Fort Saint John	401	-	49,683
Dawson Creek	377	-	7,555
Fort Nelson	266	-	28,152
Prince George	202	-	-
Panorama	88	-	-
Taylor	45	-	-
Subtotal - British Columbia	978	-	35,707
Alberta			
Fort McMurray	867	-	-
Grande Prairie	826	-	-
Lloydminster	687	-	-
Lethbridge	632	-	-
Slave Lake	247	-	-
Bonnyville	164	-	-
Saint Paul	134	-	-
Calgary	-	-	45,703
Subtotal - Alberta	298	-	45,703
Saskatchewan			
Regina	323	-	-
Subtotal - Saskatchewan	323	-	-
Québec			
Sept-Iles	161	-	-
Subtotal - Québec	161	-	-
New Brunswick			
Moncton	1,069	-	10,800
Dieppe	269	-	6,880
Subtotal - New Brunswick	1,338	-	17,680
Newfoundland & Labrador			
St. John's	1,330	145	225,449

Gander	215	-	-
Labrador City	185	-	-
Subtotal - Newfoundland & Labrador	400	-	-
Northwest Territories			
Yellowknife	1,050	78	440,471
Inuvik	258	80	92,327
Subtotal - Northwest Territories	1,308	158	532,798
Nunavut			
Iqaluit	930	42	220,676
Cambridge Bay	66	-	-
Pangnirtung	41	-	-
Igloolik	27	-	-
Cape Dorset	24	-	-
Pond Inlet	23	-	-
Clyde River	10	-	-
Hall Beach	7	-	-
Taloyoak	6	-	-
Arctic Bay	5	-	-
Kimmirut	4	-	-
Gjoa Haven	3	-	-
Subtotal - Nunavut	1,146	42	220,676

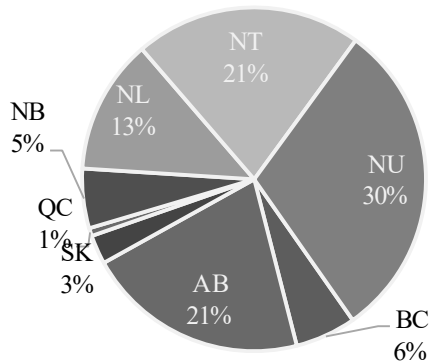
Residential Suites by Province/Territory



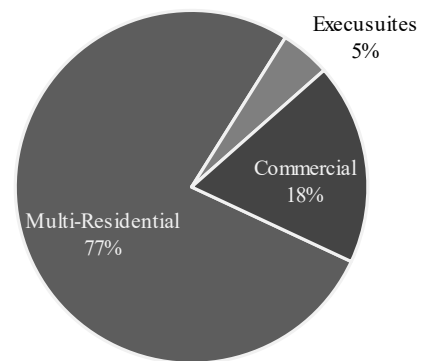
Value by Province/Territory



NOI by Province/Territory



NOI by Asset Type



The Initial Portfolio is a geographically diversified portfolio comprising income-producing multi-residential suites, commercial real estate and execusuites, with approximately 77% of NOI derived from an aggregate of approximately 10,900 multi-residential suites, approximately 18% of NOI derived from an aggregate of approximately 1,100,00 square feet of commercial real estate which includes office and commercial space, and approximately 5% of NOI derived from an aggregate of approximately 340 execusuites.

The multi-residential suites forming part of the Initial Portfolio consist mainly of low-rise, wood-frame buildings in either an apartment or townhouse configuration. Approximately 90% of the mortgages on the multi-residential suites forming part of the Initial Portfolio are CMHC-insured.

The commercial real estate forming part of the Initial Portfolio is located within the Secondary Markets where certain of the multi-residential suites forming part of the Initial Portfolio are located, and consist of office, warehouse, and mixed-use buildings, which are largely leased to federal, provincial or territorial governments and other credit-rated commercial tenants under long-term leases.

The execusuites forming part of the Initial Portfolio comprise four High Yield Fund Properties located in St. John's, Yellowknife, Iqaluit and a joint venture in Inuvik. The execusuites offer apartment-style accommodation and are rented for both short and long-term periods. The execusuites forming part of the Initial Portfolio have historically performed well due to being situated in locations in favourable markets with robust economies, limited supply, extensive government travel, limited new construction and developments, and strong transient business.

During the course of the COVID-19 pandemic, the REIT has not been issuing rental increases, or enforcing increases that were due to come into effect.

For a complete list of the High Yield Fund Properties comprising the Initial Portfolio, see Schedule “A”. In addition, for summary descriptions of 20 of the Properties comprising the Initial Portfolio selected as representative of the Initial Portfolio, see “ – *Select Assets*”.

Joint Venture Relationships

The High Yield Fund has a 50% interest in Inuvik Capital Suites Zheh Gwizu Limited Partnership (“**ICS**”) and a 50% interest in Inuvik Commercial Properties Zheh Gwizu Limited Partnership (“**ICP**”) with Zheh Gwizu Limited Partnership. These partnerships represent approximately ten multi-residential suites, 82 executives and approximately 85,000 commercial square feet at the 100% ownership level.

The High Yield Fund has a 55% interest in GoGa Cho Building Limited Partnership. This partnership represents approximately 20,500 commercial square feet at the 100% ownership level.

Potential Co-Investments/Joint Ventures

The Manager has extensive experience in the multi-residential real estate sector, including in Canada. During the past ten years, the principal of the Manager, Daniel Drimmer, has acquired, operated and sold in excess of 85,000 multi-residential suites. Throughout this period, the Manager has developed a broad network of, and has maintained ongoing relationships with, numerous sophisticated investors in the multi-residential real estate sector (including, in particular, real estate investment trusts and pension funds). The Manager may leverage its network and ongoing relationships with such investors by exploring, from time to time, potential co-investment opportunities involving the High Yield Fund and one or more co-investors. Such co-investment opportunities may allow the High Yield Fund to participate in the acquisition of larger portfolios than it would otherwise be able to acquire acting as a sole purchaser. As such, the High Yield Fund has been structured to facilitate co-investments by one or more co-investors, provided the High Yield Fund retains voting control of NV Holdings LP and NV LP or other entity used for co-investment. Notwithstanding the foregoing, the High Yield Fund may not control some or all of the decision making with respect to the High Yield Fund Properties that are the subject of a co-investment. Should the High Yield Fund determine it is in the best interests of the High Yield Fund to acquire any High Yield Fund Property with a co-investor, conflicts of interest could arise between the High Yield Fund and such co-investor, including with respect to the sale of such High Yield Fund Property. See “*Risk Factors – Risks Related to the High Yield Fund – Co-Investment/Joint Ventures*”.

Key Tenants and Government Backing

The Initial Portfolio has a stable tenant base, comprising government entities, large credit-rated commercial tenants and individual tenants. Tenants are individuals and federal, provincial and territorial governments as well as credit-rated corporations, which allows for a hybrid of significant diversification as well as credit tenancies.

In Nunavut, approximately 81% of residential rental revenues are currently derived from leases with, or guaranteed by, corporations, and the federal and territorial governments and agencies, with the Government of Nunavut accounting for approximately 62% of residential rental revenues and the Government of Canada accounting for approximately 9% of residential rental revenues.

In the Northwest Territories, leases with or guaranteed by the Government of Northwest Territories comprises approximately 8% of residential rental revenues.

Within the commercial component of the Initial Portfolio, approximately 64% of base revenues are derived from the ten tenants with approximately 46% of base revenues being derived from federal, provincial or territorial government or government-backed leases. In the Northwest Territories and Nunavut, government commercial leases account for approximately 59% and 64% of the respective territory’s base commercial revenue. The following table illustrates the top ten tenants in the Initial Portfolio’s commercial

properties in terms of their percentage contribution to total commercial square footage and base commercial revenues:

Tenant Name	Description	Credit Rating Moody's/S&P/DBRS	Percentage of Square Footage	Percentage of Base Commercial Revenue
Government of Northwest Territories	The Government of Northwest Territories is the governing body of the Territory.	Aa1 / - / -	20.9%	26.3%
Government of Nunavut	The Government of Nunavut is the governing body of the Territory.	Aa1 / - / AAL	6.6%	11.3%
Wal-Mart Canada Corp.	Walmart Canada operates a chain of more than 400 stores nationwide that carry nearly 120,000 products including fresh groceries, apparel, electronics and specialty services such as pharmacies, photocentres and garden centres.	Aa2 / AA / AA	5.0%	3.1%
Government of Canada	The Government of Canada is based in Ottawa and is the federal governing body of the country.	Aaa / AAA / AAA	3.9%	8.2%
Wolseley Holdings Canada Inc.	Wolseley Canada is the leading wholesale distributor to plumbing, HVAC/R, waterworks and industrial markets in the country.	Baa2/ BBB+ / -(1)	3.4%	2.8%
Stantec Consulting Ltd.	Stantec is an engineering, architecture, interior design, landscape architecture, surveying, environmental sciences, project management, and project economics firm employing over 22,000 people globally.	-	3.3%	4.2%
Technip Canada Limited	TechnipFMC is a global leader in subsea, onshore, offshore, and surface technologies, operating in 48 countries with 37,000+ employees.	Baa2 / BBB+ / -	2.5%	3.3%
United Parcel Service Canada Ltd.	United Parcel Service is an American multinational package delivery and supply chain management company, managing the flow of goods, funds, and information in more than 200 countries and territories.	A2 / A / -	2.0%	1.0%
Loblaws Inc.	Loblaws is Canada's food and pharmacy leader, with a network of corporate and independently-	- / BBB / BBB	1.9%	2.3%

operated stores in communities across the country, and employing close to 200,000 Canadians.

Det Norske Veritas (Canada) Ltd.	Det Norske Veritas is the leading provider of risk management and quality assurance services to the maritime, oil and gas, and power and renewables industries, with operations in more than 100 countries.	-	1.3%	1.6%
Total			51.1%	64.2%

Note:

(1) Wolseley Holdings Canada Inc. is a subsidiary of Ferguson PLC. Credit rating ascribed reflects the credit rating of the parent entity, Ferguson PLC.

Land Leases Structure Land tenure in Nunavut is based on a system of equity leases, with the exception of a very limited number of fee simple titles in existence at the time of the establishment of Nunavut.

Rental rates during the initial term of an equity lease are based upon an agreed price for the land to be leased with such price generally amortized over a 15-year period. Equity leases have an initial term of 30 years and are generally renewable for a further 30-year term at an annual rent of \$1.00.

Additional High Yield Fund Properties are subject to leases which do not contain renewal provisions. In cases where a lease does not specify a renewal option and a building has been constructed on the property, governmental practice to date has been that such leases have been automatically renewed on application.

Overview of Territories

General Overview

The economy in Nunavut and the Northwest Territories is multi-faceted, driven by oil and gas exploration and production, diamond and gold mining, government administration, transportation and tourism.

In the public sector, the Northwest Territories is less economically autonomous than its provincial counterparts as a result of the federal government continuing to own the Territories' natural resource rights. According to the Northwest Territories' budget for 2019-2020, the Territorial Financing Formula grant and other transfer payments accounted for approximately 80% of the Northwest Territories' revenues. The territorial government spent approximately \$790 million in public infrastructure in recent years, including the construction of Inuvik Tuktoyaktuk Highway and Stanton Territorial Hospital.

Real Estate Property Market

In recent history, the real estate markets in Nunavut and the Northwest Territories have been characterized by low vacancy rates, low turnover rates, widespread housing shortages and high rental rates. The High Yield Fund's predecessor has captured a large share of the residential rental market in Nunavut and the Northwest Territories and has established itself as the largest private-sector residential landlord and private-sector owner of income-producing properties in these territories.

The governments of both Nunavut and the Northwest Territories have identified the shortage of affordable housing as a serious concern. The Manager believes that as a result of this shortage, the real estate market of the Canadian territories presents opportunities for both residential and commercial

properties. Historically, demand for housing has been created by the mining and oil and gas industries as well as government workers and the employees of Aboriginal governments and business. In addition, due to the historical high cost of housing, government departments and agencies, as well as private companies, have entered into multi-year lease arrangements with property owners and in turn sub-let these premises to their employees. The Manager intends to continue servicing the need for housing in this market and believes that the High Yield Fund has the experience and market-specific knowledge developed through the previous management of the Initial Portfolio's operations to enable it to meet its objectives and strategies.

Real estate development in Nunavut and the Northwest Territories is characterized by the practical problems of constructing buildings on permafrost, the need to accumulate building materials during a short summer shipping season, transportation costs and risks and high development costs. These barriers have prevented easy entry to the market by other developers and are expected to permit the High Yield Fund, with its experience in the real estate market of Canadian territories and its existing portfolio of properties, to capitalize on this market. For example, the high cost of new construction has prevented incremental residential developers from entering the rental market in Yellowknife for many years. With the acquisition of the Initial Portfolio, the High Yield Fund expects to own approximately 50% of the rental market in Yellowknife, resulting in a market leading position in the region.

Overview of Alberta

The High Yield Fund will own assets in:

- (a) Bonnyville
- (b) Calgary
- (c) Fort McMurray
- (d) Grande Prairie
- (e) Lethbridge
- (f) Lloydminster
- (g) Saint Paul
- (h) Slave Lake

General Overview

Northern Alberta's economy is predominantly fueled by its oil and gas industry, and in particular the natural gas and pipeline sectors. The extraction of these resources and subsequent construction of the area's complex network of oil and natural gas pipelines has prompted an influx of companies and people into the region over the last few decades. Northern Alberta's economy, going forward, will in particular be impacted by the outcome of the Trans Mountain Expansion Project approved in 2019, which if completed, would twin the existing Trans Mountain oil pipeline running from Edmonton, Alberta to the Westridge Marine Terminal and the Chevron refinery in Burnaby, British Columbia, and increase the pipeline system's capacity from approximately 300,000 barrels per day to approximately 890,000 barrels per day, as well as the construction of the Keystone XL pipeline project, a 1,947 km pipeline capable of delivering 830,000 barrels per day of crude oil from Alberta to the U.S. Gulf Coast, which construction has not yet been commenced.

Real Estate Property Market

The majority of the Initial Portfolio within Alberta is spread across the cities of Fort McMurray, Grand Prairie, Lloydminster and Lethbridge.

The real estate market in Fort McMurray surrounds numerous projects that have been undertaken in the vicinity, such as the Syncrude joint venture (Suncor, Imperial, Sinopec and CNOOC), Shell Canada's Athabasca oil sands project and Cenovus' Foster Creek & Christina Lake projects, which have historically resulted in higher housing and rental prices than most such remote areas. The economy and real estate market of Lloydminster, similar to Fort McMurray, is driven primarily by the energy industry.

Grande Prairie's demographics are an important driver in its economy and real estate market. According to the City of Grande Prairie, the city is one of the youngest cities in Canada with a median age of 31.9 and has in the recent past been one of the fastest growing communities in North America. Statistics Canada's 2016 Census recorded 69,088 residents, up 37.6% from 2007. This young population has provided a valuable workforce to the region's main economic sectors, which include agriculture, forestry and oil and gas.

Uniquely situated along the borders of Alberta and Saskatchewan, Lloydminster is an entrepreneurial mid-sized city, given an absence of business tax, no development charges, low municipal taxes and special Saskatchewan provincial sales tax exempt status. Accordingly, it has in the recent past attracted a young community of residents with more than a quarter of the population between the ages of 20-34 based on Statistics Canada's 2016 Census. While its economy and real estate market is dependent on the energy industry, it also relies on its historical agriculture industry, with wheat, barley and canola accounting for over 30% of the total acreage sown in the Lloydminster area according to the municipal government. In addition, Lloydminster is home to Husky Energy Inc.'s asphalt refinery.

Lethbridge is the commercial, financial, transportation and industrial centre of southern Alberta. In contrast to Fort McMurray, Lethbridge's economy has traditionally been agriculture-based; however, it has diversified in recent years. Half of the workforce is employed in the health, education, retail and hospitality sectors, and the top five employers are government-based. In addition, Lethbridge is home to the University of Lethbridge, which has historically been the source of a stream of housing demand from the university-going population.

Overview of Northern British Columbia

The High Yield Fund will own assets in:

- (a) Dawson Creek
- (b) Fort Nelson
- (c) Fort Saint John
- (d) Panorama
- (e) Prince George
- (f) Taylor

General Overview

Northern British Columbia's economic base predominantly comprises the forestry, mining, oil and gas, energy, agriculture and tourism industries.

Northern British Columbia's economy has a predominant focus on the energy sector. The energy sector in Northern British Columbia includes large hydroelectric dams, biomass facilities and wind farms.

BC Hydro operates two hydroelectric facilities in the Northeast region: the GM Shrum Generating Station and the Peace Canyon Generating Station, which together generate roughly 38% of BC Hydro's total. The Site C Dam which is currently under construction by BC Hydro on the Peace River near Fort St. John will be the fourth largest hydroelectric dam in British Columbia. The major energy infrastructure projects in Northern British Columbia currently under construction are the Site C Dam and the LNG Canada natural gas facility.

In addition, Northern British Columbia's economy is impacted by the performance of its tourism sector and mining sector. With respect to its mining sector, Northern British Columbia has metal and coal deposits, with metallurgical coal deposits concentrated in the Northeast region and precious metal deposits in the Northwest and Cariboo-Chilcotin/Lillooet regions.

Real Estate Property Market

The majority of the Initial Portfolio within British Columbia is spread across the cities of Fort Saint John and Dawson Creek.

Fort Saint John is the largest city in the Northeast Region of British Columbia, with a population of approximately 21,000 and houses a resource-based economy focused on oil, natural gas, forestry and agriculture. It is the centre for the province's oil and gas industry with the British Columbia Oil and Gas Commission located in the city, along with Northern Lights College's Fort Saint John campus, which houses the British Columbia Centre of Training Excellence in Oil and Gas, including a full-sized oil rig and simulated wellsites. In addition, according to the municipal government of Fort Saint John, the population is younger with the average age being approximately nine years less than the average age of the population in the rest of the province, which is supportive of the multi-residential rental market given the general lack of savings for the younger residents of the city.

The real estate market in Dawson Creek has historically been supported by the city's abundance of natural resources and agricultural commodities, which have in the recent past contributed to an influx of individuals looking for job opportunities, resulting in demand for housing. According to the municipal government of Dawson Creek, the city's unique climate and geographic location gives it access to a variety of natural resources. The city is also surrounded by the Agricultural Land Reserve, which is a collection of agricultural land in British Columbia wherein agriculture is recognized as the priority. Farms in the Agricultural Land Reserve enjoy ideal growing conditions, producing significant yields on quality crops such as wheat, oats, barley and canola. Agricultural Land Reserve farms are also capable of supporting livestock operations, given the abundance of space and quality feed, with the region now possessing the largest cow and calf production in British Columbia.

Overview of New Brunswick

The High Yield Fund will own assets in:

- (a) Moncton
- (b) Dieppe

General Overview

New Brunswick's economy is closely tied to its exports with trade to the U.S. accounting for over 80% of the province's export market. The primary sectors of production are agriculture, aquaculture, forestry, mining and manufacturing. In the recent past, New Brunswick has seen an inflow of international migrants looking for employment in these sectors, which contributed to an increased need for housing.

Real Estate Property Market

The Initial Portfolio within New Brunswick is located within the Moncton CMA, in the cities of Moncton and Dieppe.

Situated in the heart of the Maritimes, Moncton is accessible via highway, train and air transportation. The city offers a blend of waterside and urban exposure being also situated along the famous Tidal Bore Petitcodiac River. The city has a population of over 75,000, a metropolitan area population of over 150,000, and more than 1.3 million people living within a 2.5-hour drive. The Greater Moncton Roméo LeBlanc International Airport is a 10-minute drive from the downtown core, which has typically offered seven direct daily flights to Toronto and is serviced by three major airlines as well as seasonal carriers. Furthermore, CF Champlain, Atlantic Canada's largest shopping mall is located in Moncton.

Overview of Newfoundland and Labrador

The High Yield Fund will own assets in:

- (a) St. John's
- (b) Labrador City
- (c) Gander

General Overview

Newfoundland and Labrador's economy predominantly comprises metals and mining, manufacturing, aquaculture, agriculture, forestry, oil and gas and technology. The mining sector includes the holdings of Iron Ore Company of Canada, Vale Inco Newfoundland & Labrador Inc.'s Long Harbour nickel processing facility, Voisey's Bay underground mine, as well as the operations of Tata Steel Minerals Canada Ltd., Tacora Resources Inc. and Marathon Gold Corp. The manufacturing sector in Newfoundland and Labrador comprises manufacturers located in both rural and urban areas of the province.

Real Estate Property Market

The majority of the Initial Portfolio within Newfoundland and Labrador is spread across the cities of St. John's, Gander and Labrador City.

The city of St. John's is Canada's most eastern city and the capital of the province of Newfoundland and Labrador. St. John's is the main commercial, financial, educational and cultural centre for the province and the location of the seat of the Government of Newfoundland and Labrador. St. John's extends out from a century-old urban core to include suburban developments, shopping complexes and industrial sites, equipped with the conveniences of a progressive metropolitan centre. About one-third of Newfoundland's population lives in St. John's and the surrounding area, supporting the rental market for the region. St. John's is the hub of economic activity for the Canadian offshore petroleum industry. St. John's is also a leader in ocean technologies, an emerging tourism destination and a city recognized for its cultural distinctiveness.

Labrador City has an industrial base and is strategically situated to take advantage of developments throughout Labrador and Northern Québec. As a provincial gateway, Labrador West is a strategic distribution centre, supported by an air, ground and rail transportation network connecting to the port facilities in Baie Comeau and Sept-Îles, Québec and Happy Valley-Goose Bay in central Labrador. Strategically situated on the rich iron ore deposits of the Labrador Trough, the region has historically derived its economic production primarily from mineral extraction, processing and provision of services to the mining sector.

The Town of Gander is a full-service international community located in central Newfoundland and is home to over 12,000 residents. Demographically, residents of Gander are young, with approximately 50% of the population falling between the ages of 20 and 44. The main industries for the Town of Gander are transportation, communications, public administration and defense. In addition, a large portion of the economy in Gander is driven by the service industry as it is central to a service area consisting of some 96,000 people within a 100-kilometre radius, including 149 communities.

Overview of Sept-Îles, Québec

General Overview

Sept-Îles is a city in the Cote-Nord region of eastern Québec located on the north shore of the Saint Lawrence River, with a population of approximately 25,000. The city's economy is dependant on several mine operations in the region, with a focus on the iron industry. As a result, the mining and mining support services sectors have historically made up a significant portion of the labour market, with national employers such as Iron Ore Company of Canada, Cleveland-Cliffs, Inc., Aluminerie Alouette Inc. and Rio Tinto Limited. Other industries of prevalence include medical services, education, hospitality and retail services. Sept-Îles is the regional economic and administrative hub of the Lower North Shore region.

Real Estate Property Market

The real estate market in Sept-Îles has historically been supported by the mining operations in the region. As a major service centre for northeastern Québec, housing demand in Sept-Îles has historically been satisfied by a well-established multi-residential rental market with a variety of neighbourhoods to choose from, such as the Beaches, parc Ferland, Clarke City and Moisie, which are found to the east and west of town.

Overview of Regina

General Overview

Regina's economy has historically been led by its steel and manufacturing industry. Other industries of significance have included information technology, energy, finance and insurance, agribusiness and agriculture.

Real Estate Property Market

Rental demand in the Regina CMA is dependent on the strength of its labour market. Historically, employment levels among the population aged 15 to 24 have been stable and supportive of rental demand as this cohort has a greater tendency to rent. According to Statistics Canada's 2016 Census, households where the primary resident was between 15 and 24 years of age had the highest proportion of renter households at approximately 80%. In 2019, despite growth in the rental universe of 324 suites, increased demand for apartment rentals kept the overall occupancy rate relatively unchanged.

Overview of Rent Control Regulation

Multi-unit residential rental properties are subject to rent control legislation in most provinces and territories in Canada. Each province and territory in which the High Yield Fund will operate maintains distinct regulations with respect to tenants' and landlords' rights and obligations. The legislation in various degrees imposes restrictions on the ability of a landlord to increase rents above an annually prescribed guideline or requires the landlord to give tenants sufficient notice prior to an increase in rent or restricts the frequency of rent increases permitted during the year. The annual rent increase guidelines as per applicable legislation attempt to link the annual rent increases to some measure of the change in the cost of living index over the previous year. The legislation also, in most cases, provides for a mechanism to ensure rents can be increased above the guideline increases for extraordinary costs. As a result of rent controls, the High Yield Fund may incur property capital investments in the future that will not be fully recoverable from rents charged to tenants.

The availability of affordable housing and related housing policy and regulations is continuing to increase in prominence as a topic of concern at the various levels of government. Accordingly, through different approaches, governments may enact policy, or amend legislation in a manner that may have a material adverse effect on the ability of the High Yield Fund to grow or maintain the historical level of cash flow from its High Yield Fund Properties. In addition, laws and regulations providing for compliance with various housing matters involving tenant evictions, work orders, health and safety issues or fire and

maintenance standards, including in relation to the ongoing coronavirus (COVID-19) pandemic, may become more stringent in the future. The spread of the COVID-19 coronavirus has had a material and substantial impact on the Canadian and global economy. In response to the spread in Canada, provincial governments have limited a landlord's ability to evict tenants for non-payment of rent, measures which are changing frequently. Social distancing actions to reduce the spread including closing restaurants and bars, limiting social gatherings and reducing service hours have had a significant impact on unemployment rates in all of the markets that the Initial Portfolio operates in and may adversely impact residents ability to pay rent. Management is proactively working with residents, vendors and other stakeholders to manage safety and cashflow during this period of disruption. The High Yield Fund may incur increased operating costs as part of its compliance with any such additional government legislation and regulations relating to housing matters, which may have an adverse effect on revenues.

Alberta and Saskatchewan do not specifically limit the rents payable by residential tenants.

Additional information relating to the Secondary Markets is provided below:

British Columbia

In British Columbia, landlords are restricted from increasing rents payable in respect of existing residential tenancies within 12 months of the date on which the tenant's rent was first payable for the rental unit or a previous rental increase, and any such rental increases require three months' prior notice to the tenants. The *Residential Tenancy Act*, S.B.C. 2002 (the "**BC RTA**"), restricts the ability of a landlord to increase rents above a prescribed amount. Effective September 26, 2018, for rent increases with an effective date on or after January 1, 2019, a landlord may not impose a rent increase that is greater than the percentage amount equal to the inflation rate, The inflation rate is the 12 month average percent change in the all-items Consumer Price Index for British Columbia ending in the July that is most recently available for the calendar year in which the rent increase takes effect.

Unless tenants agree in writing, a landlord may only impose a rent increase greater than the prescribed amount by an order granted following an application (fees are between \$300 - \$600) made pursuant to the applicable legislation, followed by notice to all tenants and a hearing. Grounds for a rent increase exceeding the prescribed amount include situations where: (a) the landlord has completed significant repairs or renovations that could not have been foreseen under reasonable circumstances and will not re-occur within a reasonable time period; (b) where there have been extraordinary increases in operating expenses that have caused the landlord to incur a financial loss; or (c) a financial loss has been incurred arising from an unforeseen increase in financing costs. As a result, the High Yield Fund may, in the future, incur capital or other expenditures which may not be fully recoverable from tenants, unless such an application was successfully made.

Effective December 11, 2017 in British Columbia, a landlord can no longer apply for a rent increase above the prescribed amount on the basis that the rent is significantly lower than other similar rental units in the same geographic area. Effective also on December 11, 2017, a landlord can no longer require a tenant to move out on the date the tenancy agreement ends unless the landlord is an individual and that landlord or a close family member of that landlord intends in good faith at the time of entering into the tenancy agreement to occupy the rental unit at the end of the term. Unless the landlord and the tenant agree to another fixed term, the tenancy will automatically continue as a month-to-month tenancy until one party serves notice in accordance with the legislation or both parties agree to end the tenancy. The effect of this change is that a landlord can no longer increase rent beyond the prescribed amount between tenancy agreements with the same tenant.

Effective May 17, 2018 in British Columbia, a number of amendments were made to the BC RTA. A landlord must now give four months' notice to end a tenancy for demolition, renovation, repair or conversion of the rental unit and tenants have 30 days to dispute the notice. The previous requirement was two months' notice. If the tenancy is for a fixed term, the effective date of the notice must not be earlier than the end of the fixed term. A tenant has a right of first refusal to enter into a new tenancy agreement at a rent determined by the landlord if the landlord ends their tenancy for the stated purpose of renovating or repairing the rental unit. This right of first refusal applies only to a rental unit in a residential property

containing five or more units. A landlord must compensate a tenant 12 months' rent (unless otherwise excused by an arbitrator in extenuating circumstances) if the tenant exercises the right of first refusal and, within 45 days before the completion of the renovation or repairs, the landlord does not give the tenant a notice of the availability date of the rental unit and a tenancy agreement to sign. As well, a landlord or purchaser of a rental unit, as applicable, must compensate a tenant 12 months' rent (unless otherwise excused by an arbitrator in extenuating circumstances), if a landlord or purchaser ends a tenancy for the stated reason that (a) the landlord or close family member of the landlord intends to occupy the rental unit, (b) the landlord has entered into an agreement to sell the rental unit and the purchaser or a close family member of the purchaser intends to occupy the rental unit or (c) the landlord intends to demolish, renovate, repair or convert the rental unit and the landlord or the purchaser do not take steps to accomplish the stated purpose for ending the tenancy within a reasonable period after the effective date of the notice or do not use the rental unit for the stated purpose for at least six months beginning within a reasonable period after the effective date of the notice.

Alberta

In Alberta, landlords are generally restricted from increasing rents payable in respect of existing residential tenancies more than once in a period of 365 days (which period commences on the commencement of the tenancy or the last increase in rent, as applicable). Pursuant to the regulations made under the *Residential Tenancies Act* (Alberta) (the "**AB RTA**"), a landlord shall not increase the rent payable by a tenant under a residential tenancy agreement in respect of a fixed-term tenancy for a term of one year or more. Further, a landlord shall not increase the rent payable by a tenant who is occupying the same premises under two or more consecutive residential tenancy agreements in respect of fixed-term tenancies each for a term of less than one year unless 365 days have passed since the commencement of the first of those tenancies or the last increase in rent, whichever is later. Pursuant to the regulations under the AB RTA, if the 365th day occurs during the term of a fixed-term tenancy, the landlord shall not increase the rent until the expiration of that tenancy.

Pursuant to the AB RTA a landlord shall not increase the rent payable under a residential tenancy agreement unless the landlord serves on the tenant a written notice of the increase in rent: (a) in respect of a weekly tenancy, at least 12 tenancy weeks before the effective date of the increase; (b) in respect of a monthly tenancy, at least three tenancy months before the effective date of the increase; and (c) in respect of any other periodic tenancy (as that term is defined in the AB RTA), at least 90 days before the effective date of the increase. A residential tenancy agreement could require a period of notice longer than the periods specified by the AB RTA and the landlord must comply with such longer period of notice before increasing the rent payable.

Saskatchewan

In Saskatchewan, pursuant to *The Residential Tenancies Act, 2006*, SS 2006, c R-22.0001 and the regulations made thereunder (collectively, the "**Saskatchewan RTA**"), landlords are restricted from increasing rents payable in respect of fixed term tenancies unless the amount of the increase and time when an increase is to come into effect were agreed to between the landlord and the tenant at the time they entered into the tenancy agreement. No later than two months before a fixed term tenancy ends, a landlord must provide written notice to fixed lease tenants regarding its willingness to enter into a new agreement and, if willing, to specify the terms of the new agreement. The notice must be in the approved form and must also state that a failure by the tenant to respond will be deemed to be a rejection of the offer to enter into a new tenancy agreement. There are no legislated restrictions on the amount of an increase in rent a landlord can specify in the new agreement.

The Saskatchewan RTA provides landlords who are members in good standing of the Saskatchewan Landlord Association Inc. with preferred rent increase timelines for periodic tenancies. Landlords who are members of the Saskatchewan Landlord Association Inc., such as the High Yield Fund, are restricted from increasing rents payable in respect of existing periodic tenancies more than once in a period of six months and any such rental increase requires six months' prior notice to the tenants. For new periodic tenancies, landlords are restricted from increasing rents payable until 12 months after the commencement of the tenancy, and thereafter six months after any previous increase, and any such rental

increase requires six months' prior notice. There is no restriction in the Saskatchewan RTA on the amount by which a landlord can increase rent for periodic tenancies and an increase in rent for additional occupants is not subject to the above time or notice provisions provided the written tenancy agreement sets out the amount by which rent varies with the number of occupants. Notwithstanding a landlord's ability to increase rent in accordance with the time and notice provisions, landlords cannot terminate or restrict services or facilities, nor impose or increase a charge for a service or facility unless the tenant agrees or the landlord obtains an order from the Office of Residential Tenancies.

Québec

In Québec, residential leases or tenancies, known as "leases of dwellings", are mainly governed by the *Civil Code of Québec* (the "CCQ") and an *Act respecting the Régie du logement* (the "ARRL") and its regulations. The CCQ sets out rules that apply to all leases generally and contains a specific division with rules that govern residential leases. Some of these rules are of public order and cannot be circumvented or contracted out of. Residential leases in Québec must be made on a standardized form established and prescribed by the Régie du logement (the "RDL"). The RDL is the specialized administrative tribunal that has exclusive jurisdiction over all applications relating to residential leases, including those related to rent increases.

In a Québec residential lease, a clause providing for rent adjustment is without effect if the lease has a term of less than 12 months. For leases with a term of more than 12 months, clauses providing for an adjustment of the rent during the first 12 months, or more than once during each 12-month period, is also without effect. The parties may, within one month from the date on which the rent adjustment is to take effect, apply to the RDL to contest the excessive or inadequate nature of the proposed or agreed adjustment and demand the fixing of the rent.

Furthermore, residential leases having a fixed term usually renew automatically at the expiration of the term, for the same term (or, if the initial term was more than 12 months, for 12 months) and on the same conditions. At the renewal of the lease, the landlord may modify the lease, including the term or the rent, subject to giving the tenant a notice of such modification not less than three months and not more than six months before the expiration of term. If the lease has a term of less than 12 months, the landlord shall give the notice not less than one month and not more than two months before the expiration of term, and if the lease has an indeterminate term, the landlord shall give the notice not less than one month and not more than two months. If the notice of modification aims to increase the rent, the proposed new rent shall be indicated in dollars or as a percentage of the current rent. The tenant then has one month from its receipt of the notice of modification of the lease to notify the landlord that the tenant (a) accepts the modification, (b) objects to the modification or (c) that the tenant will not renew the lease and will vacate the dwelling upon its termination, and should the tenant fail to so notify the landlord, the tenant is deemed to have agreed to the renewal on the terms and conditions proposed by the landlord. If the tenant objects to the proposed modification, the landlord may apply to the RDL within one month after receiving the tenant's notice of objection to have the rent fixed or obtain a ruling with regards to any other modification to the lease. Should the landlord fail to apply to the RDL within the aforementioned delay, the lease will be renewed on the same terms and conditions as the existing lease.

A new tenant may also apply to the RDL to have the rent fixed if the new tenant's rent is higher than the lowest rent paid during the 12 months preceding the beginning of the lease (unless that rent has already been fixed by the RDL). The tenant may apply only within ten days after the lease (or, as the case may be, the sublease) has been entered into.

In fixing the rent, the RDL shall take into consideration the mechanism, standards, criteria and factors set out by the *Regulation respecting the criteria for the fixing of rent* adopted under the ARRL, which include, amongst others and for example only, for a said reference period: the variation in municipal property taxes and services, the variation in insurance premiums included in operating expenses, the percentage applicable for the reference period with respect to electricity and fuel and the percentages applicable to maintenance, management, capital expenditures and service costs. Most of these factors or percentages are determined by the government for the reference period. The RDL may also, in some circumstances, reduce or redress the rent.

New Brunswick

In New Brunswick, the *Residential Tenancies Act* (the “**NB RTA**”) sets out certain restrictions on landlords. In order to increase rent, a landlord must provide a tenant with the proper amount of written notice of the increase. The amount of the notice depends on the type of tenancy and whether the tenant is a long-term tenant. If the tenancy is weekly or monthly, two months’ notice is required. For yearly and fixed term tenancies, three months’ notice must be given to tenants.

The NB RTA provides that a tenant is a long-term tenant if the same tenant has lived in the same rental for at least five years in a row. The landlord must give three months’ written notice to increase the rent to long-term tenants, and the landlord may only increase the rent fairly and by the same amount as other similar units in the same building or only by what is reasonable in other similar units in the same area. In the event a tenant disputes the increase, he or she can apply to the rentalsman within 15 days of receipt of the notice to have the increase reviewed. The rentalsman will require the landlord establish that the requirements necessary for increasing rent have been met.

Newfoundland and Labrador

In Newfoundland and Labrador, living accommodations that are rented and used or occupied or intended for use or occupation by a tenant as a residence, including a house, apartment, room or similar place are governed by the *Residential Tenancies Act, 2018* SNL 2018, c R-14.2 (the “**NL RTA**”). Pursuant to Section 16, a landlord shall not increase the amount of rent payable by a tenant: (a) where the residential premises are rented from week to week or month to month, more than once in a 12-month period; (b) where the residential premises are rented for a fixed term, during the term of the rental agreement; or (c) where a tenant continues to use or occupy the residential premises after a fixed term has expired, more than once in a 12-month period. In addition, a landlord shall not increase the amount of rent payable by a tenant during the 12-month period immediately following the commencement of the rental agreement.

If a landlord does increase the amount of rent payable by a tenant, the increase shall be effective on the first day of a rental period and the landlord shall give the tenant written notice for the increase: (a) not less than eight weeks before the effective date of the increase where the residential premises are rented from week to week; and (b) not less than six months before the effective date of the increase where the residential premises are rented from month to month or for a fixed term. Any notice of rental increase must be signed by the landlord, state the effective date of the increase, the amount of increase and the amount of rent payable when the increase becomes effective, and must be served on the tenant in compliance with section 34 the NL RTA.

Northwest Territories

In the Northwest Territories, issues surrounding residential tenancies are governed by the *Residential Tenancies Act, R.S.N.W.T. 1988* (the “**NWT RTA**”). The ability of landlords to increase rent is specifically dealt with in Section 47. Similar to other jurisdictions in Canada, the ability of landlords to increase rent on an existing tenancy is limited to once every 12 months. The landlord must give a minimum of three months’ written notice of their intention to increase the rent. Upon receipt of the notice of the increase in rent, the tenant may accept this notice as an indication of the landlord that the tenancy has been terminated. The tenant is not required to notify the landlord of this acceptance of rent increase as a termination of the tenancy until one day prior to the scheduled increase in rent is to take place. If the tenant decides to accept the notice of the increase in rent as a termination notice, they must notify the Landlord in writing of their decision. The landlord may then rent the premises to a new tenant, however, pursuant to the NWT RTA, the new rent for the new tenant is restricted to the amount stated in the original notice. On new tenancies, the landlord is prohibited from increasing the rent for a period of 12 months from the beginning of the tenancy.

Nunavut

In Nunavut, issues surrounding residential tenancies are governed by the *Residential Tenancies Act* (Nunavut) (the “**NU RTA**”), which NU RTA was adopted from the Northwest Territories. The information provided above in respect of the Northwest Territories is also applicable to Nunavut.

Select Assets

Multi-Residential Suites

*5301 A & 5301 B - 37 Street, Bonnyville, Alberta (“**Shaw Estates**”)*

Shaw Estates, constructed in 2015, consists of two wood-structure buildings with four storeys each for a total of 110 suites. The property has one bedroom, two bedroom and three bedroom suites. Water and heating are both included, and the suites feature large balconies, in-suite storage and in-suite laundry. The property is professionally managed by on-site management and includes visitor parking and energized parking stalls. Shaw Estates is conveniently located with a school bus stop outside the building and is easily accessible to convenience stores, shopping and downtown Bonnyville.

*9818 - 94 Ave, Grande Prairie, Alberta (“**Courtyards Apartments**”)*

The Courtyard Apartments are nine, three-storey wood-structure buildings built in 1977. There are a total of 299 suites which include bachelor, one bedroom, two bedroom, three bedroom as well as premium two bedroom townhouse and three bedroom townhouse options. Suites include balconies, individual thermostats and in-suite storage. Both water and heating are included. The property features laundry facilities, visitor parking and secured building access. The Courtyard Apartments are located within the Highland Park Neighbourhood that boasts parks, schools, shopping, and is accessible with public transit located one block from the property.

*10250A - 121st Avenue, Grande Prairie, Alberta (“**Westmore Estates**”)*

Westmore Estates, built in 2009, includes three, four-storey buildings comprising 189 suites. The buildings are wood-structure, constructed with cast-in-place concrete and do not have basements. Suites are either one bedroom with a den or two bedrooms and are equipped with a fridge, stove, dishwasher and in-suite laundry. Heating and water are also included as well as outdoor and visitor parking. The property is also conveniently located two blocks from the Grande Prairie Mall.

*155 & 157 Pinnacle Drive, Grande Prairie, Alberta (“**Elk Pointe Estates**”)*

Elk Pointe Estates was built in 2015 and comprises two, four-storey buildings and 142 suites. Suites are two bedrooms and are each equipped with air conditioning, stainless steel appliances, laminate floors, ensuite bathrooms and walk-in closets. The building has 24-hour on call maintenance and security. Elk Pointe Estates is located south of the intersection between Pinnacle Avenue and Pinnacle Drive, in an area that is mostly for residential land use. The property is minutes from downtown in the southwest of Grande Prairie.

*1603, 1607, 1611, 1615 Scenic Drive South, Lethbridge, Alberta (“**Scenic Heights**”)*

Scenic Heights was built in 1971 and consists of four, three-storey walk-up buildings comprising a total of 105 suites. The building is wood-structure and the exterior is clad with a combination of brick and stucco. Suites include bachelor, one bedroom and two bedrooms, and include new appliances and new windows as well as water and heating. Each of the buildings has bottom floor laundry facilities and storage rooms and the property features on-site management. Scenic Heights is located on the southwest corner of the intersection of Scenic Heights South and 16th Avenue South and is within walking distance to Lethbridge College, as well as a variety of shopping, dining and entertainment.

*37 Berkeley Place West, Lethbridge, Alberta (“**Skyline Terrace**”)*

Skyline Terrace, built in 1980, is a 16-storey apartment building consisting of 111 suites. The property comprises bachelor, one bedroom, two bedroom, three bedroom and four bedroom suites, including penthouse suites. Suites feature large balconies, and water, heating and power are all included. The property includes outdoor parking, laundry facilities and full-time management on-site. Skyline Terrace is located on the east side of the terminus of Berkeley Place West cul-de-sac and across the street from the University of Lethbridge, near West Village Mall and Nicholas Sheran Lake.

*1304, 1306 & 1308 23rd Ave North, Lethbridge, Alberta (“**Winston Villa**”)*

Winston Villa, built in 1974, includes three, three-storey buildings comprising 81 suites. Suites are one bedroom or two bedroom with heating and water included. The building features ground floor laundry facilities, a storage room, on-site staff and outdoor and visitor parking. Winston Villa is located on the southeast corner between the intersection between 23rd Avenue North and 13th Street North and is conveniently located near a variety of shopping and dining.

*7104 & 7110 - 41 Street, Lloydminster, Alberta (“**Prairie View Estates**”)*

Prairie View Estates, built in 2013, consists of two buildings comprising 142 suites. The buildings are four storeys and include two bedroom suites and are equipped with air conditioning, hardwood floors, balconies, in-suite laundry and ensuite bathrooms. The building includes with an elevator, keyless entry and is wheelchair accessible. Prairie View Estates is located in an area that consists of residential and commercial land and is close to many shopping and dining destinations, including Wal-Mart, Canadian Tire and Tim Hortons.

*3370 - 72 Avenue, Lloydminster, Alberta (“**Tesla Estates**”)*

Tesla Estates was built in 2014, and comprises three, four-storey buildings totaling 150 suites. Suites are one bedroom, two bedroom and three bedrooms with heating and water included. Suite features include hardwood floors, walk-in closets, stainless steel appliances and balconies. The building features keyless entry, outdoor parking and 24-hour on call maintenance. Tesla Estates is conveniently located near Canadian Tire, Starbucks, Wal-Mart Supercentre and Ecole St. Thomas.

*10804 & 10812 - 102 Avenue, Fort Saint John, British Columbia (“**Azure**”)*

The Azure, constructed in 2015, consists of two wood-structure buildings that are two stories each and comprise a total of 118 suites. The property has one bedroom and two bedrooms suites that each contain stainless steel appliances, storage rooms and in-suite laundry. The property is professionally managed and features elevators, keyless entry and assigned parking. Situated in the northwest area of Fort Saint John, the Azure is close to Finch and Bert Bowes Schools, walking trails and downtown.

*30, 44 & 64 Crosbie Road, St. John’s, Newfoundland and Labrador (“**Grenfell Court**”)*

Grenfell Court was built in 1975 and is a three-storey mixed-use residential and commercial property. The residential portion of the building comprises 116 suites and the commercial space comprises approximately 3,100 square feet of space. Suites are two and three bedrooms and feature large windows and balconies. The building includes laundry facilities, on-site staff as well as outdoor and visitor parking. Grenfell Court is located on the southeast corner of the intersection between Portia Place and Crosbie Road in an area that consists of mostly residential and commercial land uses. It is also conveniently located near shopping centres including a Sobeys and the Avalon Mall.

*99, 100, 101, 102, 103, 105, 107 & 109 Terra Nova Road, St. John’s, Newfoundland and Labrador (“**Valleyview Apartments**”)*

Valleyview Apartments was constructed in 1968 and includes four, three-storey buildings totaling 128 suites. Each building is divided into two portions that each contain a laundry room, an electrical room and two storage rooms. Suites are one, two and three bedrooms. The buildings feature laundry facilities, on-site staff and outdoor and visitor parking. Utilities are not included. Valleyview Apartments is located on the northwest and southwest corners of the intersection between Crosbie Road and Terra Nova Road in an area that consists of residential and commercial property. It is also conveniently located near Sobeys and the Avalon Mall.

83/85/87/89 MacDonald Drive; 135/137 Ennis Avenue; 25/27 Wadland Cres, St. John's, Newfoundland and Labrador (“Sunridge Place”)

Sunridge Place was built in 1968 and comprises four, four-storey buildings totaling 128 suites. The buildings are constructed with cast-in-place concrete foundation and have a wood-structure. Suites are one, two and three bedrooms and do not include any utilities. The building includes laundry facilities, on-site staff as well as outdoor parking. Sunridge Place is situated three blocks from the city centre and are near a Sobeys, Shoppers Drug Mart and Tim Hortons.

346 358 & 360 Empire Ave, St. John's, Newfoundland and Labrador (“Kelly's Brook”)

Kelly's Brook, built in 1991, is a three-storey, 139 suite building for senior residents over the age of 60. Suites are spacious and include bachelor, one bedroom and two bedroom options. Each suite features large windows, mixed-flooring options with some suites including in-suite laundry. Each floor also has six laundry rooms and two common areas. The building also has a bingo machine and a library. Kelly's Brook is located on the west corner of the intersection between Empire Avenue and Stamp's Lane and in an area that predominantly consists of residential and commercial land uses.

5500 Parliament Avenue, Regina, Saskatchewan (“Harbour Landing”)

Harbour Landing was newly built in 2018 and comprises two buildings that are four storeys each and total 134 suites. Suites are one and two bedroom and also feature stainless steel appliances, granite kitchen counter-tops, engineered flooring, in-suite storage areas and in-suite laundry. The building features a fitness room, keyless entry and on-site maintenance. Located in South West Regina, Harbour Landing is also a convenient five-minute drive from the Regina International Airport and the Trans-Canada Highway.

Commercial Real Estate

4903 - 49 Street, Yellowknife, Northwest Territories (the “Courthouse”)

The Courthouse, built in 1980, is a six-storey building comprising approximately 60,000 square feet of commercial office space. The building has a cantilevered main and second floor, which allows for parking. The second floor is accessed by a centre winding stairwell that provides direct public access to the courtrooms on the second floor. The judges' chambers and associated offices are on the second floor with the upper floors occupied by Justice Offices and other arms of the Government of the Northwest Territories. The Courthouse is 100% occupied by several arms of the Government of Northwest Territories.

YK Centre, YK Centre East, YK Centre West - 4802 - 50 Avenue, 4915 - 48 Street, 4905 - 48 Street, Yellowknife, Northwest Territories (collectively, the “YK Centres”)

The YK Centres comprise three buildings that have a total area of approximately 159,000 square feet. The YK Centre is the largest of the three buildings and was built in the 1970s and 1980s. It is a seven-storey mixed-use office and retail building with approximately 96,000 square feet of commercial space. Retail space is on the main floor and in the basement, and office space comprises the remainder. The original structure was built in 1972 with a single storey retail addition with full basement was developed in 1975 and an upper pedway was developed in 1987. Major

tenants of the building are the Government of Northwest Territories, Loblaws Inc. and Home Electronics Ltd.

The YK Centre East is a three-storey, approximately 49,000 square feet office building that was built in 1987. The building has a steel frame with spread footings and raft slabs and exterior steel studs with metal siding. The building was originally built as a mixed-use development that had retail on the main and upper, with an upper pedway connecting the second floor to the YK Centre, across 48th Street. The predominant tenant is the Government of Northwest Territories.

The YK Centre West, built in 1984, is a two-storey mixed-use office and retail building comprising approximately 14,000 square feet of commercial space. The building has a walk-up and a partial basement. The structure is steel frame with spread footings and raft slabs, the exterior is a combination of concrete block, storefront glazing and stained cedar siding, and has been upgraded with horizontal metal siding. Major tenants of the building are Golder Associates and the First Nations Bank of Canada.

Qamutiq Office Building - 630 Queen Elizabeth Way, Iqaluit, Nunavut

The Qamutiq Office Building is a four storey office structure that was built in 2010. Major tenants include the Government of Canada, Workers Safety, Legislative Assembly and the First Nations Bank of Canada.

Execusuites

*HomePort Head Lease Property - 3/5/7/9/11/13 Wadland Cres; 148/150 Torbay Rd; 152/154 Torbay Rd, St. John's, Newfoundland and Labrador ("**HomePort**")*

HomePort was built in 1968 and comprises 140 execusuites located across five buildings. The suites are one, two or three bedrooms, and fully furnished. In addition, the residence offers complimentary parking, complimentary WiFi, a 24-hour front desk, meeting spaces, grocery delivery services, an onsite fitness centre and an onsite coin-operated laundry. Situated close to the heart of downtown St. John's, the residence is less than a ten minute drive away.

*807 Aviq Street, Iqaluit, Nunavut ("**Capital Suites**")*

Capital Suites in Iqaluit was built in 2000 and comprises 42 execusuites. Conveniently located in the heart of Iqaluit, the suites offer comfortable furniture, flat screen televisions, fully-equipped kitchens, complimentary wireless Internet, wheelchair access to the building and elevators, smoke free rooms, and in the summer, air-conditioning suites are available upon request. Located on Baffin Island, Capital Suites provides comfortable accommodations for both short and long-term stays in a one, two or three bedroom suites.

Acquisition of the Initial Portfolio

As part of the Arrangement, the High Yield Fund will indirectly acquire, on the day prior to the completion of the Offering, and for no consideration, a 100% interest in the Initial Portfolio. This acquisition is intended to constitute a "qualifying disposition" (as defined in subsection 107.4(1) of the Tax Act (as defined herein)). See "*Description of the Activities of the High Yield Fund – The Initial Portfolio*". Net proceeds from the Offering and any concurrent private placements, together with indebtedness to be incurred by the High Yield Fund (to the extent required), will be used, to fund a portion of the cash consideration payable to Unitholders under the Arrangement. See "*Available Funds and Principal Purpose*".

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS OF THE INITIAL PORTFOLIO

The following management's discussion and analysis ("**Initial Portfolio MD&A**") of the carve-out financial results of the Initial Portfolio dated April 23, 2020 for the years ended December 31, 2019 and December 31, 2018, should be read in conjunction with the Initial Portfolio carve-out financial statements and accompanying notes for these periods included in Appendix "J" to the Circular. The Initial Portfolio and its related assets and liabilities are currently indirectly owned by the REIT.

Basis of Presentation

The Initial Portfolio's audited combined carve-out financial statements and notes thereto for the years ended December 31, 2019, December 31, 2018 and December 31, 2017 have been prepared in accordance with IFRS. All amounts in the following Initial Portfolio MD&A are in Canadian dollars unless otherwise stated.

Business Overview

The Initial Portfolio as presented in this Initial Portfolio MD&A is not a legal entity nor an operating business.

On February 19, 2020, the Retained Interest Holders entered into an Arrangement Agreement with the REIT and NPR GP Inc. (one of the general partners of NPR Limited Partnership, a subsidiary limited partnership of the REIT) pursuant to which the Retained Interest Holders agreed to acquire the REIT, subject to the satisfaction of certain conditions. Under the terms of the Arrangement, each Unitholder will receive cash in the amount of \$36.25 per trust unit of the REIT, subject to the option for the Unitholders to elect to receive all or a portion of the consideration for the Arrangement in High Yield Fund Units on a fully or partially tax-deferred basis. The Arrangement will close over the course of two days in accordance with the steps set forth in the Plan of Arrangement, and the Offering is anticipated to close on or about the second day.

As part of the Arrangement, the High Yield Fund will indirectly acquire, on the day prior to the completion of the Offering, and for no consideration, a 100% interest in the Initial Portfolio, a geographically diversified portfolio comprising income-producing multi-residential suites, commercial real estate and executives located primarily in secondary markets within British Columbia, Alberta, Saskatchewan, Québec, New Brunswick, Newfoundland and Labrador, the Northwest Territories and Nunavut. The Initial Portfolio is currently owned and operated by the REIT. The principal business office of the Initial Portfolio and the REIT is located at 200, 6131 6th Street SE, Calgary, Alberta.

2019 Annual Results

Selected Annual Information

(thousands of dollars)	2019	2018	2017
Total revenue	194,001	189,151	179,473
Total NOI	114,740	112,615	107,551
NOI margin	59.1%	59.5%	59.9%
Same door NOI increase ⁽¹⁾	0.3%	2.0%	n/a
Occupancy ⁽¹⁾	91.0%	90.5%	89.5%
Net and comprehensive income	40,187	90,799	32,774

Note:

(1) Non-IFRS measure. See "Non-IFRS Measures".

Strategic External Growth

Acquisitions

Acquisitions completed during the year ended December 31, 2019 (costs in thousands of dollars):

Location	Units	Square Footage	Date	Cost
Yellowknife, Northwest Territories	-	4,400	Q3 2019	862
Total	-	4,400		862

Acquisitions completed during the year ended December 31, 2018 (costs in thousands of dollars):

Location	Units	Square Footage	Date	Cost
Dieppe, Brunswick	New 18	6,900	Q3 2018	3,559
Iqaluit, Nunavut	-	17,000	Q3 2018	5,191
Total	18	23,900		8,750

Acquisitions completed during the year ended December 31, 2017 (costs in thousands of dollars):

Location	Units	Square Footage	Date	Cost
Moncton, Brunswick	New 327	10,800	Q3, Q4 2017	34,012
Total	327	10,800		34,012

Acquisitions were financed by the REIT and have been reflected as contributions from the REIT in each respective period.

Developments

Projects under development at December 31, 2019 (costs in thousands of dollars):

Location	Units	Expected Occupancy	Total Estimated Cost	Total Cost Incurred	Expected Stabilized Yield
Iqaluit, Nunavut	30	2020	10,000	7,485	9.0% to 9.5%
Total	30		10,000	7,485	

The Initial Portfolio commenced the Iqaluit, Nunavut, development, consisting of 30 suites and approximately 5,900 square feet of commercial space, in the third quarter of 2019 with initial occupancy expected in the first half of 2020. Total estimated development costs are \$10 million.

Projects completed during the year ended December 31, 2018 (costs and net fair value increases in thousands of dollars):

Location	Units	Initial Occupancy	Total Incurred Cost	Expected Stabilized Capitalization Rate	Net Fair Value Increase
Regina, Saskatchewan, Saskatchewan	132	Q1 2018	22,300	7.0% to 7.5%	5,800
Iqaluit, Nunavut	30	Q1 2018	9,400	9.0% to 9.5%	1,300
Total	162		31,700		7,100

In the first quarter of 2018 the Initial Portfolio completed development of 132 suites in Regina, Saskatchewan, and achieved stabilized occupancy of 95% in the third quarter of 2018. Also completed in the first quarter of 2018 was the development of 30 multi-residential suites and approximately 11,000 square feet of commercial space in Iqaluit, Nunavut, which were fully leased in the fourth quarter of 2018.

Projects completed during the year ended December 31, 2017 (costs and net fair value increases in thousands of dollars):

Location	Units	Initial Occupancy	Total Incurred Cost	Expected Stabilized Capitalization Rate	Net Fair Value Increase
Cambridge Bay, Nunavut	36	Q2 2017	10,500	10.0% to 10.5%	2,000
Total	36		10,500		2,000

In the second quarter of 2017 the Initial Portfolio completed the development of 36 suites in Cambridge Bay, Nunavut, which was 100% leased by the first quarter of 2018.

Developments were funded by the REIT's operating and construction credit facilities.

2019 Operating Results

The following section provides a comparison of the operating results for the years ended December 31, 2019, December 31, 2018 and December 31, 2017. Operations include the multi-residential suites and commercial real estate and executives business segments.

Management presents geographical segment reporting for Western Canada, Northern Canada and Atlantic Canada. The Western Canada region includes the operations of properties located in Alberta, British Columbia and Saskatchewan. The Northern Canada region includes the operations of properties located in the Northwest Territories and Nunavut. The Atlantic Canada region includes the operations of properties located in Newfoundland and Labrador, New Brunswick and Québec.

Revenue by Business Segment

(thousands of dollars)	Year ended December 31					
	Total			Same Door		
	2019	2018	Change	2019	2018	Change
Multi-residential suites	150,691	146,415	2.9%	146,817	144,367	1.7%
Commercial real estate and executives	43,310	42,736	1.3%	41,942	42,095	(0.4%)
Total	194,001	189,151	2.6%	188,759	186,462	1.2%

(thousands of dollars)	Year ended December 31					
	Total			Same Door		
	2018	2017	Change	2018	2017	Change
Multi-residential	146,415	138,542	5.7%	139,666	136,407	2.4%
Commercial real estate and executives	42,736	40,931	4.4%	42,095	40,475	4.0%
Total	189,151	179,473	5.4%	181,761	176,882	2.8%

Revenue in the multi-residential suites business segment for the year ended December 31, 2019, increased \$4.3 million or 2.9% compared to the same period of 2018. The increase was primarily due to higher AMR and occupancy, and newly developed properties. For the year ended December 31, 2018, multi-residential suites revenue increased \$7.9 million or 5.7% compared to the same period of 2017, primarily due to contributions from acquisitions and newly developed properties, and higher AMR.

Same door revenue in the multi-residential suites business segment for the year ended December 31, 2019, increased \$2.5 million or 1.7% compared to the same period of 2018, as a result of higher AMR and occupancy. For the year ended December 31, 2018, same door revenue increased \$3.3 million or 2.4% compared to the same period of 2017, primarily due to higher AMR.

Revenue in the commercial real estate and execusuites business segment for the year ended December 31, 2019, increased \$0.6 million or 1.3% compared to the same period of 2018, due to contributions from recent acquisitions and new developments. For the year ended December 31, 2018, commercial real estate and execusuites revenue increased \$1.8 million or 4.4% compared to the same period of 2017, mainly due to acquisitions of commercial and mixed-use properties and higher occupancy at the execusuites.

Same door revenue in the commercial real estate and execusuites business segment for the year ended December 31, 2019, decreased by \$0.2 million or 0.4% compared to the same period of 2018, due to lower revenue as a result of an increase in supply of execusuites properties in Yellowknife, Northwest Territories, and St. John's, Newfoundland and Labrador. For the year ended December 31, 2018, same door revenue for the commercial real estate and execusuites business segment increased \$1.6 million or 4.0% compared to the same period of 2017, mainly due to higher occupancy at the execusuites.

Operating Expenses by Business Segment

<i>(thousands of dollars)</i>	Year ended December 31					
	Total			Same Door		
	2019	2018	Change	2019	2018	Change
Multi-residential suites	60,542	58,418	3.6%	59,383	57,645	3.0%
Commercial real estate and execusuites	18,719	18,118	3.3%	18,053	17,822	1.3%
Total	79,261	76,536	3.6%	77,436	75,467	2.6%

<i>(thousands of dollars)</i>	Year ended December 31					
	Total			Same Door		
	2018	2017	Change	2018	2017	Change
Multi-residential suites	58,418	55,216	5.8%	55,979	54,469	2.8%
Commercial real estate and execusuites	18,118	16,706	8.5%	17,822	16,600	7.4%
Total	76,536	71,922	6.4%	73,801	71,069	3.8%

Operating Expenses by Expense Category

<i>(thousands of dollars)</i>	Year ended December 31					
	Total			Same Door		
	2019	2018	Change	2019	2018	Change
Utilities	23,866	21,370	11.7%	23,319	21,076	10.6%
Property taxes	13,873	13,918	(0.3%)	13,373	13,654	(2.1%)
Salaries and benefits	8,662	8,514	1.7%	8,569	8,371	2.4%
Maintenance	16,963	16,816	0.9%	16,648	16,644	0.0%
General	15,897	15,918	(0.1%)	15,526	15,721	(1.2%)
Total	79,261	76,536	3.6%	77,435	75,466	2.6%

Year ended December 31						
(thousands of dollars)	Total			Same Door		
	2018	2017	Change	2018	2017	Change
Utilities	21,370	19,393	10.2%	20,506	19,154	7.1%
Property taxes	13,918	13,499	3.1%	13,035	13,117	(0.6%)
Salaries and benefits	8,514	7,877	8.1%	8,371	7,877	6.3%
Maintenance	16,816	16,262	3.4%	16,290	16,125	1.0%
General	15,918	14,891	6.9%	15,598	14,797	5.4%
Total	76,536	71,922	6.4%	73,800	71,070	3.8%

Total operating expenses for the year ended December 31, 2019, increased \$2.7 million or 3.6% compared to the same period of 2018. Higher operating expenses are mainly due to higher utility costs, partially offset by lower property taxes from successful property tax appeals. For the year ended December 31, 2018, total operating expenses increased \$4.6 million or 6.4% compared to the same period of 2017, mainly due to higher utility costs and new acquisitions.

Same door operating expenses for the year ended December 31, 2019, increased \$2.0 million or 2.6% compared to the same period of 2018, mainly due to higher utilities and salaries and benefits, partially offset by lower general operating expenses and successful property tax appeals. For the year ended December 31, 2018, same door operating expenses increased by \$2.7 million or 3.8% compared to the same period of 2017, mainly due to higher utilities, salaries and benefits, and general operating expense.

Same door utilities expense for the year ended December 31, 2019, increased \$2.2 million or 10.6% compared to the same period of 2018. The increase in same door utilities expense was due to higher fuel oil expense in Northern Canada and higher water costs throughout most of the regions. Additionally, below normal temperatures experienced in the first quarter of 2019 resulted in higher consumption of natural gas, heating fuel oil and wood pellets, compared to the same period of 2018. There was an increase in natural gas prices due to a decline in natural gas storage levels and colder temperatures during the first quarter of 2019. The Initial Portfolio entered into fixed price contracts in Alberta for natural gas to reduce volatility. For the year ended December 31, 2018, same door utilities expense increased \$1.4 million or 7.1% compared to the same period of 2017, due to higher heating costs.

On a same door basis, property taxes for the year ended December 31, 2019, decreased \$0.3 million or 2.1% compared to the same period of 2018. Higher property tax expenses in the first half of 2019, as a result of assessment of higher property values, were offset by successful property tax appeals in Western Canada and Atlantic Canada during the second half of 2019. For the year ended December 31, 2018, same door property taxes decreased \$0.1 million or 0.6% compared to the same period of 2017, due to higher property tax assessments offset by successful property tax appeals. The Initial Portfolio closely monitors property tax assessments and files property tax appeals when appropriate.

Salaries and benefits on a same door basis for the year ended December 31, 2019, increased \$0.2 million or 2.4% compared to the same period of 2018, mainly due to general salary increases. For the year ended December 31, 2018, same door salaries and benefits increased \$0.5 million or 6.3% compared to the same period of 2017, due to general salary increases and increased staffing levels to further develop the internal property management infrastructure.

Same door maintenance expenses for the year ended December 31, 2019, were consistent with the same period of 2018. For the year ended December 31, 2018, same door maintenance expense increased \$0.2 million or 1.0% compared to the same period of 2017. Higher costs incurred in the first half of 2018 were partially offset by maintenance cost reductions in the second half of 2018, due to management establishing an internal maintenance team in Atlantic Canada to reduce maintenance costs.

On a same door basis, general operating expenses for the year ended December 31, 2019, decreased slightly by \$0.2 million or 1.2% compared to the same period of 2018. The Initial Portfolio continues to focus on reducing controllable expenses which contributed to the slight decrease in general

operating expenses, which included the improved management of bad debts expenses and office administration costs. For the year ended December 31, 2018, same door general operating expenses increased \$0.8 million or 5.4% compared to the same period of 2017, due to an increase in insurance expense and higher administration costs incurred to further develop the internal property management infrastructure.

Net Operating Income

The Initial Portfolio uses NOI and same door NOI as key indicators to measure financial performance. Same door NOI is a key measurement of the Initial Portfolio's ability to generate NOI based on the stabilized properties owned by the Initial Portfolio for both the current reporting period and on or before the first day of the previous annual reporting period, excluding the impact of acquisitions, dispositions, and developments.

NOI by Business Segment

<i>(thousands of dollars)</i>	Year ended December 31					
	Total			Same Door		
	2019	2018	Change	2019	2018	Change
Multi-residential suites	90,149	87,997	2.4%	87,434	86,722	0.8%
Commercial real estate and execusuites	24,591	24,618	(0.1%)	23,889	24,273	(1.6%)
Total	114,740	112,615	1.9%	111,323	110,995	0.3%
NOI margin %	59.1%	59.5%	(40 bps)	59.0%	59.5%	(50 bps)

<i>(thousands of dollars)</i>	Year ended December 31					
	Total			Same Door		
	2018	2017	Change	2018	2017	Change
Multi-residential suites	87,997	83,326	5.6%	83,687	81,938	2.1%
Commercial real estate and execusuites	24,618	24,225	1.6%	24,273	23,875	1.7%
Total	112,615	107,551	4.7%	107,960	105,813	2.0%
NOI margin %	59.5%	59.9%	(40 bps)	59.4%	59.8%	(40 bps)

Total NOI increased \$2.1 million or 1.9%, for the year ended December 31, 2019, compared to the same period of 2018, mainly due to higher AMR, higher occupancy, and contributions from newly developed properties, partially offset by higher utility costs. For the year ended December 31, 2018, total NOI increased \$5.1 million or 4.7% compared to the same period of 2017, primarily due to contributions from acquisitions and newly developed properties, and higher same door revenue growth.

Same door NOI for the year ended December 31, 2019, was consistent with the same period of 2018. Same door NOI increased \$2.1 million or 2.0% for the year ended December 31, 2018, compared to the same period of 2017, mainly due to higher AMR and higher occupancy at the execusuites.

NOI by Region and Business Segment

<i>(thousands of dollars)</i>	Year ended December 31					
	Multi-residential suites			Commercial real estate and execusuites		
	2019	2018	Change	2019	2018	Change
Western Canada	33,845	32,030	5.7%	497	463	7.3%
Northern Canada	39,708	39,793	(0.2%)	18,878	18,677	1.1%
Atlantic Canada	16,596	16,174	2.6%	5,216	5,478	(4.8%)
Total	90,149	87,997	2.4%	24,591	24,618	(0.1%)

Year ended December 31						
(thousands of dollars)	Multi-residential suites			Commercial real estate and executives		
	2018	2017	Change	2018	2017	Change
Western Canada	32,030	31,051	3.2%	463	554	(16.4%)
Northern Canada	39,793	37,781	5.3%	18,677	18,101	3.2%
Atlantic Canada	16,174	14,494	11.6%	5,478	5,570	(1.7%)
Total	87,997	83,326	5.6%	24,618	24,225	1.6%

NOI by Region

Year ended December 31						
(thousands of dollars)	2019	2018	Change	2018	2017	Change
	Western Canada	34,342	32,493	5.7%	32,493	31,605
Northern Canada	58,586	58,470	0.2%	58,470	55,882	4.6%
Atlantic Canada	21,812	21,652	0.7%	21,652	20,064	7.9%
Total	114,740	112,615	1.9%	112,615	107,551	4.7%

Initial Portfolio Summary – December 31, 2019 (including Joint Ventures at 100%)

Regions	Multi-residential suites	Commercial real estate	
		(Square Footage)	Execusuites
Western Canada	5,261	130,789	-
Northern Canada	2,447	751,843	200
Atlantic Canada	3,229	243,129	145
Total	10,937	1,125,761	345

Multi-Residential Suites Operations

Same Door NOI, AMR, And Occupancy by Region

Same Door NOI % Change

	2019	2018	2017
Western Canada	2.5%	0.7%	n/a
Northern Canada	(1.1%)	2.8%	n/a
Atlantic Canada	2.2%	3.5%	n/a
Overall	0.8%	2.1%	n/a

Same door NOI% change is only shown for 2019 and 2018 as the reporting period includes the years ended December 31, 2019, 2018, and 2017.

AMR

	2019	2018	2017
Western Canada	1,067	1,051	1,033
Northern Canada	2,183	2,137	2,089
Atlantic Canada	818	798	791
Overall	1,260	1,232	1,210

Occupancy

	2019	2018	2017
Western Canada	83.5%	82.6%	83.1%
Northern Canada	97.0%	96.8%	95.0%
Atlantic Canada	95.6%	94.8%	93.6%
Overall	91.0%	90.5%	89.5%

Multi-Residential Suites AMR and Occupancy by Region

	AMR			Occupancy		
	2019	2018	Change (%)	2019	2018	Change (bps)
Alberta	1,088	1,087	0.1%	83.7%	83.3%	40
British Columbia	929	910	2.1%	79.4%	78.5%	90
Saskatchewan	1,283	1,228	4.5%	94.1%	93.0%	110
Western Canada	1,067	1,051	1.5%	83.5%	82.6%	90
Northwest Territories	1,737	1,685	3.1%	93.3%	93.7%	(40)
Nunavut	2,658	2,610	1.8%	99.7%	99.1%	60
Northern Canada	2,183	2,137	2.2%	97.0%	96.8%	20
Newfoundland and Labrador	841	828	1.6%	93.1%	92.1%	100
New Brunswick	801	774	3.5%	98.8%	98.1%	70
Québec	722	715	1.0%	95.9%	97.1%	(120)
Atlantic Canada	818	798	2.5%	95.6%	94.8%	80
Total	1,260	1,232	2.3%	91.0%	90.5%	50

	AMR			Occupancy		
	2018	2017	Change (%)	2018	2017	Change (bps)
Alberta	1,087	1,062	2.4%	83.3%	83.5%	(20)
British Columbia	910	889	2.4%	78.5%	80.1%	(160)
Saskatchewan	1,228	1,292	(5.0%)	93.0%	94.7%	(170)
Western Canada	1,051	1,033	1.7%	82.6%	83.1%	(50)
Northwest Territories	1,685	1,653	1.9%	93.7%	92.4%	130
Nunavut	2,610	2,572	1.5%	99.1%	97.0%	210
Northern Canada	2,137	2,089	2.3%	96.8%	95.0%	180
Newfoundland and Labrador	828	827	0.1%	92.1%	92.7%	(60)
New Brunswick	774	759	2.0%	98.1%	97.1%	100
Québec	715	697	2.6%	97.1%	98.2%	(110)
Atlantic Canada	798	791	0.9%	94.8%	93.6%	120
Total	1,232	1,210	1.8%	90.5%	89.5%	100

AMR Change on Multi-Residential Suite Turnover

	Year ended December 31			2018	2017	Change (bps)
	2019	2018	Change (bps)			
Western Canada	0.3%	2.1%	(180)	2.1%	1.7%	40
Northern Canada	2.6%	4.6%	(200)	4.6%	0.9%	370
Atlantic Canada	0.5%	0.8%	(30)	0.8%	1.7%	(90)
Total	0.7%	2.2%	(150)	2.2%	1.7%	50

For the year ended December 31, 2019, the AMR increase on multi-residential suite turnover was lower compared to the same period of 2018, due to continued challenging economic conditions in some resource-based markets, reduced demand for rental suites as a result of the completion of a large infrastructure project in Yellowknife, Northwest Territories, and challenging market conditions in St. John's, Newfoundland and Labrador. AMR increases on multi-residential suite turnover for the year ended December 31, 2018, in Western Canada and Northern Canada were higher compared to the same period of 2017, primarily attributable to favourable market conditions. The AMR increase on multi-residential suite turnover in Atlantic Canada was lower compared to the same period of 2017, due to decreases in turnover in St. John's, Newfoundland and Labrador, partially offset by an acceleration in rent lifts in New Brunswick.

Western Canada Operations

AMR was \$1,067 as at December 31, 2019, an increase of 1.5% compared to \$1,051 as at December 31, 2018. AMR increased throughout the region compared to the same period of 2018. In Alberta, overall AMR remained relatively stable. Positive AMR growth realized in most markets in Alberta were offset by a reduction in AMR in Fort McMurray, Alberta, due to a challenging economic market. In British Columbia, lower lease incentives and AMR growth in Fort St. John, British Columbia, and Prince George, British Columbia, contributed to a 2.1% increase in AMR compared to 2018. In Saskatchewan, AMR increased 4.5% compared to 2018, due to the stabilization of the recently completed development with higher AMR in Regina, Saskatchewan.

Occupancy was 83.5% for the year ended December 31, 2019, compared to 82.6% for the same period of 2018. The increase in occupancy was throughout the region. Slightly improved economic conditions combined with higher lease incentives led to increased occupancy. The Initial Portfolio's occupancy in these markets is influenced by short-term rentals to contractors, which are affected by the number of infrastructure projects in-progress. The Initial Portfolio manages vacancy through market rents and incentives to maximize revenue, and by developing relationships with contractors to proactively secure short-term rentals.

AMR was \$1,051 as at December 31, 2018, an increase of 1.7% compared to \$1,033 as at December 31, 2017. The increase in AMR was attributable to higher AMR in Alberta and British Columbia, partially offset by lower AMR in Saskatchewan. In Alberta, the increase in AMR was due to improved market conditions in most regions and increased market rents compared to the same period of 2017. In British Columbia, the increase in AMR from the same period of 2017 was due to increased market rents. In Saskatchewan, the decrease in AMR from the same period of 2017 was due to increased incentives to maintain occupancy levels in a soft economic environment.

Occupancy was 82.6% for the year ended December 31, 2018, compared to 83.1% for the same period of 2017. The decrease in occupancy was mainly attributable to British Columbia and Saskatchewan, while Alberta remained consistent with the same period of 2017. In British Columbia, the decrease was due to the emergence of new large-scale worker camps and recent new supply in the Fort St. John market that impacted occupancy levels. In Saskatchewan, the decrease in occupancy was attributable to a soft economic environment.

Year ended December 31						
Western Canada	Total			Same Door		
(thousands of dollars)	2019	2018	Change	2019	2018	Change
Revenue	57,912	55,883	3.6%	55,381	54,549	1.5%
Operating expenses	(24,067)	(23,853)	0.9%	(23,314)	(23,264)	0.2%
NOI	33,845	32,030	5.7%	32,067	31,285	2.5%
NOI margin %	58.4%	57.3%	110 bps	57.9%	57.4%	50 bps

Year ended December 31						
Western Canada	Total			Same Door		
(thousands of dollars)	2018	2017	Change	2018	2017	Change
Revenue	55,883	53,985	3.5%	54,549	53,983	1.0%
Operating expenses	(23,853)	(22,934)	4.0%	(23,264)	(22,915)	1.5%
NOI	32,030	31,051	3.2%	31,285	31,068	0.7%
NOI margin %	57.3%	57.5%	(20 bps)	57.4%	57.6%	(20 bps)

Western Canada represents 48.1% of total multi-residential suites and 37.5% of reported multi-residential suites NOI for the year ended December 31, 2019.

NOI increased \$1.8 million or 5.7%, for the year ended December 31, 2019, compared to the same period of 2018, due to higher AMR and contributions from new developments, partially offset by higher lease incentives and utilities. For the year ended December 31, 2018, NOI increased \$1.0 million or 3.2% compared to the same period of 2017, due to higher AMR and the new development in Regina, Saskatchewan, partially offset by higher vacancy and utilities.

Same door NOI increased \$0.8 million or 2.5% for the year ended December 31, 2019, compared to the same period of 2018. The increase in same door NOI was mainly due to higher revenue from increased AMR, partially offset by higher lease incentives and utilities. For the year ended December 31, 2018, same door NOI increased \$0.2 million or 0.7% compared to the same period of 2017, due to higher revenue from increased AMR, partially offset by higher vacancy and utilities.

Same door NOI margin increased 50 bps for the year ended December 31, 2019, compared to the same period of 2018. The increase was due to higher AMR and effective management of controllable expenses. For the year ended December 31, 2018, same door NOI margin was consistent with 2017.

Northern Canada Operations

AMR was \$2,183 as at December 31, 2019, an increase of 2.2% compared to \$2,137 as at December 31, 2018. The increase in AMR was due to rent increases upon lease renewal.

Occupancy in Northern Canada was 97.0% for the year ended December 31, 2019, compared to 96.8% for the same period of 2018. In Nunavut, the market continued to experience strong occupancy which is attributable to tight supply conditions. In the Northwest Territories, the decrease in occupancy was attributable to the softer performance in Yellowknife, Northwest Territories, in the first half of 2019. Recent new supply and the completion of a large infrastructure project impacted occupancy levels. This temporary decline was partially offset by improved occupancy in the second half of 2019 as a result of lease renewal with government tenants.

AMR was \$2,137 as at December 31, 2018, compared to \$2,089 as at December 31, 2017. The increase in AMR was due to rent increases upon the renewal of leases. AMR increased throughout the region, including Inuvik, Northwest Territories, where rents were reduced in 2017 to manage occupancy levels in a soft economic environment.

Occupancy in Northern Canada was 96.8% for the year ended December 31, 2018, compared to 95.0% for the same period of 2017. In Nunavut, occupancy increased throughout the region compared to the same period of 2017, due to a strong economy. In the Northwest Territories, the increase in occupancy in 2018 compared to 2017, was attributable to higher market rents combined with an increase in corporate leases.

Year ended December 31						
Northern Canada	Total			Same Door		
(thousands of dollars)	2019	2018	Change	2019	2018	Change
Revenue	61,979	60,643	2.2%	60,920	60,045	1.5%
Operating expenses	(22,271)	(20,850)	6.8%	(22,034)	(20,733)	6.3%
NOI	39,708	39,793	(0.2%)	38,886	39,312	(1.1%)
NOI margin %	64.1%	65.6%	(150 bps)	63.8%	65.5%	(170 bps)

Year ended December 31						
Northern Canada	Total			Same Door		
(thousands of dollars)	2018	2017	Change	2018	2017	Change
Revenue	60,643	57,592	5.3%	58,796	56,850	3.4%
Operating expenses	(20,850)	(19,811)	5.2%	(20,608)	(19,718)	4.5%
NOI	39,793	37,781	5.3%	38,188	37,132	2.8%
NOI margin %	65.6%	65.6%	-	64.9%	65.3%	(40 bps)

Northern Canada represents 22.4% of total multi-residential suites and 44.1% of reported multi-residential suites NOI for the year ended December 31, 2019.

For the year ended December 31, 2019, NOI was consistent with the same period of 2018. Higher revenue from increased AMR and occupancy, as well as contributions from new developments, were offset by higher water costs, and higher fuel oil expenses as a result of higher fuel oil prices and colder weather conditions in Yellowknife, Northwest Territories, compared to the same period of 2018. For the year ended December 31, 2018, NOI increased \$2.0 million or 5.3% compared to the same period of 2017. The increase in NOI was attributable to higher AMR, increased occupancy in the region, and contributions from new developments in Cambridge Bay, Nunavut, and Iqaluit, Nunavut.

Same door NOI for the year ended December 31, 2019, decreased \$0.4 million or 1.1% compared to the same period of 2018, due to higher utility costs, partially offset by higher AMR and occupancy. Same door NOI increased \$1.1 million or 2.8%, for the year ended December 31, 2018, compared to the same period of 2017, due to higher AMR and increased occupancy, partially offset by higher utilities, and higher salaries.

Same door NOI margin decreased 170 bps for the year ended December 31, 2019, compared to the same period of 2018, due to utilities expenses increasing disproportionately to the revenue growth. For the year ended December 31, 2018, same door NOI margin remained relatively flat.

Atlantic Canada Operations

AMR was \$818 as at December 31, 2019, an increase of 2.5% compared to \$798 as at December 31, 2018. The increase in AMR was due to a continuation of strong economic conditions in New Brunswick, partially offset by more challenged conditions in St. John's, Newfoundland and Labrador.

Occupancy was 95.6% for the year ended December 31, 2019, compared to 94.8% for the same period of 2018. In Newfoundland and Labrador, the increase in occupancy was attributable to Labrador City, Newfoundland and Labrador, where occupancy increased 1,170 basis points to 80.6% compared to 68.9% for the same period of 2018, due to the re-opening of a local iron ore mine which resulted in a rise

in employment in the region. In New Brunswick, the increase in occupancy is mainly attributable to a strong economy, labour market and increased migration.

AMR was \$798 as at December 31, 2018, an increase of 0.9% compared to \$791 as at December 31, 2017. In New Brunswick, the increase in AMR from the same period of 2017 was due to improved market conditions and increased market rents. Newfoundland and Labrador remained stable, positive growth in Gander, Newfoundland and Labrador, was offset by a slight decrease in St. John's, Newfoundland and Labrador.

Occupancy was 94.8% for the year ended December 31, 2018, compared to 93.6% for the same period of 2017. In Newfoundland and Labrador, the decrease was attributable to St. John's, Newfoundland and Labrador, where new supply impacted occupancy. In New Brunswick, the increase in occupancy was due to improved economic conditions and the internalization of property management.

Year ended December 31						
Atlantic Canada	Total			Same Door		
(thousands of dollars)	2019	2018	Change	2019	2018	Change
Revenue	30,800	29,889	3.0%	30,516	29,773	2.5%
Operating expenses	(14,204)	(13,715)	3.6%	(14,035)	(13,648)	2.8%
NOI	16,596	16,174	2.6%	16,481	16,125	2.2%
NOI margin %	53.9%	54.1%	(20 bps)	54.0%	54.2%	(20 bps)

Year ended December 31						
Atlantic Canada	Total			Same Door		
(thousands of dollars)	2018	2017	Change	2018	2017	Change
Revenue	29,889	26,965	10.8%	26,321	25,574	2.9%
Operating expenses	(13,715)	(12,471)	10.0%	(12,107)	(11,836)	2.3%
NOI	16,174	14,494	11.6%	14,214	13,738	3.5%
NOI margin %	54.1%	53.8%	30 bps	54.0%	53.7%	30 bps

Atlantic Canada represents 29.5% of total multi-residential suites and 18.4% of reported multi-residential suites NOI for the year ended December 31, 2019.

For the year ended December 31, 2019, NOI increased \$0.4 million or 2.6% compared to the same period of 2018, mainly due to higher AMR and occupancy, partially offset by higher utilities. NOI increased \$1.7 million or 11.6% for the year ended December 31, 2018, compared to the same period of 2017, due to higher AMR and occupancy, and contributions from new acquisitions, partially offset by higher operating expenses.

Same door NOI increased \$0.4 million or 2.2% for the year ended December 31, 2019, compared to the same period of 2018, due to higher AMR and occupancy, partially offset by higher utilities expenses. For the year ended December 31, 2018, same door NOI increased \$0.5 million or 3.5% compared to the same period of 2017, due to higher AMR and occupancy, partially offset by higher operating expenses. In addition, 2017 included one-time electricity rebates of \$0.1 million. Excluding these one-time rebates, same door NOI growth would be 4.5% for the year ended December 31, 2018, compared to the same period of 2017.

Same door NOI margin of 54.0% for the year ended December 31, 2019, was consistent with 54.2% for the same period of 2018. For the year ended December 31, 2018, same door NOI margin increased to 54.0% from 53.7% compared to the same period of 2017, due to higher revenue and cost savings from internalization of the New Brunswick portfolio.

Commercial Real Estate and Execusuites Operations

The Initial Portfolio's commercial real estate and execusuites are located in regions where certain multi-residential suites comprising the Initial Portfolio are located. The commercial real estate comprising the Initial Portfolio consists of office, warehouse and mixed-use buildings, which are largely leased to federal or territorial governments and other credit-rated commercial tenants under long-term leases. In addition, the Initial Portfolio operates four execusuites in Yellowknife, Northwest Territories, Iqaluit, Nunavut, St. John's, Newfoundland and Labrador, and a 50% joint venture in Inuvik, Northwest Territories. The execusuites offer apartment-style accommodation and are rented for both short and long-term stays.

Year ended December 31						
(thousands of dollars)	Total			Same Door		
	2019	2018	Change	2019	2018	Change
Revenue	43,310	42,736	1.3%	41,942	42,095	(0.4%)
Operating expenses	(18,719)	(18,118)	3.3%	(18,053)	(17,822)	1.3%
NOI	24,591	24,618	(0.1%)	23,889	24,273	(1.6%)
NOI margin %	56.8%	57.6%	(80 bps)	57.0%	57.7%	(70 bps)

Year ended December 31						
(thousands of dollars)	Total			Same Door		
	2018	2017	Change	2018	2017	Change
Revenue	42,736	40,931	4.4%	42,095	40,475	4.0%
Operating expenses	(18,118)	(16,706)	8.5%	(17,822)	(16,600)	7.4%
NOI	24,618	24,225	1.6%	24,273	23,875	1.7%
NOI margin %	57.6%	59.2%	(160 bps)	57.7%	59.0%	(130 bps)

NOI for the year ended December 31, 2019, was consistent with the same period of 2018. Positive contributions from recent acquisitions and new developments were offset by lower revenue at the execusuites located in Yellowknife, Northwest Territories and St. Johns, Newfoundland and Labrador, where both markets have been impacted by new supply. For the year ended December 31, 2018, NOI increased \$0.4 million or 1.6% compared to the same period of 2017, mainly due to acquisitions of commercial and mixed-use properties and higher occupancy across the execusuites.

Same door NOI for the year ended December 31, 2019, decreased \$0.4 million or 1.6% compared to the same period of 2018, due to lower revenue at the execusuites located in Yellowknife, Northwest Territories and St. Johns, Newfoundland and Labrador, as previously mentioned. For the year ended December 31, 2018, same door NOI increased \$0.4 million or 1.7% compared to the same period of 2017, mainly due to higher occupancy at the execusuites.

The execusuites operated at an average occupancy of 60.5% for the year ended December 31, 2019, compared to 63.3% for the same period of 2018 and 56.0% for the same period of 2017.

Commercial Real Estate Summary (including Joint Ventures at 100%)

Year ended December 31						
	\$ Average Rent per Square Foot			Occupancy		
	2019	2018	Change (%)	2019	2018	Change (bps)
Western Canada	14.28	13.11	8.9%	68.5%	72.1%	(360)
Northern Canada	25.78	26.0	(1.1%)	94.2%	94.1%	(10)
Atlantic Canada	19.10	18.8	1.2%	94.9%	95.3%	(40)
Total / Average	23.44	23.38	0.3%	91.4%	91.7%	(30)

Year ended December 31						
	\$ Average Rent per Square Foot			Occupancy		
	2018	2017	Change (%)	2018	2017	Change (bps)
Western Canada	13.11	13.2	(1.3%)	72.1%	72.4%	(30)
Northern Canada	26.0	24.87	4.8%	94.1%	94.5%	(40)
Atlantic Canada	18.8	19.06	(1.0%)	95.3%	94.8%	50
Total / Average	23.38	22.72	2.9%	91.7%	91.8%	(10)

Overall, the Average Rent per Square Foot increased 0.3% for the year ended December 31, 2019, compared to the same period of 2018. The increase was mainly attributable to Western Canada and was due to scheduled rent increases for existing leases and rent increases upon lease renewal. Overall, the Average Rent per Square Foot increased 2.9% for the year ended December 31, 2018, compared to the same period of 2017. The increase was mainly attributable to Northern Canada and was due to scheduled rent increases for existing leases and rent increases upon the renewal of leases.

Commercial real estate occupancy slightly decreased 30 bps for the year ended December 31, 2019, compared to the same period of 2018. The decrease in occupancy was mainly due to increased vacancy at a property in Fort St. John, British Columbia. Commercial real estate occupancy for the year ended December 31, 2018, was consistent with the same period of 2017.

There was approximately 157,000 square feet of commercial real estate with leases maturing in 2019, of which approximately 126,000 square feet was renewed, and approximately 22,000 square feet was on a monthly lease as of December 31, 2019. The Initial Portfolio has 174,000 square feet of commercial real estate space with leases maturing in 2020. The Initial Portfolio actively manages occupancy levels through a proactive lease renewal program and utilizing tenant inducements, when appropriate.

Q4 2019 Results

During the fourth quarter of 2019, the Initial Portfolio's operating performance remained strong with stable occupancy and increasing AMR.

Northern Canada operating results were consistent with higher revenue from increased AMR and occupancy, offset by higher utilities mainly as a result of colder weather conditions in Yellowknife, Northwest Territories. AMR increased due to rent increases upon lease renewal. Occupancy in Northern Canada is amongst the highest in the Initial Portfolio. In Nunavut, the market continued to experience strong occupancy which is attributable to tight supply conditions. In the Northwest Territories, improved occupancy was attributable to Yellowknife, Northwest Territories, as a result of lease renewal with government tenants.

In Western Canada, economies in the resource-based markets located in northern Alberta and British Columbia continue to experience challenging economic conditions. The ongoing uncertainty for the resource sector, including political risk, regulatory environment, lack of energy infrastructure, low regional commodity prices, and high unemployment rates, is expected to continue to adversely impact occupancy.

Atlantic Canada operating results were positive which was driven by higher AMR and occupancy, and lower maintenance expenses from establishing an internal maintenance team to effectively manage costs. The increase in AMR was due to improved economic conditions throughout most of the region. The re-opening of a local iron ore mine which resulted in a rise in employment in Labrador City, Newfoundland and Labrador, and a strong economy, labour market, and increased migration in New Brunswick led to improved occupancy.

Other Expense (Income)

(thousands of dollars)	Year ended December 31			2018	2017	Change
	2019	2018	Change			
Financing costs from operations	29,064	27,798	4.6%	27,798	27,908	(0.4%)
Administration	7,899	6,954	13.6%	6,954	6,204	12.1%
Depreciation and amortization	4,937	4,681	5.5%	4,681	4,817	(2.8%)
Equity income from joint ventures	(588)	(829)	(29.1%)	(829)	(847)	(2.1%)
Fair value loss (gain)	36,250	(14,065)	(357.7%)	(14,065)	37,611	(137.4%)
Proceeds on insurance settlement	(3,009)	(2,723)	10.5%	(2,723)	(916)	(197.3%)
Total	74,553	21,816	241.7%	21,816	74,777	(70.8%)

Financing costs from operations consist of mortgage interest, amortization of deferred financing costs and fair value of differences of debt recorded on acquisitions, and other interest expense. For the year ended December 31, 2019, financing costs increased 4.6% from the same period of 2018 mainly due to interest and other income from higher insurance deductible expenses. For the year ended December 31, 2018, financing costs were consistent with the same period of 2017.

Administration expense represents an allocation to the Initial Portfolio by the REIT of administration expenses including audit fees, bank charges, professional and legal fees, corporate salaries, and trustee fees. For the years ended December 31, 2019 and 2018, administration expense increased 13.6% and 12.1%, respectively, compared to the same periods of 2018 and 2017. The increase was due to general corporate salary increases, incentive compensation expense increase driven by the increase in the REIT's trust unit price and higher professional fees.

Equity income from joint ventures is the Initial Portfolio's share of net income. The Initial Portfolio has a 50% interest in ICS and a 50% interest in ICP. There has been no change in the Initial Portfolio's 50% ownership and voting interests in these joint ventures for the years ended December 31, 2019, December 31, 2018, and December 31, 2017.

The Initial Portfolio reports fair value change of investment properties on a net basis after deducting capital expenditures. For the year ended December 31, 2019, the net fair value loss on investment properties of \$36.3 million was primarily driven by lower occupancy assumptions in Western Canada, partially offset by higher NOI assumptions in Northern Canada. For the year ended December 31, 2018, the net fair value gain on investment properties of \$14.1 million was primarily driven by Capitalization Rate compression in Western Canada, fair value increases on completion of new developments in both Western and Northern Canada, partially offset by lower occupancy assumptions in Atlantic Canada. For the year ended December 31, 2017, the net fair value loss on investment properties of \$37.6 million was primarily driven by lower occupancy assumptions in Western Canada, partially offset by higher NOI assumptions in Northern Canada.

Tax Status

As the Initial Portfolio and the REIT are not taxable entities, there are no provision for current or deferred income tax expense included in the Initial Portfolio's audited combined carve-out financial results for the years ended December 31, 2019, December 31, 2018 and December 31, 2017.

Liquidity and Capital Resources

The REIT has managed the liquidity and capital resources of the Initial Portfolio during the period of ownership to ensure adequate liquidity for operating, capital, and investment activities. The REIT funded the Initial Portfolio's obligations with cash flow from operating activities, operating facilities, construction financing, mortgage debt secured by investment properties, and equity issuances.

The Initial Portfolio had no changes in its approach to capital management during the years presented.

As at December 31, 2019, December 31, 2018, December 31, 2017 and January 1, 2017, the Initial Portfolio had a working capital deficiency of \$170.8 million, \$154.7 million, \$147.1 million and \$77.8 million, respectively. In the normal course of business, a portion of borrowings under mortgages with a maturity date less than one year will be considered current liabilities prior to being replaced with longer-term financing. Of the total deficiency, majority is related to the current portion of mortgages payable and expected to be refinanced with long-term mortgages.

Liquidity risk is the risk that the Initial Portfolio is not able to meet its financial obligations as they become due or can only do so at excessive cost. Liquidity risk is managed by balancing the maturity profile of mortgages. Mortgage maturities normally enable replacement financing with funds available for other purposes. The Initial Portfolio utilizes CMHC insured mortgage lender financing to obtain loans up to 75% of CMHC's assessed value of a multi-residential property. The Initial Portfolio bears lower refinancing risk and incurs lower borrowing costs on properties financed using CMHC insured mortgage lender financing, including the cost of the insurance, when compared to conventional financing. Cash flow projections are updated on a regular basis to ensure there will be adequate liquidity to maintain operating, capital, and investment activities.

Mortgages

For the year ended December 31, 2019, the Initial Portfolio completed \$77.0 million of mortgage financing (December 31, 2018 – \$100.0 million and December 31, 2017 – \$100.2 million), excluding short-term financing, for multi-residential suites with a weighted average interest rate of 2.32% (December 31, 2018 – 3.24% and December 31, 2017 – 3.18%) and an average maturity of 6.5 years (December 31, 2018 – 6.6 years and December 31, 2017 – 4.4 years).

Related Party Transactions

Related party transactions are conducted in the normal course of operations and are made on terms equivalent to arm's length transactions.

Key Management Personnel

Key management personnel are the REIT's executive officers. The remuneration of the key management personnel, comprising salaries, wages and other benefits, was proportionately allocated to the Initial Portfolio's financial results based on multi-residential suites. For the year ended December 31, 2019, the remuneration allocated to the Initial Portfolio was \$1.8 million (December 31, 2018 - \$1.3 million, and December 31, 2017 – \$0.7 million).

Net Change in Net REIT Investment

Net change in net REIT investment represents the cumulative impact of operating cash flow, working capital, and corporate allocations that are managed at the REIT 's consolidated level but have been reflected in the financial results of the Initial Portfolio. The REIT administers the day-to-day activities of the Initial Portfolio through a centralized property management and banking structure, including collection of rent proceeds and payment of expenses. In addition, excluding remuneration of the Initial Portfolio's key management personnel disclosed above, the REIT proportionately allocated to the Initial Portfolio's financial results property management and administrative services that supported the Initial Portfolio's operations and are included in the combined carve-out statements of net and comprehensive income, as follows:

(thousands of dollars)	December 31, 2019	December 31, 2018	December 31, 2017
Operating expenses	1,347	1,495	1,344
Administration	6,029	5,625	5,439
	7,376	7,120	6,783

Operating expenses and administration have been proportionately allocated to the Initial Portfolio based on multi-residential suites.

Joint Venture Investments

ICP and ICS are related parties as the Initial Portfolio has a 50% interest in ICP and a 50% interest in ICS. For the year ended December 31, 2019, revenue from ICP and ICS related to management fees was \$0.3 million (December 31, 2018 – \$0.4 million, December 31, 2017 – \$0.4 million). The balance outstanding and payable to the Initial Portfolio from ICP and ICS related to management fees is \$0.1 million (December 31, 2018 – \$0.1 million, December 31, 2017 - \$0.1 million, and January 1, 2017 - \$0.1 million) and is included in accounts receivable.

Subsequent Events

The spread of the COVID-19 coronavirus pandemic has had a material and substantial impact on the Canadian and Global economy. In response to the spread in Canada, provincial governments have limited a landlord's ability to evict tenants for non-payment of rent, measures which are changing frequently. Social distancing actions to reduce the spread including closing restaurants and bars, limiting social gatherings and reducing service hours have had a significant impact on unemployment rates in all of the markets that the Initial Portfolio operates in and may materially and adversely impact residents ability to pay rent. Management is proactively working with residents, vendors and other stakeholders to manage safety and cashflow during this period of disruption.

Critical Accounting Policies, Estimates and Judgments

The preparation of the financial statements in accordance with IFRS as issued by the International Accounting Standards Board requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, income, and expenses. Estimates and judgments are evaluated each reporting period and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, differ from the actual results. The following discussion sets forth management's most critical estimates and assumptions in determining the value of assets and liabilities and management's most critical judgments in applying accounting policies. Actual results may differ from these estimates.

Estimates

Fair Value of Investment Properties

The Initial Portfolio carries its investment properties at fair value. Significant estimates used in determining the fair value of the Initial Portfolio's investment properties include Capitalization Rates and NOI (which is influenced by inflation rates and vacancy rates). A change to any one of these inputs could significantly alter the fair value of an investment property.

While investment properties are recorded at fair value on a quarterly basis, not every property is independently appraised every year. Significant judgment is applied in arriving at these fair values, particularly as the properties are in smaller communities with limited trading activity. Changes in the value of the investment properties affect income.

Depreciation and Amortization

Depreciation and amortization are calculated to recognize the cost, less estimated residual value, of assets on a systematic and rational basis over their expected useful lives. Estimates of useful lives are based on data and information from various sources including industry practice and company-specific history. Expected useful lives and residual values are reviewed annually for any change to estimates and assumptions.

The componentization of the Initial Portfolio's property, plant and equipment, namely buildings, is based on management's judgment of what components constitute a significant cost in relation to the total

cost of an asset and whether these components have similar or dissimilar patterns of consumption and useful lives for purposes of calculating depreciation and amortization.

Judgments

Purchase of Investment Properties

The Initial Portfolio reviews its purchases of investment property to determine whether the purchase is a business combination as IFRS requires differing treatment of property acquisitions depending on whether the purchase meets the definition of a business combination. Judgment is involved in determining whether a purchase forms part of a business combination or an asset acquisition. Should the purchase form part of a business combination, closing costs, such as appraisal and legal fees, are expensed immediately and earnings are affected. If the purchase is an asset acquisition, these costs form part of the purchase price and earnings are not immediately affected.

New Accounting Standards and Interpretations

The description of new standards, new accounting policies adopted and the impact on the Initial Portfolio's audited combined carve-out financial results for the years ended December 31, 2019, December 31, 2018 and December 31, 2017 are disclosed in Note 3 to the financial statements.

Non-Recurring Items

For the year ended December 31, 2019, the Initial Portfolio received \$3.0 million of insurance proceeds (December 31, 2018 - \$2.7 million, and December 31, 2017 - \$0.9 million). The amount represents funds received or receivable from insurance providers for a building located in Lethbridge, Alberta, that was lost to a fire during 2017. These items have been defined as "Non-recurring Items", as they are not considered normal operating conditions, and management has presented some performance metrics adjusting for Non-recurring Items where appropriate in this Initial Portfolio MD&A.

DESCRIPTION OF THE UNITS OF THE HIGH YIELD FUND

High Yield Fund Declaration of Trust

The rights and obligations of the High Yield Fund Unitholders are governed by the High Yield Fund Declaration of Trust. The following is a summary of certain material provisions of the High Yield Fund Declaration of Trust, as it may be amended and restated prior to the Effective Date. This summary does not purport to be complete and reference should be made to the High Yield Fund Declaration of Trust itself, a copy of which is available from the High Yield Fund and will be available following the filing of the Final Prospectus at www.sedar.com.

Capitalized terms in this summary which are not defined in this Circular are defined in the High Yield Fund Declaration of Trust.

Units

The beneficial interests in the High Yield Fund are divided into three classes of Units: Listed High Yield Fund Units; High Yield Fund Units; and Class F High Yield Fund Units, each of which is denominated in Canadian dollars. The High Yield Fund is authorized to issue an unlimited number of units of the High Yield Fund of each class.

The Listed High Yield Fund Units are convertible into Class F High Yield Fund Units in accordance with the High Yield Fund Declaration of Trust, subject to at all times continuing to satisfy the minimum listing requirements of the TSX, and the Class F High Yield Fund Units and High Yield Fund Units are convertible into Listed High Yield Fund Units in accordance with the High Yield Fund Declaration of Trust (see "*Conversion of Units*" below). The Listed High Yield Fund Units will have coattail provisions such that if a formal take-over bid is made for units of the High Yield Fund of a class other than the Listed High Yield

Fund Units, the Listed High Yield Fund Units will be convertible into such unlisted class of Units for purposes of participating in the take-over bid (see “– *Coattail Provisions*” below).

The Class F High Yield Fund Units are designed for fee based accounts and differ from the Listed High Yield Fund Units in that the Class F High Yield Fund Units (i) are not required to pay the selling concession, (ii) will not be listed on the TSX, and (iii) are convertible into Listed High Yield Fund Units in accordance with the High Yield Fund Declaration of Trust. See “– *Conversion of Units*” below.

The High Yield Fund Units are designed for Unitholders electing to receive and retain High Yield Fund Units in connection with the Arrangement (including any top-up election), if any, the Retained Interest Holders, and any investors subscribing pursuant to a concurrent private placement, including the Lead Order and differ from the Listed High Yield Fund Units in that the High Yield Fund Units (i) are not required to pay the Agents’ Fee or any selling concession, (ii) will not be listed on the TSX, (iii) are convertible into Class F High Yield Fund Units in accordance with the High Yield Fund Declaration of Trust, and (iv) are convertible into Listed High Yield Fund Units in accordance with the High Yield Fund Declaration of Trust. See “– *Conversion of Units*” below.

Except as described above, each unit of the High Yield Fund entitles the holder to the same rights and obligations and no High Yield Fund Unitholder is entitled to any privilege, priority or preference in relation to any other holder of units of the High Yield Fund, subject to (i) the proportionate entitlement of each holder of Listed High Yield Fund Units, High Yield Fund Units and Class F High Yield Fund Units to participate in distributions made by the High Yield Fund and to receive proceeds upon termination of the High Yield Fund, based on such holder’s share of the Proportionate Class A Interest, Proportionate Class C Interest and Proportionate Class F Interest, respectively and (ii) a proportionate allocation of income or loss of the High Yield Fund in accordance with the terms of the High Yield Fund Declaration of Trust.

On termination or liquidation of the High Yield Fund, each High Yield Fund Unitholder of record is entitled to receive on a proportionate basis based on such holder’s share of the Proportionate Class A Interest, Proportionate Class C Interest and Proportionate Class F Interest, respectively, all of the assets of the High Yield Fund remaining after payment of or provisions made for all debts, liabilities and liquidation expenses of the High Yield Fund.

Conversion of Units

Holders of High Yield Fund Units and Class F High Yield Fund Units may convert their units of the High Yield Fund into Listed High Yield Fund Units in accordance with the High Yield Fund Declaration of Trust. Holders of High Yield Fund Units may convert their High Yield Fund Units into Class F High Yield Fund Units in accordance with the High Yield Fund Declaration of Trust. Holders of Listed High Yield Fund Units may convert such units of the High Yield Fund into Class F High Yield Fund Units in accordance with the High Yield Fund Declaration of Trust, subject to the Manager ensuring that at all times a sufficient number and value of Listed High Yield Fund Units are listed to satisfy the minimum listing requirements of the TSX. Convertible Units may be converted at any time by delivering a notice and surrendering such Convertible Units to the High Yield Fund. In the event that a conversion of Listed High Yield Fund Units into Class F High Yield Fund Units would cause the High Yield Fund not to satisfy the minimum listing requirements of the TSX, such Listed High Yield Fund Units will not be converted and further conversion of the Listed High Yield Fund Units into Class F High Yield Fund Units will not be permitted until such time as the conversion would not cause the High Yield Fund to fail to satisfy the minimum listing requirements of the TSX.

For each Listed High Yield Fund Unit so converted, a holder will receive that number of Class F High Yield Fund Units equal to the Listed High Yield Fund Unit Conversion Rate. For each High Yield Fund Unit so converted for Listed High Yield Fund Units, a holder will receive that number of Listed High Yield Fund Units equal to the High Yield Fund Unit to Listed High Yield Fund Unit Conversion Rate. For each High Yield Fund Unit so converted for Class F High Yield Fund Units, a holder will receive that number of Class F High Yield Fund Units equal to the High Yield Fund Unit to Class F High Yield Fund Unit Conversion Rate. For each Class F High Yield Fund Unit so converted for Listed High Yield Fund Units, a holder will receive that number of Listed High Yield Fund Units equal to the Class F High Yield Fund Unit Conversion

Rate. No fractions of Listed High Yield Fund Units or Class F High Yield Fund Units, as applicable, will be issued upon conversion of Convertible Units. Any fractional amounts will be rounded down to the nearest whole number of Listed High Yield Fund Units or Class F High Yield Fund Units, as applicable, without any compensation for such rounding.

Coattail Provisions

If prior to the Target Recapitalization Date a “formal take-over bid”, as defined in the Securities Act, is made for units of the High Yield Fund of a class other than the Listed High Yield Fund Units (a “**Class Offer**”) and the Class Offer does not include a concurrent identical take-over bid for the Listed High Yield Fund Units, including in terms of relative price (on an as-converted basis) for the Listed High Yield Fund Units, then the High Yield Fund shall by press release provide written notice to the holders of the Listed High Yield Fund Units that the Class Offer has been made and of the right of such holders to convert all or a part of their Listed High Yield Fund Units into the class of units of the High Yield Fund that are subject to the Class Offer (the “**Bid Units**”) and tender such Bid Units to the Class Offer. Such Listed High Yield Fund Units may, in such circumstances, be converted at any time prior to the Business Day that is five Business Days prior to the expiry of the Class Offer (the “**Conversion End Date**”) by delivering a notice to the High Yield Fund and surrendering such Units by 5:00 p.m. on the Conversion End Date. Any such Listed High Yield Fund Units so delivered shall be converted into Bid Units and tendered on behalf of the High Yield Fund Unitholder to the Class Offer. In connection with such conversion and tender by any such High Yield Fund Unitholder, the High Yield Fund Unitholder shall complete and execute any and all such documentation as the High Yield Fund shall require or consider necessary to give effect to this provision. For each Listed High Yield Fund Unit so converted, a holder will receive a number of Bid Units equal to the Coattail Conversion Rate as of the Conversion End Date, provided that, to the extent that such Bid Units are not acquired pursuant to the Class Offer, such Bid Units shall be reconverted into that number of Listed High Yield Fund Units that they were prior to the conversion. Fractional Bid Units will not be issued and the number of Bid Units issuable under this provision to a High Yield Fund Unitholder will be rounded down to the nearest whole Bid Unit.

Non-Certificated Inventory System

Other than pursuant to certain exceptions, registration of interests in and transfers of High Yield Fund Units held through CDS, or its nominee, will be made electronically through the NCI system of CDS. High Yield Fund Units held in CDS must be purchased, transferred and surrendered for redemption through a CDS participant, which includes securities brokers and dealers, banks and trust companies. All rights of High Yield Fund Unitholders who hold High Yield Fund Units in CDS must be exercised through, and all payments or other property to which such Unitholders are entitled will be made or delivered by CDS or the CDS participant through which the Unitholder holds such High Yield Fund Units. A holder of a unit of the High Yield Fund participating in the NCI system will not be entitled to a certificate or other instrument from the High Yield Fund or the High Yield Fund’s transfer agent evidencing that person’s interest in or ownership of High Yield Fund Units, nor, to the extent applicable, will such Unitholder be shown on the records maintained by CDS, except through an agent who is a CDS participant.

The ability of a beneficial owner of High Yield Fund Units to pledge such High Yield Fund Units or otherwise take action with respect to such Unitholder’s interest in such High Yield Fund Units (other than through a CDS participant) may be limited due to the lack of a physical certificate.

Restrictions on Ownership and Transfer of Units

Pursuant to the High Yield Fund Declaration of Trust, if any purported transfer of the units of the High Yield Fund or any other event would otherwise result in any person violating the ownership limits described below or such other limit established by the High Yield Fund Board, then any such transfer or event will be deemed void ab initio and the number of units of the High Yield Fund that exceeds the applicable ownership limit (rounded to the nearest whole High Yield Fund Unit) will automatically be transferred to, and held by, a trust for the exclusive benefit of one or more charitable beneficiaries. In either case, the proposed transferee will not acquire any rights in those units of the High Yield Fund. The automatic transfer will be deemed to be effective as of the close of business on the Business Day prior to the date of

the purported transfer or other event that results in the transfer to the trust. units of the High Yield Fund held in the trust will be issued and outstanding units of the High Yield Fund. The proposed transferee will not benefit economically from ownership of any units of the High Yield Fund held in the trust, will have no rights to distributions and will have no rights to vote or other rights attributable to the units of the High Yield Fund held in the trust. The trustee of the trust will have all voting rights and rights to distributions with respect to units of the High Yield Fund held in the trust. These rights will be exercised for the exclusive benefit of the charitable beneficiary. Any distribution paid prior to the High Yield Fund's discovery that units of the High Yield Fund have been transferred to the trust will be paid by the recipient to the trustee upon demand. Any distribution authorized but unpaid will be paid when due to the trustee. Any distribution paid to the trustee will be held in trust for the charitable beneficiary. Subject to Ontario law, the trustee will have the authority (i) to rescind as void any vote cast by the proposed transferee prior to discovery that the units of the High Yield Fund have been transferred to the trust, and (ii) to recast the vote in accordance with the desires of the trustee acting for the benefit of the charitable beneficiary. However, if the High Yield Fund has already taken irreversible corporate action, then the trustee will not have the authority to rescind and recast the vote.

Within 20 days of receiving notice from the High Yield Fund that the units of the High Yield Fund have been transferred to the trust, the trustee will sell the units of the High Yield Fund to a person, designated by the trustee, whose ownership of the units of the High Yield Fund will not violate the above ownership and transfer limitations. Upon the sale, the interest of the charitable beneficiary in the units of the High Yield Fund sold will terminate and the trustee will distribute the net proceeds of the sale to the proposed transferee and to the charitable beneficiary as follows. The proposed transferee will receive the lesser of (i) the price paid by the proposed transferee for the units of the High Yield Fund or, if the proposed transferee did not give value for the units of the High Yield Fund in connection with the event causing the units of the High Yield Fund to be held in the trust (e.g., a gift, devise or other similar transaction), the market price (as defined in the High Yield Fund Declaration of Trust) of the units of the High Yield Fund on the day of the event causing the units of the High Yield Fund to be held in the trust, and (ii) the price per unit of the High Yield Fund received by the trustee (net of any commission and other expenses of sale) from the sale or other disposition of the units of the High Yield Fund. The trustee may reduce the amount payable to the proposed transferee by the amount of distributions paid to the proposed transferee and owed by the proposed transferee to the trustee. Any net sale proceeds in excess of the amount payable to the proposed transferee will be paid immediately to the charitable beneficiary. If, prior to the High Yield Fund's discovery that its units have been transferred to the trust, the units of the High Yield Fund are sold by the proposed transferee, then (i) the units of the High Yield Fund shall be deemed to have been sold on behalf of the trust, and (ii) to the extent that the proposed transferee received an amount for the units of the High Yield Fund that exceeds the amount he or she was entitled to receive, the excess shall be paid to the trustee upon demand.

In addition, units of the High Yield Fund held in the trust will be deemed to have been offered for sale to the High Yield Fund, or its designee, at a price per High Yield Fund Unit equal to the lesser of (i) the price per High Yield Fund Unit in the transaction that resulted in the transfer to the trust (or, in the case of a devise or gift, the market price at the time of the devise or gift), and (ii) the market price on the date the High Yield Fund, or its designee, accepts the offer, which the High Yield Fund may reduce by the amount of distributions paid to the proposed transferee and owed by the proposed transferee to the trustee. The High Yield Fund will have the right to accept the offer until the trustee has sold the units of the High Yield Fund. Upon a sale to the High Yield Fund, the interest of the charitable beneficiary in the units of the High Yield Fund sold will terminate and the trustee will distribute the net proceeds of the sale to the proposed transferee.

If a transfer to a charitable trust, as described above, would be ineffective for any reason to prevent a violation of a restriction, the transfer that would have resulted in a violation will be *void ab initio*, and the proposed transferee shall acquire no rights in those units of the High Yield Fund.

Any certificate representing units of the High Yield Fund and any notices delivered in lieu of certificates with respect to the issuance or transfer of uncertificated units of the High Yield Fund, will bear a legend referring to the restrictions described above. Any person who acquires or attempts or intends to

acquire beneficial or constructive ownership of units of the High Yield Fund that will or may violate any of the foregoing restrictions on transferability and ownership, or any person who would have owned units of the High Yield Fund that resulted in a transfer of units of the High Yield Fund to a charitable trust, is required to give written notice immediately to the High Yield Fund, or in the case of a proposed or attempted transaction, to give at least 15 days' prior written notice, and provide the High Yield Fund with such other information as it may request in order to determine the effect of the transfer on the status of the High Yield Fund as a "mutual fund trust" under the Tax Act. The foregoing restrictions on transferability and ownership will not apply if the High Yield Fund determines that it is no longer in the best interests of the High Yield Fund to continue to qualify, as a "mutual fund trust" under the Tax Act.

Limitation on Non-Resident Ownership

In order for the High Yield Fund to maintain its status as a "mutual fund trust" under the Tax Act, the High Yield Fund must not be established or maintained primarily for the benefit of Non-Residents. Non-Residents will not be permitted to be the beneficial owners of more than 49% of the units of the High Yield Fund (on a number of units of the High Yield Fund or fair market value basis) and the High Yield Fund Board will inform the transfer agent and registrar of this restriction. The High Yield Fund Board may require declarations as to the jurisdictions in which beneficial owners of units of the High Yield Fund are resident. If the High Yield Fund Board becomes aware, as a result of requiring such declarations as to beneficial ownership or otherwise, that the beneficial owners of 49% of the units of the High Yield Fund then outstanding (on a number of units of the High Yield Fund or fair market value basis) are, or may be, Non-Residents or that such a situation is imminent, the High Yield Fund Board shall inform the transfer agent and the transfer agent shall not accept a subscription for units of the High Yield Fund from or issue units of the High Yield Fund to a person unless the person provides a declaration that the person is not a Non-Resident. If, notwithstanding the foregoing, the High Yield Fund Board determines that more than 49% of the units of the High Yield Fund (on a number of units of the High Yield Fund or fair market value basis) are held by Non-Residents, the High Yield Fund Board may send a notice to Non-Resident holders of units of the High Yield Fund, chosen in inverse order to the order of acquisition or registration or in such manner as the High Yield Fund Board may consider equitable and practicable, requiring them to sell their units of the High Yield Fund or a portion thereof within a specified period of not less than 60 days. If the High Yield Fund Unitholders receiving such notice have not sold the specified number of units of the High Yield Fund or provided the High Yield Fund Board with satisfactory evidence that they are not Non-Residents within such period, the High Yield Fund Board may, on behalf of such High Yield Fund Unitholders sell such units of the High Yield Fund and, in the interim, suspend the voting and distribution rights attached to such units of the High Yield Fund. Upon such sale the affected holders will cease to be holders of units of the High Yield Fund and their rights will be limited to receiving the net proceeds of sale, subject to the right to receive payment of any distribution declared by the High Yield Fund Board which is unpaid and owing to such High Yield Fund Unitholders. The High Yield Fund Board will have no liability for the amount received provided that they act in good faith.

Distributions

Pursuant to the High Yield Fund Declaration of Trust, the High Yield Fund Trustees have full discretion respecting the timing and amounts of distributions including the adoption, amendment or revocation of any distribution policy.

The High Yield Fund will target an annual pre-tax distribution yield of 10.5% on Gross Subscription Proceeds (or implied gross proceeds for High Yield Fund Units issued under the Arrangement) across all High Yield Fund Unit classes in the aggregate, although this amount will necessarily vary as between classes of units of the High Yield Fund based on the proportionate entitlements of each class of High Yield Fund Unit. See "*Risk Factors*" of this Appendix "H".

An annual pre-tax distribution yield of 10.5% on Gross Subscription Proceeds (or implied gross proceeds for any High Yield Fund Units issued under the Arrangement) would represent an expected FFO Payout Ratio of approximately 79.0% based on the *pro forma* financial statements included in the Circular. The foregoing FFO Payout Ratio also assumes that the aggregate amount of the Pre-Prospectus Contributions is equal to \$195,000,000 (based on the assumption that Unitholders elect to receive an

aggregate of \$55,000,000 of High Yield Fund Units under the Arrangement) and that \$57,000,000 of Listed High Yield Fund Units and \$178,000,000 of Class F High Yield Fund Units are distributed under the Offering and based on the applicable Agents' Fee and costs of the Offering.

The *pro rata* monthly distribution on the units of the High Yield Fund, if declared by the High Yield Fund Trustees, is expected to commence following the end of the High Yield Fund's first full operating month after the Effective Date. The first prorated distribution is expected to be paid following the High Yield Fund's first full month of operations, which is expected to commence following completion of the Offering and Arrangement. The distribution amount per High Yield Fund Unit will be determined in accordance with the High Yield Fund Declaration of Trust. The High Yield Fund intends to declare monthly cash distributions no later than seven Business Days prior to the end of each month, payable within 15 days following the end of the month (or the next Business Day if not a Business Day) in which the distribution is declared to High Yield Fund Unitholders as at month-end.

In the event that any day on which any distribution amount is to be determined is not a Business Day, then such amount shall be determined on the next succeeding day that is a Business Day.

Notwithstanding the distribution policy, the High Yield Fund Trustees retain full discretion with respect to the timing and quantum of distributions.

The High Yield Fund will initially own all of the issued and outstanding NV Holdings LP Class A Units. Starlight West LP will initially own all of the issued and outstanding NV Holdings LP Class B Units. NV Holdings LP will initially own all of the issued and outstanding NV LP Units. Holders of NV LP Units will be entitled to receive all the Distributable Cash from NV LP, less the amount paid to NV GP. Holders of the NV Holdings LP Class A Units will be entitled to receive all of the amounts received from NV LP, less the amount to be paid to NV Holdings GP and the amount to be paid to holders of NV Holdings LP Class B Units in respect of the Carried Interest.

The partners of Starlight West LP (currently being entities wholly-owned by Mr. Drimmer), through Starlight West LP's direct interest in NV Holdings LP, are entitled to 20% of the total of all amounts, if any, by which (i) the aggregate amount of distributions which would have been paid on all units of the High Yield Fund of a particular class if all Distributable Cash of NV Holdings LP were received by the High Yield Fund, together with all other amounts distributable by the High Yield Fund (including Distributable Cash generated by investees of the High Yield Fund not held through NV Holdings LP, if any), and distributed by the High Yield Fund to High Yield Fund Unitholders of the High Yield Fund in accordance with the High Yield Fund Declaration of Trust, exceeds (ii) the aggregate Minimum Return in respect of such class of units of the High Yield Fund (the calculation of which includes the amount of the Investors Capital Return Base), each such excess, if any, to be calculated on the date of the applicable distribution by any relevant investee to the High Yield Fund, provided that, to the extent that the aggregate amount of distributions which would have been paid on all units of the High Yield Fund of a particular class pursuant to the foregoing exceeds the Minimum Return for such class, the partners of Starlight West LP (currently being entities wholly-owned by Mr. Drimmer), through Starlight West LP's direct interest in NV Holdings LP, will be entitled to 50% of each such excess amount (i.e., a catch-up) until the amounts, if any, distributable to High Yield Fund Unitholders in excess of the Investors Capital Return Base is equal to four times (i.e., 80%/20%) the catch-up payment receivable by the partners of Starlight West LP in respect of such class. Starlight West LP will pay a percentage of the catch-up payment received to the KingSett Investors.

If the High Yield Fund Board determines it is in the best interests of the High Yield Fund to make a co-investment with a Canadian real estate investment trust, such a co-investor would be expected to subscribe for NV Holdings LP Class A Units and may be entitled to receive distributions on the same terms as the High Yield Fund described above, based on its proportionate investment in NV Holdings LP (unless such co-investor invests in a specific property). Ultimately, it is expected that any co-investor will seek to structure their investment in a tax efficient manner, which could result in a different approach from the one described above.

If and when declared by the High Yield Fund Trustees, the amount of the distributions payable in respect of each Unit will differ and be allocated based on, initially, the proportionate interest of the High Yield Fund attributable to each class and determined, from time to time, as follows:

- (a) the product of the Proportionate Class A Interest and the balance of the Distributable Cash Flow (the “**Distributable Cash Flow Balance**”) shall be distributed to the holders of Listed High Yield Fund Units, *pro rata* in accordance with their respective proportionate shares;
- (b) the product of the Proportionate Class C Interest and the Distributable Cash Flow Balance shall be distributed to the holders of High Yield Fund Units, *pro rata* in accordance with their respective proportionate shares; and
- (c) the product of the Proportionate Class F Interest and the Distributable Cash Flow Balance shall be distributed to the holders of Class F High Yield Fund Units, *pro rata* in accordance with their respective proportionate shares.

The Carried Interest is expected to be payable by NV Holdings LP to the holder(s) of NV Holdings LP Class B Units and, therefore, to the extent that any such amounts are paid by NV Holdings LP to the holder(s) of NV Holdings LP Class B Units, such cash will not form part of the Distributable Cash Flow distributed to Unitholders by the High Yield Fund.

The ability of the High Yield Fund to make cash distributions on the units of the High Yield Fund and the actual amount distributed will depend on the ongoing operations of the High Yield Fund Properties, and will be subject to various factors including those referenced in the “*Risk Factors*” section of this Appendix “H”. The aggregate Minimum Return (determined on a per High Yield Fund Unit basis, and calculated including the amount of the Investors Capital Return Base) for distribution proportionately to the High Yield Fund Unitholders (i) is based on a 8.0% per annum return on the net subscription proceeds received (or implied net proceeds for High Yield Fund Units issued under the Arrangement) by the High Yield Fund from the issuance of each High Yield Fund Unit, and (ii) is payable prior to payment of any amounts pursuant to the Carried Interest, but (iii) is not guaranteed and may not be paid on a current basis in each year or at all. The return on an investment in the units of the High Yield Fund is not comparable to the return on an investment in a fixed income security. Cash distributions, including a return of a High Yield Fund Unitholder’s original investment, are not guaranteed and the anticipated return on investment is based upon many performance assumptions.

Distribution on Termination of the High Yield Fund

On the termination of the High Yield Fund, the proceeds shall be distributed in the following order:

- (a) to pay any costs involved in the sale of the assets of the High Yield Fund and to pay all amounts required to discharge any mortgages or encumbrances registered against the assets, to pay all unpaid expenses which are required to be paid under the High Yield Fund Declaration of Trust and all expenses incurred in the winding-up of the High Yield Fund, to pay all of the liabilities of the High Yield Fund and to establish reserves as the High Yield Fund Board considers necessary for the contingent liabilities of the High Yield Fund; and
- (b) to High Yield Fund Unitholders on a proportionate basis based upon the Proportionate Class A Interest, Proportionate Class C Interest and Proportionate Class F Interest, respectively, and within each class *pro rata* based upon the number of units of the High Yield Fund held.

Such distribution may be made in cash or in kind or partly in each, all as the High Yield Fund Board in its sole discretion may determine.

Recapitalization Event

In order to provide High Yield Fund Unitholders with liquidity, the High Yield Fund intends to complete a Recapitalization Event by way of a direct or indirect public offering or listing of new, additional or successor securities of the High Yield Fund or a traditional real estate investment trust or other entity that owns or will own all or substantially all of the High Yield Fund's properties and otherwise carries on the High Yield Fund's operations as an indirect owner of such properties, or by way of reorganization, restructuring (corporate, capital or otherwise), combination or merger involving the High Yield Fund or the High Yield Fund Unitholders, or similar transaction as recommended by the Manager and approved by the High Yield Fund Board, some of which may include an acquisition, redemption or repurchase of all or a portion of the then-outstanding units of the High Yield Fund. Any Recapitalization Event will require the approval of High Yield Fund Unitholders by Special Resolution. On the occurrence of a Recapitalization Event, the Carried Interest will be crystallized by way of the NV Holdings LP Class B Units becoming exchangeable for units of the High Yield Fund, or for securities of the entity resulting from the Recapitalization Event, in which case the holder of the NV Holdings LP Class B Units at the time of such exchange shall be able to participate in the Recapitalization Event on the same basis as High Yield Fund Unitholders (including, if applicable, the receipt of cash as payment for the Carried Interest).

If a Recapitalization Event has not been identified and announced by three months before the Target Recapitalization Date, the High Yield Fund Board may extend the Target Recapitalization Date by up to two years, and may seek a Special Resolution of the High Yield Fund Unitholders to further extend the Target Recapitalization Date beyond five years or to take such other actions as the High Yield Fund Board considers appropriate with respect to the continued operation of the High Yield Fund.

There can be no assurance that the High Yield Fund will be able to complete a Recapitalization Event as described herein by the Target Recapitalization Date, if at all. See "*Risk Factors – Risks Related to the High Yield Fund – A Recapitalization Event May Not Occur*". In addition, due to intervening circumstances at any point prior to the Target Recapitalization Date, the High Yield Fund may be the subject of an Alternative Liquidity Event, which transaction may take the form of (i) a sale of the units of the High Yield Fund, (ii) a reverse take-over, merger, amalgamation, arrangement, take-over bid, insider bid, reorganization, joint venture or similar transaction or other combination with a public issuer, (iii) a transaction involving a combination of the High Yield Fund's portfolio of High Yield Fund Properties and operations with one or more other portfolios of properties (whether owned, controlled or managed by a Related Party or otherwise), or (iv) an other event (other than a Recapitalization Event) similar, comparable or analogous to, or having similar, comparable or analogous effect for the High Yield Fund Unitholders to those described in items (i) to (iii) above. Any Alternative Liquidity Event will require the approval of High Yield Fund Unitholders by Special Resolution. If an Alternative Liquidity Event occurs, the Carried Interest will be crystallized and paid either in cash or in securities, as applicable, based on whether High Yield Fund Unitholders are receiving cash or securities in such transaction.

The Carried Interest will be calculated and payable based on the net asset value of the High Yield Fund, purchase price or other valuation methodology used for purposes of the Recapitalization Event or Alternative Liquidity Event, as the case may be, regardless of the form of transaction by means of which the Recapitalization Event or Alternative Liquidity Event occurs.

Meetings of Unitholders and Resolutions

The High Yield Fund Declaration of Trust provides that meetings of High Yield Fund Unitholders will be required to be called and held in various circumstances, including for (i) the election or removal of High Yield Fund Trustees, (ii) the appointment or removal of the auditors of the High Yield Fund, (iii) the approval of amendments to the High Yield Fund Declaration of Trust (except as described below under "*Amendments to the Declaration of Trust*"), (iv) the sale or transfer of the assets of the High Yield Fund or its Subsidiaries as an entirety or substantially as an entirety (other than as part of an internal reorganization of the assets of the Fund or its subsidiaries approved by the High Yield Fund Trustees), (v) the combination, amalgamation or arrangement of any of the High Yield Fund or its Subsidiaries with any other entity that is not the High Yield Fund or a Subsidiary of the High Yield Fund (other than as part of an internal reorganization approved by the High Yield Fund Trustees), (vi) the approval of any Recapitalization Event

or Alternative Liquidity Event, (vii) the termination of the High Yield Fund, and (viii) for the transaction of any other business as the High Yield Fund Trustees may determine or as may be properly brought before the meeting. Meetings of High Yield Fund Unitholders will be called and held annually, commencing in 2021, for the election of the High Yield Fund Trustees and the appointment of the auditors of the High Yield Fund. All meetings of High Yield Fund Unitholders must be held in Canada, provided that the High Yield Fund may hold a meeting of High Yield Fund Unitholders by telephonic or electronic means and a High Yield Fund Unitholder who, through those means, votes at the meeting or establishes a communications link to the meeting shall be deemed to be present at the meeting. Any such meeting shall be deemed to have taken place at the registered office of the High Yield Fund.

The High Yield Fund Board may, at any time, convene a meeting of the High Yield Fund Unitholders and will be required to convene a meeting on receipt of a request in writing of a High Yield Fund Unitholder or High Yield Fund Unitholders holding, in aggregate, 5% or more of the Units then outstanding.

A meeting of holders of a class of units of the High Yield Fund may be called by the High Yield Fund Board if the nature of the business to be transacted at the meeting is only relevant to the High Yield Fund Unitholders of that class of units of the High Yield Fund. A meeting of holders of a class of units of the High Yield Fund shall be called by the High Yield Fund Board upon written request of a High Yield Fund Unitholder or High Yield Fund Unitholders of the class holding, in aggregate, 5% or more of the units of the High Yield Fund of the class then outstanding, which requisition must specify the purpose or purposes for which such meeting is to be called and must state in reasonable detail the business proposed to be transacted at the meeting. High Yield Fund Unitholders have the right to obtain a list of High Yield Fund Unitholders to the same extent and upon the same conditions as those which apply to shareholders of a corporation governed by the CBCA.

Any matter to be considered at a meeting of High Yield Fund Unitholders, other than certain matters requiring the approval of High Yield Fund Unitholders by Special Resolution, will require the approval of High Yield Fund Unitholders by an Ordinary Resolution. A quorum for a meeting convened to consider such a matter will consist of two or more High Yield Fund Unitholders of any class of High Yield Fund Unitholders present in person or by proxy and representing not less than 10% of the units of the High Yield Fund or class of units of the High Yield Fund, as the case may be. If a quorum is not present at a meeting within 30 minutes after the time fixed for the meeting, the meeting, if convened pursuant to a request of High Yield Fund Unitholders, will be cancelled, but otherwise will be adjourned to such day, being not less than ten days later, and to such place and time as may be selected by the chairperson of the meeting. The High Yield Fund Unitholders present at any adjourned meeting will constitute a quorum.

Each High Yield Fund Unitholder is entitled to one vote per High Yield Fund Unit held and votes of High Yield Fund Unitholders will be conducted with holders of Listed High Yield Fund Units, High Yield Fund Units and Class F High Yield Fund Units voting together as a single class. Notwithstanding the foregoing, if the High Yield Fund Board determines that the nature of the business to be transacted at a meeting affects High Yield Fund Unitholders of one class of units of the High Yield Fund in a manner materially different from its effect on High Yield Fund Unitholders of another class of units of the High Yield Fund, the units of the High Yield Fund of such affected class will be voted separately as a class.

The following matters require approval by Ordinary Resolution and will be deemed approved, consented to or confirmed, as the case may be, upon the adoption of such Ordinary Resolution:

- (a) matters relating to the administration of the High Yield Fund for which the approval of the High Yield Fund Unitholders is required by applicable securities laws, regulations, rules or policies or the rules or policies of any applicable stock exchange in effect from time to time, and such policies, laws or regulations do not require approval by Special Resolution;
- (b) subject to the requirements for a Special Resolution, any matter or thing stated in the High Yield Fund Declaration of Trust to be required to be consented to or approved by the High Yield Fund Unitholders; and

- (c) any matter which the High Yield Fund Board considers appropriate to present to the High Yield Fund Unitholders for their confirmation or approval.

Any amendment to the High Yield Fund Declaration of Trust for the following purposes requires approval by Special Resolution and will be deemed approved, consented to or confirmed, as the case may be, upon the adoption of such Special Resolution:

- (a) matters relating to the administration of the High Yield Fund for which the approval of the High Yield Fund Unitholders is required by Special Resolution by applicable securities laws, regulations, rules or policies or the rules or policies of any applicable stock exchange in effect from time to time;
- (b) changes to any of the Investment Restrictions and the Operating Policy contained in paragraph (d) set out under the heading "*Investment Strategy - Operating Policy*";
- (c) any change in the basis of calculating fees or other expenses that are charged to the High Yield Fund which could result in an increase in charges to the High Yield Fund, other than a fee charged by a person or company that is arm's length to the High Yield Fund;
- (d) a reduction in the amount payable on any outstanding units of the High Yield Fund upon termination of the High Yield Fund;
- (e) any extension of the Target Recapitalization Date of the High Yield Fund, including to allow for a Recapitalization Event following the exercise by the High Yield Fund Board of its right to extend the Target Recapitalization Date by up to two years in total;
- (f) an increase in the liability of any High Yield Fund Unitholders;
- (g) an amendment, modification or variation in the provisions or rights attaching to the units of the High Yield Fund; or
- (h) the alteration or elimination of any voting rights pertaining to any outstanding units of the High Yield Fund.

Notwithstanding the above or any other provision herein, no confirmation, consent or approval shall be sought or have any effect and no High Yield Fund Unitholders shall be permitted to effect, confirm, consent to or approve, in any manner whatsoever, where the same increases the obligations of or reduces the compensation payable to or protection provided to the High Yield Fund Board, except with the prior written consent of the High Yield Fund Board.

In the event of any proposed transaction with a Related Party of the High Yield Fund, the High Yield Fund shall comply with the provisions of MI 61-101, subject to any regulatory relief received by the High Yield Fund. In the event that the High Yield Fund enters into a transaction that, pursuant to MI 61-101, requires approval from each class of units of the High Yield Fund, in each case voting separately as a class, the High Yield Fund intends to apply to applicable securities regulatory authorities for discretionary relief from such obligation given that (i) the High Yield Fund Declaration of Trust provides that High Yield Fund Unitholders will vote as a single class unless the nature of the business to be transacted at meeting of High Yield Fund Unitholders affects holders of one class of units of the High Yield Fund in a manner materially different from its effect of holders of another class of units of the High Yield Fund, (ii) the relative returns of any proposed transaction to each class of units of the High Yield Fund are fixed pursuant to a formula set out in the High Yield Fund Declaration of Trust, and (iii) providing a class vote could grant disproportionate power to a potentially small number of High Yield Fund Unitholders.

Advance Notice Provisions

The High Yield Fund Declaration of Trust includes certain advance notice provisions (the “**Advance Notice Provision**”), which will: (i) facilitate orderly and efficient annual general or, where the need arises, special meetings; (ii) ensure that all High Yield Fund Unitholders receive adequate notice of the High Yield Fund Trustee nominations and sufficient information with respect to all nominees; and (iii) allow High Yield Fund Unitholders to register an informed vote.

Except as otherwise provided in the High Yield Fund Declaration of Trust (including with respect to the nomination rights afforded to the Retained Interest Holders and the requirement that the Chief Executive Officer of the High Yield Fund be nominated to serve as a High Yield Fund Trustee), only persons who are nominated by High Yield Fund Unitholders in accordance with the Advance Notice Provision, the High Yield Fund Declaration of Trust (with respect to Starlight’s nomination right) or the Investor Rights Agreement shall be eligible for election as High Yield Fund Trustees. Nominations of persons for election to the High Yield Fund Board may be made for any annual meeting of High Yield Fund Unitholders, or for any special meeting of High Yield Fund Unitholders if one of the purposes for which the special meeting was called was the election of High Yield Fund Trustees: (a) by or at the direction of the High Yield Fund Board, including pursuant to a notice of meeting; (b) by or at the direction or request of one or more High Yield Fund Unitholders pursuant to a requisition of the High Yield Fund Unitholders made in accordance with the High Yield Fund Declaration of Trust; or (c) by any person (a “**Nominating High Yield Fund Unitholder**”): (A) who, at the close of business on the date of the giving of the notice provided for below and on the record date for notice of such meeting, is entered in the High Yield Fund’s register as a holder of one or more units of the High Yield Fund carrying the right to vote at such meeting or who beneficially owns units of the High Yield Fund that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth in the Advance Notice Provision.

In addition to any other applicable requirements, for a nomination to be made by a Nominating High Yield Fund Unitholder, the Nominating High Yield Fund Unitholder must have given timely notice thereof in proper written form to the High Yield Fund Trustees.

To be timely, a Nominating High Yield Fund Unitholder’s notice to the High Yield Fund Trustees must be made: (a) in the case of an annual meeting of High Yield Fund Unitholders, not less than 30 days prior to the date of the annual meeting of High Yield Fund Unitholders; provided, however, that in the event that the annual meeting of High Yield Fund Unitholders is to be held on a date that is less than 50 days after the date (the “**Notice Date**”) that is the earlier of the date that a notice of meeting is filed for such meeting or the date on which the first public announcement of the date of the annual meeting is made, notice by the Nominating High Yield Fund Unitholder may be made not later than the close of business on the tenth day following the Notice Date; and (b) in the case of a special meeting (which is not also an annual meeting) of High Yield Fund Unitholders called for the purpose of electing High Yield Fund Trustees (whether or not called for other purposes), not later than the close of business on the 15th day following the day that is the earlier of the date that a notice of meeting is filed for such meeting or the date on which the first public announcement of the date of the special meeting of High Yield Fund Unitholders is made. In no event shall any adjournment or postponement of a meeting of High Yield Fund Unitholders or the announcement thereof commence a new time period for the giving of a Nominating High Yield Fund Unitholder’s notice as described above.

To be in proper written form, a Nominating High Yield Fund Unitholder’s notice to the High Yield Fund Trustees must set forth: (a) as to each person whom the Nominating High Yield Fund Unitholder proposes to nominate for election as a High Yield Fund Trustee: (A) the name, age, business address and residential address of the person and confirmation as to whether they are a Canadian resident; (B) the principal occupation or employment of the person; (C) the class or series and number of units of the High Yield Fund which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of High Yield Fund Unitholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and (D) any other information relating to the person that would be required to be disclosed in a dissident’s proxy circular in connection with solicitations of proxies for election of High Yield Fund Trustees pursuant to applicable Securities Laws (as defined in the High Yield Fund Declaration of Trust); and (b) as to the Nominating High Yield Fund

Unitholder giving the notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating High Yield Fund Unitholder has a right to vote any units of the High Yield Fund and any other information relating to such Nominating High Yield Fund Unitholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of High Yield Fund Trustees pursuant to applicable Securities Laws (as defined in the High Yield Fund Declaration of Trust). The High Yield Fund may require any proposed nominee to furnish such other information as may reasonably be required by the High Yield Fund to determine the proposed nominee's qualifications, relevant experience, unit holding or voting interest in the High Yield Fund, or independence, or lack thereof, in the same manner as would be required for nominees made by the High Yield Funds, or otherwise as may be required under Applicable Laws.

The chairperson of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

Notwithstanding the foregoing, the High Yield Fund Board may, in its sole discretion, waive any requirement in the Advance Notice Provision.

Amendments to the High Yield Fund Declaration of Trust

The High Yield Fund Board may, without the approval of or notice to High Yield Fund Unitholders, amend the High Yield Fund Declaration of Trust for certain limited purposes specified therein, including to:

- (a) remove any conflicts or other inconsistencies which may exist between any terms of the High Yield Fund Declaration of Trust and any provisions of any law or regulation applicable to or affecting the High Yield Fund;
- (b) provide, in the opinion of the High Yield Fund Board, additional protection for the High Yield Fund Unitholders or obtain, preserve or clarify the provision of desirable tax treatment to High Yield Fund Unitholders;
- (c) make amendments which, in the opinion of the High Yield Fund Board, based on the advice of its counsel or auditors (as the case may be), are necessary or desirable in the interests of the High Yield Fund Unitholders as a result of changes in taxation laws or accounting rules or in their interpretation or administration;
- (d) remove conflicts or inconsistencies between the disclosure in the Final Prospectus and the High Yield Fund Declaration of Trust that, in the opinion of the High Yield Fund Board, based on the advice of counsel, are necessary or desirable in order to make the High Yield Fund Declaration of Trust consistent with the Final Prospectus;
- (e) make any change or correction in the High Yield Fund Declaration of Trust which is of a typographical nature or is required to cure or correct any ambiguity or defective or inconsistent provision, clerical omission, mistake or manifest error contained therein;
- (f) bring the High Yield Fund Declaration of Trust into conformity with Applicable Laws, including the rules and policies of Canadian securities regulators or with current practice within the securities or investment fund industries provided that any such amendment does not adversely affect the rights, privileges or interests of High Yield Fund Unitholders;
- (g) maintain, or permit the Manager to take such steps as may be desirable or necessary to maintain, the status of the High Yield Fund as a "mutual fund trust", a "unit trust" and a "real estate investment trust" for the purposes of the Tax Act, maintain or avoid any other relevant status under the Tax Act, or respond to amendments to the Tax Act or to the interpretation thereof, or better comply with existing provisions of the Tax Act; or

- (h) make amendments as are required to undertake an internal reorganization involving the sale, lease, exchange or other transfer of the assets of the High Yield Fund as a result of which, based on the advice of counsel, the High Yield Fund has substantially the same interest, whether direct or indirect, in the Fund Property that it had prior to the reorganization and includes an amalgamation, arrangement or merger of the High Yield Fund and its affiliates with any entities provided that in the opinion of the High Yield Fund Board, based on the advice of counsel, the rights of High Yield Fund Unitholders are not prejudiced thereby.

Except for changes to the High Yield Fund Declaration of Trust which require the approval of High Yield Fund Unitholders or changes described above which do not require approval of or prior notice to High Yield Fund Unitholders, the High Yield Fund Declaration of Trust may be amended from time to time by the High Yield Fund Board upon prior written notice to High Yield Fund Unitholders.

Information and Reports

The High Yield Fund will send to High Yield Fund Unitholders such financial statements (including quarterly and annual financial statements) and other reports as are from time to time required by the High Yield Fund Declaration of Trust and by Applicable Laws. In addition, on or before March 31 of each calendar year, the High Yield Fund will forward to High Yield Fund Unitholders tax reporting information in such manner as will enable such person to report the income tax consequences of investment in units of the High Yield Fund in the High Yield Fund Unitholder's annual Canadian income tax return.

Redemption

The units of the High Yield Fund will be redeemable at the option of High Yield Fund Unitholders, quarterly, by written notice to the High Yield Fund. However, such redemption right is not intended to be the primary mechanism for High Yield Fund Unitholders to liquidate their investment.

A High Yield Fund Unitholder wishing to redeem the whole or any part of his or her units of the High Yield Fund may do so, quarterly, by delivering a written notice of such desire (the "**Redemption Notice**") to the High Yield Fund at any time. Units of the High Yield Fund shall be considered to be tendered for redemption on the date that the High Yield Fund has, to the satisfaction of the High Yield Fund Board, received the Redemption Notice and further documents or evidence the High Yield Fund may reasonably require with respect to the identity, capacity or authority of the person giving such notice.

Subject to Applicable Laws and the conditions listed below, the High Yield Fund will redeem the units of the High Yield Fund specified in such Redemption Notice. The redemption price payable per High Yield Fund Unit in respect of each class of units of the High Yield Fund will be:

- (a) where the units of the High Yield Fund are listed on a stock exchange or similar market, equal to the lesser of (i) 95% of the average market price of the units of the High Yield Fund during the 10-trading day period after the redemption date; and (ii) 100% of the closing market price of the units of the High Yield Fund on the redemption date;
- (b) where the units of the High Yield Fund are not listed on a stock exchange or similar market, but a class of units of the High Yield Fund are listed on a stock exchange or similar market, equal to the lesser of (i) 95% of the average market price of such listed class of units of the High Yield Fund during the 10-trading day period after the redemption date; and (ii) 100% of the closing market price of such listed class of units of the High Yield Fund on the redemption date on an as-converted basis; or
- (c) where none of the units of the High Yield Fund are listed on a stock exchange or similar market, the fair market value of the units of the High Yield Fund, which will be determined by the High Yield Fund Board in its sole discretion based on the applicable proportionate class interest of the units of the High Yield Fund being redeemed,

provided that in each case the redemption price shall be adjusted, as necessary, to reflect that the Class F High Yield Fund Units are subject to a lower Agents' Fee than Listed High Yield Fund Units, and that High Yield Fund Units are not subject to the Agents' Fee.

The redemption price per High Yield Fund Unit multiplied by the number of units of the High Yield Fund tendered for redemption will be paid to a High Yield Fund Unitholder by way of a cash payment no later than the last day of the calendar month following the calendar quarter in which the units of the High Yield Fund were tendered for redemption, provided that, unless the High Yield Fund otherwise determines the total amount payable by the High Yield Fund by cash payment in respect of the redemption of units of the High Yield Fund for the calendar quarter shall not exceed \$100,000.

See "*Risk Factors – Limited Liquidity of Units*".

If redemptions in excess of this cash limit occur, and as a result a portion of the units of the High Yield Fund tendered for redemption are not redeemed for cash, the High Yield Fund shall satisfy the redemption of units of the High Yield Fund tendered for redemption that are not redeemed for cash due to the foregoing limitation, by way of an *in specie* distribution of property of the High Yield Fund and/or unsecured subordinated notes of the High Yield Fund, at its option, as determined by the High Yield Fund Board in its sole discretion. Property distributed by the High Yield Fund on a redemption is not expected to be liquid and may not be a qualified investment for Plans. In those circumstances, adverse tax consequences generally may apply to a High Yield Fund Unitholder, or a Plan and/or the annuitant, holder, subscriber or beneficiary thereunder or thereof, as a result of the redemption of units of the High Yield Fund held in a trust governed by a Plan. See "*Risk Factors – Risks Related to Redemptions*".

Units of the High Yield Fund will be redeemed according to the order in which Redemption Notices are received.

See "*Risk Factors – Limited Liquidity of Units*" and "*Risk Factors – Risks Related to Redemptions*".

Powers and Responsibilities of the Board of High Yield Fund Trustees

The High Yield Fund Board has exclusive authority to manage the operations and affairs of the High Yield Fund, to make all decisions regarding the business of the High Yield Fund and has authority to bind the High Yield Fund. The powers, authorities and responsibilities of the High Yield Fund Board are limited to those expressly set forth in the High Yield Fund Declaration of Trust. The High Yield Fund Board is responsible for managing the activities and administration of the High Yield Fund and the conduct of the affairs of the High Yield Fund, including without limitation:

- (a) holding Fund Property in safekeeping; retaining moneys, securities, property, assets or investments; investing moneys from time to time forming part of the Fund Property;
- (b) borrowing money as necessary to pay distributions to High Yield Fund Unitholders, and encumbering Fund Property in respect thereof;
- (c) lending money or other Fund Property, whether secured or unsecured;
- (d) paying properly incurred expenses out of Fund Property;
- (e) depositing moneys from time to time forming part of the Fund Property in accounts;
- (f) possessing and exercising rights, powers and privileges pertaining to ownership of or interest in Fund Property;
- (g) holding legal title to Fund Property;
- (h) approving the application for the listing on any stock exchange of any units of the High Yield Fund or other securities of the High Yield Fund, and doing all things which in the

opinion of the High Yield Fund Board may be necessary or desirable to effect or maintain such listing or listings;

- (i) reinvesting income and gains of the High Yield Fund and taking other actions besides the mere protection and preservation of the Fund Property;
- (j) ensuring compliance with Applicable Laws;
- (k) preparing and filing or causing to be prepared and filed all requisite returns, reports and filings;
- (l) monitoring the High Yield Fund's tax status as a "mutual fund trust" and a "real estate investment trust" within the meaning of the Tax Act;
- (m) providing all requisite office accommodation and associated facilities;
- (n) providing or causing to be provided to the High Yield Fund all other administrative and other services and facilities required by the High Yield Fund, including property appraisal services; and maintaining or causing to be maintained complete records of all transactions in respect of the Fund Property;
- (o) prescribing any instrument provided for or contemplated by the High Yield Fund Declaration of Trust;
- (p) remitting distributions to High Yield Fund Unitholders;
- (q) appointing the auditors of and registrar and transfer agent for the High Yield Fund; and
- (r) except as prohibited by law, delegating from time to time to the High Yield Fund's employees, consultants, agents and other persons including the Manager, the doing of such things and the exercise of such powers as the High Yield Fund Board may from time to time deem expedient, so long as any such delegation is not inconsistent with any of the provisions of the High Yield Fund Declaration of Trust and subject at all times to the general control and supervision of the High Yield Fund Board as provided for therein,

all subject to the terms and conditions set out in the High Yield Fund Declaration of Trust. The High Yield Fund Declaration of Trust provides that the High Yield Fund Board may engage or employ persons in connection with the High Yield Fund and pay to them compensation out of Fund Property and may delegate its powers, authorities and duties. Pursuant to the Management Agreement, the Manager will be responsible for providing specified management and administration services to the High Yield Fund and will fulfill the responsibilities listed above, subject to the oversight of the High Yield Fund Board.

The High Yield Fund Declaration of Trust provides that any High Yield Fund Trustee may resign upon written notice to the High Yield Fund. All High Yield Fund Trustees, other than the High Yield Fund Trustees nominated by the Retained Interest Holders, may be removed at any time with or without cause by the High Yield Fund Board. A vacancy occurring among the High Yield Fund Trustees may be filled by resolution of the remaining High Yield Fund Trustees, as long as they constitute a quorum and a majority of the High Yield Fund Trustees constituting quorum are resident in Canada for purposes of the Tax Act (or if they are not, then a new High Yield Fund Trustee may be appointed by the Manager). In the event that an independent High Yield Fund Trustee ceases to be a High Yield Fund Trustee, such vacancy shall be filled by a person that would qualify as an independent High Yield Fund Trustee.

The High Yield Fund Declaration of Trust provides that the High Yield Fund Trustees and the executive officers of the High Yield Fund (and the directors and officers of any affiliated entity) will be indemnified out of the Fund Property against all losses, claims, damages, liabilities, expenses, judgments and other amounts in respect of any civil, criminal or administrative claim, action or proceeding by reason

of being or having been a High Yield Fund Trustee or an officer of the High Yield Fund or such affiliated entity, and/or in respect of any and all taxes, penalties or interest in respect of unpaid taxes or other governmental charges imposed upon such parties as a result of the exercise of his or her powers or duties under the High Yield Fund Declaration of Trust. However, any such party will not be indemnified for amounts that result from his or her failure to act honestly and in good faith with a view to the best interests of the High Yield Fund, or as a result of his or her failure to exercise that degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, or, in the case of a civil, criminal or administrative action or proceeding that is enforced by a monetary penalty, where such party did not have reasonable grounds for believing that his or her conduct was lawful.

In addition, the High Yield Fund Declaration of Trust contains other customary provisions limiting the liability of the High Yield Fund Trustees and indemnifying the High Yield Fund Trustees in respect of certain liabilities incurred by them in the carrying out of their duties.

Each of the High Yield Fund Trustees are required to exercise their powers and discharge their duties honestly, in good faith and in the best interests of the High Yield Fund and to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Conflicts of Interest

A High Yield Fund Trustee who directly or indirectly has a material interest in a material contract or transaction or proposed material contract or transaction with the High Yield Fund, or an affiliate of the High Yield Fund, must disclose in writing to the High Yield Fund the nature and extent of such interest forthwith after becoming aware of the material contract or transaction or proposed material contract or transaction. Such High Yield Fund Trustee must not vote on any resolution to approve the material contract or transaction, unless the material contract or transaction is one relating primarily to his or her remuneration as a High Yield Fund Trustee or one for indemnity or insurance.

Where a High Yield Fund Trustee fails to disclose his or her interest in a material contract or transaction, any High Yield Fund Trustee or any High Yield Fund Unitholder, in addition to exercising any other rights or remedies in connection with such failure exercisable at law or in equity, may apply to a court for an order setting aside the material contract or transaction and directing that the High Yield Fund Trustee account to the High Yield Fund for any profit or gain realized, provided that if the High Yield Fund Trustee acted honestly and in good faith, he or she will not be accountable to the High Yield Fund or to the High Yield Fund Unitholders for any profit or gain realized from such material contract or transaction, and such material contract or transaction will not be void or voidable and may not be set aside, if: (i) the material contract or transaction was reasonable and fair to the High Yield Fund at the time it was approved; (ii) the material contract or transaction is confirmed or approved at a meeting of the High Yield Fund Unitholders duly called for that purpose; and (iii) the nature and extent of the High Yield Fund Trustee's interest in such contract or transaction is disclosed in reasonable detail in the notice calling the meeting of the High Yield Fund Unitholders.

All decisions of the High Yield Fund Board will require the approval of a majority of the High Yield Fund Trustees present in person or by phone at a meeting of the High Yield Fund Board, except for each of the following matters which will also require the approval of a majority of the independent High Yield Fund Trustees:

- (a) an acquisition of a property or an investment in a property, whether by co-investment or otherwise, in which any of the Retained Interest Holders or any Related Party of the High Yield Fund has any direct or indirect interest, whether as owner, operator or manager;
- (b) a change to any agreement with the Retained Interest Holders or a Related Party of the High Yield Fund or any renewal, extension or termination thereof or any increase in any fees (including any transaction fees) or distributions payable thereunder;
- (c) the entering into of, or the waiver, exercise or enforcement of any rights or remedies under, any agreement entered into by the High Yield Fund, or the making, directly or indirectly, of

any co-investment, in each case with (i) any High Yield Fund Trustee, (ii) any entity directly or indirectly controlled by any High Yield Fund Trustee or in which any High Yield Fund Trustee holds a significant interest, or (iii) any entity for which any High Yield Fund Trustee acts as a director or other similar capacity;

- (d) the refinancing, increase or renewal of any indebtedness owed by or to (i) any High Yield Fund Trustee, (ii) any entity directly or indirectly controlled by any High Yield Fund Trustee or in which any High Yield Fund Trustee holds a significant interest, or (iii) any entity for which any High Yield Fund Trustee acts as a director or other similar capacity; and
- (e) decisions relating to any claims by or against one or more parties to any agreement any of the Retained Interest Holders or any Related Party to the High Yield Fund.

In connection with any transaction involving the High Yield Fund, including any item mentioned in the prior paragraph which requires the approval of the independent High Yield Fund Trustees, the High Yield Fund Board shall have the authority to retain external legal counsel, consultants or other advisors to assist it in negotiating and completing such transaction without consulting or obtaining the approval of any officer of the High Yield Fund.

It is anticipated that the independent High Yield Fund Trustees will hold in-camera meetings, with members of management not in attendance, as part of regularly scheduled High Yield Fund Board meetings. The Lead High Yield Fund Trustee will conduct the in-camera meetings without the presence of management or the other non-independent High Yield Fund Trustees.

Rights of Unitholders

Subject to certain important exceptions, a High Yield Fund Unitholder has substantially all of the same protections, rights and remedies as a shareholder would have under the CBCA. Many of the provisions of the CBCA respecting the governance and management of a corporation have been incorporated in the High Yield Fund Declaration of Trust. For example, High Yield Fund Unitholders are entitled to exercise voting rights in respect of their units of the High Yield Fund in a manner comparable to shareholders of a CBCA corporation, and provisions relating to the calling and holding of meetings of High Yield Fund Unitholders included in the High Yield Fund Declaration of Trust are comparable to those of the CBCA. Unlike shareholders of a CBCA corporation, High Yield Fund Unitholders do not have a comparable right of a shareholder to make a proposal at a general meeting of the High Yield Fund. The matters in respect of which High Yield Fund Unitholder approval is required under the High Yield Fund Declaration of Trust are generally less extensive than the rights conferred on the shareholders of a CBCA corporation. High Yield Fund Unitholders do not have recourse to a dissent right under which shareholders of a CBCA corporation are entitled to receive the fair value of their shares where certain fundamental changes affecting the corporation are undertaken (such as an amalgamation, the sale of all or substantially all of its property, or a going private transaction). As an alternative, High Yield Fund Unitholders seeking to terminate their investment in the High Yield Fund are entitled to receive, subject to certain conditions and limitations, the redemption price described above under “– *Redemption*” through the exercise of the redemption rights described above. High Yield Fund Unitholders similarly do not have recourse to the statutory oppression remedy that is available to shareholders of a CBCA corporation where the corporation undertakes actions that are oppressive, unfairly prejudicial or disregard the interests of security holders and certain other parties.

Shareholders of a CBCA corporation may apply to a court to order the liquidation and dissolution of the corporation in certain circumstances, whereas High Yield Fund Unitholders may rely only on the general provisions of the High Yield Fund Declaration of Trust which permit the winding-up of the High Yield Fund with the approval of a Special Resolution of the High Yield Fund Unitholders. Shareholders of a CBCA corporation may also apply to a court for the appointment of an inspector to investigate the manner in which the business of the corporation and its affiliates is being carried on where there is reason to believe that fraudulent, dishonest or oppressive conduct has occurred. The CBCA also permits shareholders to bring

or intervene in derivative actions in the name of the corporation or any of its subsidiaries, with the leave of a court. The High Yield Fund Declaration of Trust does not include comparable rights.

The foregoing is a summary only of certain of the material provisions of the High Yield Fund Declaration of Trust. For a complete understanding of all of the provisions of the High Yield Fund Declaration of Trust, reference should be made to the High Yield Fund Declaration of Trust itself, a copy of which is available from the High Yield Fund.

NV Holdings LP Agreement

The following is a summary only of certain of the material provisions that are expected to be contained in the NV Holdings LP Agreement.

The rights and obligations of NV Holdings GP and holders of NV Holdings LP Units will be governed by the limited partnership agreement establishing NV Holdings LP expected to be among NV Holdings GP, the High Yield Fund and Starlight West LP following the High Yield Fund's acquisition of NV Holdings LP under the Arrangement and all persons who subsequently become limited partners of NV Holdings LP. If the High Yield Fund Board determines it is in the best interests of the High Yield Fund to make a co-investment with another investor such as a Canadian real estate investment trust, such a co-investor may be expected to subscribe for NV Holdings LP Class A Units or another class of limited partnership units with substantially similar, but not superior, rights and privileges as NV Holdings LP Class A Units.

Capital of NV Holdings LP

The capital of NV Holdings LP will consist of an unlimited number of NV Holdings LP Class A Units, an unlimited number of NV Holdings LP Class B Units, and the interest held by NV Holdings GP as general partner. All of the NV Holdings LP Class A Units are expected to be held by the High Yield Fund and all of the NV Holdings LP Class B Units are expected to be held by Starlight West LP.

Distributions

To the extent cash flow permits, for any period, NV Holdings LP is expected to pay and distribute an amount equal to all cash flow from its investment in NV LP Units in that year after payment of all current obligations of NV Holdings LP. Cash flow will be distributed on a monthly basis as follows

- (a) 0.01% to NV Holdings GP;
- (b) 99.99%, less any amount payable to the holders of NV Holdings LP Class B Units in accordance with paragraph (c) below, to the High Yield Fund as a distribution on the NV Holdings LP Class A Units; and
- (c) to the holders of NV Holdings LP Class B Units, the aggregate across all classes of units of the High Yield Fund,
 - (i) of the amount, if any, equal to the lesser of, for each class of units of the High Yield Fund,
 - (A) 50% of the Class Excess Return; and
 - (B) 1/3rd of the Class Threshold Return; plus
 - (ii) 20% of the amount, if any, by which the Class Excess Return exceeds 2/3rds of the Class Threshold Return.

Notwithstanding the foregoing, NV Holdings GP may, at the direction of the High Yield Fund Board, elect to not distribute cash flow in any period or to reduce the amount of any distribution of cash flow in whole or in part.

The Carried Interest is expected to be payable by NV Holdings LP to the holder(s) of NV Holdings LP Class B Units and, therefore, to the extent that any such amounts are paid by NV Holdings LP to the holder(s) of NV Holdings LP Class B Units, such cash will not form part of the Distributable Cash Flow distributed to High Yield Fund Unitholders by the High Yield Fund.

Allocation of Income and Losses for Tax and Accounting Purposes

For tax and accounting purposes, losses for each fiscal year of NV Holdings LP are expected to be allocated to the holders of NV Holdings LP Class A Units. For tax and accounting purposes, net income for each fiscal year of NV Holdings LP is expected to be allocated to the holders of NV Holdings LP Units and NV Holdings GP, as general partner of NV Holdings LP, *pro rata* based on distributions received in respect of such fiscal year.

Distributions upon Wind-up, etc.

Upon the liquidation, dissolution or wind-up of NV Holdings LP, the assets of NV Holdings LP will be liquidated and the proceeds thereof will be distributed as follows:

- (a) first, to pay all unpaid expenses which are required to be paid under the NV Holdings LP Agreement and all expenses incurred in the winding-up of NV Holdings LP;
- (b) second, to pay all of the liabilities of NV Holdings LP, including any loans or advances made by its limited partners and any amounts owing to NV Holdings GP in respect of costs and expenses owing to it as general partner;
- (c) third, to establish such reserves as NV Holdings GP, as general partner, considers necessary;
- (d) fourth, to pay to the holders of NV Holdings LP Units any unpaid portion of the distributions noted in (b) and (c) under “– *Distributions*”; and
- (e) fifth, to pay to NV Holdings GP any unpaid portion of the distributions noted in (a) under “– *Distributions*”.

Additional Capital Contributions

No limited partner is required to make additional capital contributions to NV Holdings LP over and above the purchase price paid for such limited partner’s NV Holdings LP Units.

Management of NV Holdings LP

NV Holdings GP, as general partner, will have continuing exclusive authority over the management of NV Holdings LP, the conduct of its affairs, and the management and disposition of the property of NV Holdings LP, except for certain limited matters being subject to votes of the holders of NV Holdings LP Units. NV Holdings GP will not have any rights to vote.

Removal of NV Holdings GP

Holders of NV Holdings LP Class A Units may, by Special Resolution and upon 60 days’ written notice to NV Holdings GP, remove NV Holdings GP as general partner of NV Holdings LP without cause, and may immediately remove NV Holdings GP for cause, if such cause is not remedied after reasonable notice from the holders of NV Holdings LP Class A Units. For so long as the Manager is the manager of the High Yield Fund, NV Holdings GP shall not be removable as general partner of NV Holdings LP without cause. In either such case, the holders of NV Holdings LP Class A Units will appoint, concurrently with the removal, a replacement general partner to assume all of the responsibilities and obligations of the removed general partner, and the removed general partner will be released of its liabilities under the NV Holdings

LP Agreement and indemnified for any damages and expenses with respect to events which occur in relation to NV Holdings LP after the appointment of the new general partner.

Amendments to the Limited Partnership Agreement

Following closing of the Offering, the NV Holdings LP Agreement may be amended with the prior consent of the holders of at least 66⅔% of the NV Holdings LP Class A Units voting on the amendment at a duly constituted meeting of holders of NV Holdings LP Class A Units or by a written resolution of partners holding at least 66⅔% of the NV Holdings LP Class A Units entitled to vote at a duly constituted meeting of holders of NV Holdings LP Class A Units, except for certain amendments which require unanimous approval of holders of limited partnership units, including: (i) changing the liability of any limited partner that is a holder of NV Holdings LP Class A Units; (ii) changing the right of a limited partner to vote at any meeting of holders of NV Holdings LP Class A Units; and (iii) changing NV Holdings LP from a limited partnership to a general partnership.

NV Holdings GP may also make amendments to the NV Holdings LP Agreement without the approval or consent of the limited partners to reflect, among other things: (i) a change in the name of NV Holdings LP or the location of the principal place of business or registered office of NV Holdings LP; (ii) a change that, as determined by NV Holdings GP, is reasonable and necessary or appropriate to qualify or continue the qualification of NV Holdings LP as a limited partnership in which the limited partners have limited liability under Applicable Laws; (iii) a change that, as determined by NV Holdings GP, is reasonable and necessary or appropriate to enable NV Holdings LP to take advantage of, or not be detrimentally affected by, changes in the Tax Act or other taxation laws; or (iv) a change to amend or add any provision, or to cure any ambiguity or to correct or supplement any provisions contained in the NV Holdings LP Agreement which may be defective or inconsistent with any other provision contained in the NV Holdings LP Agreement or which should be made to make the NV Holdings LP Agreement consistent with the disclosure set out in the Final Prospectus.

Notwithstanding the foregoing: (i) no amendment which would adversely affect the rights and obligations of NV Holdings GP, as a general partner, may be made without the consent of NV Holdings GP; and (ii) no amendment which would adversely affect the rights and obligations of any other holders of limited partnership units or any class of limited partner differently than any other class of limited partner may be made without the consent of such holder or class.

Liquidity Exchange Rights of NV Holdings LP Class B Units

On the occurrence of a Recapitalization Event, the Carried Interest shall be crystallized by way of the NV Holdings LP Class B Units becoming exchangeable for Units, or for securities resulting from such Recapitalization Event, in which case the holder of the NV Holdings LP Class B Units at the time of such exchange shall be able to participate in the Recapitalization Event on the same basis as High Yield Fund Unitholders (including, if applicable, the receipt of cash as payment for the Carried Interest). If an Alternative Liquidity Event occurs, the Carried Interest shall be crystallized and paid either in cash or securities, as applicable, based on whether High Yield Fund Unitholders are receiving cash or securities in the transaction, or as otherwise agreed.

NV LP Agreement

The following is a summary only of certain of the material provisions that are expected to be contained in the NV LP Agreement.

The rights and obligations of NV GP and holders of NV LP Units will be governed by the limited partnership agreement establishing NV LP expected to be among NV GP, as general partner of NV LP, and the REIT or a Subsidiary of the REIT as the initial limited partner and all persons who subsequently become limited partners of NV LP. NV LP will become a Subsidiary of the High Yield Fund as part of the Arrangement.

Capital of NV LP

The capital of NV LP will consist of an unlimited number of NV LP Units, plus the interest held by NV GP as general partner. All of the NV LP Units are expected to be held by NV Holdings LP.

Distributions

To the extent cash flow permits, for any period, NV LP is expected to pay and distribute an amount equal to the aggregate of all Distributable Cash. Such amounts will be distributed as follows:

- (a) 0.01% to the NV GP; and
- (b) 99.99% to the holders of NV LP Units.

Notwithstanding the foregoing, NV GP may, at the direction of the High Yield Fund Board, elect to not distribute cash flow in any period or to reduce the amount of any distribution of cash flow in whole or in part.

Allocation of Income and Losses for Tax and Accounting Purposes

For tax and accounting purposes, losses for each fiscal year of NV LP will be allocated to the holders of NV LP Units. For tax and accounting purposes, net income for each fiscal year of NV LP will be allocated as to 99.99% to the holders of NV LP Units and as to 0.01% to NV GP.

Distributions upon Wind-up, etc.

Upon the liquidation, dissolution or wind-up of NV LP, the assets of NV LP will be liquidated and the proceeds thereof will be distributed as follows:

- (a) first, to pay all unpaid expenses which are required to be paid under the NV LP Agreement and all expenses incurred in the winding-up of NV LP;
- (b) second, to pay all of the liabilities of NV LP, including any loans or advances made by its limited partners and any amounts owing to NV GP in respect of costs and expenses owing to it as general partner;
- (c) third, to establish such reserves as NV GP, as general partner, considers necessary; and
- (d) fourth, to pay 0.01% of the balance to NV GP and 99.99% of the balance to the holders of NV LP Units.

Additional Capital Contributions

No limited partner is required to make additional capital contributions to NV LP over and above the purchase price paid for such limited partner's NV LP Units.

Management of NV LP

NV GP, as general partner, will have continuing exclusive authority over the management of NV LP, the conduct of its affairs, and the management and disposition of the property of NV LP, except for certain limited matters being subject to votes of the holders of NV LP Units. NV GP will not have any rights to vote.

Removal of NV GP

Holders of NV LP Units may, by Special Resolution and upon 60 days' written notice to NV GP, remove NV GP as general partner of NV LP without cause, and may immediately remove NV GP for cause,

if such cause is not remedied after reasonable notice from the holders of NV LP Units. For so long as the Manager is the manager of the High Yield Fund, NV GP shall not be removable as general partner of NV LP without cause. In either such case, the holders of NV LP Units will appoint, concurrently with the removal, a replacement general partner to assume all of the responsibilities and obligations of the removed general partner, and the removed general partner will be released of its liabilities under the NV LP Agreement and indemnified for any damages and expenses with respect to events which occur in relation to NV LP after the appointment of the new general partner.

Voting

Each NV LP Unit has attached to it the right to exercise one vote at meetings of NV LP. Certain powers, relating generally to the existence and fundamental powers of NV LP, are specified in the NV LP Agreement and are exercisable by way of an Ordinary Resolution passed by holders of NV LP Units.

CAPITALIZATION

Pro Forma Capitalization

The following table sets forth the *pro forma* consolidated capitalization of the High Yield Fund as at April 14, 2020 and as at December 31, 2019 after giving effect to the completion of the Arrangement, the Offering (inclusive of the Pre-Prospectus Contributions) and the acquisition of the Initial Portfolio, assuming the Target Capitalization has been achieved. The table should be read in conjunction with the High Yield Fund's *pro forma* consolidated financial statements and notes thereto contained in Appendix "K" to this Circular.

	As at April 14, 2020	As at December 31, 2019 after giving effect to the Arrangement, the Offering and the acquisition of the Initial Portfolio
Units (Authorized – unlimited).....	\$12.50 ⁽¹⁾	\$430,000,000
Indebtedness		
– New and assumed Mortgage Loans	\$0	\$1,304,713,000
Total Capitalization.....	\$12.50	\$1,734,713,000

Note:

- (1) The High Yield Fund was initially settled on April 14, 2020 with \$12.50 in cash for the issuance of one High Yield Fund Unit.

Long-Term Debt

The High Yield Fund does not have any earnings to date, and does not currently have any outstanding long-term debt. Pursuant to the Arrangement, the High Yield Fund, as indirect beneficial owner of the Initial Portfolio, will indirectly assume the aggregate of the existing debt over the Initial Portfolio, which as of June 2020 will amount to approximately \$786,636,000. The weighted average term of principal payments of the existing debt is approximately 3.72 years and the weighted average interest rate of the existing debt is approximately 3.04%.

In addition, the Canadian chartered bank affiliate of the Lead Agent (and a syndicate of financial institutions and other lenders arranged in consultation with the High Yield Fund) have agreed to provide three credit facilities secured by the Initial Portfolio and subordinated to the existing financing assumed by the High Yield Fund in connection with the Arrangement, in an aggregate principal amount of up to \$747,000,000, made up as follows: (A) a non-revolving term loan credit facility in an aggregate amount of up to \$498,000,000 to partially finance the acquisition of the Initial Portfolio, (B) a non-revolving capital

expenditure loan facility in an aggregate amount of up to \$52,000,000 to partially finance capital expenditures in respect of the Initial Portfolio, and (C) a non-revolving mortgage backstop loan facility in an aggregate amount of up to \$197,000,000, available to repay and cancel existing Mortgage Loans where the existing lender's consent to assumption of the debt is not obtained, or where the Mortgage Loans are due to mature within six months of the closing of the Arrangement. Both the foregoing acquisition facility and capital expenditure facility mature three years after closing, subject to a one-year extension on certain terms. The mortgage backstop facility matures 12 months after closing.

The Manager anticipates the High Yield Fund's Debt will total approximately \$1,304,714,000 following closing of the Offering, comprising indebtedness assumed pursuant to the Arrangement of approximately \$786,636,000 and \$518,078,000 drawn in the aggregate across the credit facilities described above.

As of the Offering Closing Date, the weighted average term to maturity and the weighted average effective interest rate of all Debt of the High Yield Fund are expected to be approximately 3.43 years and 3.27%, respectively. Approximately 61% of the initial Debt will comprise fixed-rate term debt, of which approximately 90% is CMHC-insured mortgage debt at interest rates significantly below that of conventional mortgage lenders. Further, the renewal risk of existing CMHC mortgages is lessened by the fact that the insurance remains valid for the entire amortization period of the loan, which typically ranges from 25 to 40 years, which, together with the lower cost interest rates, mitigates the High Yield Fund's exposure to interest rate risk in a rising interest rate environment. The Manager believes the conservative FFO Payout Ratio and prudent leverage profile will support the growth and distributions of the High Yield Fund, affording the High Yield Fund with the financial flexibility to execute market opportunities via intensification, repositioning and acquisitions.

The Manager believes that the current Canadian multi-residential rental property debt financing market offers debt financing at attractive interest rates that the Manager intends to utilize in order to seek an increased return on equity for the High Yield Fund. The High Yield Fund Declaration of Trust limits total indebtedness of the High Yield Fund to no more than 70% of the Gross Book Value. Such loans will generally be for terms of three to ten years, with fixed interest rates calculated with reference to the interest rate on a government bond with a similar term, plus an amount determined in accordance with market factors or floating rates calculated based on a spread over CDOR. The Mortgage Loans (if any) will be secured by mortgages registered on the High Yield Fund Properties in respect of which the loans were advanced.

Debt Maturity Schedule

The following table sets out the principal installments and maturity balances for all Debt, to be paid over each of the seven calendar years following the Offering Closing Date (assuming Closing occurs on June 30, 2020) and thereafter (assuming such indebtedness is not renewed at maturity).

Year	Principal Payments During Period	Principal Repayments on Maturity	Total Mortgages	% of Total Principal	Weighted Average Interest Rate	Total Credit Facility	% of Total Principal	Weighted Average Interest Rate	Total Debt	% of Total Principal	Weighted Average Interest Rate
2020	\$13,686,740	\$59,268,117	\$72,954,856	9.3%	2.75%	\$0	0.0%	0.00%	\$72,954,856	5.6%	2.75%
2021	\$24,661,494	\$95,517,685	\$120,179,179	15.3%	3.29%	\$0	0.0%	0.00%	\$120,179,179	9.2%	3.29%
2022	\$22,041,886	\$72,318,123	\$94,360,009	12.0%	2.98%	\$0	0.0%	0.00%	\$94,360,009	7.2%	2.98%
2023	\$18,745,663	\$106,218,115	\$124,963,778	15.9%	3.44%	\$518,077,573	100.0%	3.56%	\$643,041,351	49.3%	3.54%
2024	\$13,974,926	\$124,606,899	\$138,581,825	17.6%	2.85%	\$0	0.0%	0.00%	\$138,581,826	10.6%	2.85%
2025	\$7,652,726	\$127,313,082	\$134,965,808	17.2%	3.18%	\$0	0.0%	0.00%	\$134,965,808	10.3%	3.18%
2026	\$3,124,122	\$38,200,311	\$41,324,433	5.3%	2.32%	\$0	0.0%	0.00%	\$41,324,433	3.2%	2.32%
Thereafter	\$3,810,300	\$55,495,580	\$59,305,880	7.5%	2.88%	\$0	0.0%	0.00%	\$59,305,880	4.5%	2.88%
Total	\$107,697,856	\$678,937,912	\$786,635,768	100.0%	3.04%	\$518,077,573	100.0%	3.56%	\$1,304,713,342	100.0%	3.27%

Note:

Interest on the credit facility is floating rate and assumes an underlying rate of bankers' acceptance + 3.25% with a bankers' acceptance assumption of 0.31%.

CMHC Mortgages

The Manager intends to continue to secure cost effective mortgages on future acquisitions and refinance existing properties through the use of CMHC mortgage insurance. CMHC provides mortgage insurance to financial institutions to allow them to lend money to qualified building owners at interest rates significantly below that of conventional mortgage lenders. Additionally, the renewal risk of existing CMHC-insured mortgages is mitigated by the fact that the insurance remains valid for the entire amortization period of the loan, which typically ranges from 25 to 40 years. It is the Manager's belief that continued access to CMHC-insured financing will be an important component of the long-term debt strategy of the High Yield Fund, and the Manager will continue to work closely with CMHC and its approved lenders in order to facilitate future financings.

USE OF PROCEEDS

Pursuant to the Arrangement, Unitholders may elect to receive all or a portion of the Offer Price in High Yield Fund Units, subject to proration. See "*The Arrangement*" in the Circular.

The *pro forma* ownership of Unitholders in the High Yield Fund will be determined by, among other things, the aggregate value deemed to be contributed by existing Unitholders, excluding Starlight, that elect to receive and retain High Yield Fund Units under the Arrangement, as more particularly described below.

Net proceeds from the Offering and any concurrent private placements, together with indebtedness to be incurred by the Fund (to the extent required), will be used, to fund a portion of the cash consideration payable to former Unitholders under the Arrangement.

There will be no closing of the Offering unless all closing conditions of the Arrangement (other than payment of the cash consideration) have been satisfied or waived.

Assuming that the aggregate amount of the Pre-Prospectus Contributions is equal to \$195,000,000 (based on the assumption that Unitholders elect to receive an aggregate of \$55,000,000 of High Yield Fund Units under the Arrangement) and that \$57,000,000 of Listed High Yield Fund Units and \$178,000,000 of Class F High Yield Fund Units are distributed in the Offering, the Gross Subscription Proceeds will be \$235,000,000 (net proceeds in the aggregate of \$423,002,500 before deduction of the expenses of the Offering estimated to be \$1,720,000).

The Offering size is inclusive of the Pre-Prospectus Contributions. The aggregate amount of the Pre-Prospectus Contributions and accordingly, the final Offering size, will not be known until the Election Deadline. However, the aggregate amount of the Pre-Prospectus Contributions will be no less than \$105,000,000, representing the sum of the Starlight Base Contribution and the KingSett Base Contribution. In addition, the High Yield Fund expects to receive a subscription on a lead order basis for an aggregate of \$35,000,000 of High Yield Fund Units by way of a concurrent private placement. The final aggregate amount of the Pre-Prospectus Contributions is expected to be known at the time of filing of the Final Prospectus by the High Yield Fund and will be set out therein.

The following table shows the intended use by the High Yield Fund of the gross proceeds from the Offering:

(\$ (000s))	Use of Proceeds ⁽¹⁾
Sources of Funds	
Proceeds from the Offering ⁽²⁾	430,000
Proceeds from the credit facility ⁽³⁾	518,077
Proceeds from assumed mortgage financing ⁽⁴⁾	786,636
Total Sources of Funds:	1,734,713
Uses of Funds	
Agents' Fee	6,997
Estimated expenses of this Offering (legal, accounting and audit, tax advice, printing, travel, securities filings) ⁽⁵⁾	1,720
Cash consideration under Arrangement ⁽⁶⁾	1,702,979
Financing costs – new mortgages and credit facility	9,972
Excess cash in the Fund	13,045
Total Use of Funds:	1,734,713

Notes:

- (1) The Arrangement will close over the course of two days in accordance with the steps set forth in the Plan of Arrangement and assumes the Offering is anticipated to close on or about the second day.
- (2) Assumes that the aggregate amount of the Pre-Prospectus Contributions is equal to \$195,000,000 (based on the assumption that Unitholders elect to receive an aggregate of \$55,000,000 of High Yield Fund Units under the Arrangement) and that \$57,000,000 of Listed High Yield Fund Units and \$178,000,000 of Class F High Yield Fund Units are distributed under the Offering.
- (3) See “*Capitalization – Long-Term Debt*”.
- (4) The High Yield Fund is expected to assume the aggregate of the existing mortgage debt over the Initial Portfolio, which as of June 2020, will be approximately \$786,636,000.
- (5) The estimated expenses of the Offering are assumed to be \$1,720,000.
- (6) Net proceeds from the Offering and any concurrent private placements, together with indebtedness to be incurred by the High Yield Fund (to the extent required), will be used, to fund the cash portion of the Consideration under the Arrangement. As part of the steps of the Arrangement, the Initial Portfolio is being indirectly acquired by the Fund from the REIT for no consideration by way of a “qualifying disposition” (as defined in subsection 107.4(1) of the Tax Act), below the cumulative appraised value of the Properties.

For more details on the acquisition of the Initial Portfolio, and the debt financing to be assumed or incurred by the High Yield Fund in connection with such acquisition. See “*Description of the Activities of the High Yield Fund – The Initial Portfolio*”.

PRIOR SALES

There have been no prior sales of securities of the High Yield Fund, other than the initial High Yield Fund Unit issued to Starlight Group. This initial High Yield Fund Unit will be repurchased by the High Yield Fund on the Offering Closing Date.

Trading Price and Volume

The High Yield Fund is not currently a reporting issuer and the High Yield Fund Units are not listed on any stock exchange. There is currently no market for High Yield Fund Units, and the High Yield Fund Units to be received by Unitholders in exchange for Units in connection with the Arrangement will not be listed for trading on the TSX.

There is currently no market through which the High Yield Funds received by Unitholders may be sold and such a market may not develop, and Unitholders may not be able to resell High Yield Funds received under the Arrangement. This may affect the pricing and liquidity of the High Yield Fund Units in the secondary market, the transparency and availability of trading prices, the liquidity of the High Yield Fund Units, and the extent of issuer regulation. The High Yield Fund has applied to have the Listed High Yield Fund Units listed on the TSX and the High Yield Fund Units issued to Unitholders pursuant to the Arrangement will be convertible into such Listed High Yield Fund Units. Listing is subject to the approval of the TSX in accordance with its original listing requirements. The TSX has not conditionally approved the High Yield Fund's listing application and there is no assurance that the TSX will approve the listing application. Holders of High Yield Fund Units may convert their High Yield Fund Units into Listed High Yield Fund Units in accordance with the High Yield Fund Declaration of Trust. See "*Description of the Units of the High Yield Fund – High Yield Fund Declaration of Trust – Conversion of Units*". If listing approval is ultimately obtained prior to the Effective Time, trading on the TSX in the Listed High Yield Fund Units is expected to commence shortly following the Effective Date. See "*Risk Factors*" of this Appendix "H".

PRINCIPAL SECURITYHOLDERS

Except as disclosed below, after giving effect to the Offering and the Arrangement, to the best of the knowledge of the High Yield Fund Board, no persons are expected to own, directly or indirectly, or exercise control or direction over units of the High Yield Fund carrying at least 10% of the votes attached to the issued and outstanding units of the High Yield Fund.

Assuming that the aggregate amount of the Pre-Prospectus Contributions is equal to \$195,000,000 (based on the assumption that Unitholders elect to receive an aggregate of \$55,000,000 of High Yield Fund Units under the Arrangement) and that \$57,000,000 of Listed High Yield Fund Units and \$178,000,000 of Class F High Yield Fund Units are distributed under the Final Prospectus the Retained Interest Holders would own, in the aggregate, approximately 8,400,000 High Yield Fund Units, representing in the aggregate approximately 53.84% of the High Yield Fund Units and an aggregate approximately 24.42% ownership interest in the High Yield Fund, comprising: (a) approximately 2,400,000 High Yield Fund Units owned by Starlight, representing approximately 15.38% of the High Yield Fund Units and an approximately 6.98% ownership interest in the High Yield Fund; and (b) approximately 6,000,000 High Yield Fund Units owned by the KingSett Investors, representing approximately 38.46% of the High Yield Fund Units and an approximately 17.44% ownership interest in the High Yield Fund. The KingSett Investors will be party to the Investor Rights Agreement which, among other things, will give KingSett certain nomination rights and the KingSett Investors certain demand registration rights. See "*Material Contracts – Investor Rights Agreement*". Starlight will have certain nomination rights under the High Yield Fund Declaration of Trust.

The High Yield Fund expects to receive a Lead Order, pursuant to which the High Yield Fund expects an investor will subscribe for \$35,000,000 of High Yield Fund Units by way of a concurrent private placement, resulting in such investor owning, directly or indirectly, or exercising control or direction over, approximately 2,800,000 High Yield Fund Units representing approximately 17.95% of the High Yield Fund Units and an approximately 8.14% ownership interest in the High Yield Fund (based on the same assumptions as set forth in the paragraph above).

High Yield Fund Units are convertible into Listed High Yield Fund Units (based on the High Yield Fund Unit to Listed High Yield Fund Unit Conversion Rate subject to customary anti-dilution adjustments). High Yield Fund Units are also convertible into Class F High Yield Fund Units (based on the High Yield Fund Unit to Class F High Yield Fund Unit Conversion Rate subject to customary anti-dilution adjustments). See “Description of the Units of the High Yield Fund – High Yield Fund Declaration of Trust”.

HIGH YIELD FUND TRUSTEES AND EXECUTIVE OFFICERS

Name, Address, Occupation and Security Holdings

The following table sets forth certain information regarding each of the individuals who will be High Yield Fund Trustees and/or acting in the capacity of executive officers of the High Yield Fund and its Subsidiaries upon filing of the Final Prospectus (currently, Daniel Drimmer, Martin Liddell and David Hanick are, and have been since formation, High Yield Fund Trustees).

Name, Age and Municipality of Residence	Position(s) Held with the High Yield Fund ⁽¹⁾	Principal Occupation
Daniel Drimmer ⁽²⁾ Age: 47 Toronto, Ontario, Canada	Trustee, Chairman and Interim Chief Executive Officer	President and Chief Executive Officer of Starlight Group and the general partner of the Manager, President and Chief Executive Officer of True North Commercial REIT, Director and Chief Executive Officer of Starlight U.S. Multi-Family (No. 1) Core Plus Fund
Rob Kumer ⁽³⁾⁽⁴⁾ Age: 44 Toronto, Ontario, Canada	Trustee (Independent)	Chief Investment Officer of KingSett Capital Inc.
Graham Rosenberg ⁽⁵⁾⁽⁷⁾ Age: 57 Toronto, Ontario, Canada	Trustee (Independent)	Chief Executive Officer of Dental Corporation of Canada Inc.
Harry Rosenbaum ⁽⁴⁾⁽⁵⁾⁽⁶⁾ Age: 71 Toronto, Ontario, Canada	Trustee (Independent)	Principal of Ashton Woods Homes
Lawrence D. Wilder ⁽⁴⁾⁽⁵⁾ Age: 57 Toronto, Ontario, Canada	Lead Trustee (Independent)	Partner, Miller Thomson LLP
Martin Liddell Age: 49 Toronto, Ontario, Canada	Interim Chief Financial Officer and Trustee	Chief Financial Officer of Starlight Group, Chief Financial Officer of Starlight U.S. Multi-Family (No. 1) Core Plus Fund
David Hanick Age: 45 Toronto, Ontario, Canada	Interim Trustee	Chief Legal Officer of Starlight Group, the Manager and Starlight U.S. Multi-Family (No. 1) Core Plus Fund

Notes:

- (1) The individuals acting in the capacity of the High Yield Fund’s executive officers are not employed by the High Yield Fund or any of its Subsidiaries, but rather are employees of or consultants to the Manager and provide services to the High Yield Fund and its Subsidiaries, on behalf of the Manager, pursuant to the Management Agreement. Messrs.

Dimmer and Liddell will be replaced prior to the Effective Date with individuals provided by the Manager that will have experience in the Canadian multi-residential suites, commercial real estate and executives sectors.

- (2) Board nominee of Starlight pursuant to its nomination right under the Investor Rights Agreement.
- (3) Board nominee of KingSett pursuant to its nomination right under the Investor Rights Agreement.
- (4) Member of the Audit Committee.
- (5) Member of the Governance and Nominating Committee.
- (6) Chair of the Audit Committee.
- (7) Chair of the Governance and Nominating Committee.

Personal Profiles

Set out below is a biography of each of the High Yield Fund Trustees and executive officers of the High Yield Fund, as applicable, for the past five years or more.

Daniel Drimmer – High Yield Fund Trustee, Chairman and Interim Chief Executive Officer

Daniel Drimmer is the founder, President and Chief Executive Officer of Starlight Group, a Canadian real estate asset management company focused on the acquisition, ownership and management of residential and commercial properties across Canada and the U.S., with a portfolio of approximately 43,000 multi-residential suites and over 7,000,000 square feet in commercial properties. In addition to the formation of Starlight Group, Mr. Drimmer is currently a director and Chief Executive Officer of the general partner of TSX-V listed Starlight U.S. Multi-Family (No. 1) Core Plus Fund and was previously a director and Chief Executive Officer of the general partner of the formerly TSX-V-listed Starlight U.S. Multi-Family (No. 1) Value-Add Fund and a director and the Chief Executive Officer of the general partner of the formerly TSX-V-listed Starlight U.S. Multi-Family (No. 5) Core Fund and its predecessors, is the founder, President, CEO and Chairman of the Board of TSX-listed True North Commercial REIT (TNT.UN), and is a member of the Board of Trustees of the REIT. Mr. Drimmer also established TSX-listed True North Apartment REIT, and was the creator and sponsor of TSX-listed TransGlobe Apartment REIT. Over the last ten years, Mr. Drimmer has completed more than \$25 billion worth of acquisitions and dispositions in residential and commercial real estate (including eight initial public offerings). Mr. Drimmer obtained a Bachelor of Arts degree from the University of Western Ontario, and both a Master of Business Administration and a Master's degree in Contemporary European Policy Making from European University in Geneva, Switzerland and is a third generation real estate investor.

Rob Kumer – High Yield Fund Trustee (Independent)

Rob Kumer is the Chief Investment Officer of KingSett Capital, a leading Canadian private equity real estate investment business which co-invests with institutional and ultra-high net worth clients seeking to provide risk weighted returns through its various fund strategies. Mr. Kumer has responsibility for leading the Investments and Project Finance teams which source, underwrite and structure investment transactions for KingSett's various Fund strategies. Founded in 2002, KingSett has raised \$11 billion of equity for its Growth, Income, Urban and Mortgage strategies. Currently, KingSett owns interests in a \$14.7 billion portfolio of assets. Mr. Kumer holds a degree in Honours Business Administration from the Ivey Business School at the University of Western Ontario, where he now sits as a member of the school's Advisory Board. As well, Mr. Kumer sits on the Board of Directors for the Sinai Health System Foundation.

Graham Rosenberg – High Yield Fund Trustee (Independent)

Graham Rosenberg, is the Chief Executive Officer and Founder of Dentalcorp Health Services ULC ("**dentalcorp**"), a company he founded in 2011. dentalcorp is the largest provider of dental services in Canada, with over 400 locations nationwide. Mr. Rosenberg is a member of the audit committee and lead independent director of TSX-V-listed Starlight U.S. Multi-Family (No. 1) Core Plus Fund, and is a director of Keplr Vision. Mr. Rosenberg was previously: lead independent director of the formerly TSX-V-listed Starlight U.S. Multi-Family (No. 5) Core Fund; a director and member of the audit committee of the formerly TSX-V-listed Starlight U.S. Multi-Family (No. 1) Value-Add Fund; a member of the Board of Trustee and audit committee of the TSX-listed REIT; and a director of Mount Sinai Hospital Foundation. Mr. Rosenberg

is qualified as a Chartered Professional Accountant, with a Masters of Business Administration and Bachelor of Business Administration from the Schulich School of Business, York University. In 2015, Mr. Rosenberg was elected E&Y Entrepreneur of the Year (Ontario) for Business Services. He also serves as Governor of the North York General Hospital Foundation.

Harry Rosenbaum – High Yield Fund Trustee (Independent)

Harry Rosenbaum is Co-Founder and Principal of the Great Gulf Group of Companies (Great Gulf Residential, First Gulf Corporation, Tucker HiRise and H+ME Technology). Mr. Rosenbaum is a Principal of Ashton Woods Homes, one of the largest privately held homebuilders in the U.S. He is a trustee of NEO Exchange Inc.-listed Starlight Hybrid Global Real Assets Trust and a director and member of the audit committee of the general partner of TSX-V-listed Starlight U.S. Multi-Family (No. 1) Core Plus Fund and a past board member of WPT Industrial Real Estate Investment Trust. Mr. Rosenbaum is Chair of the Real Estate and Properties Committee of UJA of Greater Toronto and a member of the board of directors of UJA of Greater Toronto. He was a director of the Sunnybrook Hospital Foundation and a director of the Advocates for Civil Liberties. Mr. Rosenbaum was formerly the Chairman of The Association for the Soldiers of Israel. Mr. Rosenbaum received his law degree from Osgoode Law School in 1974. He also holds a degree in Economics from York University.

Lawrence D. Wilder – Lead High Yield Fund Trustee (Independent)

Mr. Wilder is a partner at Miller Thomson LLP and serves as co-chair of the Firm's national Capital Markets Group and co-leads the Firm's Hospitality Practice Group. Mr Wilder has practiced corporate and securities law for over 30 years and has advised Canadian public issuers and their boards on a variety of corporate governance and securities law compliance matters. His specialties include corporate finance, mergers and acquisitions and private equity. Mr. Wilder is nationally recognized by *Chambers Canada*, *Best Lawyers*, *Lexpert* and *Martindale-Hubbell*. He holds an LLB from Osgoode Hall Law School.

Martin Liddell – Interim High Yield Fund Trustee and Interim Chief Financial Officer

Martin Liddell joined the Manager in January 2012 and is currently the Chief Financial Officer of Starlight Group and the Chief Financial Officer of TSX-V listed Starlight U.S. Multi-Family (No. 1) Core Plus Fund and was previously the Chief Financial Officer of the general partner of the formerly TSX-V-listed Starlight U.S. Multi-Family (No. 1) Value-Add Fund and the Chief Financial Officer of the general partner of the formerly TSX-V-listed Starlight U.S. Multi-Family (No. 5) Core Fund and its predecessors. From 2012 to 2015, Mr. Liddell was the Chief Financial Officer of TSX-listed True North Apartment REIT. Prior to joining Starlight Group, Mr. Liddell was the Executive Vice-President and Chief Financial Officer of TSX-listed Leisureworld Senior Care Corporation from 2006 until 2011 where he played a critical role in the March 2010 initial public offering. Previously, Mr. Liddell held the position of Chief Financial Officer of NBS Technologies Inc., at the time a TSX-listed company and since privatized. Between 2000 and 2005, Mr. Liddell served in a variety of increasingly senior corporate development and financial management roles at Tyco International Ltd., and prior to that from 1995 to 2000, provided strategic corporate finance and mergers and acquisitions advice to clients at KPMG LLP in the United Kingdom and Europe. Mr. Liddell has participated in over \$7 billion of real estate debt and equity financings. Mr. Liddell holds a Bachelor of Arts (Honours) in accounting and finance from Liverpool John Moores University, United Kingdom, and received his Chartered Accountant designation in 1995. Mr. Liddell is a member of the Institute of Chartered Accountants in England and Wales.

David Hanick – Interim High Yield Fund Trustee

David Hanick joined Starlight Group in November 2012 and is currently Chief Legal Officer. Prior to joining Starlight Group, Mr. Hanick was a corporate partner in the Toronto office of Osler, Hoskin & Harcourt LLP where he focused on public and private mergers and acquisitions as well as capital markets transactions acting for issuers, underwriters and private equity firms in various sectors including the real estate sector. Mr. Hanick has more than 17 years of legal, capital markets, mergers and acquisitions, and corporate governance expertise, and has participated in transactions totaling more than \$22 billion. Mr. Hanick is currently the Corporate Secretary of the general partner of TSX-V-listed Starlight U.S. Multi-

Family (No. 1) Core Plus Fund, and was previously the Corporate Secretary of the general partner of the formerly TSX-V-listed Starlight U.S. Multi-Family (No. 1) Value-Add Fund and the Corporate Secretary of the general partner of the formerly TSX-V-listed Starlight U.S. MultiFamily (No. 5) Core Fund and its predecessors. Mr. Hanick is a member of the Law Society of Ontario and holds a joint Masters of Business Administration from the Schulich School of Business and Bachelor of Laws from Osgoode Hall Law School.

Immediately after the Offering Closing Date, Mr. Drimmer will own or have control or direction over, directly or indirectly, units of the High Yield Fund. See "*Principal Securityholders*" and "*Interests of Management and Others in Material Transactions*".

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No trustee or executive officer of the High Yield Fund or promoter of the High Yield Fund, or a unitholder holding a sufficient number of securities to materially affect the control of the High Yield Fund is, or was within the ten years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any company that (i) was subject to a cease trade order or similar order or an order that denied the company access to any exemption under securities legislation, in each case in effect for a period of more than 30 consecutive days, that was issued while that person was acting in the capacity of a director, chief executive officer or chief financial officer of that company, or (ii) was subject to such an order that was issued after that person ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while the person was acting in that capacity.

No current High Yield Fund Trustee or executive officer of the High Yield Fund or promoter of the High Yield Fund, or a unitholder holding a sufficient number of securities to materially affect the control of the High Yield Fund is, or within the ten years prior to the date hereof has been, a director or executive officer of any company (including the High Yield Fund) that, while that person was acting in that capacity or within a year of ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets. In addition, no current director or executive officer of the High Yield Fund has, within the ten years prior to the date hereof become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the current High Yield Fund Trustee, executive officer, promoter or unitholder.

Except for the following, no current High Yield Fund Trustee or executive officer of the High Yield Fund or promoter of the High Yield Fund or any unitholder holding a sufficient number of securities to materially affect the control of the High Yield Fund, is or has been (i) subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (ii) subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

Lawrence D. Wilder (who will be appointed to the High Yield Fund Board upon filing of the Final Prospectus), entered into a settlement agreement dated May 24, 2002 with the OSC in connection with the OSC's proceeding brought in connection with YBM Magnex International Inc. The OSC had alleged that Mr. Wilder had made misleading statements in certain of his correspondence with OSC staff concerning due diligence in the course of clearing a final prospectus on behalf of his client. Pursuant to the settlement agreement, the proceeding was settled on the basis that Mr. Wilder provided an apology to the OSC staff (which was accepted) and agreed to pay certain costs incurred by the OSC in connection with the proceeding. There were no sanctions or penalties imposed on Mr. Wilder in connection with this matter.

Conflicts of Interest

Other than as disclosed herein, there are no existing or potential material conflicts of interest between the High Yield Fund or its Subsidiaries and any director or officer of the High Yield Fund or its Subsidiaries.

High Yield Fund Trustees and Executive Officers and Indemnification

The High Yield Fund and its Subsidiaries will obtain or cause to be obtained a policy or policies of insurance for the trustees and executive officers of the High Yield Fund and each corporate Subsidiary. Under such policy or policies, each Entity will have reimbursement coverage to the extent that it has indemnified the trustees, directors and officers, as applicable. The policy or policies will include securities claims coverage, insuring against any legal obligation to pay on account of any securities claims brought against the High Yield Fund and its Subsidiaries, and their trustees, directors and officers, as applicable. In addition, the High Yield Fund and its Subsidiaries will each indemnify its trustees, directors and officers, as applicable, from and against liability and costs in respect of any action or suit brought against them in connection with the execution of their duties of office.

EXECUTIVE COMPENSATION

Executive and High Yield Fund Trustee Compensation

The High Yield Fund is a recently established entity and has not completed a financial year. For the period from formation on April 14, 2020 to the date of this Circular, no compensation was paid by the High Yield Fund to the High Yield Fund Trustees or to the executive officers. The High Yield Fund intends to pay each non-management High Yield Fund Trustee (other than the nominees of the Retained Interest Holders where applicable) an annual retainer of \$40,000 per annum. Each High Yield Fund Trustee will be reimbursed for all reasonable travel and ancillary expenses incurred for attending meetings but will not otherwise be paid a meeting fee per meeting attended in person or by phone. The High Yield Fund Trustees will not receive any additional remuneration for acting as directors on the boards of any of the High Yield Fund's subsidiaries. The chair of the Audit Committee will receive an additional retainer of \$10,000 per annum. The Lead High Yield Fund Trustee and the chair of the Governance and Nominating Committee will not receive any additional retainers for their respective roles. High Yield Fund Trustees who are also members of management and/or nominees of the Retained Interest Holders will not receive any remuneration for their role as a High Yield Fund Trustee.

Equity Incentive Plan

The High Yield Fund does not and will not have an equity incentive plan pursuant to which cash or non-cash compensation has been or will be paid or distributed to any High Yield Fund Trustee or executive officer. The High Yield Fund does not and will not have any stock appreciation rights or incentive plans. The High Yield Fund has not issued and will not issue any stock options to any executive officer or High Yield Fund Trustee.

Pension Plan Benefits

The High Yield Fund Board does not have and will not implement a pension plan for its executive officers or High Yield Fund Trustees.

Termination of Employment, Change in Responsibilities and Employment Contracts

The High Yield Fund has not entered into and will not enter into any employment contracts or arrangements with the individuals acting in the capacity of executive officers or the High Yield Fund Trustees that provide for any payments in connection with any termination and the Management Agreement will not provide for any incremental payments by the High Yield Fund or its Subsidiaries in respect of the Manager's termination of any individuals performing the functions of an executive officer for the High Yield Fund.

Indebtedness of Trustees and Executive Officers

None of the High Yield Fund Trustees or executive officers of the High Yield Fund are indebted to the High Yield Fund.

CORPORATE GOVERNANCE AND BOARD COMMITTEES

Currently, the High Yield Fund Board comprises three High Yield Fund Trustees, being Daniel Drimmer, Martin Liddell and David Hanick, none of whom is considered to be independent within the meaning of NI 58-101. Upon filing of the Final Prospectus, the High Yield Fund Board will comprise five High Yield Fund Trustees, a majority of whom will be Canadian residents and majority of whom will be independent. The High Yield Fund Board will also designate a Lead High Yield Fund Trustee from among the independent High Yield Fund Trustees to provide leadership for the independent High Yield Fund Trustees in certain circumstances if the Chairman is not independent. Pursuant to NI 58-101, an independent High Yield Fund Trustee is one who is free from any direct or indirect relationship which could, in the view of the High Yield Fund Board, be reasonably expected to interfere with a High Yield Fund Trustee's independent judgment. The High Yield Fund has determined that Rob Kumer, Graham Rosenberg, Harry Rosenbaum and Lawrence D. Wilder will be independent under these standards. Mr. Drimmer, Chairman, Trustee and Interim Chief Executive Officer of the High Yield Fund, will not be independent under this standard given his current role as Interim Chief Executive Officer and the owner of the Manager. As Mr. Drimmer is not determined to be independent, Lawrence D. Wilder will initially be appointed to act as Lead High Yield Fund Trustee. The Lead High Yield Fund Trustee will be responsible for acting as the effective leader of the High Yield Fund Board in circumstances where it is inappropriate for the Chairman to act in that role as a result of a conflict of interest.

The High Yield Fund Declaration of Trust will provide that, subject to certain conditions, the High Yield Fund Trustees will have absolute and exclusive power, control and authority over the High Yield Fund's assets and operations, as if the High Yield Fund Trustees were the sole absolute legal and beneficial owners of the High Yield Fund's assets. The governance practices and the Investment Restrictions and Operating Policy of the High Yield Fund will be overseen by a Board of Trustees consisting of five High Yield Fund Trustees, a majority of whom will be Canadian residents. The High Yield Fund must, at all times after the completion of the Arrangement, have a majority of High Yield Fund Trustees who are independent within the meaning of NI 58-101; provided, however, that if at any time a majority of High Yield Fund Trustees are not independent because of the death, resignation, bankruptcy, adjudicated incompetence, removal or change in circumstance of any High Yield Fund Trustee who was an independent High Yield Fund Trustee, this requirement shall not be applicable for a period of 60 days thereafter, during which time the remaining High Yield Fund Trustees shall appoint a sufficient number of High Yield Fund Trustees who qualify as "independent" to comply with this requirement.

The mandate of the High Yield Fund Board, substantially in the form set out under Schedule "B" to this Appendix "H", is one of stewardship and oversight of the High Yield Fund and its business. In fulfilling its mandate, the High Yield Fund Board will adopt a written charter setting out its responsibility, among other things, for (i) supervising the activities and managing the investments and affairs of the High Yield Fund, (ii) approving major decisions regarding the High Yield Fund, (iii) overseeing the Manager and the fulfillment of its responsibilities under the Management Agreement, (iv) identifying and managing risk exposure, (v) ensuring the integrity and adequacy of the High Yield Fund's internal controls and management information systems, (vi) succession planning, (vii) maintaining records and providing reports to High Yield Fund Unitholders, (viii) ensuring effective and adequate communication with High Yield Fund Unitholders, other stakeholders and the public, (ix) determining the amount and timing of distributions to High Yield Fund Unitholders, and (x) acting for, voting on behalf of and representing the High Yield Fund as a holder of NV Holdings LP Units.

The High Yield Fund Board will adopt a written position description for the Chairman of the High Yield Fund Board, which will set out the Chairman's key responsibilities, including, as applicable, duties relating to setting High Yield Fund Board meeting agendas, chairing High Yield Fund Board and High Yield Fund Unitholder meetings, High Yield Fund Trustee development and communicating with High Yield Fund Unitholders and regulators, as well as a position description for the Lead High Yield Fund Trustee, which will set out the Lead High Yield Fund Trustee's duties with respect to board leadership, relationship with management, information flow and meetings. The High Yield Fund Board will also adopt a written position description for each of the committee chairs which will set out each of the committee chair's key responsibilities, including duties relating to setting committee meeting agendas, chairing committee

meetings and working with the respective committee and management to ensure, to the greatest extent possible, the effective functioning of the committee.

All newly elected High Yield Fund Trustees will be provided with a comprehensive orientation as to the nature and operation of the business and affairs of the High Yield Fund and as to the role of the High Yield Fund Board and its committees. The orientation program will be designed to assist the High Yield Fund Trustees in fully understanding the nature and operation of the High Yield Fund's business, the role of the High Yield Fund Board and its committees and the contributions that individual High Yield Fund Trustees are expected to make.

The High Yield Fund will adopt a written code of business conduct and ethics (the "**Code of Conduct**") that applies to all High Yield Fund Trustees, officers, and the Manager and its employees. The objective of the Code of Conduct is to provide guidelines for maintaining the integrity, reputation, honesty, objectivity and impartiality of the High Yield Fund and its Subsidiaries. The Code of Conduct will address honest and ethical conduct, conflicts of interest, confidentiality, protection and proper use of the High Yield Fund's assets, compliance with laws and reporting any illegal or unethical behavior, prompt internal reporting of any violations of the Code of Conduct and accountability for adherence under the Code of Conduct. As part of the Code of Conduct, any person subject to the Code of Conduct will be required to avoid or fully disclose interests or relationships that are harmful or detrimental to the High Yield Fund's best interests or that may give rise to real, potential or the appearance of conflicts of interest. The Code of Conduct will also address matters concerning public disclosure and ensure that communications with the public concerning the High Yield Fund are timely, consistent and credible, and in accordance with the disclosure requirements under applicable securities laws. The High Yield Fund Board will have the ultimate responsibility for the stewardship of the Code of Conduct. The Code of Conduct will also be filed with the Canadian securities regulatory authorities on SEDAR at www.sedar.com.

The High Yield Fund will also adopt an insider trading policy (the "**Insider Trading Policy**") which will apply to, among others, all High Yield Fund Trustees, officers, and the Manager and its employees. The objective of the Insider Trading Policy is to ensure that any purchase or sale of securities occurs without actual or perceived violation of applicable securities laws. The Insider Trading Policy will provide for "blackout" periods during which insiders and other persons who are subject to the policy are prohibited from trading in securities of the High Yield Fund. The Insider Trading Policy will also prohibit insiders and other persons who are subject to the policy from trading in securities of the High Yield Fund during the period commencing on the first day following the last month of each fiscal quarter and ending 24 hours following the issue of a press release in respect of the High Yield Fund's interim or annual financial statements. Additional black-out periods may also be prescribed from time to time by the High Yield Fund's administrators of the Insider Trading Policy at any time at which it is determined there may be undisclosed inside information concerning the High Yield Fund that makes it inappropriate for personnel to be trading. In such circumstances, the administrators of the Insider Trading Policy will issue a notice instructing these individuals not to trade in securities of the High Yield Fund until further notice. This notice will contain a reminder that the fact there is a restriction on trading may itself constitute inside information or information that may lead to rumours and must be kept confidential.

The standard of care and duties of the High Yield Fund Trustees provided in the High Yield Fund Declaration of Trust are similar to those imposed on directors of a corporation governed by the CBCA. Accordingly, each High Yield Fund Trustee is required to exercise the powers and discharge the duties of his or her office honestly, in good faith and in the best interests of the High Yield Fund and, in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent director would exercise in comparable circumstances. The High Yield Fund Declaration of Trust provides that each High Yield Fund Trustee is entitled to indemnification from the High Yield Fund in respect of the exercise of the High Yield Fund Trustee's powers and the discharge of the High Yield Fund Trustee's duties, provided that the High Yield Fund Trustee acted honestly and in good faith with a view to the best interests of the High Yield Fund or, in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, where the High Yield Fund Trustee had reasonable grounds for believing that his or her conduct was lawful.

Other than High Yield Fund Trustees appointed prior to the closing of the Offering, which High Yield Fund Trustees will hold office for a term expiring at the close of the next annual meeting of High Yield Fund Unitholders or until a successor is appointed, High Yield Fund Trustees will be elected at each annual meeting of High Yield Fund Unitholders to hold office for a term expiring at the close of the next annual meeting, or until a successor is appointed, and will be eligible for re-election. The High Yield Fund Board intends to adopt a majority voting policy consistent with TSX requirements prior to the first uncontested meeting of Unitholders at which High Yield Fund Trustees are to be elected. Other than each Retained Interest Holder's respective nominees nominated by the Retained Interest Holders in connection with their respective nomination rights described herein, nominees will be nominated by the Governance and Nominating Committee, in each case for the election by High Yield Fund Unitholders as High Yield Fund Trustees in accordance with the provisions of the High Yield Fund Declaration of Trust and will be included in the proxy-related materials to be sent to High Yield Fund Unitholders prior to each annual meeting of High Yield Fund Unitholders.

A quorum of the High Yield Fund Trustees, being the majority of the High Yield Fund Trustees then holding office (provided a majority of the High Yield Fund Trustees comprising such quorum are residents of Canada), will be permitted to fill a vacancy in the High Yield Fund Board, except a vacancy resulting from an increase in the number of High Yield Fund Trustees other than in accordance with the provision regarding the appointment of trustees in the High Yield Fund Declaration of Trust, from a failure of the High Yield Fund Unitholders to elect the required number of High Yield Fund Trustees. In the absence of a quorum of High Yield Fund Trustees, or if the vacancy has arisen from an increase in the number of High Yield Fund Trustees other than in accordance with the provision regarding the appointment of trustees in the High Yield Fund Declaration of Trust or from a failure of the High Yield Fund Unitholders to elect the required number of High Yield Fund Trustees, the High Yield Fund Trustees will promptly call a special meeting of the High Yield Fund Unitholders to fill the vacancy. If the High Yield Fund Trustees fail to call that meeting or if there is no High Yield Fund Trustee then in office, any High Yield Fund Unitholder will be entitled to call such meeting. Except as otherwise provided in the High Yield Fund Declaration of Trust, the High Yield Fund Trustees may, between annual meetings of High Yield Fund Unitholders, appoint one or more additional High Yield Fund Trustees to serve until the next annual meeting of High Yield Fund Unitholders, provided that the number of additional High Yield Fund Trustees so appointed will not at any time exceed one-third of the number of High Yield Fund Trustees who held such office at the conclusion of the immediately preceding annual meeting of High Yield Fund Unitholders. Any High Yield Fund Trustee may resign upon 30 days' written notice to the High Yield Fund, unless such resignation would cause the number of remaining High Yield Fund Trustees to be less than a quorum, and may be removed by an Ordinary Resolution passed by a majority of the votes cast at a meeting of High Yield Fund Unitholders.

Each of Starlight and KingSett will have the right to nominate one High Yield Fund Trustee. Starlight was granted a nomination right in connection with the Manager's role as manager of the High Yield Fund. Pursuant to the High Yield Fund Declaration of Trust, for so long as Daniel Drimmer controls the Manager, he is expected to be Starlight's nominee. KingSett's nomination right is subject to it holding at least 5% of the High Yield Fund's equity. Upon completion of the Arrangement, it is anticipated that Mr. Drimmer will serve on the High Yield Fund Board and act as the Chairman pursuant to Starlight's nomination right and Rob Kumer will serve on the High Yield Fund Board pursuant to KingSett's nomination right. See "*Material Contracts – Investor Rights Agreement – Nomination Rights*".

If and when a High Yield Fund Trustee resigns or is unwilling to stand for re-election as a High Yield Fund Trustee, the remaining High Yield Fund Trustees will identify potential candidates for nomination to the High Yield Fund Board, with a view to ensuring overall diversity of experience and skill.

The High Yield Fund Board does not have a compensation committee. The High Yield Fund Board has no committees other than the Audit Committee. The High Yield Fund Trustees will be regularly assessed with respect to their effectiveness and contribution.

Audit Committee

The Audit Committee of the High Yield Fund Board will comprise Harry Rosenbaum (Chair), Rob Kumer and Lawrence D. Wilder, each of whom is considered “independent” and “financially literate” within the meaning of NI 52-110. For the education and experience relevant to the performance by each such person of the responsibilities as a member of the Audit Committee following completion of the Offering, see “*High Yield Fund Trustees and Executive Officers – Name, Address, Occupation and Security Holdings – Personal Profiles*”.

The Audit Committee will assist the High Yield Fund in fulfilling its responsibilities of oversight and supervision of its accounting and financial reporting practices and procedures, the adequacy of internal accounting controls and procedures, and the quality and integrity of its financial statements. In addition, the Audit Committee will be responsible for directing the auditors’ examination of specific areas, for the selection of the High Yield Fund’s independent auditors and for the approval of all non-audit services for which its auditors may be engaged.

The High Yield Fund Board has adopted a written charter for the Audit Committee which sets out the Audit Committee’s responsibility in reviewing the financial statements of the High Yield Fund and public disclosure documents containing financial information and reporting on such review to the High Yield Fund Board, review of the High Yield Fund’s public disclosure documents that contain financial information, oversight of the work and review of the independence of the external auditors and reviewing, evaluating and approving the internal control procedures that are implemented and maintained by management. A copy of the Audit Committee charter is attached to this Appendix “H” as Schedule “C”.

At no time since the establishment of the High Yield Fund has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the High Yield Fund Trustees. The Audit Committee has not yet adopted specific policies and procedures for the engagement of non-audit services.

The High Yield Fund is recently established and has not yet had a fiscal year end. As a result, there have been no fees billed to the High Yield Fund by its auditors, KPMG LLP, in respect of the High Yield Fund’s last two fiscal years.

Governance and Nominating Committee

The Governance and Nominating Committee will comprise three High Yield Fund Trustees, all of whom will be persons determined by the High Yield Fund to be independent High Yield Fund Trustees and a majority of whom will be residents of Canada, and will be charged with reviewing, overseeing and evaluating the corporate governance and nominating policies of the High Yield Fund. The Governance and Nominating Committee will comprise Graham Rosenberg, who will act as chair of this committee, Harry Rosenbaum and Lawrence D. Wilder, each of whom have been determined by the High Yield Fund to be independent. The High Yield Fund Board believes that the members of the Governance and Nominating Committee individually and collectively possess the requisite knowledge, skill and experience in governance and compensation matters, including human resource management, executive compensation matters and general business leadership, to fulfill the committee’s mandate. All members of the Governance and Nominating Committee have substantial knowledge and experience as current and former senior executives of large and complex organizations and on the boards of other publicly traded entities. See the biographies of Graham Rosenberg, Harry Rosenbaum and Lawrence D. Wilder above under “*High Yield Fund Trustees and Executive Officers - Personal Profiles*” for a description of the experience that is relevant to the performance of their responsibilities members of the Governance and Nominating Committee.

The High Yield Fund Board will adopt a written charter for the Governance and Nominating Committee setting out its responsibilities for: (i) assessing the effectiveness of the High Yield Fund Board, each of its committees and individual High Yield Fund Trustees; (ii) overseeing the recruitment and selection of candidates as High Yield Fund Trustees, other than the High Yield Fund Chief Executive Officer or the Chief Financial Officer of the High Yield Fund; (iii) organizing an orientation and education program for new High Yield Fund Trustees; (iv) considering and approving proposals by the High Yield Fund

Trustees to engage outside advisors on behalf of the High Yield Fund Board as a whole or on behalf of the independent High Yield Fund Trustees; (v) considering questions of management succession; (vi) assessing the performance of management of the High Yield Fund; (vii) as required, reviewing and approving the compensation paid by the High Yield Fund, if any, to consultants of the High Yield Fund; and (viii) reviewing and making recommendations to the High Yield Fund Board concerning the level and nature of the compensation payable to High Yield Fund Trustees.

See “*Executive Compensation – Executive and High Yield Fund Trustee Compensation*”.

Nomination of High Yield Fund Trustees

Other than the Retained Interest Holders’ nomination rights, and subject to the requirement in the High Yield Fund Declaration of Trust, all board nominees are nominated by the Governance and Nominating Committee, who make such nominations after considering the mix of skills and experience it believes are necessary to further the High Yield Fund’s goals. High Yield Fund Trustees elected at an annual meeting will be elected for a term expiring at the close of the subsequent annual meeting and will be eligible for re-election. High Yield Fund Trustees appointed by the High Yield Fund Trustees between meetings of High Yield Fund Unitholders in accordance with the High Yield Fund Declaration of Trust shall be appointed for a term expiring at the close of the next annual meeting and will be eligible for election or re-election, as the case may be.

Orientation and Continuing Education

New High Yield Fund Trustees

When new High Yield Fund Trustees are elected to the High Yield Fund Board, they can be expected to participate in a comprehensive orientation program. The orientation program will familiarize new High Yield Fund Trustees with the High Yield Fund’s business and operations, including structure, operations, and risks. They will be briefed on the role of the High Yield Fund Board, its committees and the contributions individual trustees are expected to make. New High Yield Fund Trustees can also be expected to receive an orientation package containing all High Yield Fund Trustees’ committee mandates and charters, copies of the High Yield Fund’s policies and other background information on the High Yield Fund’s business, operations and risks.

Continuing Education

The High Yield Fund’s continuing education program for its High Yield Fund Trustees will involve the ongoing evaluation by the Governance and Nominating Committee of the skills and competencies of existing High Yield Fund Trustees. The High Yield Fund Board currently comprises highly qualified and experienced High Yield Fund Trustees with impressive levels of skill and knowledge. Many of the High Yield Fund Trustees are seasoned business executives, directors or professionals with considerable experience, including as directors of other significant public companies. The Governance and Nominating Committee will continually monitor the composition of the High Yield Fund Board and will recommend the adoption of a formal continuing education program should it be determined to be necessary.

As part of the High Yield Fund’s continuing education program, High Yield Fund Trustees will:

- (a) receive a comprehensive electronic package of information prior to each board and committee meeting;
- (b) obtain a quarterly report on the High Yield Fund’s operations and markets from senior management;
- (c) receive updates from management and third parties (including advisors) on regulatory developments and trends and issues related to the High Yield Fund’s business;
- (d) receive reports on the work of board committees following committee meetings;

- (e) participate in periodic tours with management of certain High Yield Fund properties; and
- (f) be encouraged to attend industry conferences and events, with the reasonable cost of such events being reimbursed by the High Yield Fund.

Board Assessments

The Governance and Nominating Committee will conduct an annual assessment of the High Yield Fund Board, its committees and of each individual High Yield Fund Trustee, which will include an assessment of each High Yield Fund Trustee's experience, financial literacy, independence and other factors. The assessment process will require each High Yield Fund Trustee to complete a questionnaire addressing (i) a review of the effectiveness of the High Yield Fund Board and each committee, (ii) a peer review of each other High Yield Fund Trustee, and (iii) a self-evaluation of such High Yield Fund Trustee's own performance. The Chair of the Governance and Nominating Committee will report the results of the assessments to the High Yield Fund Board. This process is used (i) as an assessment tool, (ii) as a component of the regular review process of High Yield Fund Board members' participation, and (iii) to assist with the High Yield Fund Board's succession planning.

Diversity

The High Yield Fund is committed to fostering an open and inclusive workplace culture. The High Yield Fund endorses the principle that the High Yield Fund Board should have a balance of skills, experience and diversity of perspectives appropriate to the business. In furtherance of the High Yield Fund's commitment to diversity at the High Yield Fund Board level, following closing of the Offering, the High Yield Fund Board will adopt a diversity policy (the "**Diversity Policy**"). In accordance with the Diversity Policy, the Governance and Nominating Committee will consider a number of factors, including gender, ethnic and geographic diversity, as well as age, business experience, professional expertise, personal skills and perspectives, when seeking and considering new High Yield Fund Trustees for nomination or evaluating High Yield Fund Trustee nominees for re-election. The High Yield Fund Board will ensure compliance with the Diversity Policy by requiring that the Governance and Nominating Committee conduct annual assessments to consider the level of representation on the High Yield Fund Board of the various attributes enumerated in the Diversity Policy, including the number of women on the High Yield Fund Board among other factors. Notwithstanding the foregoing, recommendations concerning High Yield Fund Trustee nominees are, foremost, based on merit and performance, with due regard to the overall effectiveness of the High Yield Fund Board, with diversity being taken into consideration, as it is beneficial that a diversity of backgrounds, views and experiences be present at the High Yield Fund Board and management levels.

The Diversity Policy will not specify a numerical target for women High Yield Fund Trustees on the High Yield Fund Board, nor will the High Yield Fund maintain a specific numerical target in making executive officer appointments, as the High Yield Fund Board believes its evaluation and nomination process is robust and, in practice, does consider and will result in gender diversity on the High Yield Fund Board. The Governance and Nominating Committee reviews the structure and diversity of the High Yield Fund Board annually and may set diversity, including gender diversity, aspirations regarding the High Yield Fund Board's optimum composition as part of the identification and nomination of High Yield Fund Trustees.

Similarly, the level of representation of women will continue to be considered by the High Yield Fund, the High Yield Fund Board and the Governance and Nominating Committee, among other factors, in the making of executive officer appointments. In searches for new executive officers, the Governance and Nominating Committee will consider the level of diversity in management as one of several factors used in its search process. Notwithstanding the foregoing, all executive officer appointments will always be based on merit, having regard to the requirements of the High Yield Fund and will be subject to the Manager's selection of the Chief Executive Officer and Chief Financial Officer of the High Yield Fund.

Conflicts of Interest – High Yield Fund Trustees and Executive Officers

The High Yield Fund Declaration of Trust will contain “conflict of interest” provisions to protect High Yield Fund Unitholders without creating undue limitations on the High Yield Fund. As the High Yield Fund Trustees will be engaged in a wide range of real estate and other activities, the High Yield Fund Declaration of Trust will contain provisions, similar to those contained in the CBCA, that will require each High Yield Fund Trustee to disclose to the High Yield Fund, at the first meeting of High Yield Fund Trustees at which a proposed contract or transaction is considered, any interest in a material contract or transaction or proposed material contract or transaction with the High Yield Fund or the fact that such person is a director or officer of or otherwise has a material interest in any person who is a party to a material contract or transaction or proposed material contract or transaction with the High Yield Fund. If a material contract or transaction or proposed material contract or transaction is one that in the ordinary course would not require approval by the High Yield Fund Trustees, a High Yield Fund Trustee will be required to disclose in writing to the High Yield Fund, or request to have entered into the minutes of meetings of High Yield Fund Trustees, the nature and extent of his or her interest forthwith after the High Yield Fund Trustee becomes aware of the contract or transaction or proposed contract or transaction. In any case, a High Yield Fund Trustee who has made disclosure to the foregoing effect will not be entitled to vote on any resolution to approve the contract or transaction unless the contract or transaction relates to his or her remuneration or an indemnity under the provisions of the High Yield Fund Declaration of Trust or liability insurance.

Conflicts of Interest – The Manager

The Manager is owned indirectly and controlled by Daniel Drimmer. Pursuant to the Management Agreement, the Manager will be receiving various fees and payments from the High Yield Fund in respect of asset management and other services provided thereunder. The interests in the NV Holdings LP Class B Units are owned indirectly and controlled by Mr. Drimmer. Pursuant to the NV Holdings LP Agreement, the partners of Starlight West LP (currently being entities wholly-owned by Mr. Drimmer) will be indirectly participating in the profits of NV LP (through NV Holdings LP).

Mr. Drimmer is not in any way limited by the High Yield Fund or affected in his ability to carry on other business ventures for his own accounts and for the accounts of others, other than pursuant to any duties he owes to the High Yield Fund, in his capacity as Chairman and High Yield Fund Trustee of the High Yield Fund, and is now, and intends in the future to be, engaged in the development of, investment in and management of other real estate properties. Mr. Drimmer will not have any obligation to account to the High Yield Fund or the High Yield Fund Unitholders for profits made in such other activities.

The Manager’s continuing businesses, including its role in providing asset management services to other issuers other than the High Yield Fund, may lead to conflicts of interest between the Manager and the High Yield Fund. The High Yield Fund may not be able to resolve any such conflicts, and, even if it does, the resolution may be less favourable to the High Yield Fund than if it were dealing with a party that was not a significant holder of an interest in the High Yield Fund. The agreement that the High Yield Fund entered into with the Manager may be amended upon agreement between the parties, subject to Applicable Laws and approval of the independent High Yield Fund Trustees. Because of the proposed significant holdings of the principal of the Manager in the High Yield Fund, the High Yield Fund may not have the leverage to negotiate any required amendments to these agreements on terms as favourable to the High Yield Fund as those the High Yield Fund would negotiate with a party that was not a significant holder of an interest in the High Yield Fund.

In addition, the High Yield Fund Trustees and executive officers of the High Yield Fund and the Manager may be involved in other ventures in the Canadian multi-residential sector with similar investment objectives to the High Yield Fund that also target the Secondary Markets that may lead to conflicts of interest between such High Yield Fund Trustees, officers, the Manager and the High Yield Fund. As a result, the High Yield Fund may not be able to resolve any such conflicts, and, even if it does, the resolution may be less favourable to the High Yield Fund than if it were dealing with an arm’s length third party. The High Yield Fund Declaration of Trust contains provisions respecting potential conflicts of interest that may arise with High Yield Fund Trustees. See *Description of the Units of the High Yield Fund – High Yield Fund Declaration*

of Trust". Additionally, the High Yield Fund Board will comprise a majority of independent High Yield Fund Trustees.

RISK FACTORS

The acquisition of High Yield Fund Units involves a number of risks. The risks described below are not the only risks involved with an acquisition of High Yield Fund Units. If any of the following risks occur, or if others occur, the High Yield Fund's business, operating results and financial condition could be seriously harmed, and Unitholders may lose all of their investment. Risks affecting the High Yield Fund will affect its ability to make distributions on units of the High Yield Fund. There is no assurance that the High Yield Fund will be able to achieve any of its investment objectives. In addition to the risk factors set forth elsewhere in this Circular, Unitholders should consider the following risks associated with the acquisition of High Yield Fund Units.

Risks Related to the High Yield Fund Units

Limited Liquidity of Units

Prior to the closing of the Offering, no public market will exist for the High Yield Fund Units. An active and liquid market for the Listed High Yield Fund Units may not develop following the completion of the Arrangement or, if developed, may not be maintained. If an active public market does not develop or is not maintained, investors may have difficulty selling Listed High Yield Fund Units following the conversion of their High Yield Fund Units. The liquidity of the Listed High Yield Fund Units will be limited, and the High Yield Fund Units will not be liquid as they will not be listed on the TSX. Although the High Yield Fund intends to complete a Recapitalization Event by the Target Recapitalization Date, the Target Recapitalization Date may also be extended (including following the exercise of the two one-year extensions by the High Yield Fund Board at the High Yield Fund Board's sole discretion) by Special Resolution of the High Yield Fund Unitholders, subject to approval by the High Yield Fund Board.

Listing Approval for the Listed High Yield Fund Units May not be Granted

The TSX has not conditionally approved the listing application of the High Yield Fund and there is no assurance that it will do so.

Volatile Market Price for Units

The market price for Listed High Yield Fund Units may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the High Yield Fund's control, including the following: (i) actual or anticipated fluctuations in the High Yield Fund's quarterly results of operations; (ii) changes in the economic performance or market valuations of other issuers that investors deem comparable to the High Yield Fund; (iii) addition or departure of the High Yield Fund Trustees, the Chief Executive Officer or Chief Financial Officer as provided by the Manager and other key High Yield Fund personnel; (iv) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the High Yield Fund or its competitors; (v) news reports relating to trends, concerns or competitive developments, regulatory changes and other related issues in the High Yield Fund's industry or target markets; and (vi) changes in liquidity, volatility, credit availability and market and financial condition as a result of catastrophic events, natural disasters, severe weather, outbreak of an infectious disease, a pandemic or a similar health threat such as the evolving COVID-19 virus pandemic, or fear of any of the foregoing. Financial markets have recently experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of public entities and that have, in several cases, been unrelated to the operating performance, underlying asset values or prospects of such entities. Accordingly, the market price of the Units may decline even if the High Yield Fund's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. As well, certain institutional investors may base their investment decisions on consideration of the High Yield Fund's environmental, governance and social practices and performance against such institutions' respective investment guidelines and criteria, and

failure to meet such criteria may result in a limited or no investment in the Units by those institutions, which could materially adversely affect the trading price of the Units. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue for a protracted period of time, the High Yield Fund's operations could be materially adversely impacted and the trading price of the Units may be materially adversely affected.

Risks Related to the High Yield Fund

An investment in High Yield Fund Units is an investment in real estate in Secondary Markets through the High Yield Fund's indirect interest in its Subsidiaries and the High Yield Fund Properties, directly or indirectly, acquired by it. Investment in real estate is subject to numerous risks, including the factors listed below and other events and risk factors which are beyond the control of the High Yield Fund.

General Real Estate Ownership Risks

All real property investments are subject to a degree of risk and uncertainty including general economic conditions, local real estate markets, and various other factors. The value of real property and any improvements thereto depend on the credit and financial stability of tenants and upon the vacancy rates of such properties. The High Yield Fund Properties generate revenue through rental payments made by the tenants thereof. The ability to rent vacant suites in the High Yield Fund Properties will be affected by many factors, including changes in general economic conditions (such as the availability and cost of mortgage funds), local conditions (such as an oversupply of space or a reduction in demand for real estate in the area), government regulations, changing demographics, competition from other available properties, and various other factors. If a significant number of tenants are unable to meet their obligations under their leases or if a significant amount of available space in the High Yield Fund Properties becomes vacant and cannot be re-leased on economically favourable terms, the High Yield Fund Properties may not generate revenues sufficient to meet Operating Expenses, including debt service and capital expenditures, and Distributable Cash will be adversely affected.

Certain significant expenditures, including property taxes, maintenance costs, mortgage payments, insurance costs and related charges must be made throughout the period of ownership of real property regardless of whether a High Yield Fund Property is producing any income. Real property investments tend to be relatively illiquid, with the degree of liquidity generally fluctuating in relationship with demand for and the perceived desirability of such investments. Such illiquidity will tend to limit the High Yield Fund's ability to vary its portfolio promptly in response to changing economic or investment conditions. If the High Yield Fund were to be required to quickly liquidate its real property investments, the proceeds might be significantly less than the aggregate carrying value of the High Yield Fund Properties or less than what could be expected to be realized under normal circumstances. The High Yield Fund may, in the future, be exposed to a general decline of demand by tenants for space in properties. As well, certain of the leases of the High Yield Fund Properties held by the High Yield Fund or its Subsidiaries may have early termination provisions which, if exercised, would reduce the average lease term.

Historical occupancy rates and revenues are not necessarily an accurate prediction of the future occupancy rates for the High Yield Fund Properties or revenues to be derived therefrom. There can be no assurance that, upon the expiry or termination of existing leases, the average occupancy rates and revenues will be higher than historical occupancy rates and revenues, and it may take a significant amount of time for market rents to be recognized by the High Yield Fund due to internal and external limitations on its ability to charge these new market-based rents in the short-term.

Public Health Crises and Disease Outbreaks

Public health crises, including the ongoing health crisis related to the coronavirus (COVID-19) pandemic, or relating to any other virus, flu, epidemic, pandemic or any other similar disease or illness (each a "**Health Crisis**") could materially adversely impact the High Yield Fund's and its tenants' businesses, and thereby the ability of tenants to meet their payment obligations, by disrupting supply chains and transactional activities and negatively impacting local, national or global economies. A Health Crisis could further result in: a general or acute decline in economic activity in the regions in which the High Yield

Fund holds assets, increased unemployment, staff shortages, reduced tenant traffic, mobility restrictions and other quarantine measures, supply shortages, increased government regulation, and the quarantine or contamination of one or more of the High Yield Fund's properties. Contagion in a property or market in which the High Yield Fund operates could negatively impact its occupancy, reputation or attractiveness. All of these occurrences may have a material adverse effect on the High Yield Fund's business, cash flows, financial condition and results of operations and ability to make distributions to holders of units of the High Yield Fund. Furthermore, increased government regulation relating to a Health Crisis could result in legislation or regulations that may restrict the High Yield Fund's ability to enforce material provisions under its leases, including in respect of the collection of rent or other payment obligations or the ability of the High Yield Fund to raise rent, or the ability of the High Yield Fund to evict tenants for non-payment of rent, among other potential adverse impacts, that could have a material adverse effect on the High Yield Fund's business, cash flows, financial condition and results of operations and ability to make distributions to holders of units of the High Yield Fund.

In addition, the overall severity and duration of COVID-19-related adverse impacts on the High Yield Fund's business, financial condition, cash flows and/or results of operations for 2020 and beyond, cannot be fully estimated at this time, but may be material. Such impacts (for the second quarter of 2020 and thereafter) may include: (i) an inability for tenants to meet their payment obligations; (ii) reduction in staff and operational levels; (iii) increased costs resulting from the High Yield Fund's efforts to mitigate the impact of COVID-19; (iv) deterioration of worldwide credit and financial markets that could limit the High Yield Fund's ability to obtain external financing to fund operations and capital expenditures, result in losses on the High Yield Fund's investments due to failures of financial institutions and other parties, and result in a higher rate of losses on the High Yield Fund's accounts receivable due to credit defaults; and (v) impairments and/or write-downs of assets. In addition, the impact of COVID-19 on the economy may have an adverse effect on the trading price for units of the High Yield Fund, including reduced trading prices and/or increased volatility resulting in swings in trading price unrelated to the High Yield Fund's underlying business. The size of the impact will depend on future developments. Even after the COVID-19 pandemic has subsided, the High Yield Fund may continue to experience material adverse impacts to its business as a result of its global economic impact, including any related recession, as well as lingering impacts on the High Yield Fund's suppliers, third-party service providers and/or tenants. The High Yield Fund and the Manager will actively assess, and respond where possible, to the effects of the COVID-19 pandemic on their employees, tenants, suppliers, and service providers, and evaluate governmental actions being taken to curtail its spread. The Fund and the Manager will continue to monitor the situation closely, and intend to follow health and safety guidelines as they evolve.

Co-investment/Joint Ventures

The High Yield Fund may invest in, or be a participant in, directly or indirectly, joint ventures and partnerships with third parties in respect of the High Yield Fund Properties. A joint venture or partnership involves certain additional risks, including:

- (a) the possibility that such co-venturers/partners may at any time have economic or business interests or goals that will be inconsistent with the High Yield Fund's or take actions contrary to the High Yield Fund Board's or the Manager's instructions, requests, policies or objectives with respect to the High Yield Fund Properties;
- (b) the co-venturer/partner may have control over all of the day to day and fundamental decisions relating to a Property;
- (c) the risk that such co-venturers/partners could experience financial difficulties or seek the protection of bankruptcy, insolvency or other laws, which could result in additional financial demands to maintain and operate such High Yield Fund Properties or repay the co-venturers'/partners' share of property debt guaranteed by the High Yield Fund or its Subsidiaries or for which the High Yield Fund or its Subsidiaries will be liable and/or result in the High Yield Fund suffering or incurring delays, expenses and other problems associated with obtaining court approval of joint venture or partnership decisions;

- (d) the risk that such co-venturers/partners may, through their activities on behalf of or in the name of the ventures or partnerships, expose or subject the High Yield Fund or its Subsidiaries to liability; and
- (e) the need to obtain co-venturers'/partners' consents with respect to certain major decisions or inability to have any decision making authority, including the decision to distribute cash generated from such Properties or to refinance or sell a Property.

In addition, the sale or transfer of interests in certain of the joint ventures and partnerships may be subject to certain requirements, such as rights of first refusal, rights of first offer or drag-along rights, and certain of the joint venture and partnership agreements may provide for buy-sell or similar arrangements. Such rights may inhibit the High Yield Fund's ability to sell an interest in a property or a joint venture/partnership within the time frame or otherwise on a desired basis. Additionally, drag-along rights may be triggered at a time when the High Yield Fund may not wish to sell its interest in a High Yield Fund Property, but the High Yield Fund may be forced to do so at a time when it would not otherwise be in its best interest.

Substitutions for Residential Rental Suites

Demand for rental suites in the High Yield Fund Properties is impacted by and inversely related to the relative cost of home ownership. The cost of home ownership depends upon, among other things, interest rates offered by financial institutions on mortgages and similar home financing transactions. Following the global economic crisis and the COVID-19 pandemic, interest rates offered by financial institutions for financing home ownership have been at historically low levels. If the interest rates offered by financial institutions for home ownership financing remain low or fail to rise, demand for rental suites may be adversely affected. A reduction in the demand for rental suites may have a material adverse effect on the High Yield Fund's ability to lease suites in the High Yield Fund Properties and on the rents charged.

Government Regulation

Certain provinces and territories in Canada have enacted residential tenancy legislation which imposes, among other things, rent control guidelines that limit the High Yield Fund's ability to raise rental rates at the High Yield Fund Properties. Limits on the High Yield Fund's ability to raise rental rates at the High Yield Fund Properties may adversely affect the High Yield Fund's ability to increase income from the High Yield Fund Properties.

In addition to limiting the High Yield Fund's ability to raise rental rates, residential tenancy legislation in such provinces may provide certain rights to tenants, while imposing obligations upon landlords. Residential tenancy legislation may also prescribe procedures which must be followed by a landlord in order to terminate a residential tenancy. As certain proceedings may need to be brought before the respective judicial or administrative body governing residential tenancies as appointed under a province's residential tenancy legislation, it may take several months to terminate a residential lease, even where the tenant's rent is in arrears.

Further, residential tenancy legislation may provide tenants with the right to bring certain claims to the respective judicial or administrative body seeking an order to, among other things, compel landlords to comply with health, safety, housing and maintenance standards. As a result, the High Yield Fund may, in the future, incur capital expenditures which may not be fully recoverable from tenants.

Residential tenancy legislation may be subject to further regulations or may be amended, repealed or enforced, or new legislation may be enacted, in a manner which will materially adversely affect the ability of the High Yield Fund to maintain the historical level of earnings of the High Yield Fund Properties.

See "*Description of the Activities of the High Yield Fund – The Initial Portfolio – Overview of Rent Control Regulation*".

Changes in Applicable Laws

The High Yield Fund's operations must comply with numerous federal, provincial, territorial and local laws and regulations, some of which may conflict with one another or be subject to limited judicial or regulatory interpretations. These laws and regulations may include zoning laws, building codes, landlord tenant laws and other laws generally applicable to business operations. Non-compliance with laws could expose the High Yield Fund to liability. Lower revenue growth or significant unanticipated expenditures may result from the High Yield Fund's need to comply with changes in Applicable Laws, including (i) laws imposing environmental remedial requirements and the potential liability for environmental conditions existing on properties or the restrictions on discharges or other conditions, or (ii) other governmental rules and regulations or enforcement policies affecting the development, use and operation of the High Yield Fund Properties, including changes to building codes and fire and life-safety codes.

Financing Risks

The High Yield Fund is expected to have outstanding Mortgage Loans of approximately \$786.7 million and expects to draw approximately \$518.1 million of its credit facilities following closing of the Offering. A portion of the cash flow generated by the High Yield Fund's properties is required for principal and interest payments on such debt and there can be no assurance that the High Yield Fund will continue to generate sufficient cash flow from operations to meet required payments. The future development of the High Yield Fund's business may require additional financing. There are no assurances that such financing will be available, or if available, available upon terms acceptable to the High Yield Fund.

The High Yield Fund is subject to the risks associated with debt financing, including the risk that the existing Mortgage Loans secured by the High Yield Fund Properties will not be able to be refinanced or that the terms of such refinancing will not be as favourable as the terms of existing indebtedness. In order to minimize this risk, the High Yield Fund will attempt to appropriately structure the timing of the renewal of significant tenant leases on the High Yield Fund Properties in relation to the time at which Mortgage Loans on such High Yield Fund Properties becomes due for refinancing. The borrowing capacity of the operating facilities is based on the asset values and debt serviceability of the assets pledged. As such, weakness in financial performance of certain High Yield Properties may have an adverse effect on debt serviceability and overall asset value thereby reducing the borrowing capacity.

Potential Undisclosed Liabilities Associated with Acquisitions

The High Yield Fund will acquire High Yield Fund Properties that may be subject to existing liabilities, some of which may be unknown at the time of the acquisition or which the High Yield Fund may fail to uncover in its due diligence. Unknown liabilities might include liabilities for claims by tenants, vendors or other persons dealing with the vendor or predecessor entities (that have not been asserted or threatened to date), tax liabilities, accrued but unpaid liabilities incurred in the ordinary course of business and cleanup and remediation of undisclosed environmental conditions. While in some instances the High Yield Fund may, indirectly have the right to seek reimbursement against an insurer or another third party for certain of these liabilities, the High Yield Fund may not have recourse to the vendor of the High Yield Fund Properties for any of these liabilities.

No Recourse Against Property Vendors

Unitholders receiving High Yield Fund Units under the Arrangement will not have a direct statutory right or any other rights against the REIT or the Unitholders in respect of the High Yield Fund's acquisition of the High Yield Fund Properties comprising the Initial Portfolio, and their securityholders. The High Yield Fund and its Subsidiaries will not have any remedies against the REIT and any of their respective securityholders with respect to the High Yield Fund's acquisition of the Initial Portfolio. In addition, the REIT has not made any representation to the High Yield Fund, and is not making any representation to Unitholders, as to the disclosure in this Appendix "H" constituting full, true and plain disclosure of all material facts related to the High Yield Fund Properties comprising the Initial Portfolio, or that this Appendix "H" does not contain a misrepresentation with respect to such High Yield Fund Properties. Accordingly, the REIT will

not have any liability to Unitholders if disclosure relating to the High Yield Fund Properties comprising the Initial Portfolio does not meet such standard or contains a misrepresentation.

Environmental Matters

The High Yield Fund is subject to various other requirements (including federal, provincial, territorial and municipal laws, as applicable) relating to environmental matters. Such requirements provide that the High Yield Fund could be, or become, liable for environmental or other harm, damage or costs, including with respect to the release of hazardous, toxic or other regulated substances into the environment and/or affecting persons, and the removal or other remediation of hazardous, toxic or other regulated substances that may be present at or under its High Yield Fund Properties, including lead-based paint, asbestos, polychlorinated biphenyls, petroleum-based fuels, mercury, volatile organic compounds, underground storage tanks, pesticides and other miscellaneous materials. Such requirements often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release or presence of such materials. Additional liability may be incurred by the High Yield Fund with respect to the release of such substances from the High Yield Fund Properties to properties owned by third parties, including properties adjacent to the High Yield Fund Properties or with respect to the exposure of persons to regulated substances.

The failure to remove or otherwise address such substances may materially adversely affect the High Yield Fund's ability to sell such High Yield Fund Property, maximize the value of such High Yield Fund Property or borrow using such High Yield Fund Property as collateral security, and could potentially result in claims or other proceedings against the High Yield Fund. It is the High Yield Fund's Operating Policy to obtain or be entitled to rely on an environmental site assessment prior to acquiring a High Yield Fund Property (other than the High Yield Fund Properties comprising the Initial Portfolio). Where an environmental site assessment warrants further investigation, it is the High Yield Fund's Operating Policy to conduct further environmental assessments. Although such environmental assessments provide the High Yield Fund with some level of assurance about the condition of the High Yield Fund Properties, the High Yield Fund may become subject to liability for undetected contamination or other environmental conditions of its High Yield Fund Properties against which it cannot have insurance, or against which the High Yield Fund may elect not to have insurance where insurance premium costs are considered to be disproportionate to the assessed risk, which could have a material adverse effect on the High Yield Fund's business, cash flows, financial condition and results of operations and ability to make distributions to holders of units of the High Yield Fund. Environmental laws and other requirements can change and the High Yield Fund may become subject to more stringent environmental laws and other requirements in the future. Compliance with more stringent environmental requirements, the identification of currently unknown environmental issues or an increase in the costs required to address a currently known condition may have a material adverse effect on the High Yield Fund's business, cash flows, financial condition and results of operations and ability to make distributions to holders of units of the High Yield Fund. As the High Yield Fund did not obtain updated environmental site assessments of the High Yield Fund Properties comprising the Initial Portfolio, there may be undisclosed liabilities associated with such High Yield Fund Properties.

Uninsured Losses

The High Yield Fund or its Subsidiaries will arrange for comprehensive insurance, including fire, liability and extended coverage, of the type and in the amounts customarily obtained for properties similar to those to be owned by the High Yield Fund or its Subsidiaries and will endeavour to obtain coverage where warranted against earthquakes and floods. However, in many cases certain types of losses (generally of a catastrophic nature) are either uninsurable or not economically insurable. Should such a disaster occur with respect to any of the High Yield Fund Properties, the High Yield Fund could suffer a loss of capital invested and not realize any profits which might be anticipated from the disposition of such High Yield Fund Properties.

Risk Related to Insurance Renewals

Certain events could make it more difficult and expensive to obtain property and casualty insurance, including coverage for catastrophic risks. When the High Yield Fund's or its Subsidiaries' current insurance

policies expire, the High Yield Fund or its Subsidiaries may encounter difficulty in obtaining or renewing property or casualty insurance on its High Yield Fund Properties at the same levels of coverage and under similar terms. Even if the High Yield Fund is able to renew its policies at levels and with limitations consistent with its current policies, the High Yield Fund cannot be sure that it will be able to obtain such insurance at premiums that are reasonable. In order to partially mitigate the substantial increase in insurance costs in recent years, the High Yield Fund may determine to gradually increase deductible and self-insured retention amounts. If the High Yield Fund or its Subsidiaries are unable to obtain adequate insurance on their properties for certain risks, it could cause the High Yield Fund or its Subsidiaries to be in default under specific covenants on certain of their respective indebtedness or other contractual commitments that they have which require the High Yield Fund or its Subsidiaries to maintain adequate insurance on its properties to protect against the risk of loss. If this were to occur, or if the High Yield Fund or its Subsidiaries were unable to obtain adequate insurance, and their properties experienced damages that would otherwise have been covered by insurance, it could have a material adverse effect on the High Yield Fund's business, cash flows, financial condition and results of operations.

Competition for Real Property Investments or Tenants

The Manager will compete for suitable real property investments with individuals, corporations, real estate investment trusts and similar vehicles and institutions which are presently seeking or which may seek in the future real property investments or tenants similar to those sought by the High Yield Fund. Such competition could have an impact on the High Yield Fund's ability to lease suites in the High Yield Fund Properties and on the rents charged. An increased availability of investment funds allocated for investment in real estate would tend to increase competition for real property investments and increase purchase prices, reducing the yield on such investments. There is a risk that continuing increased competition for real property acquisitions may increase purchase prices to levels that are not accretive.

Holding Entity Structure

As a holding entity, the High Yield Fund's ability to meet its obligations, including payment of interest, other Operating Expenses and distributions, and to complete current or desirable future enhancement opportunities or acquisitions generally depends on the receipt by the High Yield Fund of dividends, distributions and/or interest payments from its Subsidiaries as the principal source of cash flow to pay such expenses and to pay distributions on the units of the High Yield Fund. As a result, the High Yield Fund's cash flows and ability to pay distributions, including on the units of the High Yield Fund, are dependent upon the earnings of its Subsidiaries and the distribution of those earnings and other funds by its Subsidiaries to it. The payment of interest, dividends and/or distributions by certain of the High Yield Fund's Subsidiaries may be subject to restrictions set out in relevant tax or corporate laws and regulations, constating documents or other governing provisions, which may require that certain Subsidiaries remain solvent following payment of any such interest, dividends and/or distributions. Substantially all of the High Yield Fund's business is currently conducted through its Subsidiaries, and the High Yield Fund expects this to continue.

Revenue Shortfalls

Revenues from the High Yield Fund Properties may not increase sufficiently to meet increases in Operating Expenses or debt service payments under any Mortgage Loans or to fund changes in the variable rates of interest charged in respect of such loans.

Fluctuations in Capitalization Rates

As interest rates fluctuate in the lending market, generally Capitalization Rates will as well, which affects the underlying value of real estate. As such, when interest rates rise, generally Capitalization Rates should be expected to rise. Over the period of investment, capital gains and losses at the time of disposition can occur due to the increase or decrease of these Capitalization Rates.

Reliance on the Manager, High Yield Fund Trustees and Expertise of Operational Team of the High Yield Fund

Unitholders assessing the risks and rewards of this investment will, in large part, be relying on the expertise of the Manager, its principal, Daniel Drimmer, certain of its executives as well as the High Yield Fund Trustees and the High Yield Fund's operational team. In particular, Unitholders will have to rely on the discretion and ability of the Manager in determining the composition of the portfolio of High Yield Fund Properties, and in negotiating the pricing and other terms of the agreements leading to the Recapitalization Event or any Alternative Liquidity Event, as applicable. The loss of the services of key personnel could have an adverse effect on the High Yield Fund, which the High Yield Fund intends to mitigate through succession planning. The ability of the Manager to successfully implement the High Yield Fund's investment strategy will depend in large part on the continued employment of Mr. Drimmer, the High Yield Fund's Chief Executive Officer and/or the High Yield Fund's Chief Financial Officer. If the Manager loses the services of Mr. Drimmer, the High Yield Fund's Chief Executive Officer and/or the High Yield Fund's Chief Financial Officer, the undertaking, financial condition and results of operations of the High Yield Fund may be materially adversely affected. See "*High Yield Fund Trustees and Executive Officers*" and "*Material Contracts – The Management Agreement*".

A Recapitalization Event May Not Occur

The Manager intends to complete a Recapitalization Event on or prior to the Target Recapitalization Date. However, there can be no assurances that the High Yield Fund will be able to complete such a Recapitalization Event on terms satisfactory to the High Yield Fund Trustees, if at all, or that High Yield Fund Unitholders will approve such a Recapitalization Event. In addition, notwithstanding the High Yield Fund's intention to complete a Recapitalization Event as described herein, intervening circumstances may result in the High Yield Fund being the subject of an Alternative Liquidity Event.

Distributions May be Reduced or Suspended

Although the High Yield Fund intends to distribute its available cash to High Yield Fund Unitholders, such cash distributions may be reduced or suspended. The ability of the High Yield Fund to pay High Yield Fund Unitholders a targeted annual pre-tax distribution yield of 10.5% on Gross Subscription Proceeds (or implied gross proceeds for units of the High Yield Fund issued under the Arrangement) across all High Yield Fund Unit classes in the aggregate and the actual amount distributed or paid to High Yield Fund Unitholders will vary as between the classes of units of the High Yield Fund based on the proportionate entitlements of each class of High Yield Fund Unit (see "*Description of the Units of the High Yield Fund - High Yield Fund Declaration of Trust*"), and will depend on the ability of the High Yield Fund to create value and manage the ongoing operations of the High Yield Fund Properties. The Minimum Return is payable prior to payment of any amounts pursuant to the Carried Interest, but is not guaranteed and may not be paid on a current basis in each year or at all. As a result, the cash distributions payable to High Yield Fund Unitholders may not be paid on a current basis in each year or at all. The return on an investment in the units of the High Yield Fund is not comparable to the return on an investment in a fixed income security. Cash distributions, including a return of a High Yield Fund Unitholder's original investment, are not guaranteed and their recovery by an investor is at risk and the anticipated return on investment is based upon many performance assumptions. It is important for Unitholders to consider the particular risk factors that may affect the real estate investment markets generally and therefore the availability and stability of distributions to High Yield Fund Unitholders.

Payment of the Minimum Return and the Carried Interest

The amounts calculated as being distributable to High Yield Fund Unitholders pursuant to the Carried Interest are not the same as the amounts that will be distributed to High Yield Fund Unitholders pursuant to the High Yield Fund Declaration of Trust. It is possible that the persons entitled to the Carried Interest will receive amounts even if one or more classes of units of the High Yield Fund have not received the Minimum Return. See "*Description of the Units of the High Yield Fund – NV Holdings LP – Distributions*".

Fixed Costs and Increased Expenses

The failure to maintain stable or increasing average rental rates combined with acceptable occupancy levels would likely have a material adverse effect on the High Yield Fund's business, cash flows, financial condition and results of operations and ability to make distributions to holders of units of the High Yield Fund. Certain significant expenditures, including property taxes, maintenance costs, mortgage payments, insurance costs and related charges, must be made throughout the period of ownership of real property regardless of whether a property is producing any income. If the High Yield Fund is unable to meet mortgage payments on any property, losses could be sustained as a result of the mortgagee's exercise of its rights of foreclosure or sale. The High Yield Fund is also subject to utility and property tax risk relating to increased costs that the High Yield Fund may experience as a result of higher resource prices as well as its exposure to significant increases in property taxes. There is a risk that property taxes may be raised as a result of re-valuations of properties and their adherent tax rates. In some instances, enhancements to properties may result in significant increases in property assessments following a re-valuation. Additionally, utility expenses, mainly consisting of natural gas and electricity service charges, have been subject to considerable price fluctuations over the past several years. Any significant increase in these resource costs that the High Yield Fund cannot charge back to the tenant may have a material adverse effect on the High Yield Fund's business, cash flows, financial condition and results of operations and ability to make distributions to holders of units of the High Yield Fund. The timing and amount of capital expenditures by the High Yield Fund will affect the amount of cash available for distributions to holders of units of the High Yield Fund. Distributions may be reduced, or even eliminated, at times when the High Yield Fund deems it necessary to make significant capital or other expenditures.

Trust Unitholder Liability

Recourse for any liability of the High Yield Fund is intended to be limited to the assets of the High Yield Fund. The High Yield Fund Declaration of Trust provides that no High Yield Fund Unitholder or annuitant under a plan of which a High Yield Fund Unitholder acts as trustee or carrier (an "annuitant") will be held to have any personal liability as such, and that no resort shall be had to the private property of any High Yield Fund Unitholder or annuitant for satisfaction of any obligation or claim arising out of or in connection with any contract or obligation of the High Yield Fund or of the High Yield Fund Trustees.

The High Yield Fund Trustees intend to cause the High Yield Fund's operations to be conducted in such a way as to minimize any such risk, including by obtaining appropriate insurance and, where feasible, attempting to have material written contract or commitment of the High Yield Fund contain an express disavowal of liability against the High Yield Fund Unitholders.

In conducting its affairs, the High Yield Fund owns and will be acquiring real property investments, subject to existing contractual obligations, including obligations under mortgages and leases. The High Yield Fund Trustees will use all reasonable efforts to have any such obligations under mortgages on the High Yield Fund Properties and other acquired properties, and material contracts, other than leases, modified so as not to have such obligations binding upon any of the High Yield Fund Unitholders or annuitants personally. However, the High Yield Fund may not be able to obtain such modification in all cases. To the extent that claims are not satisfied by the High Yield Fund, there is a risk that a High Yield Fund Unitholder or annuitant will be held personally liable for obligations of the High Yield Fund where the liability is not disavowed as described above. See "*Description of the Units of the High Yield Fund – High Yield Fund Declaration of Trust – Restrictions on Ownership and Transfer of Units*"

Historical Financial Information and Pro Forma Financial Information

The historical financial information relating to the Initial Portfolio included in this Appendix "H" has been derived from historical accounting records. The Manager believes that the assumptions underlying the financial statements are reasonable. However, the financial statements may not reflect what the High Yield Fund's financial position, results of operations or cash flows would have been had the High Yield Fund been a standalone entity during the historical periods presented or what the High Yield Fund's financial position, results of operations or cash flows will be in the future. The High Yield Fund has not made adjustments to its historical financial information to reflect changes that may occur in its cost structure,

financing and operations as a result of its acquisition of the Initial Portfolio. In preparing the *pro forma* financial information included at Appendix “K” to this Circular, the High Yield Fund has given effect to, among other items, the Offering. The estimates used in the *pro forma* financial information may not be similar to the High Yield Fund’s actual experience as a stand-alone public entity.

Non-IFRS Measures

The *pro forma* financial information set out in this Appendix “H” includes certain measures which do not have standardized meanings prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. There are no directly comparable measures calculated in accordance with GAAP, as such measures are based on investments that are external to the High Yield Fund. The measures used are meaningful to the investors as they are based on the average investor’s individual investment in the entities mentioned.

Reliance on Assumptions

The High Yield Fund’s investment objectives and strategy have been formulated based on the Manager’s analysis and expectations regarding recent economic developments in the Secondary Markets and the future status of the Canadian real estate markets generally. Such analysis may be incorrect and such expectations may not be realized, in which case High Yield Fund Unitholders can expect the annualized pre-tax distribution yield per Unit to be less than 10.5% on Gross Subscription Proceeds (or implied gross proceeds for High Yield Fund Units issued under the Arrangement) across all High Yield Fund Unit classes.

Timing of the Arrangement

There will be no closing of the Offering unless all closing conditions of the Arrangement (other than payment of the Consideration) have been satisfied or waived. The completion of the Arrangement, and accordingly the acquisition by the High Yield Fund of the Initial Portfolio, is subject to a number of conditions precedent, certain of which are outside the control of the parties to the Arrangement Agreement. The conditions precedent include receipt of the Final Order, Required CMHC Consents, Required Lender Consents, Unitholder Approval, Competition Act Approval and holders of no more than 5% of the issued and outstanding REIT Units having exercised Dissent Rights. There can be no certainty, if or when these conditions will be satisfied. Anticipated timing of the Arrangement may change for a number of reasons, including unforeseen delays in preparing meeting materials, inability to secure necessary regulatory or court approvals in the time assumed or the need for additional time to satisfy the conditions to the completion of the Arrangement. There is no guarantee that the Arrangement will close at the anticipated time or at all.

Timing and Completion of the Lead Order

The completion of the Lead Order is subject to the satisfaction of certain conditions. Anticipated timing of the Lead Order may change for a number of reasons, including unforeseen delays relating to the Arrangement or the need for additional time to satisfy the conditions to the completion of the Lead Order. There is no guarantee that the Lead Order will be completed or that the Lead Order will close at its anticipated time or at all.

Potential Conflict of Interest

The High Yield Fund may be subject to various conflicts of interest because certain affiliates, and their respective directors, officers and associates, as well as the High Yield Fund Trustees, the executive officers and the Manager, are engaged in a wide range of real estate and other business activities. The High Yield Fund Trustees may, from time to time, in their individual capacities, deal with parties with whom the High Yield Fund may be dealing. The interest of these persons could conflict with those of the High Yield Fund. The High Yield Fund Declaration of Trust contains conflict of interest provisions requiring the High Yield Fund Trustees to disclose their interests in certain contracts and transactions and to refrain from voting on those matters. Conflicts may also exist as certain High Yield Fund Trustees will be nominated by the Retained Interest Holders. There can be no assurance that the provisions of the High Yield Fund

Declaration of Trust will adequately address potential conflicts of interest or that such actual or potential conflicts of interest will be resolved in favour of the High Yield Fund. See “*Corporate Governance and Board Committees – Conflicts of Interest – High Yield Fund Trustees and Executive officers*” and “*Corporate Governance and Board Committees – Conflicts of Interest – The Manager*”.

Same Management Group for Various Entities

While the Manager is providing certain specified services to the High Yield Fund, the services of the Manager as manager of the High Yield Fund are not exclusive to the High Yield Fund. The Manager or any of its affiliates and associates may, at any time, engage in the promotion, management or administration of other investment portfolios and realty trusts in similar asset classes to those in which the High Yield Fund invests. Accordingly, the Manager may face conflicts of interest in performing its services to the High Yield Fund. While the Manager owes fiduciary, legal and financial duties to the High Yield Fund and its High Yield Fund Unitholders, these duties may from time to time conflict with the duties owed to the Manager’s other real estate joint ventures and funds.

Degree of Leverage

The High Yield Fund’s degree of leverage could have important consequences to High Yield Fund Unitholders. For example, the degree of leverage could affect the High Yield Fund’s ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions, development or other general fund purposes, making the High Yield Fund more vulnerable to a downturn in business or the economy in general. Under the High Yield Fund Declaration of Trust, total indebtedness of the High Yield Fund can be no more than 70% of Gross Book Value provided that, if approved by the High Yield Fund Board, the appraised value of the High Yield Fund Properties may be used instead of Gross Book Value for the purposes of this determination.

Litigation at the Property Level

The acquisition, ownership and disposition of real property carries certain specific litigation risks. Litigation may be commenced with respect to a property acquired by the High Yield Fund or its Subsidiaries in relation to activities that took place prior to the High Yield Fund’s acquisition of such property. In addition, at the time of disposition of an individual property, a potential buyer may claim that it should have been afforded the opportunity to purchase the asset or alternatively that such buyer should be awarded due diligence expenses incurred or damages for misrepresentation relating to disclosures made, if such buyer is passed over in favour of another as part of the High Yield Fund’s efforts to maximize sale proceeds. Similarly, successful buyers may later sue the High Yield Fund under various damage theories, including those sounding in tort, for losses associated with latent defects or other problems not uncovered in due diligence.

General Litigation Risks

In the normal course of the High Yield Fund’s operations, whether directly or indirectly, it may become involved in, named as a party to or the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions relation to personal injuries, property damage, property taxes, land rights, the environment and contract disputes. The outcome with respect to outstanding, pending or future proceedings cannot be predicted with certainty and may be determined in a manner adverse to the High Yield Fund and as a result, could have a material adverse effect of the High Yield Fund’s assets, liabilities, business, financial condition and results of operations. Even if the High Yield Fund prevails in any such legal proceedings, the proceedings could be costly and time-consuming and may divert the attention of management and key personnel from the High Yield Fund’s business operations, which could have a material adverse effect on the High Yield Fund’s business, cash flows, financial condition and results of operations and ability to make distributions to High Yield Fund Unitholders.

Asset Class Diversification

The High Yield Fund will make a relatively limited number of real estate investments and the High Yield Fund's investments will not be widely diversified by asset class. A majority of the High Yield Fund's investments will be in multi-residential real estate properties. A lack of asset class diversification increases risk because residential real estate, including multifamily real estate, is subject to its own set of risks, such as adverse housing pattern changes and uses, increased real estate taxes, vacancies, rent controls, rising operating costs and changes in mortgage rates.

Geographic Diversification of the High Yield Fund's Portfolio

The Initial Portfolio is a geographically diversified portfolio comprising income-producing multi-residential suites, commercial real estate and executives located in the Secondary Markets. As such, the High Yield Fund is susceptible to local economic conditions, other regulations, the supply of and demand for multi-residential suites, commercial real estate and executives, and natural disasters in these areas. If there is a downturn in the local economies, an oversupply of or decrease in demand for multi-residential suites, commercial real estate and executives in these markets or natural disasters in these geographical areas, the High Yield Fund's business could be materially adversely affected to a greater extent than if it owned a more geographically diversified real estate portfolio. An important part of the High Yield Fund's business plan is based on the belief that property values for multi-residential suites, commercial real estate and executives in the markets in which it operates will continue to improve over the next several years. However, the markets in which the High Yield Fund operates could experience economic downturns in the future. There can be no assurance as to the extent property values in these markets will improve, if at all. If these markets experience economic downturn in the future, the value of the High Yield Fund's properties could decline and its ability to execute its business plan may be adversely affected, which could adversely affect the High Yield Fund's financial condition and operating results.

Exposure to the Natural Resource Sector

Multi-family operations in natural resource-based markets, primarily in Western Canada which represent approximately 48% of the total multi-family suites in the Initial Portfolio, continue to face lower occupancy and lower AMRs. Improvements in these markets is expected to occur when natural resource prices improve to levels where economic activity increases and results in higher demand for multi-family rentals. Continued pressure or weakness in the natural resource sector may have a material adverse impact on the High Yield Fund's financial performance.

High Yield Fund Unitholders' Legal Rights

The units of the High Yield Fund represent a fractional interest in the High Yield Fund. Corporate law does not govern the High Yield Fund and the rights of High Yield Fund Unitholders. High Yield Fund Unitholders will not have all of the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring "oppression" or "derivative actions". The rights of High Yield Fund Unitholders are specifically set forth in the High Yield Fund Declaration of Trust. The units of the High Yield Fund are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under the provisions of that act or any other legislation. See "*Description of the Units of the High Yield Fund – The High Yield Fund Declaration of Trust – Rights of Unitholders*".

Risks Related to Redemptions

Use of Available Cash

The payment in cash by the High Yield Fund of the redemption price of units of the High Yield Fund will reduce the amount of cash available to the High Yield Fund for the payment of distributions to High Yield Fund Unitholders, as the payment of the amount due in respect of redemptions will take priority over the payment of cash distributions.

Payment of Redemption Price in Kind

The redemption of units of the High Yield Fund may be paid and satisfied by way of an *in specie* distribution of property of the High Yield Fund, and/or unsecured subordinated notes of the High Yield Fund, as determined by the High Yield Fund Trustees in its discretion, to the redeeming High Yield Fund Unitholder. Such property is not expected to be liquid and may not be a qualified investment for Plans. Adverse tax consequences generally may apply to a High Yield Fund Unitholder, or Plan and/or the annuitant, holder, subscriber or beneficiary thereunder or thereof, as a result of the redemption of units of the High Yield Fund held in a trust governed by a Plan. Accordingly, investors that propose to invest in units of the High Yield Fund through Plans should consult their own tax advisors before doing so to understand the potential tax consequences of exercising their redemption rights attached to such units of the High Yield Fund.

Risk Factors Relating to Canadian Income Taxes

Changes in Tax Laws

There can be no assurance that Canadian federal income tax laws, the judicial interpretation thereof, or the administrative policies and assessing practices of the CRA will not be changed in a manner that adversely affects the High Yield Fund or High Yield Fund Unitholders, including with respect to the High Yield Fund's qualification as a "mutual fund trust" and qualification for the REIT Exception. Any such change could increase the amount of tax payable by the High Yield Fund or its affiliates or could otherwise adversely affect High Yield Fund Unitholders by reducing the amount available to pay distributions or changing the tax treatment applicable to High Yield Fund Unitholders in respect of distributions.

Mutual Fund Trust Status

The High Yield Fund intends to comply with the requirements under the Tax Act such that it will qualify at all times as a "mutual fund trust" for purposes of the Tax Act, however no assurances can be given in this regard. Should the High Yield Fund cease to qualify as a mutual fund trust under the Tax Act, the income tax considerations described in the Circular under the heading "Certain Canadian Federal Income Tax Considerations" would be materially and adversely different in certain respects.

Under current law, a trust may lose its status under the Tax Act as a mutual fund trust if it can reasonably be considered that the trust was established or is maintained primarily for the benefit of Non-Residents, except in limited circumstances. There is no way of rectifying such a loss of mutual fund trust status such that if, at any time, the High Yield Fund were to lose mutual fund trust status in this manner, the High Yield Fund would permanently cease to be a mutual fund trust. The High Yield Fund may also cease to qualify as a "mutual fund trust" for purposes of the Tax Act if a sufficient number of High Yield Fund Unitholders of the High Yield Fund were to redeem their units of the High Yield Fund.

Restrictions on Non-Resident Ownership

In order to comply with the limitations on ownership by Non-Residents, the High Yield Fund Declaration of Trust includes restrictions on the ownership of units of the High Yield Fund intended to limit the number of units of the High Yield Fund held by Non-Residents, such that non-residents of Canada for the purposes of the Tax Act, partnerships that are not "Canadian partnerships" (as defined in the Tax Act) or any combination of the foregoing may not own units of the High Yield Fund representing more than 49% of the fair market value of all units of the High Yield Fund. The restrictions on the issuance of units of the High Yield Fund by the High Yield Fund to Non-Residents may negatively affect the High Yield Fund's ability to raise financing for future acquisitions or operations. In addition, the Non-Resident ownership restrictions could negatively impact the liquidity of the units of the High Yield Fund and the market price at which units of the High Yield Fund can be sold.

SIFT Rules

Although, as of the date hereof, management expects that the High Yield Fund will be able to meet the requirements of the REIT Exception throughout 2020 and subsequent taxation years, and that each Partnership will qualify as an “excluded subsidiary entity” (as defined in the Tax Act) at all relevant times, there can be no assurance that the High Yield Fund and the Partnerships will be able to qualify for the REIT Exception and as “excluded subsidiary entities”, respectively, in order for the High Yield Fund, the Partnerships, and High Yield Fund Unitholders not to be subject to the tax imposed by the SIFT Rules in 2020 or future years. Please refer to the discussion in the Circular under “*Certain Canadian Federal Income Tax Considerations – Qualification of the High Yield Fund as a “Real Estate Investment Trust”*”. In the event that the SIFT Rules were to apply to the High Yield Fund or a Partnership, the impact to a High Yield Fund Unitholder would depend, among other factors, on the particular circumstances of the holder, on the amount of the “non-portfolio earnings” (as defined in the Tax Act) of the High Yield Fund or a Partnership, as applicable, and, in the case of the High Yield Fund, on the amount of income distributed which would not be deductible by the High Yield Fund in computing its income in a particular year and what portions of the High Yield Fund’s distributions constitute “non-portfolio earnings” (as defined in the Tax Act), other income and returns of capital.

If the SIFT Rules were to apply to the High Yield Fund or a Partnership, the SIFT Rules may have an adverse impact on the High Yield Fund and the High Yield Fund Unitholders, on the value of the units of the High Yield Fund, and on the ability of the High Yield Fund to undertake financings and acquisitions; and the distributable cash of the High Yield Fund may be materially reduced. The effect of the SIFT Rules on the market for the units of the High Yield Fund is uncertain.

Qualifying Disposition

The High Yield Fund intends to take the position that its indirect acquisition of a 100% interest in the Initial Portfolio as part of the Arrangement will constitute a “qualifying disposition” within the meaning of the Tax Act. However, no advance tax ruling from the CRA will be obtained in this regard and there is limited guidance regarding the relevant rules in the Tax Act. In addition, there is a risk that the High Yield Fund may be subject to successor liability under the Tax Act in respect of certain tax liabilities of the REIT. Should the acquisition of the Initial Portfolio not constitute a qualifying disposition, or should any such successor liability arise, there may be materially adverse effects on the High Yield Fund or the value of the units of the High Yield Fund.

Taxable Income Exceeding Cash Distributions

Whether or not the High Yield Fund pays cash distributions in a particular year, it is expected that the High Yield Fund will make sufficient distributions (in the form of additional units of the High Yield Fund if cash distributions are not paid) to ensure that the High Yield Fund is not subject to non-refundable tax under Part I of the Tax Act for the year. Accordingly, High Yield Fund Unitholders may be subject to tax under the Tax Act on their share of the High Yield Fund’s income regardless of whether cash distributions are paid.

Non-Resident Holders

The Tax Act may impose additional withholding or other taxes on distributions made by the High Yield Fund to High Yield Fund Unitholders who are Non-Residents. Such taxes and any reduction thereof under a tax treaty between Canada and another country may change from time to time. In addition, this Circular does not describe the tax consequences under the Tax Act to Non-Residents of acquiring, holding or disposing of units of the High Yield Fund, which may be worse than the consequences to Canadian resident High Yield Fund Unitholders. Prospective High Yield Fund Unitholders who are Non-Residents should consult their own tax advisors.

Loss Restriction Event

Pursuant to rules in the Tax Act, if the High Yield Fund experiences a “loss restriction event” (i) it will be deemed to have a year-end for tax purposes (which would result in an unscheduled distribution of undistributed net income and net realized capital gains, if any, at such time to High Yield Fund Unitholders to the extent necessary so that the High Yield Fund is not liable for non-refundable tax on such amounts under Part I of the Tax Act), and (ii) it will become subject to the loss restriction rules generally applicable to a corporation that experiences an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on its ability to carry forward losses. Generally, the High Yield Fund will be subject to a loss restriction event if a person becomes a “majority-interest beneficiary”, or a group of persons becomes a “majority-interest group of beneficiaries”, of the High Yield Fund, each as defined in the affiliated persons rules contained in the Tax Act, with certain modifications. Generally, a majority-interest beneficiary of a trust is a beneficiary of the trust whose beneficial interests in the income or capital of the trust, as the case may be, together with the beneficial interests in the income or capital of the trust, as the case may be, of persons and partnerships with whom such beneficiary is affiliated for the purposes of the Tax Act, represent greater than 50% of the fair market value of all the interests in the income or capital of the trust, as the case may be.

LEGAL PROCEEDINGS

There are no outstanding legal proceedings to which the High Yield Fund is a party, nor are any such proceedings known to be contemplated.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The High Yield Fund was only recently formed and has not carried on any business to date. Other than as disclosed below, none of (i) the Manager, or the directors, executive officers or principal shareholder of the Manager, (ii) the High Yield Fund Trustees, executive officers or principal securityholders of the High Yield Fund, or (iii) any associate or affiliate of the persons referred to in (i) and (ii), has a material interest in any transaction carried out by the High Yield Fund or its Subsidiaries within the three years before the date of this Appendix “H” that has materially affected or is reasonably expected to materially affect the High Yield Fund or any of its Subsidiaries. As disclosed herein:

- (a) the High Yield Fund issued an initial High Yield Fund Unit to Starlight Group (a corporation controlled by Daniel Drimmer) on the formation of the High Yield Fund pursuant to the High Yield Fund Declaration of Trust (see “*Prior Sales*” and “*Description of the Units of the High Yield Fund – High Yield Fund Declaration of Trust – Units*”);
- (b) upon completion of the Arrangement, Mr. Drimmer (the principal of Starlight Group) is expected to indirectly own \$30,000,000 of High Yield Fund Units, assuming that the aggregate amount of the Pre-Prospectus Contributions is equal to \$195,000,000 (based on the assumption that Unitholders elect to receive an aggregate of \$55,000,000 of High Yield Fund Units under the Arrangement) and that \$57,000,000 of Listed High Yield Fund Units and \$178,000,000 of Class F High Yield Fund Units are distributed under the Offering (see “*Principal Securityholders*” and “*Promoter*”);
- (c) upon closing of the Offering, the KingSett Investors are expected to directly or indirectly own \$75,000,000 of High Yield Fund Units, assuming that the aggregate amount of the Pre-Prospectus Contributions is equal to \$195,000,000 (based on the assumption that Unitholders elect to receive an aggregate of \$55,000,000 of High Yield Fund Units under the Arrangement) and that \$57,000,000 of Listed High Yield Fund Units and \$178,000,000 of Class F High Yield Fund Units are distributed under the Offering (see “*Principal Securityholders*”);
- (d) the High Yield Fund will be managed by the Manager pursuant to the Management Agreement (see “*Material Contracts – The Management Agreement*” and “*High Yield Fund Trustees and Executive Officers*”); and

- (e) the Carried Interest holders, being entities controlled by Mr. Drimmer, through Starlight West LP's direct interest in NV Holdings LP, will be entitled to the Carried Interest, being 20% of the amounts calculated as being distributable above the Minimum Return in respect of each class of units of the High Yield Fund, subject to a catch-up wherein the relative amounts calculated as being distributable in excess of the Minimum Return will be split 50/50 as between High Yield Fund Unitholders and the Carried Interest holders until the relative amounts calculated as being distributable in excess of the Investors Capital Return Base are 80% as to High Yield Fund Unitholders of such class and 20% as to the Carried Interest holders (see "*Description of the Units of the High Yield Fund – NV Holdings LP – Distributions*" and "*Description of the Units of the High Yield Fund – NV Holdings LP – Distributions upon Wind-up, etc.*").

AUDITOR, TRANSFER AGENT AND REGISTRAR

The auditors of the High Yield Fund are KPMG LLP, 333 Bay Street, Suite 4600, Toronto, Ontario.

The transfer agent and registrar for the High Yield Fund is TSX Trust Company at its principal office located at 100 Adelaide Street West, Suite 301, Toronto, Ontario M5H 4H1.

MATERIAL CONTRACTS

The following are the only material agreements, other than contracts entered into in the ordinary course of business, which the High Yield Fund and/or its Subsidiaries have or expect to enter into on or before the Offering Closing Date. **Copies of these agreements will be available following the Offering Closing Date at www.sedar.com.**

1. High Yield Fund Declaration of Trust – described in "*Description of the Units of the High Yield Fund – High Yield Fund Declaration of Trust*".
2. NV Holdings LP Agreement – described in "*Description of the Units of the High Yield Fund – NV Holdings LP Agreement*".
3. Management Agreement – described below under "*– Management Agreement*".
4. Investor Rights Agreement – described below under "*– Investor Rights Agreement*".
5. Arrangement Agreement – described in the Circular under "*The Arrangement Agreement*".

Management Agreement

The following is a summary only of certain of the material provisions that are expected to be contained in the Management Agreement.

The rights and obligations of the High Yield Fund, NV LP and the Manager will be governed by the Management Agreement pursuant to which the Manager will provide certain services relating to the High Yield Fund Properties.

Pursuant to the terms of the Management Agreement, the Manager will be appointed as the sole and exclusive manager of the affairs of the High Yield Fund. The Manager will provide the High Yield Fund with specified management services including providing the services of the Chief Executive Officer and the Chief Financial Officer. The Chief Executive Officer and the Chief Financial Officer will be compensated by the Manager and will not be employees of the High Yield Fund. The High Yield Fund and NV LP will collectively pay for all ordinary expenses incurred in connection with their operation and administration and will be responsible for reimbursing the Manager for all reasonable travel expenses related to performance of the Manager's obligations under the Management Agreement. In carrying out its obligations under the Management Agreement, the Manager will be required to exercise its powers and discharge its duties diligently, honestly, in good faith and in the best interests of the High Yield Fund, including exercising the standard of care, diligence and skill that a reasonably prudent manager would exercise in similar circumstances.

The services to be provided by the Manager under the terms of the Management Agreement include, without limitation: (i) the structuring of the Offering and the High Yield Fund, (ii) liaising with legal and tax counsel, (iii) maintaining ongoing relationships with the lenders in respect of the Mortgage Loans (if any) for the High Yield Fund Properties, (iv) conducting continuous analysis of market conditions to monitor NV LP's investment in the High Yield Fund Properties, (v) advising the High Yield Fund and/or NV LP with respect to the Recapitalization Event or any Alternative Liquidity Event, as applicable, (vi) providing investor communication and reporting services to the High Yield Fund as required, and (vii) doing all such other acts or things and entering into agreements or documents on behalf of the High Yield Fund and/or NV LP to seek to achieve the investment objectives of the High Yield Fund.

The term of the Management Agreement will continue, subject to earlier termination in certain circumstances, until the winding-up or dissolution of the High Yield Fund. The Management Agreement can be terminated early in certain circumstances, including (i) upon the dissolution, liquidation, bankruptcy, insolvency or winding-up of the Manager, (ii) upon an event of default by the Manager, and (iii) in the event that Mr. Drimmer no longer controls the Manager.

The Management Agreement contains indemnification provisions whereby the High Yield Fund will indemnify the Manager against any loss, expense, damage or injury suffered in the scope of its authority under the Management Agreement, provided the same does not result from unlawful acts, acts outside the Manager's scope of authority, wilful misconduct, bad faith, negligence or material breach of the Manager's obligations under the Management Agreement (including a breach of the standard of care owed under the Management Agreement). In addition, under the Management Agreement, the Manager will indemnify the High Yield Fund against any loss, expense, damage or injury suffered as a result of the Manager's unlawful acts, acts outside its scope of authority, wilful misconduct, bad faith, negligence or material breach of its obligations under the Management Agreement (including a breach of the standard of care owed under the Management Agreement).

In consideration for providing specified management services including providing the services of the Chief Executive Officer and the Chief Financial Officer, the High Yield Fund and NV LP will pay the Manager an aggregate base annual management fee (the "**Asset Management Fee**") equal to 0.35% of Gross Asset Value calculated and payable on a monthly basis in arrears in cash on the first day of each month.

Investor Rights Agreement

The following is a summary only of certain of the material provisions that are expected to be contained in the Investor Rights Agreement.

On the closing of the Offering, the High Yield Fund, the Manager and the KingSett Investors will enter into the Investor Rights Agreement which will govern the rights of the KingSett Investors as High Yield Fund Unitholders. The Investor Rights Agreement will contain the following provisions, the summary of which is not intended to be complete.

Nomination Rights

Pursuant to the Investor Rights Agreement, and as set forth in the High Yield Fund Declaration of Trust, KingSett will be granted the right to nominate one High Yield Fund Trustee (such nominee will be subject to election together with the remaining High Yield Fund Trustees at annual meetings of High Yield Fund Unitholders). As set out in the High Yield Fund Declaration of Trust, for so long as the Manager remains the manager of the High Yield Fund, Starlight will have the right to nominate one High Yield Fund Trustee (such nominee will be subject to election together with the remaining High Yield Fund Trustees at annual meetings of Unitholders). For so long as Daniel Drimmer controls the Manager, he is expected to be Starlight's nominee. KingSett's nomination right, as set forth in the Investor Rights Agreement and the High Yield Fund Declaration of Trust, is subject to it holding at least 5% of the High Yield Fund's equity. In addition, for so long as KingSett owns 5% of the High Yield Fund's equity, the size of the High Yield Fund Board will be fixed at five High Yield Fund Board Trustees. Upon completion of the Arrangement, it is anticipated that Mr. Drimmer will serve on the High Yield Fund Board and act as the Chairman pursuant to

Starlight's nomination right and Rob Kumer will serve on the High Yield Fund Board pursuant to KingSett's nomination right.

The High Yield Fund shall (i) nominate for election and include in any management information circular relating to any meeting at which High Yield Fund Trustees are to be elected (or submit to High Yield Fund Unitholders by written consent, if applicable) each person designated as a nominee of KingSett and Starlight, respectively, (ii) recommend (and reflect such recommendation in any management information circular relating to any such meeting or in any written consent submitted to High Yield Fund Unitholders of the High Yield Fund for the purpose of electing High Yield Fund Trustees) that the High Yield Fund Unitholders vote to elect such nominees as High Yield Fund Trustees for a term of office expiring at the subsequent annual meeting of the High Yield Fund Unitholders, (iii) use reasonable commercial efforts to solicit, obtain proxies in favour of and otherwise support the election of such nominees at the applicable meeting, each in a manner no less favourable than the manner in which the High Yield Fund supports its own nominees for election at the applicable meeting, and (iv) take all other reasonable steps which it considers in its sole discretion may be necessary or appropriate to recognize, enforce and comply with the nomination rights of the Retained Interest Holders.

The High Yield Fund Declaration of Trust will provide that for so long as the Manager is the manager of the High Yield Fund, any amendment to the High Yield Fund Declaration of Trust that affects the right of Starlight to nominate a High Yield Fund Trustee of the High Yield Fund will require the prior written approval of Starlight.

Demand Registration Right

The Investor Rights Agreement will also provide the KingSett Investors with the right (the "**Demand Registration Right**") (exercisable at any time commencing six months following the closing of the Offering) to require the High Yield Fund to use reasonable commercial efforts to file one or more prospectuses with applicable Canadian securities regulatory authorities, qualifying the Listed High Yield Fund Units issuable on conversion of the High Yield Fund Units held by the KingSett Investors for distribution (a "**Demand Distribution**"), provided that such Demand Registration Right may only be exercised by KingSett twice in a 12-month period and by a KingSett Investor other than KingSett twice in a 12-month period, and any such request for a Demand Distribution must relate to a minimum of 1,600,000 Listed High Yield Fund Units on a combined basis for all KingSett Investors participating in the Demand Distribution.

The Demand Registration Right will terminate for KingSett, when it owns, directly or indirectly, less than 5% of the High Yield Fund's equity. Similarly, the Demand Registration Right will terminate for a KingSett Investor other than KingSett when it owns, directly or indirectly, less than 5% of the High Yield Fund's equity. The Demand Registration Right will be subject to various conditions and limitations, and the High Yield Fund will be entitled to defer any Demand Distribution in certain typical circumstances for a period not exceeding 90 days. The expenses in respect of a Demand Distribution, subject to certain exceptions, and the underwriters' and agents' fees in connection with a Demand Distribution, will be borne by the KingSett Investors participating in the Demand Distribution in proportion to the amount of units sold.

Pursuant to the Investor Rights Agreement, the High Yield Fund and the Manager will indemnify the KingSett Investors for any misrepresentation in a prospectus under which the KingSett Investors' units of the High Yield Fund are distributed (other than in respect of any prospectus disclosure provided by the KingSett Investors, in respect of the KingSett Investors, or the underwriters/agents, in respect of the underwriters/agents). The KingSett Investors will indemnify the High Yield Fund and the Manager for any prospectus disclosure provided by the KingSett Investors in respect of the KingSett Investors.

The High Yield Fund has not and will not, pursuant to the Investor Rights Agreement or otherwise, have any obligation to register, nor will it register, units of the High Yield Fund under the U.S. Securities Act.

PROMOTER

Starlight Group may be considered to be the promoter of the High Yield Fund by reason of its initiative in organizing the business of the High Yield Fund and taking the steps necessary for the public distribution of the units of the High Yield Fund. As at the date hereof, neither Starlight Group nor any of its directors, officers or shareholders beneficially owns, controls or directs, directly or indirectly, any securities of the High Yield Fund other than one High Yield Fund Unit issued to Starlight Group on the formation of the High Yield Fund. However, following the Offering Closing Date, the principal of Starlight Group is expected to initially indirectly own not less than \$30,000,000 of High Yield Fund Units, (or approximately 15.38% of the High Yield Fund Units then outstanding, assuming that the aggregate amount of the Pre-Prospectus Contributions is equal to \$195,000,000 (based on the assumption that Unitholders elect to receive an aggregate of \$55,000,000 of High Yield Fund Units under the Arrangement) and that \$57,000,000 of Listed High Yield Fund Units and \$178,000,000 of Class F High Yield Fund Units are distributed under the Final Prospectus). The Manager, a wholly-owned Subsidiary of Starlight Group, will receive payment from the High Yield Fund and NV LP for services provided to the High Yield Fund and NV LP in respect of the ongoing management of the Properties and NV LP. Starlight Group will receive the Carried Interest through its indirect ownership of NV Holdings LP Class B Units.

INTERESTS OF EXPERTS

KPMG LLP has prepared its audit report in respect of the High Yield Fund, which is included in this Circular. KPMG LLP has confirmed that they are independent of the High Yield Fund within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation and regulations.

To the knowledge of the High Yield Fund, none of the experts so named (or any of the designated professions of such experts) held securities representing more than 1% of all of the issued and outstanding units of the High Yield Fund as at the date of the statement, report or valuation in question, and none of the persons above is or is expected to be elected, appointed or employed as a director, trustee, officer or employee of the High Yield Fund or of any associate or affiliate of the High Yield Fund.

FINANCIAL STATEMENTS

The following financial statements are provided in this Circular: (i) the audited financial statements of the High Yield Fund as at April 14, 2020, the High Yield Fund's date of formation and the notes thereto, can be found in Appendix "I" to this Circular, (ii) the audited carve-out financial statements of the High Yield Fund Properties which comprise the Initial Portfolio as at December 31, 2019 and December 31, 2018 and the notes thereto can be found in Appendix "J" to this Circular; and, (iii) *pro forma* financial statements of the High Yield Fund as at December 31, 2019 and the notes thereto can be found in Appendix "K" to this Circular.

OTHER MATERIAL FACTS

There are no other material facts other than as disclosed herein that are necessary to be disclosed in order for this Appendix "H", read in conjunction with the Circular, to contain full, true and plain disclosure of all material facts relating to the High Yield Fund.

**SCHEDULE A
INITIAL PORTFOLIO**

The table below sets forth information concerning the Initial Portfolio as of April 23, 2020.

Property	Banner	City	Property Type	Year Built	Total Suites	Total Commercial Square Feet
British Columbia						
10109 - 13 Street	Unchaga Court	Dawson Creek	Residential	1979	60	7,555
1521 - 1529 109 Street ..	Tuscany Manor	Dawson Creek	Residential	2008	48	n/a
9629 - 8 Street 9613 - 8 Street and 9633 - 8 Street	Ridgeview Apartments	Dawson Creek	Residential	1979	45	n/a
603 - 100A Avenue	Parklane Apartments	Dawson Creek	Residential	1979	41	n/a
1504/1548-92 Ave. & 1517/1551 Loran Cr. & 9120/9132 - 16 St	Loran Townhomes	Dawson Creek	Residential	1981	40	n/a
10020 3rd Street	Dawson Townhomes	Dawson Creek	Residential	1977	30	n/a
1700 Willow Brook Crescent.....	Willowbrook Townhomes	Dawson Creek	Residential	1978	26	n/a
818 Watson Crescent	County Squire B	Dawson Creek	Residential	1976	25	n/a
816 Watson Crescent	County Squire A	Dawson Creek	Residential	1976	24	n/a
601 - 100A Avenue	Parkview Apartments	Dawson Creek	Residential	1979	20	n/a
1528 - 110 Avenue & 1532 - 110 Avenue.....	Heritage House	Dawson Creek	Residential	1979	18	n/a
5402 - 44 Avenue.....	Fort Nelson Warehouse	Fort Nelson	Commercial	2006	n/a	27,000
5304 Airport Drive	Lobo Office Building	Fort Nelson	Commercial	2008	n/a	1,152
5422 Airport Drive	Klondike Townhouses	Fort Nelson	Residential	1978	36	n/a
5155 - 49th Street	Mt. Glacier Apartments	Fort Nelson	Residential	1979	33	n/a
5224 - West 52 Avenue.....	Hillside Apartments	Fort Nelson	Residential	1977	28	n/a
5204 - West 52 Avenue.....	Springhill Apartments	Fort Nelson	Residential	1977	27	n/a
5120 - 49 Street	Seawood Manor	Fort Nelson	Residential	1977	26	n/a
4801 Sunset Drive	Nahanni Apartments	Fort Nelson	Residential	1979	24	n/a
5407 Mountainview Drive	Fort Nelson Apartments	Fort Nelson	Residential	1967	24	n/a
5324 Airport Drive	Grove Manor	Fort Nelson	Residential	1978	12	n/a
5320 - 50th Street	Summit Apartments	Fort Nelson	Residential	1979	11	n/a
5407 - 50th Street	Gama Apartments	Fort Nelson	Residential	1977	11	n/a
5504 - 50th Street	Beartrack Apartments	Fort Nelson	Residential	1977	11	n/a

Property	Banner	City	Property Type	Year Built	Total Suites	Total Commercial Square Feet
4819 Sunset Drive	Fehr Place Apartments	Fort Nelson	Residential	1978	11	n/a
5311 - 49th Street	Chalet Apartments	Fort Nelson	Residential	1978	12	n/a
11203 Tahltan Road ..	Tahltan Warehouse	Fort Saint John	Commercial	2006	n/a	39,375
10304 - 10324 99th Ave & 9907 - 9919 104 Street	Marquis Centre	Fort Saint John	Residential	1979	45	10,308
10804 & 10812 - 102 Avenue.....	The Azure	Fort Saint John	Residential	2015	118	n/a
9216 - 94A Street.....	Wentworth Apartments	Fort Saint John	Residential	2008	79	n/a
8920 & 8924 - 100 Avenue.....	Centurion Estates	Fort Saint John	Residential	2007	78	n/a
9712 - 9718 Peace River Road & 11028 - 11042 97th Street	Fort St. John Townhomes	Fort Saint John	Residential	2004	12	n/a
11019 - 101 Avenue...	Westmont Apartments	Fort Saint John	Residential	1982	20	n/a
10720 - 99 Avenue.....	Manor 99	Fort Saint John	Residential	1996	21	n/a
9807 - 9915 - 108 Avenue.....	Premier Court	Fort Saint John	Residential	1995	15	n/a
9707 - 104 Street	Seral Manor	Fort Saint John	Residential	1993	13	n/a
n/a	The Azure - Phase II	Fort Saint John	Development	n/a	n/a	n/a
2124 Toby Creek Road Panorama Mountain Village Resort	Panorama Intrust	Panorama	Residential	2006	88	n/a
1855 3rd Avenue.....	Hammond Tower	Prince George	Residential	1972	90	n/a
2905 15th Avenue.....	Cedar Tower	Prince George	Residential	1965	67	n/a
4280 Quentin Avenue	Parkview Place	Prince George	Residential	1975	45	n/a
10524 - 102 Street	Terrace Court	Taylor	Residential	1984	24	n/a
9816 Spruce Street N .	Spruce Manor	Taylor	Residential	1982	21	n/a
Subtotal – British Columbia					1,379	85,390
Alberta						
n/a	Shaw Estates Phase II	-Bonnyville	Development	n/a	n/a	n/a
5301 A & 5301 B - 37 Street	Shaw Estates	Bonnyville	Residential	2015	110	n/a
4502 4508 4510 - 42 Street	Squires Court	Bonnyville	Residential	1976	54	n/a
6131 - 6 St SE.....	Calgary Office Bldg	Calgary	Commercial	1978	n/a	33,703
Intersection 2a & 306 Ave E	UGG Building	Calgary	Commercial	1995	n/a	12,000
6 Nixon Street	6 Nixon	Fort McMurray	Residential	1978	71	n/a

Property	Banner	City	Property Type	Year Built	Total Suites	Total Commercial Square Feet
113 Stroud Bay	Jonathon Lodge Apartments	Fort McMurray	Residential	1982	70	n/a
117 Stroud Bay	Stroud Place Apartments	Fort McMurray	Residential	1982	68	n/a
9501 Manning Avenue	Parkview I Apartments	Fort McMurray	Residential	1977	80	n/a
16 Saunderson Avenue.....	16 Saunderson	Fort McMurray	Residential	1978	59	n/a
125 Spruce Street.....	Concord Estates	Fort McMurray	Residential	1982	56	n/a
135 Spruce Street.....	Skylark Manor	Fort McMurray	Residential	1982	56	n/a
9501A Manning Avenue.....	Parkview II Apartments	Fort McMurray	Residential	1999	55	n/a
15 Saunderson Avenue.....	15 Saunderson	Fort McMurray	Residential	1978	55	n/a
10126 MacDonald Avenue.....	MacDonald Place Apartments	Fort McMurray	Residential	1975	51	n/a
10414 Main Street.....	Riverside	Fort McMurray	Residential	1981	51	n/a
220 Timberline Drive...	Sheraton Apartments	Fort McMurray	Residential	1982	48	n/a
4 Nixon Street	4 Nixon	Fort McMurray	Residential	1978	44	n/a
115 Spruce Street.....	Windsor Place	Fort McMurray	Residential	1982	32	n/a
109 Elmore Drive	Manhattan Place	Fort McMurray	Residential	1982	29	n/a
10120 Manning Avenue.....	Manning Place Apartments	Fort McMurray	Residential	1974	24	n/a
1 Centennial Drive	Centennial Apartments	Fort McMurray	Residential	1972	18	n/a
n/a.....	Elk Pointe Estates - Phase II	Grande Prairie	Development	n/a	n/a	n/a
9818 - 94 Ave.....	The Courtyards Apartments	Grande Prairie	Residential	1977	299	n/a
10250A - 121st Avenue.....	Westmore Estates	Grande Prairie	Residential	2009	189	n/a
155 & 157 Pinnacle Drive	Elk Pointe Estates	Grande Prairie	Residential	2015	142	n/a
11064 106 Avenue & 11074 106 Avenue.....	Northgate Apartments	Grande Prairie	Residential	1990	97	n/a
11039 106 Avenue.....	Northgate Townhomes	Grande Prairie	Residential	0	64	n/a
10502 111 Street	Northgate Place	Grande Prairie	Residential	1999	35	n/a
37 Berkeley Place West.....	Skyline Terrace	Lethbridge	Residential	1980	111	n/a
1603 1607 1611 1615 Scenic Drive South	Scenic Heights	Lethbridge	Residential	1971	105	n/a

Property	Banner	City	Property Type	Year Built	Total Suites	Total Commercial Square Feet
1304 1306 & 1308 23rd Ave North	Winston Villa	Lethbridge	Residential	1974	81	n/a
590 & 600 Columbia Boulevard West.....	Princeton Place	Lethbridge	Residential	1982	70	n/a
3210 & 3310 - 23rd Avenue South	Fairmont/Peppertree Terrace	Lethbridge	Residential	1977	59	n/a
2201 32 Street South ..	Cumberland Towers	Lethbridge	Residential	1972	50	n/a
175 Columbia Boulevard West.....	Cambridge House	Lethbridge	Residential	1970	48	n/a
1310 23rd Ave North...	Walker Place	Lethbridge	Residential	2019	35	n/a
256 Mayor Magrath Drive North	Sandalwood Place	Lethbridge	Residential	1975	25	n/a
1219 Centre Street.....	Sandalwood Place - Brooks	Lethbridge	Residential	2003	24	n/a
2014 15th Avenue North	Treco Apartments	Lethbridge	Residential	1975	24	n/a
n/a.....	Tesla Estates - Phase II	Lloydminster	Development	n/a	n/a	n/a
3701-3801 - 52 Avenue.....	Cedar Manor	Lloydminster	Residential	1980	156	n/a
3370 - 72 Avenue.....	Tesla Estates	Lloydminster	Residential	2014	150	n/a
7104 & 7110 - 41 Street	Prairie View Estates	Lloydminster	Residential	2013	142	n/a
4101 - 4106 & 4108 - 57 Ave Close and 4101 - 4106 & 4108 - 58 Ave Close	Westwood Village	Lloydminster	Residential	1972	73	n/a
5702 - 5706 - 41 Street	Robinson Mews	Lloydminster	Residential	1974	60	n/a
3405 - 52 Avenue 5130 - 34 Street	Capri Gardens	Lloydminster	Residential	1976	48	n/a
3202-3224 - 47 Avenue, 3202A-3232A - 47 Avenue, 4702-4708 - 32 Street .	Parkland Village	Lloydminster	Residential	2014	32	n/a
5410 - 5416 - 44th St ..	Mainstreet Apartments	Lloydminster	Residential	1970	18	n/a
7106 - 41 Street	Prairie View Townhomes	Lloydminster	Residential	1972	8	n/a
4909 & 4921 - 55 Avenue.....	St Paul & Desjardins Apartments	Saint Paul	Residential	1980	80	n/a
5609 5617 & 5627 - 51 Avenue.....	MacKenzie Manor	Saint Paul	Residential	1978	36	n/a
5108 - 54 Avenue.....	Redwood Manor	Saint Paul	Residential	1978	18	n/a
208 8th Street. SW.....	Jelena Land	Slave Lake	Development	n/a	n/a	n/a
14th Ave & 2nd St SW	Slave Lake Land	Slave Lake	Development	n/a	n/a	n/a

Property	Banner	City	Property Type	Year Built	Total Suites	Total Commercial Square Feet
115 - 11th Ave SW.....	Thompson Landing	Slave Lake	Residential	2008	83	n/a
1581 Main St. SE.....	Cornerstone Apartments I	Slave Lake	Residential	2012	58	n/a
1591 Main St. SE.....	Cornerstone Apartments II	Slave Lake	Residential	2012	58	n/a
701 - 6th Ave SW.....	Senex Place Townhomes	Slave Lake	Residential	1980	24	n/a
120 124 & 128 - 12th Ave SW.....	Southwood Square Coach Homes	Slave Lake	Residential	1985	24	n/a
Subtotal – Alberta					3,557	45,703
Saskatchewan						n/a
5920 Little Pine Loop ..	McCarthy Ridge	Regina	Residential	2013	189	n/a
5500 Parliament Avenue	Harbour Landing	Regina	Residential	2018	134	n/a
Subtotal – Saskatchewan					323	n/a
Québec						
120 rue Radisson.....	120 Rue Radisson	Sept-Îles	Residential	1974	36	n/a
100 Rue Otter	100 Rue Otter	Sept-Îles	Residential	1973	33	n/a
120 Rue Otter	120 Rue Otter	Sept-Îles	Residential	1972	29	n/a
610 rue Perreault.....	610 Rue Perreault	Sept-Îles	Residential	1973	27	n/a
180 rue Bissot.....	180 Rue Bissot	Sept-Îles	Residential	1973	24	n/a
116 Rue Otter	116 Rue Otter	Sept-Îles	Residential	1973	12	n/a
Subtotal – Québec					161	n/a
New Brunswick						
101 Rue Sunset.....	101 Rue Sunset	Dieppe	Residential	2012	18	6,880
378 & 380 Gauvin Road	378 380 Gauvin	Dieppe	Residential	2003	110	n/a
100 Rue du Marche	100 Marche	Dieppe	Residential	2008	69	n/a
715 & 735 Laurier Street	715 & 735 Laurier Street	Dieppe	Residential	1988	48	n/a
678 Evangeline Street.	678 Evangaline Street	Dieppe	Residential	1988	24	n/a
1313 & 1315 Mountain Road	1313 - 1315 Mountain Road	Moncton	Commercial	1989	n/a	10,800
13 57911 & 13 Bronson Street.....	1 3-5 9-11 13 Ivan Court	Moncton	Residential	1973	140	n/a
8 rue Rachel/442A B & E Main Street	Pascal-Poirier 442 Main ST Caissie Ave Rachel ST	Moncton	Residential	2002	136	n/a

Property	Banner	City	Property Type	Year Built	Total Suites	Total Commercial Square Feet
77 & 85 Caissie Ave/66 & 68 Essex Street/341 & 343 Rue Pascal-Poirier.....	66-68 Essex ST	Moncton	Residential	2008	110	n/a
112 & 114 Murphy Avenue.....	112 - 114 Murphy	Moncton	Residential	2001	105	n/a
483 507 523 686 Elmwood; 25 Drummond	483 507 523 686 Elmwood; 25 Drummond	Moncton	Residential	1986	92	n/a
747 Coverdale Road ...	747 Coverdale Road	Moncton	Residential	2013	90	n/a
25 - 27 & 44/44.5 Oakland Ave 130 First Avenue; 91/9.5 Melville Street.....	27 Oakland Ave Melville ST 130 First Ave	Moncton	Residential	n/a	84	n/a
1212 Mountain Road...	1212 Mountain Road	Moncton	Residential	2013	65	n/a
40 Flanders Court	40 Flanders Court	Moncton	Residential	2013	50	n/a
1309 Mountain Road...	1309 Mountain Road	Moncton	Residential	2012	48	n/a
111 Redmond Street 111 Vail Street	111 Vail ST 111 Redmond ST	Moncton	Residential	1974	47	n/a
25 Flanders Court	25 Flanders Court	Moncton	Residential	2012	42	n/a
7 Murphy Ave.....	7 Murphy Avenue	Moncton	Residential	2014	32	n/a
651 Elmwood Drive.....	651 Elmwood DR	Moncton	Residential	2005	16	n/a
406 Gauvin Road	406 Gauvin RD	Moncton	Residential	2005	12	n/a
Subtotal – New Brunswick					1,338	17,680
Newfoundland and Labrador						
1A 1B2A 2B3A 3B 4A 4B Bennett Drive	Park Place	Gander	Residential	1968	128	n/a
4 Magee Road	Regency Apartment Building	Gander	Residential	1978	48	n/a
3 Quimby Place.....	Quimby Apartments	Gander	Residential	1977	39	n/a
101 - 500 Bartlett Drive	The Embassy Apartment	Labrador City	Residential	1965	101	n/a
60 Circular Road	Lakeview Apartments	Labrador City	Residential	2013	31	n/a
600 Dineen Crescent ..	Dineen Crescent	Labrador City	Residential	1980	30	n/a
6 Elm Avenue.....	Elm Street	Labrador City	Residential	1965	23	n/a
134 Clyde Avenue.....	Clyde Ave Warehouse	Saint John's	Commercial	1989	n/a	30,660
141 Kelsey Drive	Bristol Court Stantec	Saint John's	Commercial	2012	n/a	29,494
145 Kelsey Drive.....	Bristol Court Sunlife	Saint John's	Commercial	2012	n/a	29,456
121 Kelsey Drive.....	Bristol Court Munn	Saint John's	Commercial	2014	n/a	29,400
131 Kelsey Drive.....	Bristol Court Technip	Saint John's	Commercial	2013	n/a	29,353

Property	Banner	City	Property Type	Year Built	Total Suites	Total Commercial Square Feet
125 Kelsey Drive.....	Bristol Court PWC	Saint John's	Commercial	2012	n/a	29,393
1 Austin Street	Austin Street Warehouse	Saint John's	Commercial	1985	n/a	17,500
36 Pippy Place	Pippy Place Warehouse	Saint John's	Commercial	1985	n/a	17,070
16 Duffy Place.....	Duffy Place Warehouse	Saint John's	Commercial	1986	n/a	10,000
145 Kelsey Drive.....	Bristol Court Parking Lot I	Saint John's	Commercial	n/a	n/a	n/a
Tamarack Drive.....	Shaw Land	Labrador City	Development	n/a	n/a	n/a
150 Stavanger Drive ...	Stavanger	Saint John's	Development	n/a	n/a	n/a
148 Ladysmith Drive ...	Kenmount Land - Phase I	Saint John's	Development	n/a	n/a	n/a
3/5/7/9/11/13 Wadland Cres; 148/150 Torbay Rd; 152/154 Torbay Rd	HomePort Head Lease Property	Saint John's	Execusuites	1968	145	n/a
346 358 & 360 Empire Ave.....	Kelly's Brook	Saint John's	Residential	1991	139	n/a
99 100 101 102 103 105 107 & 109 Terra Nova Road	Valleyview - 4 Bldgs	Saint John's	Residential	1968	128	n/a
83/85/87/89 MacDonald Drive; Sunridge Place - 4 135/137 Ennis Avenue; 25/27 bldgs Wadland Cres		Saint John's	Residential	1968	128	n/a
35 Tiffany Lane	Kennys Park	Saint John's	Residential	1970	122	n/a
30 44 & 64 Crosbie Road	Grenfell Court	Saint John's	Residential	1975	116	3,123
80 The Boulevard.....	Regency Tower	Saint John's	Residential	1974	97	n/a
6 7 15 Charter Court & 819 820 821 Veterans Road	Pleasantville Apartments	Saint John's	Residential	1970	96	n/a
12 Blackmarsh Rd.....	The Bristol	Saint John's	Residential	1977	75	n/a
50 Keane Place.....	Keane Place Apartments	Saint John's	Residential	1973	74	n/a
2 St. Georges Court....	St. Georges Court	Saint John's	Residential	1970	69	n/a
13 15 17 & 19 Crosbie Road	Columbus Terrace	Saint John's	Residential	1975	64	n/a
144/146 Torbay Road; 2/4 Tobin Crescent.....	Wyndwood Heights	Saint John's	Residential	1967	64	n/a
66 St. Clare Avenue....	St. Clare Manor	Saint John's	Residential	1978	50	n/a
27 Pasadena Crescent.....	Pasadena Apartments	Saint John's	Residential	1970	40	n/a
20-22 Keane Place	Keane Manor	Saint John's	Residential	1975	34	n/a

Property	Banner	City	Property Type	Year Built	Total Suites	Total Commercial Square Feet
Highland Park Plaza - 251 Anspach Street	Highland Park	Saint John's	Residential	1975	32	n/a
346 358 360 Empire Ave.....	Kellys Brook Land	Saint John's	Residential	n/a	2	n/a
Subtotal – Newfoundland and Labrador					1,875	225,449
Northwest Territories						
Bonnetplume Rd	Bonnet Plumbe	Inuvik	Development	n/a	n/a	n/a
1-3 Council Crescent ..	J. Koe Building	Inuvik	Commercial	1970	n/a	9,160
62-78 Mackenzie Road	Semmler Building	Inuvik	Commercial	1984	n/a	16,062
145 - 155 MacKenzie Road	Mack Travel Building	Inuvik	Commercial	1967	n/a	28,775
54 - 56 Mackenzie Road	RWED Building	Inuvik	Commercial	1987	4	3,605
123 - 125 MacKenzie Rd	Professional Building	Inuvik	Commercial	1972	n/a	16,663
85 - 89 Kingmingya Road	Blackstone Federal Building	Inuvik	Commercial	2006	n/a	4,286
163 - 171 MacKenzie Rd	Rec Hall Building	Inuvik	Commercial	1959	n/a	6,830
66 Franklin Road.....	Franklin Manor Building	Inuvik	Commercial	1971	6	6,946
196 MacKenzie Road..	Inuvik Capital Suites	Inuvik	Execusuites	2004	80	n/a
52-76 Bompas Street..	Bompas Place	Inuvik	Residential	2001	45	n/a
2 Boot Lake Road	Lakeview Manor	Inuvik	Residential	1972	42	n/a
50 Tununuk Place	Mountain View Apartments	Inuvik	Residential	1969	29	n/a
20 Tununuk Place	Nihjaa Apartments	Inuvik	Residential	1973	28	n/a
133-139/141-147/167-173/175-181/191-197 Loucheux Rd;.....	Loucheux Rowhouses	Inuvik	Residential	1960	20	n/a
5 - 9 Council Crescent	MacDonald Manor	Inuvik	Residential	1967	20	n/a
20 Boot Lake Road	Parkview Apartments	Inuvik	Residential	1972	14	n/a
210 - 216/218 - 224/226 - 232 Mackenzie Rd	MacKenzie Rowhouses	Inuvik	Residential	1960	12	n/a
51 - 57 and 59 - 65 Natala Drive	Natala Rowhouses	Inuvik	Residential	1960	8	n/a
19 - 33 Raven Street...	Raven Rowhouses	Inuvik	Residential	1973	8	n/a
16 and 18 Semmler Place	Semmler Duplexes	Inuvik	Residential	2001	4	n/a
6-12 Nanuk Place	Nanuk Rowhouse	Inuvik	Residential	1960	4	n/a
11 - 17 Bompas Street	Bompas Rowhouse	Inuvik	Residential	1960	4	n/a

Property	Banner	City	Property Type	Year Built	Total Suites	Total Commercial Square Feet
2-8 Alder Drive	Alder Rowhouse	Inuvik	Residential	1973	4	n/a
14 - 20 Inuit Road	Inuit Rowhouse	Inuvik	Residential	1973	4	n/a
17A & B Kingalook Road	Kingalok Duplex	Inuvik	Residential	2002	2	n/a
n/a	Phase II - Ptarmigan & Shaganappy Development	Yellowknife	Development	n/a	n/a	n/a
4802 - 50 Avenue.....	YK Centre	Yellowknife	Commercial	1987	n/a	97,332
4903 - 49 Street	The Courthouse	Yellowknife	Commercial	1980	n/a	59,948
313 Old Airport Road ..	Wal-Mart Department Store	Yellowknife	Commercial	1991	n/a	58,333
4915 - 48 Street	YK Centre East	Yellowknife	Commercial	1987	n/a	48,753
4501 - 50 Avenue.....	Lahm Ridge Tower	Yellowknife	Commercial	1985	n/a	47,104
4702 - Franklin Ave 4918 - 47th Street 4922 - 47th Street	Jan Stirling - Medical Arts Building	Yellowknife	Commercial	1970	n/a	28,057
4916 - 47th Avenue.....	GoGa Cho Building	Yellowknife	Commercial	1987	n/a	20,483
4810 - 50 Avenue.....	NWT Commerce Place	Yellowknife	Commercial	1967	n/a	19,868
4911 - 49 Street	Shoppers Drug Mart	Yellowknife	Commercial	2008	n/a	14,663
4905 - 48 Street	YK Centre West	Yellowknife	Commercial	1984	n/a	14,031
419 Byrne Road C57 ..	YK Medical Plaza	Yellowknife	Commercial	1996	n/a	10,938
201 Utsingi Drive.....	Pellet Warehouse Operations	Yellowknife	Commercial	2013	n/a	4,347
302 Woolgar Avenue ..	Woolgar Warehouse	Yellowknife	Commercial	1977	n/a	2,800
5603 - 50 Avenue.....	Yellowknife Capital Suites	Yellowknife	Execusuites	1991	78	n/a
5401-5464 - 52 Street .	Bison Hill Townhomes	Yellowknife	Residential	1987	64	n/a
5465 - 52 Street	Bison Hill Apartments	Yellowknife	Residential	2002	60	n/a
490 Range Lake Road	Sandstone North	Yellowknife	Residential	1985	53	n/a
492 Range Lake Road	Sandstone South	Yellowknife	Residential	1985	53	n/a
1421 - 1470 Gitzel Street	Lakeside Court	Yellowknife	Residential	1971	50	n/a
600 Gitzel Street	Fort Gary Apartments	Yellowknife	Residential	1977	50	n/a
900 Lanky Court.....	Lanky Court Apartments	Yellowknife	Residential	1994	50	n/a
48 Con Road.....	Aurora Ridge	Yellowknife	Residential	1978	50	n/a
42 Con Road.....	Aurora Pointe	Yellowknife	Residential	1978	50	n/a
15 Ptarmigan Road	Three Lakes Village	Yellowknife	Residential	2005	50	n/a

Property	Banner	City	Property Type	Year Built	Total Suites	Total Commercial Square Feet
97 Niven Drive	Niven Lake II Apartments	Yellowknife	Residential	2005	41	n/a
4905 - 54 Avenue.....	Rockridge Apartments	Yellowknife	Residential	1973	32	n/a
5123 - 53 Street	Dorset Apartments	Yellowknife	Residential	1973	30	n/a
981-1180 Gitzel Street	Greenstone Place	Yellowknife	Residential	1971	29	n/a
5023 - 48 Street	Hudson House	Yellowknife	Residential	1970	26	n/a
5603 - 51A Avenue	Sunridge Place	Yellowknife	Residential	1967	25	n/a
5605 - 50 Avenue.....	Garden Townhomes	Yellowknife	Residential	1968	24	n/a
857 - 880 Lanky Court	Lanky Court Townhomes	Yellowknife	Residential	1973	24	n/a
1200 Gitzel Street	Ridgeview North	Yellowknife	Residential	1971	24	n/a
1000 Gitzel Street	Ridgeview South	Yellowknife	Residential	1971	24	n/a
5720 50 Avenue.....	Matonabee North	Yellowknife	Residential	1971	24	n/a
5730 50 Avenue.....	Matonabee South	Yellowknife	Residential	1971	24	n/a
32 34 36 & 38 Con Road	Aurora Heights	Yellowknife	Residential	2014	24	n/a
4508 - 49 Avenue.....	Frontier House	Yellowknife	Residential	1969	23	n/a
6220 - 6266 Finlayson Drive N	Finlayson Drive Townhomes	Yellowknife	Residential	1988	23	n/a
5001 52 Avenue.....	Crestview Manor	Yellowknife	Residential	1971	20	n/a
5009 52 Avenue.....	Norseman Apartments	Yellowknife	Residential	1973	21	n/a
5201 - 51 Street	Simpson House	Yellowknife	Residential	1968	20	n/a
4813 & 4817 - 49 Street	Bowling Green Building	Yellowknife	Residential	1992	19	13,814
5601 - 50 Avenue.....	Garden Townhomes	Yellowknife	Residential	1968	16	n/a
99 Niven Drive	Niven Lake Apartments	Yellowknife	Residential	1998	15	n/a
5215 - 51 Street	Carlton Place	Yellowknife	Residential	1967	12	n/a
5202 - 49 Street	Polaris Apartments	Yellowknife	Development	n/a	n/a	n/a
Subtotal – Northwest Territories					1,466	532,798
Nunavut						
Bldg. 220 Units A B C D	Arctic Bay Leasebacks	Arctic Bay	Residential	1994	4	n/a
House 116.....	Arctic Bay Houses	Arctic Bay	Residential	1974	1	n/a
60/61 Ihunngaq Street & 59 Tuktu Street	Cambridge Bay Development	Cambridge Bay	Residential	2017	36	n/a
55 Tuktu Street	55 Tuktu Street	Cambridge Bay	Residential	1990	9	n/a
14 Avingak Road.....	14 Avingak Road	Cambridge Bay	Residential	1991	6	n/a

Property	Banner	City	Property Type	Year Built	Total Suites	Total Commercial Square Feet
9 Tatvik Road.....	9 Tatvik Road	Cambridge Bay	Residential	1986	4	n/a
1 Pungnik Road	1 Pungnik Road	Cambridge Bay	Residential	1986	4	n/a
8 Tatvik Road.....	8 Tatvik Road	Cambridge Bay	Residential	1986	4	n/a
11 Tatvik Road.....	11 Tatvik Road	Cambridge Bay	Residential	1984	3	n/a
House #252-261	Cape Dorset Leasebacks	Cape Dorset	Residential	1994	10	n/a
Building 352 - 355 and Building 356 – 361	Cape Dorset Leasebacks 2002	Cape Dorset	Residential	2002	10	n/a
House #301-304	Cape Dorset Houses	Cape Dorset	Residential	1974	4	n/a
Building 250 and Building 251	Clyde River Leasebacks	Clyde River	Residential	2004	10	n/a
Duplex # 170 & 171	Gjoa Haven Duplex 170 & 171	Gjoa Haven	Residential	1995	2	n/a
House 172.....	Gjoa Haven House 172	Gjoa Haven	Residential	1995	1	n/a
House 324 316.....	Hall Beach Houses	Hall Beach	Residential	1994	7	n/a
Bldg. 310 ABCD & E; Bldg. 309 A B & C; Bldg. 308 A & B	Igloolik Townhomes	Igloolik	Residential	1996	10	n/a
House 288/290/292/294/296/298	Igloolik Houses	Igloolik	Residential	1995	6	n/a
Building 299 Units A B C D E	Building 299	Igloolik	Residential	1995	5	n/a
House 501-503	Savik Houses	Igloolik	Residential	1968	3	n/a
Duplex 304/305.....	Igloolik Duplex	Igloolik	Residential	1996	2	n/a
House 301.....	Building 301	Igloolik	Residential	1992	1	n/a
1036 Mivvik Street	Navigator Inn	Iqaluit	Development	n/a	n/a	n/a
1083 Mivvik Street	Navigator Retail Building	Iqaluit	Development	n/a	n/a	n/a
630 Queen Elizabeth Way.....	Qamutiq Office Building	Iqaluit	Commercial	2010	n/a	32,043
933 Mivvik Street	Qilaut	Iqaluit	Commercial	2013	n/a	22,651
1084 Mivvik Street	Aeroplex	Iqaluit	Commercial	1991	n/a	17,821
Building 903 Kivalliq Drive	Trigram Building	Iqaluit	Commercial	1960	n/a	20,214
1556 Federal Road	Iqaluit Regional Office Warehouse	Iqaluit	Commercial	2012	n/a	12,100
1552 Federal Road	Vista Park - Nova Whse 1552	Iqaluit	Commercial	1999	n/a	9,600
1554 Federal Road	Vista Park - Nova Whse 1554	Iqaluit	Commercial	1999	n/a	9,600
1120 Mivvik Street	Fairview Building	Iqaluit	Commercial	1992	n/a	7,600

Property	Banner	City	Property Type	Year Built	Total Suites	Total Commercial Square Feet
2425 Abe Okpik Cr.....	The Falcon	Iqaluit	Commercial	1990	n/a	5,700
1322 Federal Road	New Warehouse - Name TBD	Iqaluit	Commercial	2018	n/a	5,355
1322 Ulu Lane.....	AANDC Warehouse	Iqaluit	Commercial	2013	n/a	5,188
1099 Ikaluktuutiak Drive	Development 1.1 Building 1099	Iqaluit	Commercial	2001	n/a	2,556
760 Queen Elizabeth Way II.....	Polaris Building	Iqaluit	Commercial	1989	n/a	1,778
807 Aviq Street	IQCS	Iqaluit	Execusuites	2000	42	n/a
4104 Road to Nowhere.....	Building 4104	Iqaluit	Residential	2012	40	n/a
4118 Road to Nowhere.....	Building 4118	Iqaluit	Residential	2014	39	n/a
4100 Road to Nowhere.....	Building 4100	Iqaluit	Residential	2012	39	n/a
1088 Mivvik Street	Noble House	Iqaluit	Residential	1998	37	4,450
5197 5195 & 5189 Qajisarvik Road	Buildings 5189 5195 5197	Iqaluit	Residential	2013	36	n/a
2711 2713 2715 2717 2719 & 2721 Tasilik Street	Crystal Ridge Townhomes	Iqaluit	Residential	1998	34	n/a
4110 4112 4114 4116 Road to Nowhere.....	RTNW	Iqaluit	Residential	2011	32	n/a
2600 2602 Nanuq Cres; 2604 2707 2709 Tuktuk St.....	Joamie Ridge Townhomes	Iqaluit	Residential	1999	30	n/a
1093 Qamaniqtuaq Street	The Governor	Iqaluit	Residential	2001	30	3,445
935-937 Mivvik Street & Building 812	Saputit Place	Iqaluit	Residential	2018	30	5,866
622 Queen Elizabeth Way II.....	Iqaluit House	Iqaluit	Residential	1987	30	5,159
4102 Road to Nowhere.....	Building 4102	Iqaluit	Residential	2005	29	n/a
5059 5060 5062 & 5064 Takumiaqtuq Avenue ..	Buildings 5058 5060 5062 5064	Iqaluit	Residential	2005	24	n/a
5065B Takumiaqtuq Avenue.....	Building 5065B	Iqaluit	Residential	2008	24	n/a
4006 - 4086 Anuri Street	Sunridge Apartments	Iqaluit	Residential	2002	24	n/a
615 Queen Elizabeth Way II.....	Sivullik Apartments	Iqaluit	Residential	1996	22	9,201
2623 Nanuq Crescent.	Westview	Iqaluit	Residential	1999	21	n/a
2245 Tasilik Street	Crosswinds	Iqaluit	Residential	1998	17	n/a
5000 Saputi Road	Building 5000	Iqaluit	Residential	2006	16	n/a

Property	Banner	City	Property Type	Year Built	Total Suites	Total Commercial Square Feet
2221 Niaqunnguariaq Road	Tundra Apartments	Iqaluit	Residential	1994	16	n/a
613 Queen Elizabeth Way.....	Paunna Place	Iqaluit	Residential	1999	16	4,589
2696 Tulugaq Street ...	The Raven	Iqaluit	Residential	2000	14	n/a
2226 Abe Okpik	Bearberry Apartments	Iqaluit	Residential	1991	14	n/a
2225 Niaqunnguariaq Road	Ulluriaq	Iqaluit	Residential	1989	14	3,848
611 Queen Elizabeth Way II.....	Grinnell Place	Iqaluit	Residential	1988	14	5,167
297 Siku Crescent.....	Arctic Court	Iqaluit	Residential	1985	14	n/a
4001-4015 Anuri Street	Hillcrest Duplexes	Iqaluit	Residential	2002	14	n/a
2694 Tulugaq Street ...	Clearview	Iqaluit	Residential	2000	13	n/a
2692 Tulugaq Street ...	Bayview	Iqaluit	Residential	2000	12	n/a
961 Federal Road	Greenstone Apartments	Iqaluit	Residential	2001	12	4,961
89-99 Nipisa Street	Stoneridge	Iqaluit	Residential	1990	12	n/a
5067 Takimiaqtuq Avenue.....	Building 5067	Iqaluit	Residential	2009	10	n/a
2216 NIAQUNNGUSIQA STREET 2730 Tasilik St	Sivullik Townhomes	Iqaluit	Residential	1998	10	n/a
1080 Mivvik Street	Aerocourt	Iqaluit	Residential	1991	10	n/a
985 Iglulik Drive	Edgemont	Iqaluit	Residential	1993	10	n/a
500 Atungauyait Drive.	Longview	Iqaluit	Residential	1995	10	n/a
5065A Takumiaqtuq Avenue.....	Building 5065A	Iqaluit	Residential	2008	8	n/a
4065 Anuri Street	Building 4065	Iqaluit	Residential	2005	8	n/a
2706 Tuktu Street	Eastmore	Iqaluit	Residential	2000	8	n/a
2691 Tulugaq Street ...	Lancaster Place	Iqaluit	Residential	1999	8	n/a
1081 Ikaluktuutiak Drive	Belair	Iqaluit	Residential	1990	8	n/a
2212 Niaqunnguariaq Road	The Dorchester	Iqaluit	Residential	1998	7	n/a
5010 Pingua Street	Building 5010	Iqaluit	Residential	2006	6	n/a
2621 Nanuq Crescent.	Parkview Place	Iqaluit	Residential	1999	6	992
2227 Niaqunnguariaq Road	Lakeside Building	Iqaluit	Residential	1998	6	2,400
609 Mattaaq Crescent.	Saputit Place	Iqaluit	Residential	2002	6	4,482
498 Atungauyait Drive.	Valleyview	Iqaluit	Residential	1988	6	n/a

Property	Banner	City	Property Type	Year Built	Total Suites	Total Commercial Square Feet
2693 Aqiggiq Court	Manor Park	Iqaluit	Residential	2000	5	n/a
2220 Joamie Court.....	The Granite Townhomes	Iqaluit	Residential	1991	5	n/a
2217 Niaqunnguariaq Road	Foxe Rowe	Iqaluit	Residential	2019	5	n/a
1091 Mivvik Street	The Baron	Iqaluit	Residential	1998	5	6,447
5101 Qajisarvik Road..	Building 5101	Iqaluit	Residential	2015	4	n/a
2708 Tuktu Street	Rockedge	Iqaluit	Residential	1999	4	n/a
2251 Tasiliik Street	Hillside	Iqaluit	Residential	1991	4	n/a
2249 Tasiliik Street	Crestview	Iqaluit	Residential	1991	4	n/a
2233 Tasiliik Street	Northmount	Iqaluit	Residential	1991	4	n/a
1660 Atungauyait Drive	Grandview Townhomes	Iqaluit	Residential	1991	4	n/a
782 Coman Street.....	Building 782	Iqaluit	Residential	2012	4	n/a
1034 Mivvik Street	Mivvik Threeplex	Iqaluit	Residential	1975	3	n/a
1016/1016A & 1020 Iglulik Drive	Canadian Houses	Iqaluit	Residential	1972	3	n/a
4040 Anuri Street	Building 4040 A & B	Iqaluit	Residential	2004	2	n/a
1089 Mivvik Street	The Terrace	Iqaluit	Residential	1973	2	3,878
974 Qamutiik Court.....	Bylot Duplex	Iqaluit	Residential	1993	2	n/a
970 Qamutiik Court.....	Ellesmere Duplex	Iqaluit	Residential	1993	2	n/a
802 Natsiq Drive	Building 802	Iqaluit	Residential	1972	2	n/a
790 A&B Fred Coman Street	Devon Duplex	Iqaluit	Residential	1989	2	n/a
643 A&B Mattaaq Crescent.....	Dorset Duplex	Iqaluit	Residential	1989	2	n/a
531 Niaqunnguariaq Road	Highland Duplex	Iqaluit	Residential	1988	2	n/a
157 Nipisa Street	Barsum Building	Iqaluit	Residential	1992	2	3,585
113 C&D Qajaq Lane..	Beachmere Duplex	Iqaluit	Residential	1988	2	n/a
4084 Anuri Street	Ridgeview House	Iqaluit	Residential	2001	1	n/a
2716 Amaruq Court.....	Heritage House	Iqaluit	Residential	2001	1	n/a
2685 Ukaliq Street	Sedna House	Iqaluit	Residential	2000	1	n/a
2628 Nanuq Crescent..	Building 2628	Iqaluit	Residential	2003	1	n/a
2563 Paurngaq Street..	Building 2563	Iqaluit	Residential	1998	1	n/a
2469 Paurngaq Crescent.....	Harvester House	Iqaluit	Residential	1997	1	n/a
1607 Igutsanutnigitt Court	Aurora House	Iqaluit	Residential	1989	1	n/a
686 Palaugaa Drive	Quassa House	Iqaluit	Residential	1989	1	n/a

Property	Banner	City	Property Type	Year Built	Total Suites	Total Commercial Square Feet
449 Atungauyait Drive.	Lodge House	Iqaluit	Residential	1988	1	n/a
329 Nipisa Street	Thule House	Iqaluit	Residential	1985	1	n/a
Building 94	Building 1706	Kimmirut	Residential	1995	4	n/a
Building 336/524/528/532/535/549/551/553/576/577A&B	Pangnirtung Houses	Pangnirtung	Residential	1973	11	n/a
Building 834	Pangnirtung Leasebacks 2002	Pangnirtung	Residential	2002	10	n/a
Building 238/728/749 ..	Pangnirtung Leasebacks 1993	Pangnirtung	Residential	1995	10	n/a
Building 235 (A-F)	Pangnirtung Leasebacks 1994	Pangnirtung	Residential	1995	6	n/a
Building 622 (A-B).....	Pangnirtung Leasebacks 1993	Pangnirtung	Residential	1993	2	n/a
House 547.....	House 547	Pangnirtung	Residential	1968	1	n/a
Building 190 Units 1 2 3.....	Building 237	Pangnirtung	Residential	1965	1	n/a
House 831.....	Building 831	Pangnirtung	Residential	2002	n/a	n/a
Building 752 A - F & Building 1002 A - D.....	Pond Inlet Leasebacks 2002	Pond Inlet	Residential	2002	10	n/a
House 312-319	Pond Inlet Leasebacks 1993	Pond Inlet	Residential	1994	7	n/a
House 318 320 322 324 331 333.....	Pond Inlet Leasebacks 1994	Pond Inlet	Residential	1994	6	n/a
Duplex # 146 & 147	Taloyoak Duplex 146 & 147	Taloyoak	Residential	n/a	2	n/a
Duplex # 22 & 23	Taloyoak Duplex 22 & 23	Taloyoak	Residential	n/a	2	n/a
House 20.....	Taloyoak House 20	Taloyoak	Residential	1985	1	n/a
House 17.....	Taloyoak House 17	Taloyoak	Residential	1983	1	n/a
Subtotal – Nunavut					1,188	220,676
Total					11,287	1,127,696

**SCHEDULE B
BOARD MANDATE**

Northview Canadian High Yield Residential Fund (the “Fund”)

1. PURPOSE

The purpose of this Mandate is to set out the mandate and responsibilities of the board of trustees of the Fund (the “**Board**”). By approving this Mandate, the Board confirms its responsibility for overseeing the management of, and providing stewardship over, the Fund and its affairs. This stewardship function includes responsibility for the matters set out in this Mandate. The responsibilities of the Board described herein are pursuant to, and subject to, the provisions of applicable statutes and the Declaration of Trust of the Fund and do not impose any additional responsibilities or liabilities on the trustees at law or otherwise.

2. COMPOSITION, PROCEDURES AND ORGANIZATION

2.1 Trustees

- (a) The Board is composed of trustees who are elected annually by the unitholders of the Fund. Trustees may also sit on the committees of the Board, upon recommendation by the Governance and Nominating Committee.
- (b) The Board shall ensure that the majority of trustees are qualified as unrelated: independent of management and free of conflicts that would impair the ability of a trustee to act in the best interest of the Trust. Trustees must also be aware of their relationship with significant unitholders (i.e. a unitholder with over 10% of the voting interests of the Fund).

2.2 Meetings

- (a) The Board shall meet regularly without management present through in camera sessions or at such other times and places as the Board may determine in accordance with the Declaration of Trust of the Fund.
- (b) Meetings of the Board shall be held at least four times annually, at the request of the Chair or otherwise in accordance with the Declaration of Trust of the Fund.
- (c) The Board will adhere to the meeting protocols set out in the Declaration of Trust of the Fund.

3. TRUSTEES’ RESPONSIBILITIES

The Board is explicitly responsible for the stewardship of the Fund. To discharge this obligation, the Board shall:

3.1 Strategic Planning Process

- (a) Provide input to management on emerging trends and issues.
- (b) Review and approve management’s strategic plans.
- (c) Review and approve the Fund’s financial objectives, plans and actions, including significant capital allocations and expenditures.

3.2 Monitoring and Supervising Tactical Progress and Conflicts of Interest

- (a) Supervise the activities of the Fund and manage the investments and affairs of the Fund.
- (b) Monitor the performance of the Fund against its strategic and business plans, including assessing operating results to evaluate whether the business is being properly managed.
- (c) Overseeing the manager of the Fund and the fulfillment of its responsibilities under the Management Agreement.
- (d) Monitoring and ensuring proper governance is followed in connection with potential and actual conflicts of interest.

3.3 Risk Assessment

- (a) Identify the principal risks of the Fund's businesses and ensure that appropriate systems are in place to manage these risks.
- (b) Participate in decision making with respect to specific risks in which the Board member has particular interest or expertise.

3.4 Senior Level Staffing

- (a) Monitor the Chief Executive Officer and Chief Financial Officer and monitor and evaluate other senior executives, and ensure management succession planning, if appropriate.
- (b) Approve a position description for the Chief Executive Officer including limits to management's responsibilities and corporate objectives which the Chief Executive Officer is responsible for meeting, all upon recommendation from the Governance and Nominating Committee.

3.5 Integrity

- (a) Ensure the integrity of the Fund's internal control and management information systems.
- (b) Ensure ethical behaviour and compliance with laws and regulations, audit and accounting principles, and the Fund's own governing documents.
- (c) Ensure the integrity of the Chief Executive Officer and other executive officers.
- (d) Monitor compliance with the Code of Business Conduct and Ethics.
- (e) Create a culture of integrity throughout the organization.

3.6 Material Transactions, Major Decisions and Voting

- (a) Review and approve material transactions and major decisions of the Fund that are outside the scope of the authority delegated to the Fund's committees and senior management or any decisions the Board deems necessary or appropriate.
- (b) Act for, vote on behalf of, and represent the Fund as a holder of limited partnership units of Northview Canadian HY Holdings LP.

3.7 Disclosure

- (a) Maintain records and provide reports to unitholders of the Fund.
- (b) Adopt a communication policy and ensure effective and adequate communication with unitholders of the Fund, other stakeholders and the public.
- (c) Approve the content of the Fund's major communications to unitholders and the investing public.
- (d) Approve and monitor the disclosure policies designed to assist the Fund in meeting its objective of providing timely, consistent and credible dissemination of information, consistent with disclosure requirements under applicable securities law.
- (e) Appoint the Lead Trustee or another independent, non-executive trustee, to be available to unitholders with concerns should communications with management fail to resolve the issue or such contact is inappropriate.

3.8 Distributions

- (a) Determine the amount and timing of distributions to unitholders of the Fund.

3.9 Monitoring Trustees' Effectiveness

- (a) Assess its own effectiveness in fulfilling the above and trustees' responsibilities, including monitoring the effectiveness of individual trustees.

3.10 Expectations and Responsibilities

- (a) Trustees are expected to attend all Board and committee meetings of which they are members. Trustees are expected to have reviewed meeting materials in advance of such Board or committee meetings, as applicable.

3.11 Other

- (a) Perform such other functions as prescribed by law or assigned to the trustees in the Declaration of Trust of the Fund, as it may be amended from time to

**SCHEDULE C
AUDIT COMMITTEE CHARTER**

Northview Canadian High Yield Residential Fund (the “Fund”)

1. PURPOSE

1.1 The board of trustees of the Fund (the “**Board**”) shall appoint an audit committee (the “**Committee**”) to assist the Board in fulfilling its responsibilities. The overall purpose of the Committee of the Fund is to monitor the Fund’s system of internal financial controls, to evaluate and report on the integrity of the financial statements of the Fund, to enhance the independence of the Fund’s external auditors and to oversee the financial reporting process of the Fund.

2. PRIMARY DUTIES AND RESPONSIBILITIES

2.1 The Committee’s primary duties and responsibilities are to:

- (a) serve as an objective party to monitor the Fund’s financial reporting and internal control system and review the Fund’s financial statements;
- (b) review the performance of the Fund’s external auditors; and
- (c) provide an open avenue of communication among the Fund’s external auditors, the Board and senior management of Starlight Investments CDN AM Group LP, in its capacity as manager of the Fund (the “**Manager**”).

3. COMPOSITION, PROCEDURES AND ORGANIZATION

3.1 The Committee shall comprise at least three trustees of the Fund as determined by the Board, constituted as required under National Instrument 52-110 – *Audit Committees*, as it may be amended or replaced from time to time (“**NI 52-110**”). All of the member of the Committee must (except to the extent permitted by NI 52-110) be independent (as defined by NI 52-110), and free from any relationship that, in the view of the Board, would reasonably be expected to interfere with the exercise of his or her independent judgment as a member of the Committee.

3.2 All members of the Committee must (except to the extent permitted by NI 52-110) be financially literate. For the purposes of this Audit Committee Charter, the definition of “financially literate” is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Fund’s financial statements.

3.3 The Board shall appoint the members of the Committee. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee. Any member of the Committee ceasing to be a trustee of the Fund shall cease to be a member of the Committee.

3.4 Unless a chair is elected by the Board, the members of the Committee shall elect a chair from among their number (the “**Chair**”). The Chair shall be responsible for leadership of the Committee, including preparing the agenda, presiding over the meetings and reporting to the Board.

3.5 The Committee, through its Chair, shall have access to such officers and employees of the Fund and the Manager and to the Fund’s external auditors and its legal counsel, and to such information respecting the Fund as it considers to be necessary or advisable in order to perform its duties.

- 3.6 Notice of every meeting shall be given to the external auditors, who shall, at the expense of the Fund, be entitled to attend and to be heard thereat.
- 3.7 Meetings of the Committee shall be conducted as follows:
- (a) the Committee shall meet four times annually, or more frequently as circumstances dictate, at such times and at such locations as the Chair shall determine;
 - (b) the external auditors or any member of the Committee may call a meeting of the Committee;
 - (c) any trustee of the Fund may request the Chair to call a meeting of the Committee and may attend such meeting to inform the Committee of a specific matter of concern to such trustee, and may participate in such meeting to the extent permitted by the Chair; and
 - (d) the external auditors and the Manager shall, when required by the Committee, attend any meeting of the Committee.
- 3.8 The external auditors shall be entitled to communicate directly with the Chair and may meet separately with the Committee. The Committee, through the Chair, may contact directly any employee in the Manager as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper practices or transactions.
- 3.9 Compensation to members of the Committee shall be limited to trustees' fees, either in the form of cash or equity, and members shall not accept consulting, advisory or other compensatory fees from the Fund.
- 3.10 The Committee is granted the authority to investigate any matter brought to its attention, with full access to all books, records, facilities and personnel of the Fund. The Committee has the power to engage and determine funding for outside and independent counsel or other experts or advisors as the Committee deems necessary for these purposes and as otherwise necessary or appropriate to carry out its duties and to set Committee members compensation. The Committee is further granted the authority to communicate directly with internal and external auditors.

4. DUTIES

- 4.1 The overall duties of the Committee shall be to:
- (a) assist the Board in the discharge of their duties relating to the Fund's accounting policies and practices, reporting practices and internal controls and the Fund's compliance with legal and regulatory requirements;
 - (b) establish and maintain a direct line of communication with the Fund's external auditors and assess their performance and oversee the co-ordination of the activities of the external auditors; and
 - (c) be aware of the risks of the business and ensure the Manager has adequate processes in place to assess, monitor, manage and mitigate these risks as they arise.
- 4.2 The Committee shall be directly responsible for overseeing the work of the external auditor, who shall report directly to the Committee, engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Fund, including the resolution of disagreements between the Manager and the external auditors and the

overall scope and plans for the audit, and in carrying out such oversight, the Committee's duties shall include:

- (a) recommending to the Board the selection and compensation and, where applicable, the replacement of the external auditor nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Fund;
- (b) reviewing, where there is to be a change of external auditors, all issues related to the change, including the information to be included in the notice of change of auditor called for under NI 51-102 or any successor legislation, and the planned steps for an orderly transition;
- (c) reviewing all reportable events, including disagreements, unresolved issues and consultations, as defined in NI 51-102 or any successor legislation, on a routine basis, whether or not there is to be a change of external auditor;
- (d) reviewing and pre-approving all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Fund's external auditors to the Fund or any subsidiary entities;
- (e) reviewing the engagement letters of the external auditors, both for audit and non-audit services;
- (f) consulting with the external auditor, without the presence of the Manager about the quality of the Fund's accounting principles, internal controls and the completeness and accuracy of the Fund's financial statements;
- (g) reviewing annually the performance of the external auditors, who shall be ultimately accountable to the Board and the Committee as representatives of the unitholders of the Fund, including the fee, scope and timing of the audit and other related services and any non-audit services provided by the external auditors; and
- (h) reviewing and approving the nature of and fees for any non-audit services performed for the Fund by the external auditors and consider whether the nature and extent of such services could detract from the firm's independence in carrying out the audit function.

4.3 The duties of the Committee as they relate to document and reports reviews shall be to:

- (a) review the Fund's financial statements, management's discussion and analysis of financial results ("**MD&A**") and any earnings press releases before the Fund publicly discloses this information; and
- (b) review and periodically assess the adequacy of procedures in place for the review of the Fund's public disclosure of financial information extracted or derived from the Fund's financial statements, other than the Fund's financial statements, MD&A and earnings press releases.

4.4 The duties of the Committee as they relate to audits and financial reporting shall be to:

- (a) in consultation with the external auditor, review with the Manager the integrity of the Fund's financial reporting process, both internal and external, and approve, if appropriate, changes to the Fund's auditing and accounting practices;
- (b) review the audit plan with the external auditor and the Manager;

- (c) review with the external auditor and the Manager any proposed changes in accounting policies, the presentation of the impact of significant risks and uncertainties, and key estimates and judgments of the Manager that may in any such case be material to financial reporting;
- (d) review the contents of the audit report;
- (e) question the external auditor and the Manager regarding significant financial reporting issues discussed during the fiscal period and the method of resolution;
- (f) review the scope and quality of the audit work performed;
- (g) review the adequacy of the Fund's financial and auditing personnel;
- (h) review the co-operation received by the external auditor from the Manager's and the Fund's personnel during the audit, any problems encountered by the external auditors and any restrictions on the external auditor's work;
- (i) review the internal resources used;
- (j) review the evaluation of internal controls by the internal auditor (or persons performing the internal audit function) and the external auditors, together with the Manager's response to the recommendations, including subsequent follow-up of any identified weaknesses;
- (k) review the appointments of the chief financial officer, internal auditor (or persons performing the internal audit function) of the Fund and any key financial executives involved in the financial reporting process;
- (l) review and approve the Fund's annual audited financial statements and those of any subsidiaries in conjunction with the report of the external auditors thereon, and obtain an explanation from the Manager of all significant variances between comparative reporting periods before release to the public;
- (m) establish procedures for (A) the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters; and (B) the confidential, anonymous submission of concerns regarding questionable accounting or auditing matters; and
- (n) review the terms of reference for an internal auditor or internal audit function.

4.5 The duties of the Committee as they relate to accounting and disclosure policies and practices shall be to:

- (a) review changes to accounting principles of the Canadian Institute of Chartered Accountants which would have a significant impact on the Fund's financial reporting as reported to the Committee by the Manager and the external auditors;
- (b) review the appropriateness of the accounting policies used in the preparation of the Fund's financial statements and consider recommendations for any material change to such policies;
- (c) review the status of material contingent liabilities as reported to the Committee by the Manager or the external auditors;
- (d) review the status of income tax returns and potentially significant tax problems as reported to the Committee by the Manager;

- (e) review any errors or omissions in the current or prior year's financial statements;
- (f) review, and approve before their release, all public disclosure documents containing audited or unaudited financial information including all earnings, press releases, MD&A, prospectuses, annual reports to unitholders and annual information forms, as applicable; and
- (g) oversee and review all financial information and earnings guidance provided to analysts and rating agencies.

4.6 The other duties of the Committee shall include:

- (a) reviewing any related-party transactions not in the ordinary course of business;
 - (b) reviewing any inquires, investigations or audits of a financial nature by governmental, regulatory or taxing authorities;
 - (c) formulating clear hiring policies for partners, employees or former partners and employees of the Fund's external auditors;
 - (d) reviewing annual operating and capital budgets;
 - (e) reviewing and reporting to the Board on difficulties and problems with regulatory agencies which are likely to have a significant financial impact;
 - (f) inquiring of Manager and the external auditors as to any activities that may be or may appear to be illegal or unethical;
 - (g) ensuring procedures are in place for the receipt, retention and treatment of complaints and employee concerns received regarding accounting or auditing matters and the confidential, anonymous submission by employees of the Fund of concerns regarding such; and
- (h) reviewing any other questions or matters referred to it by the Board

APPENDIX "I" - NORTHVIEW CANADIAN HIGH YIELD RESIDENTIAL FUND

Date of formation Financial Statements
(Expressed in Canadian dollars)

**NORTHVIEW CANADIAN HIGH YIELD
RESIDENTIAL FUND**

As at April 14, 2020



KPMG LLP
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INDEPENDENT AUDITORS' REPORT

To the Trustees of Northview Canadian High Yield Residential Fund

Opinion

We have audited the financial statement of Northview Canadian High Yield Residential Fund (the "Fund"), which comprise the opening statement of financial position as at April 14, 2020 (date of formation), and notes to the financial statements, including a summary of significant accounting policies (hereinafter referred to as the "financial statement").

In our opinion, the accompanying financial statement presents fairly, in all material respects, the financial position of the Fund as at April 14, 2020 (date of formation) in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report.

We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statement in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has



no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial statement.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statement represents the underlying transactions and events in



a manner that achieves fair presentation.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants

A handwritten signature in black ink that reads 'KPMG LLP'. The letters are slanted and written in a cursive style.

Calgary, Alberta

April 23, 2020

NORTHVIEW CANADIAN HIGH YIELD RESIDENTIAL FUND

STATEMENT OF FINANCIAL POSITION

As at April 14, 2020 (date of formation)

(In Canadian dollars)

Assets	
Cash	<u>\$12.50</u>
Net Assets attributable to Unitholders	
Net Assets attributable to Unitholders	<u>\$12.50</u>

See accompanying notes to financial statements.

NORTHVIEW CANADIAN HIGH YIELD RESIDENTIAL FUND

NOTES TO FINANCIAL STATEMENTS

As at April 14, 2020 (date of formation)

(In Canadian dollars)

1. ORGANIZATION

Northview Canadian High Yield Residential Fund (the “Fund”) is a “closed-end fund” established pursuant to an initial declaration of trust dated April 14, 2020, where one Class C trust unit of the Fund (“Class C Unit”) was issued to Starlight Group Property Holdings Inc. (“Starlight Group”) and together with its affiliates “Starlight”) for \$12.50 in cash. The Fund was established under the laws of the Province of Ontario. The head and registered office of the Fund is located at 3280 Bloor Street West, Centre Tower, Suite 1400, Toronto, Ontario, M8X 2X3.

The Fund has been formed to acquire, own and operate, through an Ontario limited partnership, a geographically diversified portfolio (the “Initial Portfolio”) comprised of income-producing multi-residential suites, commercial real estate and executives located primarily in secondary markets within British Columbia, Alberta, Saskatchewan, Québec, New Brunswick, Newfoundland and Labrador, the Northwest Territories and Nunavut. As at April 14, 2020, the Initial Portfolio is currently owned and operated by Northview Apartment Real Estate Investment Trust (“NVI”).

2. BASIS OF PRESENTATION

These financial statements of the Fund have been prepared by management in accordance with International Financial Reporting Standards. These financial statements were approved by the Board of Trustees of the Fund and authorized for issue on April 23, 2020.

These financial statements are presented in Canadian dollars, which is the functional and reporting currency of the Fund.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand.

(b) Net Assets attributable to Unitholders

Units of the Fund are redeemable at the holder’s option and therefore are considered a puttable instrument in accordance with International Accounting Standard 32, “Financial Instruments: Presentation” (“IAS 32”), subject to certain limitations and restrictions. Puttable instruments are required to be accounted for a financial liabilities, except where certain conditions are met, in which case, the puttable instruments may be presented as Net Assets attributable to Unitholders. Class C Units meet the necessary conditions and have therefore been presented as Net Assets attributable to Unitholders.

4. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

The beneficial interests in the Fund are divided into three classes of units: Class A trust units (“Class A Units”); Class C Units; and Class F trust units (“Class F Units”), each of which is denominated in Canadian dollars. The Fund is authorized to issue an unlimited number of units of each class.

4. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (CONTINUED)

Each holder of a unit is entitled to one vote per unit held and votes of the holders of units will be conducted with holders of Class A Units, Class C Units and Class F Units voting together as a single class. Notwithstanding the foregoing, if the Board of Trustees of the Fund determines that the nature of the business to be transacted at a meeting affects holders of one class of units in a manner materially different from its effect on holders of another class of units, the units of such affected class will be voted separately as a class.

5. COMMITMENTS

Management Agreement

The Fund has committed to enter into a management agreement (“Management Agreement”) with Starlight Investments CDN AM Group LP (the “Manager”), a wholly-owned subsidiary of Starlight Group, and Northview Canadian HY Properties LP (“NV LP”), a limited partnership that will be established by NV1 (or a subsidiary of NV1) and Northview Canadian HY Properties GP Inc. or Northview Canadian HY Properties GP Trust under the laws of the Province of Ontario. The Manager will provide the Fund with specified management services, including providing the services of the Chief Executive Officer and the Chief Financial Officer.

The services to be provided by the Manager under the terms of the Management Agreement are expected to include, without limitation: (i) the structuring of the Offering (as defined herein) and the Fund, (ii) liaising with legal and tax counsel, (iii) maintaining ongoing relationships with the lenders in respect of the mortgage loans for the Fund’s properties, if any, (iv) conducting continuous analysis of market conditions to monitor the Fund’s indirect investment in its properties, (v) advising the Fund and/or NV LP with respect to any recapitalization event or any alternative liquidity event, as applicable, (vi) providing investor communication and reporting services to the Fund as required, and (vii) doing all such other acts or things and entering into agreements or documents on behalf of the Fund and/or NV LP to seek to achieve the investment objectives of the Fund.

In consideration for providing specified management services, including providing the services of the Chief Executive Officer and the Chief Financial Officer, the Fund and NV LP will pay the Manager an aggregate base annual management fee equal to 0.35% of the greater of (A) the value of the assets of the Fund and its consolidated subsidiaries, as shown on its then most recent consolidated balance sheet prepared in accordance with International Financial Reporting Standards; and (B) the historical cost of the investment properties, plus (i) the carrying value of cash and cash equivalents; (ii) the carrying value of mortgages receivable; and (iii) the historical cost of other assets and investments used in operations, calculated and payable on a monthly basis in arrears in cash on the first day of each month.

Carried Interest

The partners of Starlight West LP (currently being entities wholly-owned by the Chief Executive Officer of the Manager), through Starlight West LP’s direct interest in NV Holdings LP, are entitled to 20% of the total of all amounts, if any, by which (i) the aggregate amount of distributions which would have been paid on all Units of the Fund of a particular class if all Distributable Cash of NV LP were received by the Fund (through NV Holdings LP and NV Holdings GP), together with all other amounts distributable by the Fund (including Distributable Cash generated by investees of the Fund not held through NV LP, if any), and distributed by the Fund to Unitholders of the Fund in accordance with the Declaration of Trust, exceeds (ii) the aggregate Minimum Return in respect of such class of Units of the Fund (the calculation of which includes the amount of the Investors Capital Return Base), each such excess, if any, to be calculated on the date of the applicable distribution by any relevant investee to the Fund, provided that, to the extent that the aggregate amount of distributions which would have been paid on all Units of the Fund of a particular class pursuant to the foregoing exceeds the Minimum Return for such class, the partners of Starlight West LP (currently being entities wholly-owned by Daniel Drimmer), through Starlight West LP’s direct interest in NV Holdings LP, will be entitled to 50% of each such excess amount (i.e., a catch-up) until the amounts, if any, distributable to Unitholders in excess of the Investors Capital Return Base is equal to four times (i.e., 80%/20%) the catch-up payment receivable by the partners of Starlight West LP in respect of such class. Starlight West LP will pay a percentage of the catch-up payment received to KingSett Capital and its third-party co-investors.

Northview Canadian High Yield Residential Fund Portfolio

Combined Carve-Out Financial Statements and Notes

For the years ended December 31, 2019, 2018 and 2017



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INDEPENDENT AUDITORS' REPORT

To the owners of the Northview Canadian High Yield Residential Fund Portfolio

Opinion

We have audited the accompanying combined carve-out financial statements of the Northview Canadian High Yield Residential Fund Portfolio ("the Entity") which comprise:

- the combined carve-out statements of financial position as at December 31, 2019, 2018 and 2017 and as at January 1, 2017
- the combined carve-out statements of net and comprehensive income for the years ended December 31, 2019, 2018 and 2017
- the combined carve-out statements of changes in equity for the years ended December 31, 2019, 2018 and 2017
- the combined carve-out statements of cash flows for the years ended December 31, 2019, 2018 and 2017
- and notes to the combined carve-out financial statements, including a summary of significant accounting policies.

(Hereinafter referred to as the "combined carve-out financial statements").

In our opinion, the accompanying carve-out financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2019, 2018, 2017 and January 1, 2017, and its financial performance and its cash flows for each of the years in the three year period ended December 31, 2019 in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Combined Carve-out Financial Statements" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the carve-out financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Preparation

We draw attention to Notes 1 and 2 to the combined carve-out financial statements which describe the basis of preparation used in these combined carve-out financial statements and the purpose of the combined carve-out financial statements.

Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditors' report thereon, included in the information circular.

Our opinion on the combined carved-out financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the combined carve-out financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the combined carve-out financial statements and the auditors' report thereon, included in information circular as at the date of this auditors' report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Combined Carve-out Financial Statements

Management is responsible for the preparation and fair presentation of the combined carve-out financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of combined carve-out financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined carve-out financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.



Auditors' Responsibilities for the Audit of the Combined Carve-out Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined carve-out financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the combined carve-out financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the combined carve-out financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the carve-out financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the combined carve-out financial statements, including the disclosures, and whether the carve-out financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Portfolio Combined Carve-out and Notes



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants

Calgary, Canada
April 21, 2020

COMBINED CARVE-OUT STATEMENTS OF FINANCIAL POSITION

(thousands of Canadian dollars)

	Note	December 31, 2019	December 31, 2018	December 31, 2017	January 1, 2017
Assets					
Non-current assets					
Investment properties	5	1,619,697	1,620,628	1,563,266	1,528,614
Property, plant and equipment	6	33,528	36,220	39,791	38,443
Investment in joint ventures	7	7,937	7,549	6,920	6,274
Other long-term assets		6,516	5,050	4,968	6,841
		1,667,678	1,669,447	1,614,945	1,580,172
Current assets					
Accounts receivable	10	6,233	5,616	6,709	4,284
Prepaid expenses and other assets		2,987	1,722	2,300	2,322
		9,220	7,338	9,009	6,606
Total Assets		1,676,898	1,676,785	1,623,954	1,586,778
Liabilities					
Non-current liabilities					
Mortgages payable	8	699,304	707,271	696,632	749,346
		699,304	707,271	696,632	749,346
Current liabilities					
Mortgages payable	8	148,682	129,123	129,188	61,154
Trade and other payables		31,315	32,920	26,967	23,239
		179,997	162,043	156,155	84,393
Total Liabilities		879,301	869,314	852,787	833,739
Equity					
Net Parent investment		796,575	806,419	770,043	751,829
Non-controlling interests		1,022	1,052	1,124	1,210
Total Equity		797,597	807,471	771,167	753,039
Total Liabilities and Equity		1,676,898	1,676,785	1,623,954	1,586,778

See accompanying notes to the combined carve-out financial statements.

COMBINED CARVE-OUT STATEMENTS OF NET AND COMPREHENSIVE INCOME

Years ended December 31

(thousands of Canadian dollars)

	Note	2019	2018	2017
Revenue	4	194,001	189,151	179,473
Operating expenses		79,261	76,536	71,922
Net operating income		114,740	112,615	107,551
Other expense (income)				
Financing costs from operations	14	29,064	27,798	27,908
Administration		7,899	6,954	6,204
Depreciation and amortization		4,937	4,681	4,817
Equity income from joint ventures	7	(588)	(829)	(847)
Fair value loss (gain)	5	36,250	(14,065)	37,611
Proceeds on insurance settlement	15	(3,009)	(2,723)	(916)
		74,553	21,816	74,777
Net and comprehensive income		40,187	90,799	32,774
Net and comprehensive income attributable to:				
Net Parent investment		40,074	90,711	32,628
Non-controlling interests		113	88	146
Net and comprehensive income		40,187	90,799	32,774

See accompanying notes to the combined carve-out financial statements.

COMBINED CARVE-OUT STATEMENTS OF CHANGES IN EQUITY

Years ended December 31

(thousands of Canadian dollars)

NET PARENT INVESTMENT	Note	Total
Balance, January 1, 2017		751,829
Net and comprehensive income		32,628
Net change in net Parent investment	18	(14,414)
Balance, December 31, 2017		770,043
Net and comprehensive income		90,711
IFRS 9 adoption adjustment	3	(1,222)
Net change in net Parent investment	18	(53,113)
Balance, December 31, 2018		806,419
Net and comprehensive income		40,074
Net change in net Parent investment	18	(49,918)
Balance, December 31, 2019		796,575

NON-CONTROLLING INTEREST		
Balance, January 1, 2017		1,210
Net and comprehensive income attributable to non-controlling interest		146
Distributions to non-controlling interest		(232)
Balance, December 31, 2017		1,124
Net and comprehensive income attributable to non-controlling interest		88
Distributions to non-controlling interest		(160)
Balance, December 31, 2018		1,052
Net and comprehensive income attributable to non-controlling interest		113
Distributions to non-controlling interest		(143)
Balance, December 31, 2019		1,022

See accompanying notes to the combined carve-out financial statements.

COMBINED CARVE-OUT STATEMENTS OF CHANGES IN EQUITY

Years ended December 31

(thousands of Canadian dollars)

	Note	2019	2018	2017
Operating activities:				
Net and comprehensive income		40,187	90,799	32,774
Adjustments:				
Fair value (gain) loss	5	36,250	(14,065)	37,611
Financing costs from operations	14	29,064	27,798	27,908
Interest paid	8	(28,572)	(27,959)	(27,289)
Depreciation and amortization		4,937	4,681	4,817
Equity income from joint ventures	7	(588)	(829)	(847)
Changes in non-cash working capital	16	(5,552)	6,391	2,535
Cash provided by operating activities		75,726	86,816	77,509
Financing activities:				
Proceeds from mortgages	8	95,526	98,574	42,536
Repayment of mortgages	8	(83,934)	(88,000)	(46,075)
Distributions to non-controlling interests		(143)	(160)	(232)
Net change in net Parent investment		(49,918)	(53,113)	(14,414)
Cash used in financing activities		(38,469)	(42,699)	(18,185)
Investing activities:				
Acquisition of investment properties and land	5	(862)	(8,750)	(15,153)
Capital expenditures on investment properties under development	5	(9,703)	(15,210)	(24,150)
Capital expenditures on investment properties	5	(25,186)	(19,337)	(15,691)
Acquisition of property, plant and equipment	6	(1,706)	(1,087)	(4,549)
Distributions received from equity investees		200	200	201
Changes in non-cash working capital	16	-	67	18
Cash used in investing activities		(37,257)	(44,117)	(59,324)
Net decrease in cash and cash equivalents		-	-	-
Cash and cash equivalents, January 1		-	-	-
Cash and cash equivalents, December 31		-	-	-

See accompanying notes to the combined carve-out financial statements.

**NORTHVIEW CANADIAN HIGH YIELD RESIDENTIAL FUND PORTFOLIO
NOTES TO THE COMBINED CARVE-OUT FINANCIAL STATEMENTS**

Years ended December 31, 2019, 2018 and 2017

(Tabular amounts expressed in thousands of Canadian dollars except where indicated)

1. DESCRIPTION OF THE REPORTING ENTITY

The Northview Canadian High Yield Residential Fund Portfolio (the "Portfolio") as presented in these combined carve-out financial statements is not a legal entity nor an operating business. The Portfolio was owned, among other assets, by Northview Apartment Real Estate Investment Trust ("Northview" or "Parent") for all periods presented.

On February 19, 2020, D.D. Acquisitions Partnership (together with its affiliates "Starlight") and KingSett Real Estate Growth LP No. 7 and KingSett Canadian Real Estate Income Fund LP (together with its affiliates, "KingSett", and together with Starlight, the "Purchasers") entered into an agreement, together with Galaxy Real Estate Core Fund LP and Galaxy Value Add Fund LP, to acquire all the assets and liabilities of Northview (the "Transaction"). As part of the Transaction, Starlight has formed Northview Canadian High Yield Residential Fund (the "Fund"), which anticipates filing a prospectus in respect of an initial public offering of trust units of the Fund. The Fund has been formed to acquire the Portfolio, a geographically diversified portfolio of approximately 10,900 multi-residential suites, 1.1 million square feet of commercial space and 340 executives, located in the provinces of British Columbia, Alberta, Saskatchewan, Québec, New Brunswick, and Newfoundland and Labrador, as well as the territories of Nunavut and the Northwest Territories. These financial statements have been prepared for inclusion in Northview's Information Circular that outlines the Transaction to Northview Unitholders and the Fund's prospectus.

The principal business office of the Portfolio and Northview is located at 200, 6131 6th Street SE, Calgary, Alberta.

2. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of presentation and statement of compliance

The combined carve-out financial statements (the "financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), on a going concern basis and are presented in Canadian dollars rounded to the nearest thousand except where indicated.

The financial statements have been prepared on a "carve-out basis" from the historic audited consolidated financial statements of Northview. The financial statements present the combined carve-out financial position, financial performance, and cash flows of the Portfolio for the years presented and have been prepared based on the historical books and records of Northview as if the Portfolio had been accounted for on a standalone basis, with estimates used, when necessary, for certain allocations. Because the properties included in the Portfolio were part of a larger portfolio and were not operating in a separate entity, these combined carve-out financial statements depict the net assets representing the amount associated specifically with these properties.

Due to the inherent limitations of carving out the assets, liabilities, operations, and cash flows of the Portfolio from legal entities controlled by Northview, the financial statements are not necessarily indicative of the results that would have been attained if the Portfolio had been operated as a separate legal entity during the periods presented and therefore are not necessarily indicative of future operating results. All transactions and balances between properties within the Portfolio have been eliminated upon combination.

As the Portfolio and Northview are not taxable entities, current and deferred income taxes have not been provided for in the financial statements.

The Portfolio's initial presentation of financial statements in accordance with IFRS is as at January 1, 2017, which has been presented herein. The requirements of IFRS 1, "First-time Adoption of International Financial Reporting Standards" ("IFRS 1"), to present a reconciliation of the transitional impact to the financial statements has not been presented as the Portfolio did not prepare financial statements prior to the date of adoption.

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The accounting policies set out below have been applied consistently to all periods presented in these financial statements except for the impact of adopting of new accounting standards and amendments to standards as outlined in Note 3.

The financial statements were approved and authorized for issuance on April 23, 2020.

B. Investment properties

Investment properties include residential and commercial properties held to earn rental income, held for capital appreciation, and properties that are being constructed, developed, or redeveloped for future use as investment properties.

Investment properties are measured initially at cost, including transaction costs, unless the acquisition is part of a business combination. No investment properties were acquired in a business combination during the periods presented herein. Subsequent to initial recognition, investment properties are measured at fair value, in accordance with International Accounting Standard (“IAS”) 40 – Investment Property.

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In estimating the fair value of investment properties, the highest and best use of the investment properties is their current use. The fair value of its investment properties is reviewed by management each reporting period and revisions to carrying values are made when market circumstances change the underlying variables used to fair value investment properties.

The fair value of investment properties is based on valuations by a combination of management estimates and independent appraisers, who hold recognized and relevant professional qualification and have recent experience in the location and category of the investment properties being valued. External appraisals of investment property are performed throughout each year and continue to be used to verify certain variables used in the internal calculation of investment property values. Management uses the external investment property appraisals to verify its assessment of regional vacancy, management overhead, and capitalization rate (“Cap Rate”) information, which is then applied to the stabilized annual net operating income to calculate the fair value of the remainder of the Portfolio’s investment properties within the region. Fair value gains and losses arising from changes in the fair value of investment properties are included in the combined carve-out statements of net and comprehensive income in the period in which they arise. There has been no change to the valuation technique during the year.

Investment properties are segregated into two categories: (i) residential (apartments, townhouses, duplexes, single family, and mixed use) and (ii) commercial (office, industrial, and retail) and executives.

Residential investment properties include prepaid land equity leases ranging in terms from 15 to 30 years, asset acquisition costs, furniture and fixtures, and capital expenditures.

Land held for development is measured initially at cost, including transaction costs and subsequently measured at fair value.

Capital expenditures include value enhancing capital expenditures (“value enhancing capex”) and maintenance capital expenditures (“maintenance capex”). Value enhancing capex are expected to increase the net operating income (“NOI”) or value of the properties and are discretionary in nature. Maintenance capex focus on maintaining the existing condition and financial operating efficiency of the properties.

Transaction costs that are directly attributable to investment properties under development or redevelopment are capitalized. These costs include direct development costs, realty taxes, borrowing costs directly attributable to the development, and upgrading and extending the economic life of the existing facilities, other than ordinary repairs and maintenance.

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C. Borrowing costs

Borrowing costs associated with direct expenditures on investment properties under development are capitalized. Borrowing costs are also capitalized on the purchase cost of a site or property acquired specifically for redevelopment in the short-term but only where activities necessary to prepare the asset for development or redevelopment are in progress. The amount of borrowing costs capitalized is determined first by reference to borrowings specific to the project, where relevant, and otherwise by applying a weighted average cost of borrowings to eligible expenditures after adjusting for borrowings associated with other specific developments. Borrowing costs are capitalized from the commencement of the development until the date of substantial completion, normally the receipt of an occupancy permit. The capitalization of borrowing costs is suspended if there are prolonged periods when development activity is interrupted.

D. Property, plant and equipment

Land and buildings used as administrative offices and warehouse properties, as well as the executives, are classified as property, plant and equipment ("PP&E") in accordance with IAS 16 – Property, Plant and Equipment. PP&E is initially measured using the cost model. PP&E is measured and carried at cost less accumulated depreciation and any accumulated impairment losses. PP&E is recorded at cost and depreciated using the following annual rates and methods:

Buildings	50 years	straight-line basis
Parking lot	20 years	straight-line basis
Roof	15 years	straight-line basis
HVAC	15 years	straight-line basis
Capital expenditures ("CAPEX")	5 years	straight-line basis
Furniture, fixtures and equipment	5 years	straight-line basis
Automotive	5 years	straight-line basis
Computer	4 years	straight-line basis

Costs include expenditures that are directly attributable to the acquisition of the asset. The cost initially recognized with respect to a building is further allocated amongst its significant component parts with each part being depreciated separately. Management's judgement is used to determine components constituting significant costs in relation to the total cost of an asset and whether these components have similar or dissimilar patterns of consumption and useful lives for purposes of calculating depreciation and amortization. Significant components of a building include the parking lot, roof, HVAC, and CAPEX which is defined as interior finishing including wallpaper, paint, flooring or carpeting, cabinets, and bathroom fixtures.

The cost of replacing a major component of a building is recognized in the carrying amount of the building if it is probable that the future economic benefits embodied within the component will flow to the Portfolio and its cost can be measured reliably. The carrying amount of the replaced component is derecognized. The costs of ongoing repairs and maintenance of the properties are recognized in profit or loss as incurred.

The depreciation methods, estimated economic lives of tangible assets, and PP&E are evaluated annually by management and any changes in these estimates are accounted for on a prospective basis.

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Gains and losses on disposal of an item of PP&E, which is the difference between proceeds from disposal and the carrying amount, is presented on a net basis in the combined carve-out statements of net and comprehensive income.

E. Impairment of non-financial assets

The carrying amounts of the Portfolio's PP&E and intangible assets with definite useful lives are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount is the higher of an asset's fair value less cost to sell or its value in use. Fair value estimates are based upon current prices for similar assets. In assessing value-in-use, assumptions include estimates of future operating cash flows, the time period over which they will occur, a discount rate and growth rates.

An impairment loss is recognized in the combined carve-out statement of net and comprehensive income for the amount that the carrying amount of the asset exceeds the recoverable amount determined. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through income.

Impairment losses are evaluated for potential reversals when events or changes in circumstances warrant such consideration.

F. Financial instruments

The Portfolio adopted IFRS 9 – Financial Instruments (“IFRS 9”), on January 1, 2018 resulting in a transitional adjustment to net Parent investment account of \$1.2 million. The financial instrument policy described in Note 2F became effective on the date of adoption of IFRS 9. See Note 3(a) for a description of the policy prior to adopting IFRS 9.

a. Non-derivative financial assets

i) Initial recognition

At initial recognition, the Portfolio measures its accounts receivables arising from contracts with customers that do not have a significant financing component at the transaction price. The Portfolio initially measures other financial assets at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of net and comprehensive income.

ii) Subsequent measurement

For subsequent measurement, the Portfolio classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortized cost.

iii) Impairment

Subsequent to the Portfolio adopting IFRS 9, it assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortized cost and FVOCI. The impairment methodology generally applied depends on whether there has been a significant increase in credit risk since initial recognition.

Currently, the Portfolio does not have material financial assets subject to this general impairment approach.

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For accounts receivables and tenant receivables, the Portfolio applies the expected lifetime losses to be recognized from initial recognition of the receivables. Individual receivables are written off after 180 days post tenant move-out date by reducing the carrying amount directly. Impairment losses are recognized in profit or loss. Subsequent recoveries of amounts previously written off are recorded as credits against losses recognized.

b. Non-derivative financial liabilities

i) Initial recognition

At initial recognition, the Portfolio measures a financial liability at its fair value minus, in the case of a financial liability not at FVTPL, transaction costs that are directly attributable to the issuance of the financial liability. Transaction costs of financial liabilities carried at FVTPL are expensed in profit or loss.

ii) Subsequent recognition

For subsequent measurement, the Portfolio classifies its financial liabilities in the following measurement categories:

- those to be measured subsequently at FVTPL, and
- those to be measured at amortized cost.

Financial liabilities are classified as FVTPL if they are designated as such by management provided certain conditions are met. Financial liabilities designated as FVTPL are measured at fair value with changes in fair value recognized in profit or loss, except for changes due to the effect of credit risk. Such changes in fair value due to the effect of credit risk are recorded in OCI without subsequent recycling to profit or loss.

c. Derivatives and hedging activities

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated. Changes in fair value of derivative instruments not designated as part of a hedging relationship are recorded in profit or loss when such changes occur.

There were no derivatives designated as hedging instruments during the years ended December 31, 2019, 2018 or 2017.

d. Measurement of financial assets and liabilities

	Measurement
Financial assets	
Non-current financial assets	
Other long-term assets	Amortized cost
Current financial assets	
Accounts receivable	Amortized cost
Financial liabilities	
Non-current financial liabilities	
Mortgages payable	Amortized cost
Current financial liabilities	
Mortgages payable	Amortized cost

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Trade and other payables

Amortized cost

G. Investment in joint ventures

Under IFRS 11 – Joint Arrangements, there are two types of joint arrangements – joint operations and joint ventures. The type of joint arrangement is determined based on the rights and obligations of parties to the joint arrangements by considering the structure, the legal form of the arrangements, the contractual terms agreed by the parties to the arrangement, and, when relevant, other facts and circumstances. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to their respective assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint venturers) have rights to the net assets of the arrangement.

The Portfolio's existing joint arrangements are joint ventures accounted for using the equity method. Under the equity method, investments in joint ventures are carried in the combined carve-out statement of financial position at cost as adjusted for the Portfolio's proportionate share of post-acquisition changes in the net assets of the joint ventures, or for post-acquisition changes in any excess of the Portfolio's carrying amount over the net assets of the joint ventures, less any identified impairment loss. When the Portfolio's share of losses of a joint venture equals or exceeds its interest in that joint venture, the Portfolio discontinues recognizing its share of further losses. An additional share of losses is provided for and a liability is recognized only to the extent that the Portfolio has incurred legal or constructive obligations to fund the entity or made payments on behalf of that entity.

Where a group entity transacts with a joint venture of the Portfolio, profits and losses are eliminated to the extent of the Portfolio's interest in the relevant joint venture. Balances outstanding between the Portfolio and jointly controlled entities are not eliminated in the combined carve-out statement of financial position.

H. Revenue from contracts with customers

The Portfolio adopted IFRS 15 – Revenue from Contracts with Customers ("IFRS 15"), on January 1, 2018. There was no change in the method of recognizing revenue as a result of adopting this standard. The revenue policy described in Note 2H became effective on the date of adoption of IFRS 15. See Note 3(b) for a description of the policy prior to adopting IFRS 15.

Rental revenue from income producing property is recognized when a tenant commences occupancy of a property and rent is due. All risks and rewards related to the investment properties are retained and therefore accounts for leases with tenants as operating leases. Rental revenue to be received from leases with rental rates varying over the term of the lease is recorded on a straight-line basis over the lease term. Accordingly, differences between the rental revenue recorded on a straight-line basis and the rent that is contractually due from the tenant is recorded as deferred rent receivable for accounting purposes.

Revenue from contracts with customers include revenue from services delivered over time under enforceable customer contracts. For commercial customers, services include cleaning, provision of utilities, snow removal, landscaping, maintenance of common areas, garbage disposal, and other similar miscellaneous services (collectively referred to as "commercial common area maintenance services"). Commercial building insurance and property taxes are included in rental revenue. For residential customers, services include the provision of in-suite utilities, maintenance of common areas, garbage disposal and other similar services ("residential service components"). Residential revenue is allocated to the service components using a cost-based approach. Revenue for commercial leases is allocated to the non-lease service component based on the consideration directly related to it in accordance with the lease agreement. Revenue from commercial common area maintenance services and residential service components are recognized over time as services are performed in the amounts that the Portfolio has the right to invoice. To determine the amounts that the Portfolio has a right to invoice during the year, estimates are made to ensure that the revenue recognized is highly probable of not being reversed in subsequent periods.

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Execusuites revenue is recorded as rental revenue and is recognized evenly over each distinct execusuite stay.

The Portfolio does not have contracts with customers where the period between the transfer of the promised services to the customer and payment by the customer exceeds one year, other than rent and security deposits obtained for security purposes rather than financing. As a result, the Portfolio does not adjust any transaction prices for the time value of money.

Tenant inducements for commercial and residential tenants are allocated between rental revenue and commercial common area maintenance services and residential service component revenue on the basis of relative fair value and are recorded on a straight-line basis over the term of the lease.

I. Finance cost and finance income

Interest earned from financial assets is recognized by applying the effective interest rate to the principal outstanding when it is probable that economic benefits will flow to the Portfolio. Mortgage interest are recognized by applying the effective interest rate to the principal outstanding.

J. Fair value measurement

The Portfolio measures investment properties at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous accessible market for the asset or liability.

The principal or the most advantageous market must be accessible by the Portfolio.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability assuming that market participants act in their economic best interests.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Portfolio uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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For assets and liabilities that are recognized in the financial statements on a recurring basis, the Portfolio determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

K. Net Parent Investment

Northview's investment in the Portfolio is presented as net Parent investment in the combined carve-out statements of financial position. Net changes are presented on the combined carve-out statements of changes in equity and statements of cash flows as net change in net Parent investment.

L. Critical accounting estimates and judgments

The preparation of financial statements requires management to make estimates and judgments about the future. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, differ from the actual results. The following discussion sets forth management's most critical estimates and assumptions in determining the value of assets and liabilities and management's most critical judgments in applying accounting policies. Actual results may differ from these estimates.

a. Estimates

i) Fair value of investment properties

The Portfolio carries its investment properties at fair value. Significant estimates used in determining the fair value of the Portfolio's investment properties include Cap Rates and net operating income (which is influenced by inflation rates and vacancy rates). A change to any one of these inputs could significantly alter the fair value of an investment property.

While investment properties are recorded at fair value on a quarterly basis, not every property is independently appraised every year. Significant judgment is applied in arriving at these fair values, particularly as the properties are in smaller communities with limited trading activity. Changes in the value of the investment properties affect income.

ii) Depreciation and amortization

Depreciation and amortization are calculated to recognize the cost, less estimated residual value, of assets on a systematic and rational basis over their expected useful lives. Estimates of useful lives are based on data and information from various sources including industry practice and company-specific history. Expected useful lives and residual values are reviewed annually for any change to estimates and assumptions.

The componentization of the Portfolio's PP&E, namely buildings, is based on management's judgment of what components constitute a significant cost in relation to the total cost of an asset and whether these components have similar or dissimilar patterns of consumption and useful lives for purposes of calculating depreciation and amortization.

b. Judgments

i) Purchase of investment properties

The Portfolio reviews its purchases of investment properties to determine whether the purchase is a business combination as IFRS requires differing treatment of property acquisitions depending on whether the purchase meets the definition of a business combination. Judgment is involved in determining whether a purchase forms part of a business combination or an asset acquisition. Should the purchase form part of a business combination, closing costs, such as appraisal and legal fees, are expensed immediately and earnings are affected. If the purchase is an asset acquisition, these costs form part of the purchase price and earnings are not immediately affected.

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3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The following new IFRS standards had an impact on the financial statements for the periods noted below:

a. IFRS 9 – Financial Instruments

IFRS 9 replaced IAS 39 – Financial Instruments – Recognition and Measurement (“IAS 39”) with new requirements for classification and measurement of financial instruments, impairment of financial assets and hedge accounting. In accordance with the transitional provisions, IFRS 9 was adopted and applied prospectively commencing on January 1, 2018. The effect of applying IFRS 9 has been recognized as an adjustment to opening net Parent investment at January 1, 2018. Comparative financial statements for periods prior to January 1, 2018 have not been restated.

IFRS 9 replaced the “incurred loss” model under IAS 39 with the expected credit loss model, which considers the possible impact of future events over the expected life of financial assets. This change in model resulted in an increase to the previously recognized allowance for doubtful accounts by \$1.2 million with a corresponding decrease to net Parent investment.

IFRS 9 also established revised principles for the classification and measurement of financial assets and liabilities after initial recognition. Based on the facts and circumstances existing on January 1, 2018, the Portfolio’s financial assets and liabilities were evaluated for measurement category classifications in accordance with the provisions of IFRS 9. No changes to the recognition or measurement of financial assets or liabilities were required as a result of adopting the IFRS 9 classifications.

Other long-term assets and accounts receivables were classified as “loans and receivables” under IAS 39. Mortgages and trade payables were classified as “other financial liabilities” under IAS 39. On adoption of IFRS 9, these measurement categories were eliminated. However, these measurement categories all applied the amortized cost measurement methodology, which is aligned with their treatment under IFRS 9.

b. IFRS 15 – Revenue from contracts with customers

IFRS 15 replaced IAS 18 – Revenue (“IAS 18”) and related interpretations. IFRS 15 provides a comprehensive framework for the recognition, measurement and disclosure of revenue from contracts with customers. As permitted under the transitional provisions of IFRS 15, the Portfolio adopted IFRS 15 effective January 1, 2018 (the date of initial application) using the modified retrospective method.

At the date of initial application, no cumulative effect adjustments to retained earnings were required as a result of adopting IFRS 15. Had the Portfolio continued to apply IAS 18 during year ended December 31, 2018 and 2019, it would not separately disclose revenue from common area maintenance services for commercial customers and service components for residential customers (see disclosure below). There would be no other material impact as a result of applying IFRS 15 as compared to IAS 18.

c. IFRS 16 – Leases (“IFRS 16”)

On January 1, 2019, the Portfolio adopted IFRS 16, which replaced the previous IFRS guidance on the accounting for leases. Under guidance prior to the adoption of IFRS 16, lessees were required to determine if the lease is a finance or operating lease, based on specified criteria. Finance leases were recognized on the balance sheet while operating leases were recognized in income as the expense was incurred. Under IFRS 16, lessees must recognize a lease liability and a right-of-use asset for virtually all lease contracts. The recognition of the present value of minimum lease payments for certain contracts classified as operating leases prior to the adoption of IFRS 16 were recorded, resulting in increases to assets, liabilities, depreciation and amortization, and finance expense, and a decrease to operating expense upon

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implementation. Optional exemptions to not recognize right-of-use assets and lease liabilities for certain short-term leases or leases of low value were applied. For lessors, the accounting remains essentially unchanged.

The Portfolio adopted IFRS 16 on the effective date of January 1, 2019 using the modified retrospective transition approach. The implementation of IFRS 16 did not have a material impact on the carve-out balance sheet or carve-out statements of income.

4. REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers and revenue from other sources for the years ended December 31, 2019 and 2018:

	December 31, 2019	December 31, 2018
Rental revenue	129,945	128,574
Revenue from contracts with customers:		
Commercial common area maintenance services and executives	18,362	18,136
Residential service components	44,398	41,297
Other revenue	1,296	1,144
Total revenue	194,001	189,151

5. INVESTMENT PROPERTIES

	December 31, 2019	December 31, 2018	December 31, 2017	January 1, 2017
Investment properties	1,594,163	1,596,096	1,520,142	1,499,218
Investment properties under development	11,583	10,581	29,238	11,944
Land held for development	13,951	13,951	13,886	17,452
Balance	1,619,697	1,620,628	1,563,266	1,528,614

Changes to investment properties:

	December 31, 2019	December 31, 2018	December 31, 2017
Balance, beginning of period	1,620,628	1,563,266	1,528,614
Acquisitions of investment properties	862	8,750	34,012
Transfers to property, plant and equipment	(432)	-	(1,590)
Capital expenditures on investment properties under development	9,703	15,210	24,150
Capital expenditures on investment properties	25,186	19,337	15,691
Fair value (loss) gain	(36,250)	14,065	(37,611)
Balance, end of period	1,619,697	1,620,628	1,563,266

During the year ended December 31, 2019, the Portfolio transferred \$8,709 (December 31, 2018 – \$33,803 and December 31, 2017 – \$10,422) from investment properties under development to investment properties for development projects completed during the period.

During the year ended December 31, 2019, the Portfolio capitalized borrowing costs of \$146 (December 31, 2018 – \$310 and December 31, 2017 – \$376) to investment properties under development.

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Specific investment properties of the Portfolio with total fair value of \$198.0 million (December 31, 2018 – \$203.7 million, December 31, 2017 – \$203.5 million, and January 1, 2017 – \$199.5 million) have been pledged as part of the collateral security for the Parent’s operating facility.

Acquisitions for the year ended December 31, 2019:

Regions	Transaction costs	Purchase price	Assumed mortgage	Total cost
Northern Canada	20	842	-	862
Total	20	842	-	862

Acquisitions for the year ended December 31, 2018:

Regions	Transaction costs	Purchase price	Assumed mortgage	Total cost
Atlantic Canada	59	3,500	-	3,559
Northern Canada	62	5,129	-	5,191
Total	121	8,629	-	8,750

Acquisitions for the year ended December 31, 2017:

Location	Transaction costs	Purchase price	Assumed mortgage	Total cost
Atlantic Canada	511	14,642	18,859	34,012
Total	511	14,642	18,859	34,012

The Portfolio uses the Cap Rate method to value investment properties. As at December 31, 2019, Cap Rates ranging from 5.00% to 13.00% (December 31, 2018 – 5.00% to 13.00%, December 31, 2017 – 5.25% to 13.00%, and January 1, 2017 – 5.25% to 13.00%) were applied to a projected stabilized NOI. The weighted average cap rate used to fair value the Portfolio’s investment properties as at December 31, 2019 is 7.88% (December 31, 2018 – 7.85%, December 31, 2018 – 7.82%, and January 1, 2017 – 7.90%).

A summary of the Cap Rates used for valuations (Minimum “Min.,” Maximum “Max.” and Weighted Average “W.A.”):

Regions	December 31, 2019			December 31, 2018			December 31, 2017			January 1, 2017		
	Min.	Max.	W.A.	Min.	Max.	W.A.	Min.	Max.	W.A.	Min.	Max.	W.A.
Western Canada	5.00%	11.00%	7.02%	5.00%	11.00%	7.05%	5.25%	11.00%	7.22%	5.25%	11.00%	7.30%
Atlantic Canada	5.50%	9.50%	7.00%	5.50%	9.50%	6.92%	5.50%	9.50%	6.94%	5.50%	9.50%	7.06%
Northern Canada	6.86%	13.00%	9.17%	6.86%	13.00%	9.18%	6.86%	13.00%	9.15%	6.86%	13.00%	9.14%
Overall	5.00%	13.00%	7.88%	5.00%	13.00%	7.85%	5.25%	13.00%	7.82%	5.25%	13.00%	7.90%

The impact of a 10-basis point change in Cap Rates would affect the fair value of investment properties (Increase “Inc”, Decrease “Dec”):

Regions	December 31, 2019			December 31, 2018			December 31, 2017			January 1, 2017		
	W.A.	Inc	Dec	W.A.	Inc	Dec	W.A.	Inc	Dec	W.A.	Inc	Dec

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Western Canada	7.02%	(9,103)	9,366	7.05%	(9,182)	9,447	7.22%	(8,485)	8,723	7.30%	(8,653)	8,893
Atlantic Canada	7.00%	(4,675)	4,811	6.92%	(4,752)	4,891	6.94%	(4,698)	4,836	7.06%	(4,156)	4,275
Northern Canada	9.17%	(7,020)	7,174	9.18%	(6,779)	6,929	9.15%	(6,656)	6,803	9.14%	(6,409)	6,551
Overall	7.88%	(20,798)	21,351	7.85%	(20,713)	21,267	7.82%	(19,839)	20,362	7.90%	(19,218)	19,719

The impact of a 1% change in stabilized NOI would increase or decrease fair value of investment properties:

Regions	December 31, 2019	December 31, 2018	December 31, 2017
Western Canada	6,485	6,566	6,215
Atlantic Canada	3,318	3,337	3,307
Northern Canada	6,510	6,288	6,158
Overall	16,313	16,191	15,680

6. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Other	Total
Cost or deemed cost				
Balance, January 1, 2017	2,156	50,447	6,602	59,205
Additions for the year	-	4,069	480	4,549
Disposals for the year	-	(31)	(105)	(136)
Transfers from investment property	31	1,559	-	1,590
Balance, December 31, 2017	2,187	56,044	6,977	65,208
Additions for the year	-	372	715	1,087
Disposals for the year	-	-	(145)	(145)
Balance, December 31, 2018	2,187	56,416	7,547	66,150
Additions for the year	-	1,185	521	1,706
Disposals for the year	-	-	(118)	(118)
Transfers from investment property	9	418	5	432
Balance, December 31, 2019	2,196	58,019	7,955	68,170

	Land	Buildings	Other	Total
Accumulated depreciation				
Balance, January 1, 2017	-	15,594	5,168	20,762
Depreciation for the year	-	4,111	680	4,791
Disposals for the year	-	(31)	(105)	(136)
Balance, December 31, 2017	-	19,674	5,743	25,417
Depreciation for the year	-	4,202	454	4,656
Disposals for the year	-	-	(143)	(143)
Balance, December 31, 2018	-	23,876	6,054	29,930
Depreciation for the year	-	4,158	578	4,736
Disposals for the year	-	-	(24)	(24)
Balance, December 31, 2019	-	28,034	6,608	34,642

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	Land	Buildings	Other	Total
Carrying amounts				
January 1, 2017	2,156	34,853	1,434	38,443
December 31, 2017	2,187	36,370	1,234	39,791
December 31, 2018	2,187	32,540	1,493	36,220
December 31, 2019	2,196	29,985	1,347	33,528

7. INVESTMENT IN JOINT VENTURES

The Portfolio has a 50% interest in Inuvik Capital Suites Zheh Gwizuh Limited Partnership (“ICS”) and a 50% interest in Inuvik Commercial Properties Zheh Gwizu’ Limited Partnership (“ICP”). ICS is owned by Zheh Gwizuh Limited Partnership and NPR Limited Partnership (“NPRLP”) for the purpose of investing in an income producing executuie property in the Northwest Territories. ICP is owned by Zheh Gwizu’ Limited Partnership and NPRLP for the purposes of investing in a portfolio of commercial and mixed-use income producing properties in the Northwest Territories. There has been no change in the Portfolio’s 50% ownership and voting interests in these joint ventures for the years ended December 31, 2019, 2018, 2017, and January 1, 2017.

	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Net assets	The Portfolio share of net assets
December 31, 2019								
ICP	2,020	14,301	16,321	3,670	1,020	4,690	11,631	5,815
ICS	1,978	4,954	6,932	544	2,144	2,688	4,244	2,122
Total	3,998	19,255	23,253	4,214	3,164	7,378	15,875	7,937
December 31, 2018								
ICP	1,959	14,961	16,920	2,515	2,823	5,338	11,582	5,791
ICS	1,386	5,098	6,484	673	2,295	2,968	3,516	1,758
Total	3,345	20,059	23,404	3,188	5,118	8,306	15,098	7,549
December 31, 2017								
ICP	2,654	15,483	18,137	4,205	3,145	7,350	10,787	5,393
ICS	884	5,261	6,145	551	2,540	3,091	3,054	1,527
Total	3,538	20,744	24,282	4,756	5,685	10,441	13,841	6,920
January 1, 2017								
ICP	2,162	15,213	17,375	1,538	6,213	7,751	9,624	4,812
ICS	831	5,407	6,238	3,315	-	3,315	2,923	1,462
Total	2,993	20,620	23,613	4,853	6,213	11,066	12,547	6,274

	Revenue	Expenses	Net Income	The Portfolio share of net income
Year ended December 31, 2019				
ICP	2,805	2,757	48	24
ICS	2,757	1,629	1,128	564
Total	5,562	4,386	1,176	588
Year ended December 31, 2018				
ICP	3,228	2,425	803	402

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ICS	2,557	1,703	854	427
Total	5,785	4,128	1,657	829
Year ended December 31, 2017				
ICP	3,514	2,353	1,161	581
ICS	1,996	1,464	532	266
Total	5,510	3,817	1,693	847

8. MORTGAGES PAYABLE

	December 31, 2019	December 31, 2018	December 31, 2017	January 1, 2017
Mortgages payable	866,424	852,861	841,600	826,578
Fair value adjustment upon assumption	240	481	821	1,014
Deferred financing costs	(18,678)	(16,948)	(16,601)	(17,092)
Total	847,986	836,394	825,820	810,500

Current	148,682	129,123	129,188	61,154
Non-current	699,304	707,271	696,632	749,346
Total	847,986	836,394	825,820	810,500

Mortgages payable bear interest at rates ranging from 1.70% to 6.48% (December 31, 2018 – 1.41% to 6.48%, December 31, 2017 – 1.41% to 6.48%, and January 1, 2017 – 1.41% to 6.48%) and have a weighted average rate of 3.09% as at December 31, 2019 (December 31, 2018 – 3.18%, December 31, 2017 – 3.22%, and January 1, 2017 – 3.23%). The mortgages mature between 2020 and 2030 (December 31, 2018 – 2019 and 2028, December 31, 2017 – 2018 and 2027, and January 1, 2017 – 2017 and 2026) and are secured by charges against specific properties. Land and buildings with a carrying value of \$1.4 billion (December 31, 2018 – \$1.4 billion, December 31, 2017 – \$1.4 billion, and January 1, 2017 – \$1.4 billion) have been pledged to secure the mortgages payable of the Portfolio. Deferred financing costs are amortized over the mortgage term or the amortization term of the mortgage through the combined carve-out statement of net and comprehensive income.

The fair value of mortgages payable at December 31, 2019, is approximately \$856.6 million (December 31, 2018 – \$834.5 million, December 31, 2017 – \$825.6 million, and January 1, 2017 – \$803.7 million). The fair value is determined by discounting the future cash payments by the current market borrowing rate. The majority of the mortgages on the Portfolio's investment properties are insured by Canada Mortgage and Housing Corporation ("CMHC"). Pursuant to standard mortgage terms, mortgagees have security interest in the specified property. In addition, certain investment properties are cross-securitized providing the lender with security rights to those properties.

The following table summarizes the Portfolio's mortgages as at December 31, 2019:

(thousands of dollars)	Principal Amount	Principal on Maturity	Total	% of Total	Weighted Average Interest Rate
2020	28,058	121,703	149,761	17.3%	3.13%
2021	24,475	99,961	124,436	14.4%	3.27%
2022	22,735	68,663	91,398	10.5%	2.97%
2023	18,835	106,163	124,998	14.4%	3.44%
2024	13,949	129,891	143,840	16.6%	2.86%
Thereafter	14,750	217,241	231,991	26.8%	2.96%
Total	122,802	743,622	866,424	100.0%	3.09%

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The following table summarizes the change in the mortgages payable:

	December 31, 2019	December 31, 2018	December 31, 2017
Mortgages payable, beginning of period	836,394	825,820	810,500
Proceeds from new mortgages	97,496	99,262	42,238
Prepaid mortgage fees	(1,970)	(688)	298
Repayment of mortgages	(83,934)	(88,000)	(46,075)
Mortgage assumption	-	-	18,859
Mortgage interest expense	28,572	27,959	27,289
Mortgage interest paid	(28,572)	(27,959)	(27,289)
Mortgages payable, end of period	847,986	836,394	825,820

9. GUARANTEES, COMMITMENTS AND CONTINGENCIES

In the normal course of operations, the Portfolio may provide indemnification commitments to counterparties in transactions such as leasing transactions, service arrangements, director and officer indemnification agreements, and sales of assets. These indemnification agreements may require the Portfolio to compensate the counterparties for costs incurred as a result of changes in laws and regulations (including tax legislation) or as a result of litigation claims or statutory sanctions that may be suffered by counterparties as a consequence of the transaction. The terms of these indemnification agreements vary based on the contract and may not provide any limit on the maximum potential liability. To date, the Portfolio has not made any payments under such indemnifications and no amount has been accrued in the financial statements with respect to these indemnification commitments.

In the normal course of operations, the Portfolio is and may become subject to various legal and other claims. Management and its legal counsel evaluate these claims and, where required, accrue the best estimate of costs. Management believes the outcome of claims of this nature at December 31, 2019, will not have a material impact on the Portfolio.

In the normal course of operations, the Portfolio provides guarantees for mortgages payable relating to investments in corporations and joint ventures where the Portfolio owns less than 100%. The mortgages payable is secured by specific charges against the properties owned by the corporations and joint ventures. In the event of a default of the corporation or joint venture, the Portfolio may be liable for up to 100% of the outstanding balances of these mortgages payable.

At December 31, 2019, the Portfolio has provided guarantees on mortgages secured by investment properties totaling \$6.6 million (December 31, 2018 – \$7.4 million, December 31, 2017 – \$9.8 million, and January 1, 2017 – \$10.6 million) of its equity accounted joint ventures, ICP and ICS. These mortgages bear interest at rates ranging from 3.01% to 5.50% (December 31, 2018 – 3.01% to 5.50%, December 31, 2017 – 3.01% to 5.50%, and January 1, 2017 – 3.01% to 5.50%) and mature between 2020 and 2024 (December 31, 2018 – 2019 and 2022, December 31, 2017 – 2018 and 2022, and January 1, 2017 – 2017 and 2020). As at December 31, 2019, land and buildings with a carrying value of \$20.1 million have been pledged to secure these mortgages payable (December 31, 2018 – \$20.1 million, December 31, 2017 – \$23.5 million, and January 1, 2017 – \$23.4 million). Due to the equity accounting of ICP and ICS, the mortgage balances have not been recorded in the Portfolio's financial statements.

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10. ACCOUNTS RECEIVABLE

Accounts receivable consist mainly of amounts owed by tenants, goods and services tax rebates, mortgage holdbacks, and miscellaneous receivables.

	December 31, 2019	December 31, 2018	December 31, 2017	January 1, 2017
0-30 days	1,054	449	1,202	1,131
31-60 days	316	323	369	236
61-90 days	127	143	106	122
Over 90 days	1,892	1,872	2,085	1,507
Resident receivables	3,389	2,787	3,762	2,996
Other receivables	2,844	2,829	2,947	1,288
Balance, end of period	6,233	5,616	6,709	4,284

11. FAIR VALUE, FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Fair value measures

As at December 31, 2019, 2018, 2017, and as at January 1, 2017, the only recurring fair value measure in these financial statements relates to the Portfolio's investment properties. For each period presented, the fair value of the investment properties is classified as Level 3 in the fair value hierarchy and there were no transfers between levels.

The following summarizes the significant methods and assumptions used in estimating fair values of the Portfolio's investment properties as well as other fair value disclosures in these financial statements:

(i) Investment properties

The Portfolio determined the fair value of each investment property using the valuation methodology and key assumptions described in Note 2(B) of the financial statements for the years ended December 31, 2019, 2018, and 2017. Refer to Note 5 for a reconciliation of the fair value of investment properties between December 31, 2019, 2018, and 2017.

(ii) Mortgages payable

The fair value of mortgages payable is estimated based on the present value of future payments, discounted at the yield on a Government of Canada bond with the nearest maturity date to the underlying mortgage, plus an estimated credit spread at the reporting date for a comparable mortgage or the yield of a comparable mortgage. The spread rates used at December 31, 2019, ranged from 0.73% to 2.12% (December 31, 2018 – 0.95% to 2.28%, December 31, 2017 – 0.79% to 2.18%, and January 1, 2017 – 1.17% to 2.59%), depending on the nature and terms of the respective mortgages.

(iii) Other financial assets and financial liabilities

The fair value of the Portfolio's other financial assets and liabilities approximate their recorded values due to their short-term nature. These include accounts receivable, other long-term assets, and trade and other payables.

b) Risk management related to financial instruments

The Portfolio is exposed to utility cost, credit, interest rate, and liquidity risks associated with its financial assets and liabilities. The Portfolio followed the overall risk management policies as established by the Trustees of Northview

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during the periods presented. Management performs ongoing assessments so that all significant risks related to financial instruments are reviewed and addressed in light of changes to market conditions and the Portfolio's operating activities.

(i) Utility cost risk

Utility cost risk is the potential financial loss the Portfolio may experience as a result of higher resource prices or lack of supply. The Portfolio is exposed to utility cost risk from the fluctuation in retail prices for fuel oil, natural gas, and electricity, the primary utilities used to heat its properties. The exposure to utility cost risk is restricted primarily to the multi-family rental and executives portfolios. The leases in the commercial the Portfolio provide for recovery of operating costs from tenants, including utilities. Due to the northern locations of a portion of the Portfolio's portfolio, the exposure to utility price fluctuations is more pronounced in the first and last fiscal quarters of the year. The Portfolio manages its exposure to utility risk through a number of measures, including energy efficient appliances, fixtures, and windows. The Portfolio utilizes fixed price hedges to manage exposure to utility cost risk.

Heating oil and wood pellets are the primary sources of fuel for heating properties located in Nunavut and Yellowknife, Northwest Territories.

Natural gas is the main source of fuel for heating properties located in Alberta, parts of British Columbia, New Brunswick, Saskatchewan, and Inuvik, Northwest Territories. Natural gas prices in Alberta and British Columbia are not subject to regulated price control. The Portfolio used fixed price hedges to manage the exposure to the utility cost risk in Alberta.

Management prepared a sensitivity analysis of the impact of price changes in the cost of heating oil and natural gas. A 10% change in the combined average price of heating oil and natural gas would impact the Portfolio's net income by approximately \$771 for the year ended December 31, 2019 (December 31, 2018 – \$706, and December 31, 2017 – \$605).

Electricity is the primary source for heating properties located in Québec, Newfoundland and Labrador, as well as parts of British Columbia. In Québec, Newfoundland and Labrador, and British Columbia, electricity is purchased from the provincially regulated utilities and is directly paid by the residents for a significant portion of the Portfolio's multi-family rental suites. As a result, there is no significant risk to the Portfolio regarding the price of electricity in Newfoundland and Labrador and British Columbia.

(ii) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Portfolio's credit risk primarily arises from the possibility that residents may not be able to fulfill their lease commitments. Given the Portfolio's collection history and the nature of these tenants, credit risk is assessed as low. Accounts receivable consists mainly of resident receivables. Resident receivables are comprised of residents spread across the geographic areas in which the Portfolio operates. There are no significant exposures to single residents with the exception of the Governments of Canada and Nunavut, which lease a large number of residential suites and commercial space in the Northwest Territories and Nunavut.

The Portfolio mitigates credit risk through conducting thorough credit checks on prospective residents, requiring rental payments on the first of the month, obtaining security deposits approximating one month's rent from residents where legislation permits, and geographic diversification in its portfolio. The Portfolio records an estimate of expected credit losses for receivables from past and current tenants as an allowance. The aging of current residents and resident receivables is net of the allowance for credit losses from current and past residents.

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(iii) Interest rate risk

Interest rate risk is the risk that the value of future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Portfolio may not be able to renew mortgage loans with interest rates at the same rate as those currently in place. The Portfolio utilizes both fixed and floating rate debt. Management mitigates interest rate risk by utilizing fixed rate mortgages, ensuring access to a number of sources of funding, and staggering mortgage maturities.

A sensitivity analysis on floating rate debt has been completed based on the exposure to interest rates at the statement of financial position date. Floating rate debt includes all mortgages payable which are not subject to fixed interest rates. Based on the floating rate debt instruments outstanding at December 31, 2019, of \$2.7 million (December 31, 2018 – \$2.7 million and December 31, 2017 – \$3.7 million), 0.5% change in interest rates, keeping all other variables constant, would not materially change the Portfolio's net income.

(iv) Liquidity risk

Liquidity risk is the risk that the Portfolio is not able to meet its financial obligations as they fall due or can do so only at excessive cost. The Portfolio manages liquidity risk by managing mortgage and loan maturities. Cash flow projections are completed on a regular basis to ensure there will be adequate liquidity to maintain operating, capital, and investment activities.

As at December 31, 2019, the Portfolio had a working capital deficiency of \$170.8 million, of which \$148.7 million is related to the current portion of mortgages payable and expected to be refinanced with long-term mortgages.

Contractual maturity for non-derivative financial liabilities at December 31, 2019:

	Carrying Amount	Contractual Cash Flows	Up to 1 year	1 – 5 years	Over 5 years
Mortgages payable – principal and interest	847,986	959,310	173,799	542,437	243,074
Trade and other payables ⁽¹⁾	31,315	31,315	31,315	-	-

Contractual maturity for non-derivative financial liabilities at December 31, 2018:

	Carrying Amount	Contractual Cash Flows	Up to 1 year	1 – 5 years	Over 5 years
Mortgages payable – principal and interest	836,394	952,316	150,992	503,588	297,736
Trade and other payables ⁽¹⁾	32,920	32,920	32,920	-	-

Contractual maturity for non-derivative financial liabilities at December 31, 2017:

	Carrying Amount	Contractual Cash Flows	Up to 1 year	1 – 5 years	Over 5 years
Mortgages payable – principal and interest	825,820	945,101	150,941	459,262	334,898
Trade and other payables ⁽¹⁾	26,967	26,967	26,967	-	-

Contractual maturity for non-derivative financial liabilities at January 1, 2017:

	Carrying Amount	Contractual Cash Flows	Up to 1 year	1 – 5 years	Over 5 years
Mortgages payable – principal and interest	810,500	945,172	88,857	464,014	392,301
Trade and other payables ⁽¹⁾	23,239	23,239	23,239	-	-

⁽¹⁾ Security deposits payable are included in trade and other payables.

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Management believes that future cash flows from operations and mortgage refinancing provide sufficient funds to support these financial liabilities.

12. CAPITAL MANAGEMENT

The Portfolio's capital consists of net assets and mortgages payable. As the Portfolio does not have the ability to separately draw on or repay Northview's credit facilities, the outstanding balance and terms of Northview's credit facilities have not been presented. Northview has managed the Portfolio's capital during the period of ownership to meet its objectives of safeguarding its assets while maximizing the growth of its business, returns to its unitholders, and maintaining the sustainability of cash distributions. Northview is subject to certain financial covenants and were in compliance with these covenants as at December 31, 2019, 2018, 2017, and January 1, 2017.

The level and type of future financings to fund the Portfolio's capital will be determined based on prevailing interest rates, various costs of debt and equity capital, capital market conditions and management's general view of the appropriate leverage in the business. The Portfolio had no changes in its approach to capital management during the years presented.

13. PERSONNEL COSTS

	December 31, 2019	December 31, 2018	December 31, 2017
Salaries, wages and other benefits	24,857	25,023	22,753
Personnel costs capitalized to investment	(6,192)	(6,485)	(6,524)
Total	18,665	18,538	16,229

14. FINANCING COSTS FROM OPERATIONS

	December 31, 2019	December 31, 2018	December 31, 2017
Mortgage interest	26,725	26,435	26,709
Amortization of deferred financing cost	2,047	1,841	814
Amortization of fair value of debt	(201)	(317)	(234)
Interest and other income	473	(262)	(436)
Loss on extinguishment of debt	20	101	1,055
Total financing costs	29,064	27,798	27,908

15. PROCEEDS ON INSURANCE SETTLEMENT

For the year ended December 31, 2019, the Portfolio received \$3.0 million of insurance proceeds (December 31, 2018 – \$2.7 million, and December 31, 2017 – \$0.9 million). The amount represents funds received or receivable from insurance providers for a building located in Lethbridge, AB, that was lost to a fire during 2017.

16. CHANGES IN NON-CASH WORKING CAPITAL

	December 31, 2019	December 31, 2018	December 31, 2017
Accounts receivable	(617)	(129)	(2,425)
Prepaid expenses and other assets	(1,265)	578	22
Other long-term assets	(2,065)	(57)	1,928
Trade and other payables	(1,605)	5,999	3,010

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Changes in non-cash working capital from operating activities	(5,552)	6,391	2,535
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For the year ended December 31, 2019, the changes in non-cash working capital from investing activities was \$nil (December 31, 2018 – \$0.1 million cash inflow and December 31, 2017 – \$0.1 million cash inflow), is due to the change in trade and other payables related to work in progress with respect to investment property improvements and land held for development.

17. OPERATING LEASES

As lessor, the Portfolio leases commercial investment property held under operating leases. Commercial property operating leases have lease terms of between 1 to 20 years, with an option to extend for a further period. All commercial operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew.

The future minimum lease payments receivable on commercial investment properties:

	December 31, 2019	December 31, 2018	December 31, 2017
Less than 1 year	20,147	19,092	18,952
Between 1 and 5 years	46,618	48,112	51,700
More than 5 years	3,813	7,116	14,151
	70,578	74,320	84,803

18. RELATED PARTIES

Related party transactions are conducted in the normal course of operations and are made on terms equivalent to arm's length transactions.

a) Key management personnel

Key management personnel are Northview's executive officers. The remuneration of the key management personnel, comprised of salaries, wages, and other benefits, was proportionately allocated to the Portfolio's financial results based on multi-family residential suites. For the year ended December 31, 2019, the remuneration allocated to the Portfolio was \$1.8 million (December 31, 2018 – \$1.3 million, and December 31, 2017 – \$0.7 million).

b) Net change in net Parent investment

The net change in net Parent investment represents the cumulative impact of operating cash flow, working capital, and corporate allocations that are managed at Northview's consolidated level but have been reflected in the financial results of the Portfolio. Northview administers the day-to-day activities of the Portfolio through a centralized property management and banking structure, including collection of rent proceeds and payment of expenses. In addition, excluding remuneration of the Portfolio's key management personnel disclosed in Note 18(a), Northview proportionately allocated to the Portfolio's financial results property management and administrative services that supported the Portfolio's operations and are included in the combined carved-out statements of net and comprehensive income, as follows:

	December 31,	December 31,	December 31,
Operating expenses	1,347	1,495	1,344
Administration	6,029	5,625	5,439
	7,376	7,120	6,783

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Operating expenses and administration have been proportionately allocated to the Portfolio based on multi-family residential suites.

c) Joint venture investments

ICP and ICS are related parties as the Portfolio has a 50% interest in ICP and a 50% interest in ICS. For the year ended December 31, 2019, revenue from ICP and ICS related to management fees was \$0.3 million (December 31, 2018 – \$0.4 million, December 31, 2017 – \$0.4 million). The balance outstanding and payable to the Portfolio from ICP and ICS related to management fees is \$0.1 million (December 31, 2018 – \$0.1 million, December 31, 2017 – \$0.1 million, and January 1, 2017 – \$0.1 million) and is included in accounts receivable.

19. SEGMENTED INFORMATION

Management uses geographic segments (i.e., groups of provinces and territories) to manage the properties. The geographic segments consist of Atlantic Canada (Newfoundland and Labrador, New Brunswick, and Québec), Northern Canada (Northwest Territories and Nunavut), and Western Canada (Alberta, British Columbia, and Saskatchewan). In addition, due to the differences between the commercial and executives and the residential markets, management also reviews operations by market segment.

The Portfolio's residential portfolio is comprised of a multi-family segment: apartments, town homes, and single-family rental suites, where the rental period ranges from six to twelve months. The commercial and executives segment is comprised of office, industrial, and retail properties primarily in areas where the Portfolio has residential operations and executive properties that offer apartment style accommodation. Commercial leases terms are generally five years and executive rental periods range from several days to several months.

a) Geographic segments

	Atlantic Canada	Northern Canada	Western Canada	Total
Year ended December 31, 2019				
Revenue	40,845	94,103	59,053	194,001
Operating expense	19,033	35,517	24,711	79,261
Net operating income	21,812	58,586	34,342	114,740
As at December 31, 2019				
Total assets	263,236	947,907	465,755	1,676,898
Investment properties	329,847	651,595	638,255	1,619,697
Total liabilities	193,260	326,905	359,136	879,301

	Atlantic Canada	Northern Canada	Western Canada	Total
Year ended December 31, 2018				
Revenue	40,320	91,802	57,029	189,151
Operating expense	18,668	33,332	24,536	76,536
Net operating income	21,652	58,470	32,493	112,615
As at December 31, 2018				
Total assets	277,979	890,333	508,473	1,676,785
Investment properties	334,388	632,441	653,799	1,620,628
Total liabilities	192,923	304,974	371,417	869,314

The Portfolio Combined Carve-out and Notes

**NORTHVIEW CANADIAN HIGH YIELD RESIDENTIAL FUND PORTFOLIO
NOTES TO THE COMBINED CARVE-OUT FINANCIAL STATEMENTS**

Years ended December 31, 2019, 2018 and 2017

(Tabular amounts expressed in thousands of Canadian dollars except where indicated)

	Atlantic Canada	Northern Canada	Western Canada	Total
Year ended December 31, 2017				
Revenue	37,049	87,201	55,223	179,473
Operating expense	16,985	31,319	23,618	71,922
Net operating income	20,064	55,882	31,605	107,551
As at December 31, 2017				
Total assets	287,671	852,269	484,014	1,623,954
Investment properties	329,493	616,163	617,610	1,563,266
Total liabilities	194,392	300,149	358,246	852,787

	Atlantic Canada	Northern Canada	Western Canada	Total
As at January 1, 2017				
Total assets	278,568	797,869	510,341	1,586,778
Investment properties	298,717	592,387	637,510	1,528,614
Total liabilities	181,968	295,341	356,430	833,739

b) Market segments

	Multi-family	Commercial & Execusuites	Total
Year ended December 31, 2019			
Revenue	150,691	43,310	194,001
Operating expense	60,542	18,719	79,261
Net operating income	90,149	24,591	114,740
As at December 31, 2019			
Total assets	1,354,061	322,837	1,676,898
Investment properties	1,389,024	230,673	1,619,697
Total liabilities	735,251	144,050	879,301

	Multi-family	Commercial & Execusuites	Total
Year ended December 31, 2018			
Revenue	146,415	42,736	189,151
Operating expense	58,418	18,118	76,536
Net operating income	87,997	24,618	112,615
As at December 31, 2018			
Total assets	1,357,600	319,185	1,676,785
Investment properties	1,397,554	223,074	1,620,628
Total liabilities	730,511	138,803	869,314

	Multi-family	Commercial & Execusuites	Total
Year ended December 31, 2017			
Revenue	138,542	40,931	179,473

The Portfolio Combined Carve-out and Notes

**NORTHVIEW CANADIAN HIGH YIELD RESIDENTIAL FUND PORTFOLIO
NOTES TO THE COMBINED CARVE-OUT FINANCIAL STATEMENTS**

Years ended December 31, 2019, 2018 and 2017

(Tabular amounts expressed in thousands of Canadian dollars except where indicated)

Operating expense	55,216	16,706	71,922
Net operating income	83,326	24,225	107,551
As at December 31, 2017			
Total assets	1,333,595	290,359	1,623,954
Investment properties	1,346,977	216,289	1,563,266
Total liabilities	718,567	134,220	852,787

	Multi-family	Commercial & Execusuites	Total
As at January 1, 2017			
Total assets	1,303,388	283,390	1,586,778
Investment properties	1,316,344	212,270	1,528,614
Total liabilities	694,460	139,279	833,739

20. SUBSEQUENT EVENTS

The spread of the COVID-19 coronavirus pandemic has had a substantial impact on the Canadian and Global economy. In response to the spread in Canada, provincial governments have limited landlords ability to evict tenants for non-payment of rent, measures which are changing frequently. Social distancing actions to reduce the spread including closing restaurants and bars, limiting social gatherings, and reducing service hours have had a significant impact on unemployment rates in all of the markets that the Portfolio operates in and may materially and adversely impact residents ability to pay rent, the impact of which is currently unknown. The longer-term impact, if any, to cash flow from operating activities and the valuation of investment properties is unknown. Management is proactively working with residents, vendors and other stakeholders to manage safety and cashflow during this period of disruption.

APPENDIX “K” PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

Pro Forma Consolidated Financial Statements
(Expressed in thousands of Canadian dollars)

**NORTHVIEW CANADIAN HIGH YIELD
RESIDENTIAL FUND**

As at December 31, 2019 and for the year ended December 31, 2019
(Unaudited)

NORTHVIEW CANADIAN HIGH YIELD RESIDENTIAL FUND

Pro Forma Consolidated Statement of Financial Position
(Expressed in thousands of Canadian dollars)
As at December 31, 2019 (Unaudited)

	The Fund	The Portfolio	Pro forma adjustments	Notes	Total
Assets					
Non-current assets:					
Investment properties	\$ -	\$ 1,619,697	\$ 42,375	3(b)	\$ 1,662,072
Property, plant and equipment	-	33,528	14,450	3(b)	47,978
Investment in joint ventures	-	7,937	518	3(b)	8,455
Other long-term assets	-	6,516	-		6,516
Total non-current assets	-	1,667,678	57,343		1,725,021
Current assets:					
Accounts receivable	-	6,233	-	3(b)	6,233
Prepaid expenses and other assets	-	2,987	-	3(b)	2,987
Cash	-	-	430,000	3(a)	
			(6,997)	3(a)	
			(1,720)	3(a)	
			(1,647,283)	3(b)	
			(28,696)	3(b)	
			1,294,741	3(c)	
Total current assets	-	9,220	13,045		22,265
Total assets	\$ -	\$ 1,676,898	\$ 70,388		\$ 1,747,286
Liabilities					
Non-current liabilities:					
Mortgages payable	\$ -	699,304	11,397	3(b)(c)	\$ 710,701
Credit Facility	\$ -	-	\$510,466	3(c)	\$ 510,466
Total non-current liabilities	\$ -	699,304	521,863		1,221,167
Current liabilities:					
Mortgages payable	-	148,682	(75,946)	3(b)(c)	72,736
Trade and other payables	-	31,315	-	3(b)	31,315
Total current liabilities	-	179,997	(75,946)		104,051
Total liabilities (excluding net assets attributable to Unitholders)	-	879,301	445,917		1,325,218
Owners' Equity/Partners' Equity/Net Asset attributable to Unitholders:					
Net assets attributable to Unitholders	-	-	430,000	3(a),4	421,283
			(6,997)	3(a),4	
			(1,720)	3(a),4	
		796,575	(796,575)	3(b),4	-
		1,022	(1,022)	3(b)	785
Owner's/Partners' equity	-	-	-		-
Non-controlling interest	-	-	-		-

Total Liabilities and Net Assets Attributable to Unitholders	\$	—	\$	1,676,898	\$70,388	\$	1,747,286
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NORTHVIEW CANADIAN HIGH YIELD RESIDENTIAL FUND

Pro Forma Consolidated Statement of Net Income and Comprehensive Income
(Expressed in thousands of Canadian dollars)

For the year ended December 31, 2019
(Unaudited)

	The Fund	The Portfolio	<i>Pro forma</i> adjustments	Notes	Total
Total revenue	-	194,001	-		\$ 194,001
Property operating costs	-	79,261	-		79,261
Income from operations	-	114,740	-		\$ 114,740
Finance costs	-	29,064	24,941	3(f)	\$ 98,153
			(1,002)	3(f)	
			45,150	3(e)	
Asset management fees / Fund and trust expenses	-	7,899	(7,899)	3(g)	8,196
			2,081	3(g)	
			6,115	3(g)	
Transaction costs	-	-	28,696	3(b)	28,696
Fair value (gain) / loss on investment properties	-	36,250	(36,250)	3(h)	-
Depreciation / amortization	-	4,937	-		4,937
Income from joint ventures	-	(588)	-		(588)
Proceeds from insurance settlement	-	(3,009)	-		(3,009)
Net income and comprehensive income	\$ -	\$ 40,187	\$ (61,832)		\$ (21,645)
Net income and comprehensive income attributable to:					
Unitholders	-	40,074	(61,832)		(21,758)
Non-controlling interest	-	113	-		113
Net income and comprehensive income	\$ -	\$ 40,187	\$ (61,832)		\$ (21,645)

NORTHVIEW CANADIAN HIGH YIELD RESIDENTIAL FUND

Notes to *Pro Forma* Consolidated Financial Statements
(Expressed in thousands of Canadian dollars)

Year ended December 31, 2019
(Unaudited)

1. Nature of operations and basis of presentation:

(a) Nature of operations:

On February 19, 2020, Galaxy Real Estate Core Fund LP, Galaxy Value Add Fund LP, D.D. Acquisitions Partnership, an affiliate of Starlight Group Property Holdings Inc. (“Starlight Group” and, together with its affiliates “Starlight”), KingSett Real Estate Growth LP No. 7 and KingSett Canadian Real Estate Income Fund LP, affiliates of KingSett Capital (together with its affiliates, “KingSett” and together with its third-party co-investors, the “KingSett Investors”) entered into an arrangement agreement with NV1 and NPR GP Inc. (one of the general partners of NPR Limited Partnership, a subsidiary limited partnership of NV1) pursuant to which D.D. Acquisitions Partnership and the KingSett Investors (together, the “Retained Interest Holders”) agreed to acquire NV1, subject to the satisfaction of certain conditions (the “Proposed Transaction”). Under the terms of the Proposed Transaction, each unitholder of NV1 (the “NV1 Unitholders”) will receive cash in the amount of \$36.25 per trust unit of NV1, subject to the option for NV1 Unitholders to elect to receive all or a portion of the consideration for the Proposed Transaction in Class C trust units (“Class C Units”) of the Fund on a fully or partially tax-deferred basis.

Northview Canadian High Yield Residential Fund (the “Fund”) has been formed to acquire, own and operate, through an Ontario limited partnership, a geographically diversified portfolio (the “Portfolio”) comprised of income-producing multi-residential suites, commercial real estate and executives located primarily in secondary markets in British Columbia, Alberta, Saskatchewan, Québec, New Brunswick, Newfoundland and Labrador, the Northwest Territories and Nunavut (the “Secondary Markets”). The Portfolio is currently owned and operated by Northview Apartment Real Estate Investment Trust (“NV1”) and will be acquired by the Fund pursuant to the Proposed Transaction.

(b) Basis of presentation:

The accompanying unaudited *pro forma* consolidated financial statements of the Fund have been prepared from information derived from, and should be read in conjunction with, the following financial statements:

- The audited financial statements of the Fund as at the date of formation on April 14, 2020, prepared in accordance with International Financial Reporting Standards (“IFRS”)
- the audited combined carve-out financial statements of the Portfolio as at and for the year ended December 31, 2019, prepared in accordance with IFRS.

The accompanying *pro forma* consolidated financial statements give effect to the following anticipated transactions:

- (i) the completion of the Proposed Transaction and the initial public offering of the Fund (the “Offering”) for assumed aggregate gross subscription proceeds of \$430,000;
- (ii) the issuance of Class A trust units (“Class A Units”) and/or Class C Units and/or Class F trust units (“Class F Units”) by way of the Proposed Transaction and/or the Offering; and
- (iii) the acquisition of the Portfolio in connection with the Proposed Transaction.

NORTHVIEW CANADIAN HIGH YIELD RESIDENTIAL FUND

Notes to *Pro Forma* Consolidated Financial Statements
(Expressed in thousands of Canadian dollars)

Year ended December 31, 2019
(Unaudited)

1. Nature of operations and basis of presentation (continued):

(b) Basis of presentation (continued):

The unaudited pro forma consolidated statement of financial position gives effect to the transactions in note 3 as if they had occurred on December 31, 2019. The unaudited pro forma consolidated statements of net income and comprehensive income for the year ended December 31, 2019 give effect to the transactions in note 3 as if they had occurred on January 1, 2019.

The *pro forma* adjustments have been determined based on estimates and judgments from information currently available. Accordingly, the unaudited *pro forma* consolidated financial statements are not necessarily indicative of the results that would have actually occurred had the transactions been consummated at the dates indicated nor are they necessarily indicative of future operating results or the financial position of the Fund.

Certain accounts in the Portfolio's audited combined carve-out financial statements were reclassified or combined in these unaudited *pro forma* consolidated financial statements to conform to the Fund's financial statement presentation.

2. Significant accounting policies:

The Fund's unaudited *pro forma* consolidated financial statements reflect the consolidation of the Portfolio. All intercompany balances and transactions have been eliminated upon consolidation.

As the Fund has no pre-existing operations, the Fund has applied the accounting policies of the Portfolio as disclosed in the Portfolio's audited combined carve-out financial statements in the preparation of these unaudited *pro forma* consolidated financial statements.

At the time of acquisition of property, the Fund considers whether the acquisition represents the acquisition of a business. The Fund accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property. More specifically, consideration is made of the extent to which significant processes are acquired. If no significant processes, or only insignificant processes, are acquired, the acquisition is treated as an asset acquisition rather than a business combination.

The cost of a business combination is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the acquisition date. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the date of acquisition.

The difference between the purchase price and the fair value of the acquired identifiable net assets and liabilities is goodwill or a bargain purchase gain. On the date of acquisition, goodwill is recorded as an asset. A bargain purchase gain is recognized immediately in the statements of income and comprehensive income.

NORTHVIEW CANADIAN HIGH YIELD RESIDENTIAL FUND

Notes to *Pro Forma* Consolidated Financial Statements
(Expressed in thousands of Canadian dollars)

Year ended December 31, 2019
(Unaudited)

3. *Pro forma* adjustments:

The *pro forma* adjustments to the unaudited *pro forma* consolidated financial statements have been prepared to account for the closing of the Offering and the acquisition of the Portfolio, as outlined in the prospectus of the Fund, as described below:

(a) The Offering:

The Offering of the Fund includes the proposed issuance of various unit classes including Class A Units and/or Class C Units and/or Class F Units at a price or deemed price of \$12.50 CDN per Class A Unit, Class C Unit, and Class F Unit. The total proceeds from the Offering for all unit classes for the maximum raise is \$430,000.

The unaudited *pro forma* consolidated financial statements have assumed a raise of gross subscription proceeds of \$430,000 and costs related to the issuance include the agent's commission of \$6,997 and additional issuance costs in relation to the Offering of \$1,720 are expected to be incurred.

NORTHVIEW CANADIAN HIGH YIELD RESIDENTIAL FUND PORTFOLIO

Notes to *Pro Forma* Consolidated Financial Statements
(Expressed in thousands of Canadian dollars)

Year ended December 31, 2019
(Unaudited)

3. *Pro forma* adjustments (continued):

(b) Acquisition of the Portfolio:

The acquisition of the net assets of the Portfolio by the Fund will be funded by proceeds from the Offering described in Note 3(a) and the assumed indebtedness and draws on new facilities described in Note 3(c). The transaction has been accounted for as a business combination using the acquisition method. Under the acquisition method, the estimated fair values of the identifiable assets and liabilities to be acquired are as follows:

	The Portfolio	<i>Pro forma</i> adjustments	Net assets acquired
Investment properties ¹	\$ 1,619,697	\$ 42,375	\$ 1,662,072
Property, plant and equipment	33,528	14,450	47,978
Investment in joint ventures ²	7,937	518	8,455
Other long-term assets	6,516	-	6,516
Accounts receivable	6,233	-	6,233
Prepaid expenses and other assets	2,987	-	2,987
Cash ⁶	-	13,045	13,045
	1,676,898	70,388	1,747,286
Mortgages payable ³	(847,986)	64,549	(783,437)
Trade and other payables	(31,315)	-	(31,315)
Non-controlling interest ⁴	(1,022)	237	(785)
Net assets acquired	\$ 796,575	\$ 135,174	\$ 931,749
Consideration used to acquire net assets:			
Net Equity offering proceeds ⁵			\$ 421,283
Credit facility ³			510,466
			\$ 931,749

- Adjustments to investment properties, and property, plant and equipment reflect the Fund's estimate of fair value of the respective underlying properties.
- Adjustments to the investment in joint ventures relates to the Fund's estimate of the proportionate share of the fair value of underlying net assets.
- Please refer to a description of the *pro forma* adjustments relating to loans payable and the credit facility of the Fund which are included in Note 3(c) as well as further adjustments impacting cash of the Fund.
- Non-controlling interest value represents the net asset value, purchase price of the underlying property of \$4,935 less the mortgages payable attributable to such property of \$3,191 at a 45% ownership interest.
- Net equity offering proceeds include \$430,000 contributed or deemed to be contributed to the Fund from the Proposed Transaction and the Offering less agents' fees of \$6,997 and offering costs of \$1,720.
- Upon completion of the Proposed Transaction, it is anticipated that the Fund will have excess cash of \$13,045, which includes the anticipated draw downs on the Credit Facility at closing (Note 3(d)).

NORTHVIEW CANADIAN HIGH YIELD RESIDENTIAL FUND

Notes to *Pro Forma* Consolidated Financial Statements
(Expressed in thousands of Canadian dollars)

Year ended December 31, 2019
(Unaudited)

3. *Pro forma* adjustments (continued):

(b) Acquisition of Portfolio (continued):

Acquisition-related costs of \$28,696 are anticipated to be incurred in conjunction with the Proposed Transaction and such amounts have been expensed with an offsetting reduction in cash. The actual identifiable assets and liabilities acquired for the transactions outlined above and the determination of their respective fair values will be based on the effective date of the acquisition and other information available at that date. Accordingly, the actual amounts for each of these assets and liabilities will vary from the *pro forma* amounts and the variation may be material.

(c) Mortgages Payable and Credit Facility:

A Canadian chartered bank affiliate of CIBC World Markets Inc. has agreed to provide three credit facilities that will be secured by the investment properties of the Portfolio and subordinated to the existing financing assumed by the Fund in connection with the Proposed Transaction, in an aggregate principal amount of up to \$747,000, made up as follows:

(A) a non-revolving term loan credit facility in an aggregate amount of up to \$498,000 to partially finance the acquisition of the Portfolio;

(B) a non-revolving capital expenditure loan facility in an aggregate amount of up to \$52,000 to partially finance capital expenditures in respect of the Portfolio; and

(C) a non-revolving mortgage backstop loan facility in an aggregate amount of up to \$197,000, available to repay and cancel existing mortgage loans where the existing lender's consent to assumption of the debt is not obtained, or where the mortgage loans are due to mature within six months of the closing of the Proposed Transaction (collectively, the "Credit Facility").

Starlight Investments CDN AM Group LP (the "Manager") anticipates the Credit Facility will have \$518,078 in aggregate proceeds drawn across the three facilities (\$510,465 net of financing costs of \$7,612, reflected as a *pro forma* adjustment) at the date of acquisition pursuant to the Proposed Transaction.

The Manager anticipates the Fund's mortgages payable will total approximately \$785,797 (\$783,437 net of financing costs of \$2,360, reflected as a *pro forma* adjustment) following closing of the Offering which comprises the indebtedness assumed pursuant to the Proposed Transaction. Mortgages payable excludes the mortgages attributable to the investment in joint ventures, which are netted with the investment property value of the joint ventures. The *pro forma* consolidated statement of financial position includes an adjustment to increase non-current mortgages payable by \$11,397 and decrease current mortgages payable by \$75,946 to reflect the final mortgages payable within the current and non-current classifications anticipated to be outstanding upon completion of the Proposed Transaction. The current portion of mortgages payable included in the *pro forma* consolidated statement of financial position include amounts that would be maturing within 12 months of the date of the Proposed Transaction.

NORTHVIEW CANADIAN HIGH YIELD RESIDENTIAL FUND

Notes to *Pro Forma* Consolidated Financial Statements
(Expressed in thousands of Canadian dollars)

Year ended December 31, 2019
(Unaudited)

3. *Pro forma* adjustments (continued):

(c) Mortgages Payable and Credit Facility (continued):

The Fund has assumed that finance costs have been replaced with the expected interest costs related to the indebtedness assumed and aggregate Credit Facility amounts drawn discussed above, based on the following factors: (i) average prevailing CDOR throughout 2019; (ii) outstanding principal of mortgages of the Fund; (iii) expected outstanding term loan Credit Facility; and (iv) credit spread of 3.25% for each applicable mortgage. As a result, *pro forma* adjustments have been included to this extent under Note 3(f).

(d) Reconciliation of excess cash in the Fund:

The Fund's sources and uses of cash after the completion of the contemplated acquisition of the Portfolio are as follows:

Sources:	
Proceeds from the Offering	\$ 430,000
Proceeds from Credit Facility (Note 3(c))	518,077
Proceeds from assumed mortgage financing (Note 3 (c))	786,636
	<hr/> 1,734,713
Uses:	
Purchase of the Portfolio	(1,674,283)
Transaction costs	(28,696)
Offering costs	(1,720)
Agent fees	(6,997)
Financing costs – new mortgages and Credit Facility	(9,972)
	<hr/> (1,721,668)
Excess cash in the Fund	<hr/> \$ 13,045

1. Mortgages payable includes the assumed mortgages payable by the Fund as a result of the Proposed Transaction based on the Fund's proportionate share of such mortgage, regardless of if such mortgage has been included in the investment in joint venture classification or relates to a property which is not wholly owned with such non-owned amounts presented as a non-controlling interest.

(e) Distributions to Unitholders:

As the Fund units are not expected to qualify for equity classification under IFRS, distributions to the Fund unitholders ("Unitholders") are recognized as Finance costs in the *Pro Forma* consolidated statement of Net Income and Comprehensive Income. The Fund has estimated distributions to Unitholders for the year ended December 31, 2019 to be \$45,150. The distributions were calculated based on estimating the number of units per class to be issued to affect the gross subscription proceeds of \$430,000 at a yield of 10.5% on the gross subscription proceeds annually. The distributions were calculated assuming that the maximum offering of \$430,000 has been achieved.

(f) Finance costs:

Finance costs for the year ended December 31, 2019 have been increased by \$23,503 to reflect changes in interest expense related to the indebtedness assumed and aggregate Credit Facility amounts drawn based on interest rates outlined in Note 3(c) and differences in amortization of financing costs on the

NORTHVIEW CANADIAN HIGH YIELD RESIDENTIAL FUND

Notes to *Pro Forma* Consolidated Financial Statements
(Expressed in thousands of Canadian dollars)

Year ended December 31, 2019
(Unaudited)

3. *Pro forma* adjustments (continued):

(f) Finance costs (continued):

Portfolio for an increase of \$1,478 for the year ended December 31, 2019, totalling an increase of \$24,981 to finance costs. Additionally, interest expense was reduced by \$1,002, representing the amount of mortgage interest that is capitalized to the investment property value at December 31, 2019, for a net finance costs increase of \$23,959.

(g) Fund expenses and asset management fees:

Fund expenses have been adjusted to remove the current expenses incurred in the Portfolio. Unlike the Portfolio that incurred administrative costs as an allocation from NV1, the Fund will only incur direct costs and an asset management fee. Accordingly, Fund expenses have been adjusted to remove the current expenses of \$7,899 incurred in the Portfolio for the year ended December 31, 2019.

General and administrative costs within fund and trust expenses are expected to consist of legal fees, audit fees, tax fees, board trustee fees, annual report costs, travel costs, and other miscellaneous costs. Fund and trust expenses have been adjusted to include an estimate of direct general and administrative expenses amounting to \$2,081 for the year ended December 31, 2019.

Pursuant to a management agreement to be entered into between the Fund and the Manager, the Manager will provide asset management services to the Fund. The Manager will be entitled to an asset management fee of 35 basis points on the Gross Asset Value, defined as the greater of (A) the value of the assets of the Fund and its consolidated subsidiaries, as shown on its then most recent consolidated balance sheet prepared in accordance with IFRS; and (B) the historical cost of the investment properties, plus (i) the carrying value of cash and cash equivalents; (ii) the carrying value of mortgages receivable; and (iii) the historical cost of other assets and investments used in operations. The asset management fees included in Fund and trust expenses for the year ended December 31, 2019 were increased to \$6,115 based on the value of the assets of the Fund as shown on the *Pro Forma* Consolidated Statement of Financial Position as at December 31, 2019.

Total fund and trust expenses of \$8,038 reflect the best estimate of the general and administrative expenses and asset management fees for the Fund.

(h) Fair value adjustment of investment properties:

As the Portfolio is accounted for using the fair value method of accounting for investment properties, the Portfolio will be adjusted to fair value on an ongoing basis, with any fair value adjustments being included in the statement of net income and comprehensive income. As a *pro forma* assumption of such fair value change is a prediction rather than an objectively determinable *pro forma* adjustment, these unaudited *pro forma* consolidated financial statements assume no change in the fair value of the investment properties during the year ended December 31, 2019 and have been adjusted to remove the impact of historical fair value changes on investment properties. However, the actual Fund consolidated financial statements will include fair value changes and such changes could be material.

NORTHVIEW CANADIAN HIGH YIELD RESIDENTIAL FUND

Notes to *Pro Forma* Consolidated Financial Statements
(Expressed in thousands of Canadian dollars)

Year ended December 31, 2019
(Unaudited)

4. Unitholders' equity:

The Fund is authorized to issue an unlimited number of units:

	Units (000's)		Amount
Balance, beginning of period	-		-
Class A, C, and F units (Offering)	34,400	\$	430,000
Unit issuance costs (Agent fees)	-		(6,997)
Unit issuance costs (other)	-		(1,720)
Balance, end of period	34,400	\$	421,283

The beneficial interests in the Fund are divided into three classes of Units: Class A Units; Class C Units; and Class F Units, each of which is denominated in Canadian dollars. The Fund is authorized to issue an unlimited number of units of each class.

The Class A Units are convertible into Class F Units; the Class C Units are convertible into Class A Units or Class F Units; and the Class F Units and Class C Units are convertible into Class A Units. The Class A Units will have coattail provisions such that if a formal take-over bid is made for units of a class other than the Class A Units, the Class A Units will be convertible into such unlisted class of units for purposes of participating in the take-over bid.

The Class F Units are designed for fee based accounts and differ from the Class A Units in that the Class F Units (i) are not required to pay the selling concession, (ii) will not be listed on the Toronto Stock Exchange, and (iii) are convertible into Class A Units.

The Class C Units are designed for NV1 Unitholders electing to receive and retain Class C Units in connection with the Proposed Transaction (including any top-up election), if any, the Retained Interest Holders, and any investors subscribing pursuant to a concurrent private placement and differ from the Class A Units in that the Class C Units (i) are not required to pay any agents' fees or any selling concession, (ii) will not be listed on the Toronto Stock Exchange, (iii) are convertible into Class F Units, and (iv) are convertible into Class A Units.

The units are also subject to certain redemption privileges at the option of Unitholders which are outlined in the prospectus of the Fund.

The units have been recognized under net assets attributable to Unitholders on the unaudited *pro forma* consolidated statement of financial position.

5. Subsequent event:

NORTHVIEW CANADIAN HIGH YIELD RESIDENTIAL FUND

Notes to *Pro Forma* Consolidated Financial Statements
(Expressed in thousands of Canadian dollars)

Year ended December 31, 2019
(Unaudited)

The spread of the COVID-19 coronavirus pandemic has had a material and substantial impact on the Canadian and Global economy. In response to the spread in Canada, provincial governments have limited a landlord's ability to evict tenants for non-payment of rent, measures which are changing frequently. Social distancing actions to reduce the spread including closing restaurants and bars, limiting social gatherings, and reducing service hours have had a significant impact on unemployment rates in all of the markets that the Portfolio operates in and may materially and adversely impact residents ability to pay rent, the impact of which is currently unknown. Management is proactively working with residents, vendors and other stakeholders to manage safety and cashflow during this period of disruption.

APPENDIX “L” SECTION 191 OF THE ABCA

Shareholder’s right to dissent

191(1) Subject to sections 192 and 242, a holder of shares of any class of a corporation may dissent if the corporation resolves to

- (a) amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue or transfer of shares of that class,
- (b) amend its articles under section 173 to add, change or remove any restrictions on the business or businesses that the corporation may carry on,
- (b.1) amend its articles under section 173 to add or remove an express statement establishing the unlimited liability of shareholders as set out in section 15.2(1),
- (c) amalgamate with another corporation, otherwise than under section 184 or 187,
- (d) be continued under the laws of another jurisdiction under section 189, or
- (e) sell, lease or exchange all or substantially all its property under section 190.

(2) A holder of shares of any class or series of shares entitled to vote under section 176, other than section 176(1)(a), may dissent if the corporation resolves to amend its articles in a manner described in that section.

(3) In addition to any other right the shareholder may have, but subject to subsection (20), a shareholder entitled to dissent under this section and who complies with this section is entitled to be paid by the corporation the fair value of the shares held by the shareholder in respect of which the shareholder dissents, determined as of the close of business on the last business day before the day on which the resolution from which the shareholder dissents was adopted.

(4) A dissenting shareholder may only claim under this section with respect to all the shares of a class held by the shareholder or on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

(5) A dissenting shareholder shall send to the corporation a written objection to a resolution referred to in subsection (1) or (2)

- (a) at or before any meeting of shareholders at which the resolution is to be voted on, or
- (b) if the corporation did not send notice to the shareholder of the purpose of the meeting or of the shareholder’s right to dissent, within a reasonable time after the shareholder learns that the resolution was adopted and of the shareholder’s right to dissent.

(6) An application may be made to the Court after the adoption of a resolution referred to in subsection (1) or (2),

- (a) by the corporation, or
- (b) by a shareholder if the shareholder has sent an objection to the corporation under subsection (5),

to fix the fair value in accordance with subsection (3) of the shares of a shareholder who dissents under this section, or to fix the time at which a shareholder of an unlimited liability

corporation who dissents under this section ceases to become liable for any new liability, act or default of the unlimited liability corporation.

(7) If an application is made under subsection (6), the corporation shall, unless the Court otherwise orders, send to each dissenting shareholder a written offer to pay the shareholder an amount considered by the directors to be the fair value of the shares.

(8) Unless the Court otherwise orders, an offer referred to in subsection (7) shall be sent to each dissenting shareholder

- (a) at least 10 days before the date on which the application is returnable, if the corporation is the applicant, or
- (b) within 10 days after the corporation is served with a copy of the application, if a shareholder is the applicant.

(9) Every offer made under subsection (7) shall

- (a) be made on the same terms, and
- (b) contain or be accompanied with a statement showing how the fair value was determined.

(10) A dissenting shareholder may make an agreement with the corporation for the purchase of the shareholder's shares by the corporation, in the amount of the corporation's offer under subsection (7) or otherwise, at any time before the Court pronounces an order fixing the fair value of the shares.

(11) A dissenting shareholder

- (a) is not required to give security for costs in respect of an application under subsection (6), and
- (b) except in special circumstances must not be required to pay the costs of the application or appraisal.

(12) In connection with an application under subsection (6), the Court may give directions for

- (a) joining as parties all dissenting shareholders whose shares have not been purchased by the corporation and for the representation of dissenting shareholders who, in the opinion of the Court, are in need of representation,
- (b) the trial of issues and interlocutory matters, including pleadings and questioning under Part 5 of the *Alberta Rules of Court*,
- (c) the payment to the shareholder of all or part of the sum offered by the corporation for the shares,
- (d) the deposit of the share certificates with the Court or with the corporation or its transfer agent,
- (e) the appointment and payment of independent appraisers, and the procedures to be followed by them,
- (f) the service of documents, and
- (g) the burden of proof on the parties.

(13) On an application under subsection (6), the Court shall make an order

- (a) fixing the fair value of the shares in accordance with subsection (3) of all dissenting shareholders who are parties to the application,
- (b) giving judgment in that amount against the corporation and in favour of each of those dissenting shareholders,
- (c) fixing the time within which the corporation must pay that amount to a shareholder, and
- (d) fixing the time at which a dissenting shareholder of an unlimited liability corporation ceases to become liable for any new liability, act or default of the unlimited liability corporation.

(14) On

- (a) the action approved by the resolution from which the shareholder dissents becoming effective,
- (b) the making of an agreement under subsection (10) between the corporation and the dissenting shareholder as to the payment to be made by the corporation for the shareholder's shares, whether by the acceptance of the corporation's offer under subsection (7) or otherwise, or
- (c) the pronouncement of an order under subsection (13),

whichever first occurs, the shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of the shareholder's shares in the amount agreed to between the corporation and the shareholder or in the amount of the judgment, as the case may be.

(15) Subsection (14)(a) does not apply to a shareholder referred to in subsection (5)(b).

(16) Until one of the events mentioned in subsection (14) occurs,

- (a) the shareholder may withdraw the shareholder's dissent, or
- (b) the corporation may rescind the resolution,

and in either event proceedings under this section shall be discontinued.

(17) The Court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder, from the date on which the shareholder ceases to have any rights as a shareholder by reason of subsection (14) until the date of payment.

(18) If subsection (20) applies, the corporation shall, within 10 days after

- (a) the pronouncement of an order under subsection (13), or
- (b) the making of an agreement between the shareholder and the corporation as to the payment to be made for the shareholder's shares,

notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

(19) Notwithstanding that a judgment has been given in favour of a dissenting shareholder under subsection (13)(b), if subsection (20) applies, the dissenting shareholder, by written notice delivered to

the corporation within 30 days after receiving the notice under subsection (18), may withdraw the shareholder's notice of objection, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to the shareholder's full rights as a shareholder, failing which the shareholder retains a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

(20) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that

- (a) the corporation is or would after the payment be unable to pay its liabilities as they become due, or
- (b) the realizable value of the corporation's assets would by reason of the payment be less than the aggregate of its liabilities.

APPENDIX “M” MANDATE OF THE BOARD
MANDATE OF THE BOARD OF TRUSTEES (THE “BOARD”)
OF
NORTHVIEW APARTMENT REAL ESTATE INVESTMENT TRUST (“NORTHVIEW” OR THE
“TRUST”)

Objectives

The Board has a written mandate which was developed by the Governance, Compensation & Nomination Committee. The mandate acknowledges the Board’s responsibility for the stewardship of Northview including its responsibilities for employing individuals of high integrity as officers and throughout the organization. A very high value is placed throughout Northview in the maintenance of a culture of honesty, integrity and fairness.

The mandates of the Board and its committees were adopted at the time of Northview’s inception in 2002. However, the mandates are reviewed annually in connection with changes in corporate governance practice and if necessary are modified. The Governance, Compensation & Nomination Committee is responsible for monitoring compliance with the Board’s mandate.

The Board takes responsibility for the supervision of the President and Chief Executive Officer (“CEO”) who in turn is responsible for the supervision of the Chief Financial Officer (“CFO”), Chief Operating Officer (“COO”), and all senior officers, etc. The Board plays an important role in overseeing the operation of the business. The CEO has authority to undertake acquisitions, developments and dispositions within limits approved by the Board and detailed in the Mandate of the Investment Committee. All acquisitions, developments and dispositions in excess of these limits are subject to review and approval. Financial disclosure and reporting is overseen by the Audit and Risk Management Committee. During Board meetings, the Board receive briefings and various reporting documents respecting the operations of Northview.

Composition

Trustees

The Board is composed of Trustees who are elected annually by Unitholders of Northview. Trustees may also sit on one of the Committees of the Board, upon recommendation by the Governance, Compensation & Nomination Committee.

The Board shall ensure that the majority of trustees are qualified as unrelated: independent of management and free of conflicts that would impair the ability of a trustee to act in the best interest of the Trust. Trustees must also be aware of their relationship with significant unitholders (i.e. a unitholder with over 10% voting power).

Board Chair

The Chair of the Board shall not be a member of management.

Meetings

The Board shall meet regularly without management present through in camera sessions or at such other times and places as the Board may determine in accordance with Article 8 of the Declaration of Trust.

Meetings of the Board of Trustees shall be held at least four times annually, at the call of the Chair or otherwise in accordance with Article 8 of the Declaration of Trust.

The Board of Trustees will adhere to the meeting protocols set out in Article 8 of the Declaration of Trust.

Responsibilities

Strategic Planning Process

Northview has a strategic planning process. Annually, management prepares a 5 year strategic plan identifying key strategic objectives to be executed on. The strategic plan is reviewed and approved by the Board annually, along with the business plan which details annual objectives and financial targets. Progress updates are provided to the Board on a quarterly basis.

Risk Management Process

The identification and consideration of the risks facing Northview is a key focus incorporated into the business planning and strategic planning sessions held by management each calendar year. The Audit & Risk Management Committee review and recommend to the Board the annual Risk Management Process, which details high risks and associated treatment plans. The Board can and do participate in decision making with respect to specific risks in which they may have particular interest or expertise.

Succession Planning

The Board is responsible for the oversight of succession planning for the executive leadership team. The CEO conducts performance evaluations of each of the executive leadership team and the succession planning takes place with them during the evaluatory process. The Governance, Compensation & Nomination Committee evaluates the CEO and considers succession planning in that context. Succession among the executive leadership team of Northview is considered on a continuous basis by the Governance, Compensation & Nomination Committee, and reported to the Board.

Disclosure Policy

Northview has a Disclosure Policy and a Disclosure Committee. The Disclosure Policy provides a detailed statement respecting Northview's obligations to disclose fully and on a timely basis. The Disclosure Policy details who approves the disclosure and sets out some rules respecting materiality, forward looking statements, and trading restrictions. The policy is reviewed annually by the Audit & Risk Management Committee and the Governance, Compensation & Nomination Committee, who recommend approval to the Board.

Internal Controls

The Board, specifically through the Audit and Risk Management Committee, oversees internal controls exercised by management. The CEO and/or the CFO, as applicable, provide certifications related to the financial affairs of Northview and many other matters respecting compliance. Members of the Audit and Risk Management Committee routinely request the CEO and CFO to describe the measures taken to assure internal control over the financial results of Northview. Moreover, the Audit and Risk Management Committee meets independently with the external auditors to independently identify any potential areas of weakness or areas requiring improvement.

These assessments take place each quarter with the external auditors independent of management. In turn, the Audit and Risk Management Committee reports anything of note to the Board on a quarterly basis.

After giving consideration to the recommendations of the Audit and Risk Management Committee, the Board is responsible for approving:

- (ii) The independent auditor to be nominated at the Annual General Meeting of unitholders;
- (iii) The independent auditor annual Audit Plan for the ensuing year;
- (iv) The compensation of the independent auditor; and

- (v) The pre-approval of all non-audit services to be provided by the independent auditor.

Material Decisions

The Board shall consider and approve all material decisions that are outside the scope of the authority delegated to Northview's committees and senior management or any such decisions the Board deems necessary or appropriate.

Stakeholder Feedback

Stakeholders have the opportunity to express their point of view respecting the business practices and procedures of Northview. Northview has implemented a "Whistleblower Policy" which provides an opportunity for employees to report on or comment on incorrect financial or business practices. The Whistleblower Policy provides various avenues of complaint including direct reporting to the Chair of the Audit & Risk Management Committee, who is independent of management. The policy is reviewed annually by the Audit & Risk Management Committee and the Governance, Compensation & Nomination Committee, who recommend approval to the Board.

Corporate Governance Responsibilities

The Board shall define unrelated trustees (currently defined as independent of management and free of conflicts that would impair the ability of a trustee to act in the best interest of the Trust) and apply this definition to each individual trustee and disclose annually whether the Board has an appropriate number of trustees who are not related to either the corporation or any significant unitholder.

The Board shall elect a nominating committee (the "Governance, Compensation & Nomination Committee"), which will be comprised entirely of unrelated trustees. This committee, along with the Chair of the Board, shall be responsible for assessing trustees on an ongoing basis and for proposing new trustees to the full Board.

The Board shall approve the process by which the nominating committee will assess the effectiveness of Board committees and the contribution of individual trustees.

The Board should ensure that new trustees receive appropriate orientation and education.

The Board shall, from time to time, reconfirm or adjust the size of the Board to ensure effective decision-making.

The Board shall annually review the adequacy and form of trustee compensation, including that of the lead trustee and committee chairs, with a view to ensuring that the compensation adequately reflects the risks and responsibilities of the role as an effective Board member, and is aligned with Northview's compensation peer group.

Committees of the Board should generally be composed of trustees who are independent of management, and the majority of whom should also be unrelated. The Board shall ensure that each Committee adopt a formal written mandate, approved annually by the Board, which set out the scope of each Committee's responsibilities.

The Board shall appoint a committee expressly to deal with the corporation's approach to governance issues (the "Governance, Compensation & Nomination Committee").

The Board and the CEO shall develop position descriptions, which shall define the limits to management's responsibilities.

The Board shall review and approve the strategic plan, including the corporate objectives included therein, which the CEO is responsible for meeting.

In consultation with the Governance, Compensation & Nomination Committee, the Board shall oversee and monitor Northview's long-term strategy and practices with respect to corporate social responsibility and environmental sustainability matters, including environmental, labour, human rights, health and safety and sustainability issues, as well as community and other stakeholders relations (including relationships with indigenous people).

The Board shall ensure that there are appropriate structures and procedures in place to allow the Board to be able to function independently of management.

The Audit & Risk Management Committee of the Board shall be composed of outside trustees who are also unrelated. All members of the Audit & Risk Management Committee shall be financially literate and at least one member should have accounting or related financial expertise.

The Audit & Risk Management Committee Mandate must explicitly affirm the accountability of the external auditors to the Board and the Audit & Risk Management Committee as representative of the Unitholders who ultimately select, evaluate and recommend the replacement of an external auditor.

The Audit & Risk Management Committee and the Board shall review quarterly financial reports and related financial documents before any public disclosure of the information. The Audit & Risk Management Committee shall ask external auditors to review this information before considering it. Upon review and recommendation by the Audit & Risk Management Committee, the Board shall be responsible for approving quarterly financial reports.

The Board should allow individual trustees or committees of the Board to engage outside advisors at the expense of the corporation in appropriate circumstances.

APPENDIX “N” DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES
OF
NORTHVIEW APARTMENT REAL ESTATE INVESTMENT TRUST (“NORTHVIEW”)
BOARD OF TRUSTEES (THE “BOARD”)

Governance Disclosure Guidelines under National Instrument 58-101 *Disclosure of Corporate Governance Practices*

Comments

1. Board of Directors

- a. Disclose the identity of directors who are independent

The Governance, Compensation & Nomination Committee and the Board annually review the question of independence of Trustees. The Board uses the independence definition found in section 1.4 of National Instrument 52-110 *Audit Committees* (“NI 52-110”).

Biographies of the members of the Board and Board nominees can be found in this Management Information Circular. The independent Trustees of Northview, of which there are six, are as follows:

- Mr. Scott Thon, P.Eng, ICD.D., Chair of the Board;
- Mr. Kevin Grayston, CPA, CA, ICD.D Chair, Governance, Compensation & Nomination Committee;
- Mr. Dennis Hoffman, FCPA, FCA, ICD.D Chair, Audit & Risk Management Committee and Chair, Special Committee;
- Ms. Christine McGinley, CPA, CA, ICD.D Chair, Investment Committee;
- Mr. Terrance McKibbon, ICD.D; and
- Ms. Valéry Zamuner, LLB, MBA.

- b. Disclose the identity of directors who are not independent, and describe the basis for that determination.

The Board had two Trustees in 2019 who were not independent:

Mr. Todd Cook was elected to the Board by the Unitholders on May 13, 2014. Mr. Cook is the CEO of Northview.

Mr. Daniel Drimmer was appointed to the Board on an interim basis on October 30, 2015, and further elected to the Board by the Unitholders on May 5, 2016. Mr. Drimmer beneficially owns or controls, in aggregate, more than 10% of the issued and outstanding Units and Special Voting Units. Starlight LP, which is controlled by Daniel Drimmer, may also be paid fees as per the

- c. Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the Board does to facilitate its exercise of independent judgment in carrying out its responsibilities.
- d. If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.
- e. Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the Board does to facilitate open and candid discussion among its independent directors.

Transactional Fee Agreement for certain advisory services related to the identification of multi-unit residential properties for acquisition.

Six out of the current eight, or 75%, of the Trustees of Northview are independent.

Details of the Trustees' involvements with other public, private and non-profit boards and previous directorships are contained in the biographical notes of this Management Information Circular.

The Board excuses management and non-independent Trustees from its regularly scheduled meetings to facilitate an independent consideration of issues. Topics may include: compensation and succession planning; assessment of new business initiatives; independent evaluation of strategic and business plans; or such other matters as the Trustees deem to be appropriate to be considered without senior management and/or non-independent Trustees being present.

The Board excuses management at the commencement and conclusion of each Board meeting to facilitate in-camera meetings of the Board. There was an in-camera meeting of the Trustees at each of the 15 Board meetings held in 2019, of which six (6) were Regular Meetings and nine (9) were Special Meetings.

The Governance, Compensation & Nomination Committee (comprised entirely of independent Trustees) conducts part of each regularly scheduled meeting without members of management present.

The Audit & Risk Management Committee (comprised entirely of independent Trustees) has private sessions with the external auditors without management being present. The independent sessions occur with the auditors at each regularly scheduled meeting. In addition, the Audit & Risk Management Committee has private sessions with the CFO at each regularly scheduled meeting.

The Investment Committee (comprised of a majority of independent Trustees) implemented in camera sessions without members of management present during 2018. Of the three (3) Investment Committee meetings held in 2019,

- f. Disclose whether or not the chair of the Board is an independent director. If the Board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the Board has neither a chair that is independent nor a lead director that is independent, describe what the Board does to provide leadership for its independent directors.
- g. Disclose the attendance record of each director for all board meetings held since the beginning of the issuer's most recently completed financial year.

2. Board Mandate

Disclose the text of the Board's written mandate. If the Board does not have a written mandate, describe how the Board delineates its role and responsibilities.

3. Position Descriptions

- a. Disclose whether or not the Board has developed written position descriptions for the chair and the chair of each Board committee. If the Board has not developed written position descriptions for the chair and/or the chair of each Board committee, briefly describe how the Board delineates the role and responsibilities of each such position.

three (3) included in camera sessions independent of management. Non-independent Trustees may also be excused during the in camera sessions, at the discretion of the Investment Committee Chair.

Mr. Scott Thon, Chair of the Board, is an independent Trustee. A description of the Chair's role and responsibilities can be found in the Position Description: Chairman of the Board of Trustees, which is available on Northview's website at www.northviewreit.com.

Mr. Dennis Hoffman, an independent Trustee, serves as lead Trustee of the Board and chairs all Board meetings should the Chair not be present.

Each Trustee attended 100% of the Trustee meetings held in 2019, with the exclusion of Mr. Daniel Drimmer, who recused himself from Special Meetings of the Trustees due to a conflict of interest.

The Board has a written mandate which was developed by the Governance, Compensation & Nomination Committee. The mandate is attached as Appendix "M" to this Management Information Circular. The mandate acknowledges the Board's responsibility for the stewardship of Northview including its responsibilities for employing individuals of high integrity as officers and throughout the organization. A very high value is placed throughout Northview in the maintenance of a culture of honesty, integrity and fairness.

The mandates of the Board and its committees were adopted at the time of Northview's inception in 2002. The mandates are reviewed annually in connection with changes in corporate governance practice and, if necessary, are modified. The Governance, Compensation & Nomination Committee is responsible for monitoring compliance with the Board mandate.

The Board has developed written position descriptions for the Chair of the Board and the Chair of each of the Governance, Compensation & Nomination, Investment and Audit & Risk Management Committees, which are available on Northview's website at www.northviewreit.com.

- b. Disclose whether or not the Board and CEO have developed a written position description for the CEO. If the Board and CEO have not developed such a position description, briefly describe how the Board delineates the role and responsibilities of the CEO.

The Board and CEO have developed a written position description for the CEO which includes a delineation of management's responsibilities, and is available on Northview's website at www.northviewreit.com. Annually, corporate goals and objectives are established for the CEO and the senior officers of Northview in connection with the business and strategic plan, and they are reviewed by the Board at each regularly scheduled meeting.

4. Orientation and Continuing Education

- a. Briefly describe what measures the Board takes to orient new directors regarding:
 - i. the role of the Board, its committees and its directors, and
 - ii. the nature and operation of the issuer's business.

Northview has a process to orient its new Trustees on the role of the Board and its committees and Trustees. A comprehensive information package on the governance mechanisms of Northview, business operations and related information is provided to new Trustees. The Chair meets with new Trustees in order to brief the new Trustees and to give the new Trustees an opportunity to discuss and confirm their understanding of the governance and operations of Northview. The CEO takes responsibility for providing a comprehensive briefing to new Trustees including tours of Northview's premises and operations.

At each quarterly Board meeting, management reports are provided on relevant business information, and management presentations are held to inform the Board on the main areas of Northview's business and provides operational updates. New Trustees are encouraged to meet with senior management to gain a further understanding as to the nature and operations of the business of Northview.

- b. Briefly describe what measures, if any, the Board takes to provide continuing education for its directors. If the Board does not provide continuing education, describe how the Board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.

Trustees have been involved in professional development seminars and courses on their own. Trustees also learn from their related experience on other Boards. Four of the current Trustees have a CA designation and are obligated to complete annual continuing professional development requirements in order to maintain this professional designation.

Six of the current Northview Trustees have completed the Institute of Corporate Directors ("ICD") program and have received their ICD.D designation. To encourage Trustees in this regard, Northview pays one half of the tuition fee for the ICD program.

Management arranges tours on a regular basis for the Trustees to visit Northview's principal regions. During these tours, the Trustees meet with local, provincial and federal government officials, and community business leaders to discuss and assess the local economic conditions; and tour

Northview's properties in the region. In 2019, the Board of Trustees toured several of Northview's locations in Halifax, Nova Scotia.

Further Information is available in the section entitled "2019 Orientation and Continuing Education" of the Circular.

5. Ethical Business Conduct

- a. Disclose whether or not the Board has adopted a written code for the directors, officers and employees. If the Board has adopted a written code:
 - i. disclose how a person or company may obtain a copy of the code;
 - ii. describe how the Board monitors compliance with its code, or if the Board does not monitor compliance, explain whether and how the Board satisfies itself regarding compliance with its code; and
 - iii. provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.

- b. Describe any steps the Board takes to ensure its directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

The Board approved a Code of Business Conduct and Ethics (the "Code") in May 2006. The Code is applicable to Trustees, officers and employees of Northview and its subsidiaries. The Code is reviewed annually, and was most recently approved by the Board in December 2019.

The Code is available on Northview's website: www.northviewreit.com.

The Board monitors compliance with the Code by requiring management to provide quarterly reports with respect to complaints and violations of the Code. If any matters related to specific members of the Board arise, management is directed to bring these matters directly to the attention of the Board.

The Board has appointed a Compliance Officer, the Corporate Secretary, who provides a semi-annual Compliance Activity Report to the Board.

Requests for departures from the Code are expected to be very infrequent. The CEO or the Board will be required to assess and if applicable, grant requests for departures from the Code. Any waivers from the Code that could be granted for the benefit of the Trustees or executive officers of Northview may only be granted by the Board itself on the recommendation of the Governance, Compensation & Nomination Committee. The Board acknowledges that conduct by a Trustee or executive officer which constitutes a material departure from the Code of Conduct will require the filing of a material change report.

Section 10.11 and 10.12 of the Declaration of Trust provides the manner in which material conflicts of interest and related party transactions are to be handled. Northview has not filed a material change report pertaining to any conduct of a Trustee or executive officer.

The Investment Committee Mandate outlines the procedures surrounding related party transactions and conflict of interest surrounding Investment decisions. In 2019, Northview purchased one property from Starlight Group Property Holdings Inc., an entity in which Mr. Daniel Drimmer has a

material interest. The Committee met in-camera to discuss and approve the asset sales, and Mr. Drimmer was excluded from voting on the matter. In addition, Mr. Drimmer recused himself from Special Meetings of the Board due to a conflict of interest.

- c. Describe any other steps the Board takes to encourage and promote a culture of ethical business conduct.

The Board sets a high standard of honesty and integrity on the part of senior executives and expects that those values will be imparted to all of the employees in its organization. No funds of Northview may be donated to political parties. Northview strives to be an equal opportunity employer.

6. Nomination of Directors

- a. Describe the process by which the Board identifies new candidates for Board nomination.

The Governance, Compensation & Nomination Committee has determined the appropriate size for the Board is between six and ten Trustees.

The Governance, Compensation & Nomination Committee oversees the updating and execution of its Board succession plans. When a Trustee needs to be nominated, members of the Board are polled by the Chair of the Governance, Compensation & Nomination Committee for prospective qualified candidates. In assessing potential Trustees, the Governance, Compensation & Nomination Committee considers the work, travel, and obligations prospective Trustees have to other boards. The expectation of the Governance, Compensation & Nomination Committee is that prospective Trustees should have sufficient time available that would ensure as close as possible to full participation at the Board and committee meetings of Northview. The Governance, Compensation & Nomination Committee carefully considers the various competencies on the part of prospective Trustees, including financial literacy, knowledge of one or more of the operating areas of Northview, knowledge of the real estate business, proven abilities to work effectively on boards and committees and possession of special skills in which the existing Board may require augmentation. The Committee will seek candidates who will reflect the geographic and demographic background of the regions in which Northview operates, and will also seek to achieve gender diversity in the best interests of the Unitholders, and in alignment with the Board Diversity Policy and the targets for gender diversity contained therein.

- b. Disclose whether or not the Board has a nominating committee composed entirely of

The Governance, Compensation & Nomination Committee carries out the duties of a nominating

independent directors. If the Board does not have a nominating committee composed entirely of independent directors, describe what steps the Board takes to encourage an objective nomination process.

- c. If the Board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.

7. Compensation

- a. Describe the process by which the Board determines the compensation for the issuer's directors and officers.

- b. Disclose whether or not the Board has a compensation committee composed entirely of independent directors. If the Board does not have a compensation committee composed entirely of independent directors,

committee for Northview. The Governance, Compensation & Nomination Committee has four members, all of whom are independent Trustees: Kevin Grayston (Chair), Terrance McKibbon, Dennis Hoffman and Valéry Zamuner. The independence of all of the Governance, Compensation & Nomination Committee ensures an objective nomination process.

The Governance, Compensation & Nomination Committee carries out the duties of a nominating committee for Northview. Responsibilities of the Committee that relate to nomination include the oversight of the following: annual Trustee self-evaluation, Trustee skills matrix, Trustee succession planning, Trustee nomination process, and Trustee Orientation.

The Governance, Compensation & Nomination Committee, which is composed entirely of independent Trustees, annually reviews the CEO's performance in relation to the achievement of corporate goals and objectives and business and strategic plans and decides on his compensation, bonuses and LTI entitlements.

The Governance, Compensation & Nomination Committee annually receives recommendations from the CEO on the performance of the officers and other management employees of Northview and its subsidiaries and, in consultation with the CEO, reviews and decides on levels of remuneration, cash bonuses and LTI awards for that group.

The Governance, Compensation & Nomination Committee sets levels of compensation based on industry norms, as well as the skill and contribution of individual executives of Northview and its subsidiaries. LTI awards are made pursuant to a plan approved by the Unitholders and are based on performance metrics which measure the success in delivering long term returns for Unitholders. STI awards (by way of cash incentives) are awarded on the basis of performance in relation to the approved business plan and individual performance considerations. Additional cash bonuses are awarded at the discretion of the Board, as recommended by the Governance, Compensation & Nomination Committee.

The Governance, Compensation & Nomination Committee is composed entirely of independent Trustees. The fact that all of the members of the Governance, Compensation & Nomination

describe what steps the Board takes to ensure an objective process for determining such compensation.

- c. If the Board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.

Committee are independent ensures an objective process for determining compensation.

The Governance, Compensation & Nomination Committee has responsibility over Northview's corporate governance, human resources and compensation policies. It determines compensation, bonuses, and LTI entitlements of the CEO and Named Executive Officers and oversees the compensation programs for other staff and the annual salary budget for employees of Northview and its Subsidiaries, considers the remuneration of Trustees, administers Northview's LTI and delivers an annual report to Unitholders on executive compensation.

The Governance, Compensation & Nomination Committee is also responsible for monitoring and assessing the corporate governance of Northview. It also functions as a nominating committee for purposes of selecting Trustees. The Committee annually assesses the effectiveness of the Board. The Committee also has broad responsibilities for senior management succession.

8. Other Board Committees

If the Board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.

The Investment Committee consists of four members. Three of the current members are independent. Daniel Drimmer is not independent. Christine McGinley, CPA, CA, ICD.D (Chair), Terrance McKibbon, ICD.D, and Valéry Zamuner, LLB, MBA, are also members of the Investment Committee and are independent.

The Investment Committee is responsible for reviewing and approving potential investment transactions up to certain limits, including proposed acquisitions and dispositions of properties, borrowing (including the assumption or granting of any mortgage), and reviewing such matters and questions relating to investment as the Board may see fit. The Investment Committee receives and considers detailed financial analysis and business plans for such acquisitions, and modifies same as necessary. Transactions over \$30 million are reviewed by the Committee and recommended to the Board for approval.

The Board has delegated responsibility for a communication policy for the corporation to a Disclosure Committee consisting of Northview's President & CEO, Chief Financial Officer, Chief Operating Officer and Corporate Secretary. The Disclosure Committee is responsible for ensuring that communications with the investing public about Northview are timely, factual and accurate; and broadly disseminated in

accordance with all applicable legal and regulatory requirements. The Disclosure Committee meets as required and prior to each quarterly Board meeting to review the financial statements, media release and year end documents. The Disclosure Committee reports to the Board quarterly through the Audit & Risk Management Committee.

9. Assessments

Disclose whether or not the Board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the Board satisfies itself that the Board, its committees, and its individual directors are performing effectively.

The Governance, Compensation & Nomination Committee is responsible for ensuring the effective governance oversight of Northview. The Committee annually assesses the effectiveness of the Board, its Committees and Trustee performance. In its assessment, the Governance, Compensation & Nomination Committee considers the attendance of Trustees, the credentials of individual Trustees and the competencies of the overall Board in relation to the task at hand and comments on the effectiveness of each committee.

The Committee conducts an annual, formal assessment process to examine how the Board is operating and to make suggestions for improvement. The results from the detailed responses to a self-evaluation questionnaire are tabulated, and the Board Chair meets individually with each Trustee to discuss any matters of particular concern or significance. The Chair then reports the results to the entire Board for discussion and the implementation of appropriate improvements.

10. Director Term Limits and Other Mechanisms of Board Renewal

Disclose whether or not the issuer has adopted term limits for the directors on its board or other mechanisms of board renewal and, if so, include a description of those director term limits or other mechanisms of board renewal. If the issuer has not adopted director term limits or other mechanisms of board renewal, disclose why it has not done so.

Since Northview's inception in 2002, the Governance, Compensation & Nomination Committee has carried out annual internal performance discussions to consider the retention or replacement of Trustees. In March 2014, the Governance, Compensation & Nomination Committee recommended a Board term limit policy be put in place with mandatory term limits. The Board of Trustees has approved a policy whereby the founding Trustees may serve up to 15 years on the Board of Trustees, and Trustees appointed from 2010 and after may serve up to 10 years on the Board of Trustees. The policy was amended in November 2017 to state that the President & CEO may continue to serve on the Board of Trustees during their tenure, and that Trustees nominated by Starlight Group Property Holdings Inc. ("Starlight"), under their nomination rights contained in the amended and restated exchange agreement dated May 31, 2019 (the "

A&R Exchange Agreement”), are excluded from the term limits described above. Northview’s policy does not include a mandatory retirement age, however, the Trustees believe that this Policy is the most effective approach to ensure a measured turnover for continuity purposes is maintained between experienced and new Trustees on the Board.

11. Policies Regarding the Representation of Women on the Board

- a. Disclose whether the issuer has adopted a written policy relating to the identification and nomination of women directors. If the issuer has not adopted such a policy, disclose why it has not done so.

- b. If an issuer has adopted a policy referred to in (a), disclose the following in respect of the policy:
 - i. a short summary of its objectives and key provisions,
 - ii. the measures taken to ensure that the policy has been effectively implemented, annual and cumulative progress by the issuer in achieving the objectives of the policy, and
 - iii. whether and, if so, how the board or its nominating committee measures the effectiveness of the policy.

The Board of Trustees has taken note that good governance practices link diversity on boards with improved governance and financial performance and that gender diversity in particular is linked to improved financial decision making and overall governance. As such, Northview adopted a Diversity Policy in 2014 which is summarized below, which acts as a tool to ensure that the Board of Trustees be diverse and reflect the geography, gender and demographic background of the regions in which Northview undertakes its operations. The Diversity Policy was amended in 2017 to include a target that at least 30% of the Board be comprised of women within three years (2021) of the adoption of this target.

In seeking candidates for vacancies on the Board, the Governance, Compensation & Nomination Committee will nominate a balanced mix of members to the Board who have the necessary experience and expertise to make a meaningful contribution in carrying out duties on behalf of the Board. The Governance, Compensation & Nomination Committee will conduct periodic assessments to consider the level of diverse Trustees on the Board, which includes the number of women on the Board. In seeking candidates for vacancies on the Board, the Governance, Compensation & Nomination Committee will seek candidates who reflect the geographic and demographic background of the regions in which the Trust operates, and will also seek to achieve gender diversity in the best interests of the Unitholders, while continuing to ensure optimum representation of skills and expertise to help serve Northview. The Board has set a target that at least 30% of the Board be comprised of women within three years (2021) of the adoption of this target and will measure the effectiveness of the policy against this target.

12. Consideration of the Representation of Women in the Director Identification and Selection Process

Disclose whether and, if so, how the board or nominating committee considers the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board. If the issuer does not consider the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board, disclose the issuer's reasons for not doing so.

13. Consideration Given to the Representation of Women in Executive Officer Appointments

Disclose whether and, if so, how the issuer considers the level of representation of women in executive officer positions when making executive officer appointments. If the issuer does not consider the level of representation of women in executive officer positions when making executive officer appointments, disclose the issuer's reasons for not doing so.

14. Issuer's Targets Regarding the Representation of Women on the Board and in Executive Officer Positions

- a. For purposes of this Item, a "target" means a number or percentage, or a range of numbers or percentages, adopted by the issuer of women on the issuer's board or in executive officer positions of the issuer by a specific date.
- b. Disclose whether the issuer has adopted a target regarding women on the issuer's board. If the issuer has not adopted a target, disclose why it has not done so.
- c. Disclose whether the issuer has adopted a target regarding women in executive officer positions of the issuer. If the issuer has not adopted a target, disclose why it has not done so.
- d. If the issuer has adopted a target referred to in either (b) or (c), disclose:
 - i. the target, and
 - ii. the annual and cumulative progress of the issuer in achieving the target.

The Governance, Compensation & Nomination Committee considers the level of representation of women on the board when identifying and nominating candidates for election or re-election. Northview's Board of Trustees is currently comprised of 25% women (2 of 8), with a target of 30% by 2021.

Northview considers the level of representation of women when making executive officer appointments. Of the six executive officers (as such term is defined in National Instrument 51-102 *Continuous Disclosure Obligations*) of Northview, one is a woman (17%). Of the eleven senior management personnel, four are women (36%).

A target of 30% female representation on the Board of Trustees has been set, to be achieved by 2021.

Currently, 36% of Northview's senior management team is comprised of women and 17% of Northview's executive officers are women. The Board and management acknowledge that gender is an important factor to be considered when making hiring decisions but has not yet adopted a formal target.

A target of 30% female representation on the Board of Trustees has been set, to be achieved by 2021. There are currently two female Trustees, representing 25% of the Board.

15. Number of Women on the Board and in Executive Officer Positions

- a. Disclose the number and proportion (in percentage terms) of directors on the issuer's board who are women.
- b. Disclose the number and proportion (in percentage terms) of executive officers of the issuer, including all major subsidiaries of the issuer, who are women.

There are currently two women, Ms. Christine McGinley and Ms. Valéry Zamuner, serving on the Board of Trustees. This represents 25% of the Board.

There is currently one woman serving as an executive officer. This represents 17% of the executive officers.

Please ensure that your vote and election as to the form of consideration you wish to receive is provided well in advance of the deadline at 3:00 PM (MDT) on May 21, 2020.

For questions or assistance voting your proxy, please contact Karl Bomhof, VP, Legal and Corporate Secretary of the REIT, by telephone at 403-531-0720 or by e-mail at: corpsecretary@northviewreit.com.



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