ONEREIT

NOTICE OF SPECIAL MEETING OF UNITHOLDERS
TO BE HELD ON

SEPTEMBER 25, 2017

AND

MANAGEMENT INFORMATION CIRCULAR

Dated August 23, 2017

with respect to a proposed

SPECIAL RESOLUTION AND PLAN OF ARRANGEMENT

involving, among others,

ONEREIT,

SMART REAL ESTATE INVESTMENT TRUST

and

STRATHALLEN ACQUISITIONS INC.

ONEREIT UNITHOLDERS MAY ELECT TO RECEIVE CASH OR SMARTREIT UNITS IN EXCHANGE FOR THEIR ONEREIT UNITS. ONEREIT UNITHOLDERS WHO RECEIVE CASH WILL RECEIVE $4.275 PER ONEREIT UNIT. UNITHOLDERS WHO RECEIVE SMARTREIT UNITS ARE EXPECTED TO RECEIVE VALUE EQUIVALENT TO $4.20 PER ONEREIT UNIT BASED ON A REFERENCE PRICE OF THE SMARTREIT UNITS OF BETWEEN $30.51 AND $32.73.

ONEREIT UNITHOLDERS WHO DO NOT MAKE A VALID ELECTION PRIOR TO 5:00 P.M. (EDT) ON SEPTEMBER 21, 2017 WILL BE DEEMED TO HAVE ELECTED TO RECEIVE CASH CONSIDERATION ONLY.

ALL ELECTIONS OR DEEMED ELECTIONS BY ONEREIT UNITHOLDERS TO RECEIVE CASH OR SMARTREIT UNITS MAY BE SUBJECT TO PRORATION.

These materials are important and require your immediate attention. They require Unitholders of OneREIT to make important decisions. If you are in doubt as to how to make such decisions, please contact your financial, legal or other professional advisors. If you have any questions or require more information with regard to voting your OneREIT Units or making your election, please contact AST Trust Company (Canada) at (800) 387-0825 (toll free in Canada only) or (416) 682-3860.

August 23, 2017

Dear Fellow Voting Unitholder:

It is my pleasure to extend to you, on behalf of the board of trustees of OneREIT (the "**REIT**"), an invitation to attend a special meeting (the "**Meeting**") of REIT unitholders to be held at the offices of Fasken Martineau DuMoulin LLP, 333 Bay Street, Suite 2400, Toronto, Ontario M5H 2T6, on September 25, 2017 at 10:00 a.m. (Toronto time).

At the meeting, you will be asked to consider and vote on a special resolution approving certain transactions, including a plan of arrangement under the *Business Corporations Act* (Ontario), involving, among others, the REIT, Smart Real Estate Investment Trust ("**SmartREIT**"), Strathallen Acquisitions Inc. ("**Strathallen**") and 1606906 Ontario Inc. (the "**Transaction**"). Pursuant to the Transaction,

- Strathallen or its assigns will purchase the 44 properties specified in Appendix "J" of the enclosed management information circular and assume related property debt and liabilities from subsidiaries of the REIT for a purchase price of $703.5 million, plus certain capital expenditures, receivables, leasing costs and commissions relating to such properties and subject to adjustments (the "**Strathallen Sale Transaction**"), and

- SmartREIT will purchase the balance of the REIT's assets, including the REIT's subsidiary limited partnerships that directly or indirectly own the REIT's interest in a portfolio of 12 properties specified in Appendix "J" of this Circular, residual working capital and certain intellectual property, and will assume the REIT's residual liabilities (the "**SmartREIT Transaction**").

The purchase price for the Strathallen Sale Transaction will be satisfied by the payment by Strathallen and its assigns in cash of approximately $319 million and by the assumption by Strathallen and its assigns of the debt related to the Strathallen Properties. The purchase price for the SmartREIT Transaction will be satisfied by way of: (i) the assumption by SmartREIT of the REIT's residual liabilities, including convertible debentures and certain net working capital items of the REIT together with the effective assumption of the remaining property-related debt of the REIT's limited partnerships; (ii) the issuance of approximately $75 million in SmartREIT units to the REIT, which will transfer such units to those of its unitholders who elect to receive SmartREIT units based on an exchange ratio described in greater detail below after taking into account SmartREIT units reserved for purposes of assuming the REIT's exchange obligation to issue units to its Class B limited partnership unitholders, on the same basis as the unit exchange ratio made available to REIT unitholders; and (iii) the issuance of SmartREIT exchangeable special voting units to holders of the REIT's special voting units to the extent the REIT exchangeable special voting units remain outstanding.

REIT unitholders may elect to receive cash or units of SmartREIT in exchange for their REIT units. The amount of cash to be received by REIT unitholders who elect cash is $4.275 per REIT unit. Based on a SmartREIT unit reference price of between $30.51 and $32.73, the value of the units of SmartREIT to be received by REIT unitholders who elect units of SmartREIT would be $4.20 per REIT unit. The actual value received by Unitholders will reflect the trading price of the units of SmartREIT on the Toronto Stock Exchange at the time of closing. The actual number of SmartREIT units to be issued per REIT unit will be based upon an exchange ratio calculated by dividing $4.20 by a reference price. Such reference price will be based upon the SmartREIT unit price and calculated using the volume weighted average trading price of SmartREIT units on the Toronto Stock Exchange for the five trading days immediately preceding the date which is three Business Days prior to the Meeting, subject to a minimum of $30.51 and maximum of $32.73. The amount of cash and the number of SmartREIT units available to REIT unitholders are subject to proration. The consideration will be comprised of approximately $305 million of cash and approximately $75 million of SmartREIT units (valued as described above) to be issued under the Transaction.

Closing is subject to certain conditions, including approval by unitholders of the REIT, the TSX and the Ontario Superior Court of Justice (Commercial List). If such approvals are obtained and the other conditions to the completion of the Transaction are satisfied or waived, it is expected that the closing will be completed during the fall of 2017.

To be effective, the special resolution being considered at the meeting must be approved by at least 66 2/3% of the votes cast by the holders ("**Voting Unitholders**") of units ("**Units**") and special voting units ("**Special Voting Units**" and collectively with the Units, "**Voting Units**") of the REIT present in person or represented by proxy at the meeting as well as by a majority of the votes cast by Voting Unitholders excluding interested parties, related parties and their respective joint actors (collectively, "**Interested Parties**") in accordance with Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*. Please see the disclosure in the enclosed management information circular under the heading "Principal Legal Matters" for additional information about the interests of related parties.

After careful consideration, the members of the board of trustees of the REIT (the "Board") entitled to vote have unanimously determined that the Transaction is in the best interests of the REIT and fair to Voting Unitholders (including Voting Unitholders that are not Interested Parties). In making its determination, such Board members took into account, among other things, the points noted in the enclosed management information circular, the unanimous recommendation from the Special Committee of independent trustees, as well as fairness opinions prepared by National Bank Financial Inc. ("NBF") and TD Securities Inc. and the formal valuation prepared by NBF.

The formal 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 August 3, 2017, the fair market value per Unit is in the range of $4.00 to $4.65.

The fairness opinions concluded that, as of August 3, 2017, and based upon and subject to the scope of review, and subject to the analyses, assumptions, limitations, qualifications, and other matters described therein, the consideration to be received by the Unitholders is fair, from a

financial point of view, to the Unitholders, excluding certain interested unitholders as further described in the enclosed management information circular.

The members of the Board entitled to vote unanimously recommend that the Voting Unitholders vote FOR the special resolution approving the arrangement that will implement the transactions. The trustees and executive officers of the REIT, who collectively hold approximately 0.50% of the Voting Units, intend to vote their Voting Units FOR this special resolution. SmartREIT and Strathallen have also entered into support and voting agreements with certain Interested Parties who are Voting Unitholders and who are entitled to cast 25% of the votes attached to all Voting Units.

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

Your vote is important regardless of the number of Voting Units you own. Please carefully follow the instructions provided by your broker or other intermediary to vote your Voting Units at the meeting. If you are unable to attend the meeting in person or if you are not a registered holder of Voting Units, you must complete, sign and return the accompanying form of proxy or voting information form, as applicable, to AST Trust Company (Canada), P.O. Box 721, Agincourt, Ontario, M1S 0A1 (or to such address as may be specified in the voting information form). Proxies may also be faxed to AST Trust Company (Canada) at (416) 368-2502 or 1 (866) 781-3111 (toll free in North America). All proxies, whether delivered by mail, or by fax, must be deposited with AST Trust Company (Canada) prior to 5:00 p.m. (Toronto time) on September 21, 2017 (or if the meeting is adjourned or postponed, on the second last Business Day prior to the date of the adjourned or postponed meeting), or may be deposited with the Chair at the meeting.

The Transaction provides a choice of consideration. As Units are issued in book-entry only form, please contact your broker or other intermediary for instructions on how to make this choice. In order to make a valid election with respect to the consideration, you must follow your broker's or other intermediary's instructions as to the completion and timing of submission of your Letter of Transmittal and Election Form, which must be received by AST Trust Company (Canada) on or before 5:00 p.m. (Toronto time) on September 21, 2017. Please refer to the enclosed management information circular under the heading "*Procedure for the Delivery of Securities and Payment of Consideration - Available Elections and Procedure*" for additional information regarding the procedure for making an election.

Yours very truly,

"Hani Zayadi"

Hani Zayadi
Chair of the OneREIT Special Committee

ONEREIT
NOTICE OF SPECIAL MEETING OF UNITHOLDERS

A special meeting (the "**Meeting**") of the holders (the "**Voting Unitholders**") of units ("**Units**") and special voting units (the "**Special Voting Units**") of OneREIT (the "**REIT**") will be held at 10:00 a.m. (Toronto time) on September 25, 2017 at the offices of Fasken Martineau DuMoulin LLP, 333 Bay Street, Suite 2400, Toronto, Ontario M5H 2T6, for the following purposes:

(a) to consider, pursuant to an interim order of the Ontario Superior Court of Justice (Commercial List) granted on August 18, 2017 (the "**Interim Order**") and to vote on, with or without variation, a special resolution (the "**Special Resolution**"), the full text of which is set forth in Appendix "A" to the accompanying management information circular (the "**Circular**"), approving certain transactions, including a plan of arrangement (the "**Transaction**") under Section 182 of the *Business Corporations Act* (Ontario) (the "**OBCA**"), involving, among others, the REIT, Smart Real Estate Investment Trust ("**SmartREIT**"), 1606906 Ontario Inc. and Strathallen Acquisitions Inc. ("**Strathallen**"), all as more particularly described in the Circular; and

(b) to transact any such other business as may properly be brought before the Meeting or any adjournment or postponement thereof.

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

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

In accordance with the Interim Order, the close of business (Toronto time) on August 18, 2017 has been fixed as the record date for determining Voting Unitholders entitled to receive notice of, and to vote at, the Meeting or any adjournment or postponement thereof.

Accompanying this Notice of Meeting is the Circular, which contains details of the matters to be dealt with at the Meeting and a form of proxy or voting information form. The Circular and form of proxy may also be accessed on SEDAR at www.sedar.com.

Voting Unitholders that are unable to attend the Meeting in person or that are not registered holders of Voting Units are requested to complete, sign and return the accompanying form of proxy or voting information form, as applicable, for use at the Meeting to AST Trust Company (Canada), P.O. Box 721, Agincourt, Ontario, M1S 0A1 (or to such address as may be specified in the voting information form). Proxy forms may also be faxed to AST Trust Company (Canada) at (416) 368-2502 or 1 (866) 781-3111 (toll free in North America). All proxy forms, whether delivered by mail, or by fax, must be deposited with AST Trust Company (Canada) prior to 5:00 p.m. (Toronto time) on September 21, 2017 (or if the Meeting is adjourned or postponed, on the second last Business Day prior to the date of the adjourned or postponed Meeting), or may be deposited with the Chair at the Meeting.

The Transaction provides a choice of consideration and holders of Units may elect to receive cash consideration or units of SmartREIT, subject to proration. Such elections must be validly made prior to 5:00 p.m. (Toronto time) on September 21, 2017. Please refer to the Circular under the heading "*Procedure for the Delivery of Securities and Payment of Consideration - Available Elections and Procedure*" for additional information regarding the procedure for making an election.

Pursuant to the Interim Order, registered holders of Units are entitled to dissent in respect of the Special Resolution and, if the Transaction becomes effective, to be paid the fair value of their Units in accordance with the provisions of Section 185 of the OBCA, as modified or supplemented by the Interim Order and the Plan of Arrangement. This right is described in detail in the accompanying Circular under the heading "Dissent Rights". Failure to comply strictly with the dissent procedures described in the Circular may result in the loss of any right of dissent. Beneficial owners of Units registered in the name of a broker, investment dealer, bank, trust company, nominee or other intermediary who wish to dissent should be aware that only registered holders of Units are entitled to dissent. Accordingly, a beneficial owner of Units who desires to exercise rights of dissent must make arrangements for the registered holder of such Units to dissent on the holder's behalf.

In this Notice of Meeting, "**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 Toronto, Ontario.

DATED at the City of Toronto, Ontario, this 23rd day of August, 2017.

BY ORDER OF THE BOARD OF TRUSTEES

"Richard Michaeloff"
Richard Michaeloff
Trustee, President and Chief Executive Officer

TABLE OF CONTENTS

GLOSSARY OF TERMS

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

"**2008 Exchange Agreement**" means the exchange agreement dated July 8, 2008 among the REIT, ONR LP, GP Trustee, MRR Investors Limited Partnership No. 1, MRR Investors Limited Partnership No. 2, MRR Investors Limited Partnership No. 3, MRR Investors Limited Partnership No. 4, MRR Investors Limited Partnership No. 5 and MRR Investors Limited Partnership No. 6;

"**2008 Exchange Agreement Amendment**" means such documentation, in form and content satisfactory to each of SmartREIT and the parties to the 2008 Exchange Agreement, acting reasonably, to be entered into by such Persons to evidence the succession of SmartREIT as the successor pursuant to and in accordance with the terms of the 2008 Exchange Agreement and the release of the REIT from all covenants under the 2008 Exchange Agreement;

"**2011 Debenture Supplemental Indenture**" means a supplemental indenture or supplemental indentures, as applicable, in form and content satisfactory to each of the REIT, SmartREIT and BNY Trust Company, acting reasonably, to be entered into by the REIT, SmartREIT and BNY Trust Company to evidence the succession of SmartREIT as the successor pursuant to and in accordance with the terms of the 2011 Indenture and the release of the REIT from all covenants under the 2011 Indenture and the debentures issued thereunder;

"**2011 Debentures**" means the 5.45% convertible unsecured subordinated debentures due June 30, 2018 issued by the REIT pursuant to the 2011 Indenture originally in the aggregate principal amount of $40,000,000;

"**2011 Indenture**" means the trust indenture dated June 28, 2011 between the REIT and BNY Trust Company;

"**2013 Debenture Supplemental Indenture**" means a supplemental indenture or supplemental indentures, as applicable, in form and content satisfactory to each of the REIT, SmartREIT and BNY Trust Company, acting reasonably, to be entered into by the REIT, SmartREIT and BNY Trust Company to evidence the succession of SmartREIT as the successor pursuant to and in accordance with the terms of the 2013 Indenture and the release of the REIT from all covenants under the 2013 Indenture and the debentures issued thereunder;

"**2013 Debentures**" means the 5.50% convertible unsecured subordinated debentures due June 30, 2020 issued by the REIT pursuant to the 2013 Indenture originally in the aggregate principal amount of $36,250,000;

"**2013 Indenture**" means the trust indenture dated May 27, 2013 between the REIT and BNY Trust Company;

"**2013 Walmart/SmartCentres Acquisition**" has the meaning set out in "*General Proxy Matters – Authorized Capital and Principal Holders – Special Voting Units*";

"**2014 Exchange Agreement**" means the amended and restated exchange agreement dated September 16, 2014 among the REIT, ONR LP, ONR LP I, GP Trustee and The SmartCentres Realty-CWT Partnership;

"**2014 Exchange Agreement Amendment**" means such documentation, in form and content satisfactory to each of SmartREIT and the parties to the 2014 Exchange Agreement, acting reasonably, to be entered into by such Persons to evidence the succession of SmartREIT as the successor pursuant to and in accordance with the terms of the 2014 Exchange Agreement and the release of the REIT from all covenants under the 2014 Exchange Agreement;

"**Acceptable Confidentiality Agreement**" means an executed confidentiality agreement on terms that, taken as a whole, are not materially less restrictive to the other party than those contained in the SmartREIT Confidentiality Agreement or the Strathallen Confidentiality Agreement, as applicable;

"**Acquisition Proposal**" means, other than the transactions contemplated by the Arrangement Agreement and the Strathallen Purchase Agreement, any offer, proposal, inquiry or expression of interest (written or oral) from any Person or group of Persons other than SmartREIT (or any affiliate of SmartREIT or any Person acting jointly or in concert with SmartREIT or any affiliate of SmartREIT) or Strathallen (or any affiliate of Strathallen or any Person acting jointly or in concert with Strathallen or any affiliate of Strathallen) after the date of the Arrangement Agreement relating to, in each case whether in a single transaction or a series of related transactions: (i) any sale, disposition or joint venture (or any lease, license or other arrangement having the same economic effect as a sale), direct or indirect, of assets representing 20% or more of the consolidated assets, or contributing 20% or more of the consolidated revenue or gross operating profit, of the REIT or of or involving 20% or more of the voting or equity securities of the REIT or any of its Subsidiaries (or rights or interests in such voting or equity securities) whose assets, individually or in the aggregate, represent 20% or more of the consolidated assets or contribute 20% or more of the consolidated revenue or gross operating profit of the REIT, (ii) any take-over bid, exchange offer, treasury issuance or other transaction that, if consummated, would result in such person or group of persons directly or indirectly beneficially owning 20% or more of any class of voting or equity securities of the REIT or any of its Subsidiaries whose assets, individually or in the aggregate, represent 20% or more of the consolidated assets or contribute 20% or more of the consolidated revenue or gross operating profit of the REIT, (iii) 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, or (iv) 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, consolidated revenue and gross operating profit will be determined based upon the most recently publicly available consolidated financial statements of the REIT);

"**Actual Cash Consideration**" has the meaning set out in "*The Arrangement – Treatment of REIT Securityholders – Unitholders*";

"**Advance Ruling Certificate**" means an advance ruling certificate issued under subsection 102(1) of the Competition Act in respect of the transactions contemplated by the Arrangement Agreement and the Strathallen Purchase Agreement;

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

"**AIF**" means the annual information form of the REIT dated March 29, 2017 (including the documents incorporated by reference therein) for the financial year ended December 31, 2016;

"**Amalco**" means the corporation formed upon the amalgamation of GP Trustee and SmartREIT Sub pursuant to the Arrangement;

"**Arrangement**" means an arrangement under Section 182 of the OBCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations to the Plan of Arrangement made in accordance with the terms of the Arrangement Agreement or the Plan of Arrangement or made at the direction of the Court in the Final Order with the prior written consent of the REIT, SmartREIT and Strathallen, each acting reasonably;

"**Arrangement Agreement**" means the arrangement agreement dated August 4, 2017, by and among the REIT, SmartREIT and 1606906 Ontario Inc., including all schedules annexed thereto, as amended and restated, and as it may be further amended and restated, supplemented or otherwise modified from time to time in accordance with the terms thereof;

"**Arrangement Agreement Reference Price**" means $31.62;

"**Articles of Arrangement**" means the articles of arrangement in respect of the Arrangement required by the OBCA to be sent to the Director after the Final Order is made;

"**Beneficial Unitholder**" has the meaning set out in "*General Proxy Matters – Record Date*";

"**BFSI**" means Broadridge Financial Solutions, Inc.;

"**Board**" means the board of trustees of the REIT as constituted from time to time;

"**Board Recommendation**" means the statement in the Circular that the Board (excluding any members thereof who are conflicted) has unanimously determined that the Special Resolution is in the best interests of the REIT and the Arrangement is fair to Voting Unitholders and unanimously recommends that Voting Unitholders vote their Voting Units for the Special Resolution;

"**Book Entry System**" means the book-entry-only issue system in CDS where the issue is registered in CDS' nominee name (CDS & Co.) on the register of the issuer and is deposited with CDS for the life of the issue;

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

"**Business Day**" means any day of the year, other than a Saturday, Sunday or any day on which major banks are closed for business in Toronto, Ontario;

"**Canada-U.S. Tax Convention**" means the Canada-United States Convention with Respect to Taxes on Income and Capital (1980), as amended;

"**Capital Gains Refund**" has the meaning set out in "*Certain Material Canadian Federal Income Tax Considerations – Residents of Canada – Holding and Disposing of SmartREIT Units received pursuant to the Plan of Arrangement – Taxation of SmartREIT*";

"**Cash Consideration**" has the meaning set out in "*The Arrangement – Treatment of REIT Securityholders – Unitholders*";

"**Cash Electing Unitholder**" means a Pro Forma Unitholder who elects or who is deemed to have elected to receive Cash Consideration in exchange for such Pro Forma Unitholder's Pro Forma Units pursuant and subject to the Plan of Arrangement;

"**Cash Redemption**" has the meaning set out in "*Certain Material Canadian Federal Income Tax Considerations*";

"**Cash Shortfall**" has the meaning set out in "*Procedure for the Delivery of Securities and Payment of Consideration – Proration*";

"**CCA**" has the meaning set out in *"Certain Material Canadian Federal Income Tax Considerations – Taxation of the REIT and the Vendor – Strathallen Sale Transaction*";

"**CDS**" means CDS Clearing and Depository Services Inc.;

"**Certificate of Arrangement**" means the certificate of arrangement to be issued by the Director pursuant to subsection 183 of the OBCA in respect of the Articles of Arrangement;

"**Change in Recommendation**" means if, prior to the Voting Unitholders approving the Special Resolution, the Board: (A) fails to recommend or withdraws, amends, modifies or qualifies, or publicly proposes or states an intention to withdraw, amend, modify or qualify, the Board Recommendation in a manner adverse to SmartREIT or Strathallen; (B) accepts, approves, endorses or recommends, or publicly proposes to accept, approve, endorse or recommend any Acquisition Proposal or takes no position or remains neutral with respect to a publicly announced, or otherwise publicly disclosed, Acquisition Proposal for more than five Business Days (or in the event that the Meeting is scheduled to occur within such five Business Day period, prior to the third Business Day prior to the date of the Meeting); (C) accepts or enters into (other than a confidentiality agreement permitted by and in accordance with the Arrangement Agreement) or publicly proposes or accepts or enters into any agreement, commitment or arrangement in respect of an Acquisition Proposal; (D) fails to publicly reaffirm the Board Recommendation within five Business Days after having been requested in writing by SmartREIT to do so following the public announcement of an Acquisition Proposal (or in the event that the Meeting is scheduled to occur within such five Business Day period, prior to the third Business Day prior to the date of the Meeting); or (E) the Board or a committee thereof resolves to take any of the foregoing actions;

"**Circular**" means this management information circular dated August 23, 2017, together with all appendices hereto and documents incorporated herein by reference, distributed by the REIT in connection with the Meeting, as amended, supplemented or otherwise modified from time to time;

"**Class B LP Units**" means, collectively, the ONR Class B LP Units and the ONR I Class B LP Units, and a "**Class B LP Unit**" means any one of them;

"**Class C LP Unit**" means a Class C limited partnership unit of ONR LP I;

"**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;

"**Competition Act**" means the Competition Act (Canada), as amended, and includes the regulations thereunder;

"**Competition Act Approval**" means (i) the issuance to SmartREIT and Strathallen of an Advance Ruling Certificate; (ii) SmartREIT and Strathallen receiving a No-Action Letter and, if applicable, the obligation to provide a pre-merger notification in accordance with Part IX of the Competition Act has been waived in accordance with Paragraph 113(c) of the Competition Act; or (iii) at the election of SmartREIT and Strathallen, the expiry or termination of the waiting period, including any extension of such waiting period, under section 123 of the Competition Act;

"**Consideration**" means, collectively, the Cash Consideration and Non-Cash Consideration;

"**Contract**" means any legally binding agreement, commitment, engagement, contract, licence, obligation or undertaking (including any pertaining to the Convertible Securities or the Strathallen Sale Transaction) 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, excluding all Contracts to be assigned to a third party in accordance with the Strathallen Sale Transaction;

"**Conversion Price**" has the meaning set out in "*The Arrangement – Treatment of REIT Securityholders – Debentureholders*";

"**Convertible Securities**" means securities of the REIT or a REIT Subsidiary that are convertible into or exchangeable, redeemable or exercisable for Units, including the Debentures, the Class B LP Units and the Deferred Units;

"**Court**" means the Ontario Superior Court of Justice (Commercial List);

"**CRA**" means the Canada Revenue Agency;

"**Crown**" means her Majesty the Queen in Right of Canada;

"**D&O Insurance**" means trustees', directors' and officers' liability insurance;

"**Data Room**" means the material contained in the virtual data room established on behalf of the REIT as at 11:59 p.m. on August 2, 2017;

"**Debentures**" means, collectively, the 2011 Debentures and the 2013 Debentures;

"**Debenture Exchange Ratio**" means $4.26 divided by the Reference Price;

"**Declaration of Trust**" means the Seventh Amended and Restated Declaration of Trust of the REIT dated as of October 2, 2014, as amended on June 16, 2015 and as further amended from time to time, which is governed by the laws of the Province of Ontario;

"**Deferred Unit Plan**" means the REIT's deferred unit plan established as of January 1, 2013.

"**Deferred Units**" means the deferred units issued under and subject to the Deferred Unit Plan.

"**Depositary**" means AST Trust Company (Canada), in its capacity as depositary for the Arrangement, or such other Person that may be appointed by the REIT and SmartREIT to act as depositary for the Arrangement;

"**Director**" means the Director appointed pursuant to Section 278 of the OBCA;

"**Dissent Amount**" means $4.275 multiplied by the number of Dissenting Units, if any;

"**Dissent Rights**" means the right of a registered Unitholder in accordance with the Interim Order and the Plan of Arrangement, to dissent to the Special Resolution and to be entitled to be paid the fair value of Units in respect of which the Unitholder dissents;

"**Dissenting Unitholders**" means registered holders of Units who validly exercise the Dissent Rights and whose Dissent Rights remain valid immediately prior to the Effective Time;

"**Dissenting Units**" means the Units held by Dissenting Unitholders in respect of which Dissent Rights have been and remain validly exercised at the Effective Time;

"**DRS Advices**" means Direct Registration System advice statements;

"**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;

"**Elected Cash**" has the meaning set out in "*Procedure for the Delivery of Securities and Payment of Consideration – Proration*";

"**Elected Pro Forma Units**" means the Pro Forma Units in respect of which a Unitholder and/or LP Unitholder, as applicable, has not elected to receive the Cash Consideration;

"**Election**" has the meaning set out in "*Procedure for the Delivery of Securities and Payment of Consideration – Letter of Transmittal and Election Form*";

"**Election Deadline**" has the meaning set out in "*Procedure for the Delivery of Securities and Payment of Consideration – Letter of Transmittal and Election Form*";

"**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). Members of these programs are usually members of a recognized stock exchange in Canada or the United States, members of the Financial Industry Regulatory Authority or banks and trust companies in the United States;

"**Encumbrance**" includes any hypothec, mortgage, pledge, assignment, charge, lien, claim, security interest, adverse interest, adverse claim, other third person interest or encumbrance of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by Laws, contract or otherwise) capable of becoming any of the foregoing;

"**Exchange Agreements**" means the 2008 Exchange Agreement, as amended by the 2008 Exchange Agreement Amendment and the 2014 Exchange Agreement, as amended by the 2014 Exchange Agreement Amendment, and "**Exchange Agreement**" means any one of them;

"**Exchange Ratio**" means $4.20 divided by the Reference Price;

"**Exchange Ratio Reference Price**" means the volume weighted average trading price per SmartREIT Unit of the SmartREIT Units on the TSX for the five trading days immediately preceding the date which is three Business Days prior to the Meeting (being September 13, 14, 15, 18 and 19 assuming a Meeting on September 25);

"**Exchangeable Securities**" are securities of any trust, limited partnership or corporation other than the REIT that are convertible or exchangeable directly for Units without the payment of additional consideration therefor;

"**Existing Mortgages**" means the existing credit agreements, commitment letters, hypothecs, trust indentures, mortgages and operating line facilities and related security documents disclosed in the Data Room, and "**Existing Mortgage**" means any one of them;

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

"**Final Order**" means the final order of the Court in a form acceptable to the REIT and SmartREIT, each acting reasonably, approving the Arrangement pursuant to Section 182 of the OBCA, as such order may be amended, modified, supplemented or varied by the Court (with the consent of the REIT and SmartREIT, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended, modified, supplemented or varied (provided that any such amendment is acceptable to the REIT, and SmartREIT, each acting reasonably) on appeal;

"**Financial Statements**" means the REIT's audited consolidated financial statements as at and for the fiscal years ended December 31, 2016 and 2015 and its interim consolidated financial statements as at and for the quarter ended March 31, 2017;

"**Governmental Entity**" means (i) 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, (ii) any subdivision, agent or authority of any of the above, (iii) 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 (iv) any stock exchange;

"**GP Trustee**" means 1606906 Ontario Inc., a corporation existing under the laws of the Province of Ontario;

"**IFRS**" means International Financial Reporting Standards issued by the International Financial Reporting Standards Foundation and the International Accounting Standards Board, and as adopted by Chartered Professional Accountants of Canada, as amended from time to time;

"**interested party**" has the meaning set out in MI 61-101;

"**Interested Unitholders**" means Mitchell Goldhar and entities which are under the control or direction of Mitchell Goldhar;

"**Interim Order**" means the interim order of the Court in a form acceptable to the REIT and SmartREIT, 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 and SmartREIT, each acting reasonably);

"**Investment Canada Act**" means the *Investment Canada Act* (Canada);

"**joint actor**" has the meaning set out in MI 61-101;

"**Lands**" means the lands and premises legally described in Schedule E to the Arrangement Agreement, together with all easements, rights-of-way and other rights appurtenant thereto;

"**Laws**" 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, in each case having the force of law and that is binding upon or applicable to such Person or its business, undertaking, property or securities;

"**Leases**" means all executed offers to lease, agreements to lease, leases, renewals of leases, tenancy agreements, rights of occupation, licenses, parking or storage space leases, or other occupancy agreements granted by or on behalf of the REIT or its Subsidiaries, or its predecessors in title, to possess or occupy space within any of the Properties or any part thereof in existence as of August 4, 2017 in respect of the Strathallen Properties, and June 2, 2017 in respect of the Properties to be purchased by SmartREIT (and which remain in existence as of the Effective Date), together with all security, guarantees and indemnities of any Tenant's obligations thereunder, in each case, as amended, extended, assigned, renewed, supplemented or otherwise modified to the Effective Date; and "**Lease**" means any one of the Leases;

"**Letter of Transmittal and Election Form**" means the letter of transmittal and election form accompanying the Circular sent to Voting Unitholders and LP 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;

"**LP Unitholders**" means the holders from time to time of the Class B LP Units;

"**LTIP**" means the REIT's long-term incentive plan established as of March 22, 2004 and amended and restated on June 19, 2007;

"**LTIP Units**" means the Units issued under and subject to the LTIP;

"**Matching Period**" has the meaning set out in "*The Arrangement Agreement – Summary of the Arrangement Agreement – Non-Solicitation Covenants – SmartREIT's Right to Match*";

"**Material Adverse Effect**" means, when used in connection with (A) a Person, any change, effect, event, circumstance, fact or occurrence that, individually or in the aggregate with any other changes, effects, events, circumstances, facts or occurrences, has a material adverse effect on the condition (financial or otherwise), business, properties, assets, liabilities (including contingent liabilities) or results of operations (financial or otherwise) of such Person and its Subsidiaries, taken as a whole, or (B) the Properties, any change, effect, event, circumstance, fact or occurrence that, individually or in the aggregate with any other changes, effects, events, circumstances, facts or occurrences, has a material adverse effect on the condition of the Properties taken as a whole, provided, however, in the case of both (A) and (B) above, 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:

(a) any change, effect, event, circumstance, fact or occurrence affecting the Canadian real estate industry in general;

(b) 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);

(c) any change, effect, event, circumstance, fact or occurrence in currency exchange, interest or inflation rates or in general economic, business, regulatory, political or market conditions or in national or global financial or capital markets;

(d) any adoption, proposal, implementation or change in Law or any interpretation of Law by any Governmental Entity;

(e) any change in IFRS (or comparable applicable national accounting standards) or the implementation or interpretation thereof;

(f) any hurricane, flood, tornado, earthquake or other natural or man-made disaster;

(g) in the case of the REIT or the Properties, as applicable:

(i) any matter that has been disclosed in the REIT Disclosure Letter;

(ii) 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 SmartREIT or taken with the SmartREIT's consent;

(iii) any action required to be taken or omitted to be taken pursuant to the Strathallen Purchase Agreement or taken (or omitted to be taken) in relation to the Strathallen Properties at the request of Strathallen or taken with Strathallen's consent; or

(iv) any action taken (or omitted to be taken) by SmartREIT or Strathallen, as applicable, or any of their respective affiliates or Representatives;

(h) in the case of SmartREIT:

(i) any action required to be taken or omitted pursuant to the Arrangement Agreement or taken (or omitted to be taken) at the request of the REIT or taken with the REIT's consent; or

(ii) any actions taken (or omitted to be taken) by the REIT or any of its affiliates or Representatives;

(i) the negotiation, execution, announcement or performance of the Arrangement Agreement or consummation of the Arrangement, including any change related to the identity of SmartREIT, 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 (for greater certainty, except to the extent such loss, or threatened loss of, or adverse change, or threatened adverse change, would constitute a breach of any representation, warranty, or covenant set out in the Arrangement Agreement in any material respect);

(j) any change in the market price or trading volume of any securities of the Person (it being understood that any cause underlying such change in market price (other than any change, event, occurrence, or effect described in clauses (a) through (i) and clauses (k) through (l)) may be taken into account in determining whether a Material Adverse Effect has occurred);

(k) the failure of the Person or its Subsidiaries or the Properties, as applicable, to meet any internal or public projections, forecasts, guidance or estimates of, including revenues or earnings (it being understood that any cause underlying such failure (other than any change, event, occurrence, or effect described in clauses (a) through (j) and clauses (l) and (m)) may be taken into account in determining whether a Material Adverse Effect has occurred);

(l) any change in the credit ratings of the Person or any of its Subsidiaries (it being understood that any cause underlying such change (other than any change, event, occurrence, or effect described in clauses (a) through (k) and clause (m)) may be taken into account in determining whether a Material Adverse Effect has occurred); or

(m) the availability or cost of equity, debt or other financing to SmartREIT;

provided, however, that: (A) with respect to clauses (a) through (f), such matter does not relate only to or have a materially disproportionate effect on the condition (financial or otherwise), business, properties, assets, liabilities (including contingent liabilities) or operations (financial or otherwise) of the Person and its Subsidiaries, taken as a whole, relative to other companies and entities in the industries in which the Person or its Subsidiaries operate that are of a similar size to the Person and its Subsidiaries, taken as a whole; 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;

"**Meeting**" means the special meeting of Voting Unitholders to be held at 10:00 a.m. (Toronto time) on September 25, 2017, to consider, among other matters, the Special Resolution, including any adjournment or postponement thereof;

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

"**Minimum Voting Entitlement**" has the meaning set out in "*General Proxy Matters – Authorized Capital and Principal Holders – Special Voting Units*";

"**minority approval**" has the meaning set out in MI 61-101;

"**Mutual Fund Withholding Tax**" has the meaning set out in "*Certain Material Canadian Federal Income Tax Considerations – Non-Residents of Canada – Cash Redemption and Dissent – Distribution Paid on Redemption of a Unit for Cash Consideration and to Dissenting Unitholders*";

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

"**NBF Fairness Opinion**" has the meaning set out in "*Background to the Transaction – NBF Fairness Opinion and Valuation*;

"**NBF Fairness Opinion and Valuation**" means, collectively, the NBF Fairness Opinion and the Valuation;

"**New Conversion Price**" means the "Conversion Price" as determined with respect to each of the 2011 Debentures and 2013 Debentures immediately prior to the Effective Date divided by the Debenture Exchange Ratio;

"**No-Action Letter**" means one or more written letters from the Commissioner advising that he does not, at such time, intend to make an application under Section 92 of the Competition Act in respect of the transactions contemplated by the Arrangement Agreement and the Strathallen Purchase Agreement;

"**Non-Cash Consideration**" has the meaning set out in "*The Arrangement – Treatment of REIT Securityholders – Unitholders*";

"**Non-Resident Holder**" has the meaning set out in "*Certain Material Canadian Federal Income Tax Considerations – Non-Residents of Canada*";

"**Notice of Meeting**" means the notice of special meeting of Voting Unitholders dated August 23, 2017 and delivered to Voting Unitholders with this Circular;

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

"**ONR Class B LP Units**" means the Class B limited partnership units of ONR LP;

"**ONR I Class B LP Units**" means the Class B limited partnership units of ONR LP I;

"**ONR LP**" means ONR Limited Partnership;

"**ONR LP I**" means ONR Limited Partnership I;

"**Outside Date**" means December 31, 2017;

"**Partnership Agreements**" means the limited partnership agreement of ONR LP and of ONR LP I;

"**Payment Special Voting Units**" has the meaning set out in "*The Arrangement – Arrangement Mechanics*";

"**Payment Units**" has the meaning set out in "*The Arrangement – Arrangement Mechanics*";

"**Permitted Liens**" means, as of any particular time, any one or more of the following Liens in respect of any Property or personal property of the REIT or a Subsidiary of the REIT, as applicable:

(a) any subsisting restrictions, exceptions, reservations, limitations, provisos and conditions (including royalties, reservation of mines, mineral rights and timber rights, access to navigable waters and similar rights) expressed in any original grants from the Crown and any limitations, exceptions, reservations and qualifications to title, in each case which are statutory and except for those exceptions and qualifications excluded in paragraph (d) below;

(b) any registered restrictions or covenants that run with the land which do not materially impair the current use, operation or marketability of such Property;

(c) any unregistered easements regarding the provision of utilities to any Property which do not materially impair the current use, operation or marketability of such Property;

(d) the exceptions and qualifications contained in Section 44(1) of the Land Titles Act (other than paragraphs 1, 2, 3, 4, 5 6 11, 12 and 14) or similar exceptions and qualifications contained in similar legislation in which province such Property is located;

(e) unregistered or inchoate Liens of contractors, subcontractors, mechanics, workers, suppliers, materialmen, warehousemen, carriers and other similar liens arising in the

ordinary course of business that relate to obligations that are not due and payable or that are being contested in good faith, a claim for which will not at the time have been registered against the Property and notice of which in writing will not at the time been given to the REIT or any Subsidiary pursuant to the applicable provincial construction or builder's lien registration;

(f) Liens arising out of any judgment rendered or claim filed against the REIT or any of its Subsidiaries which is being contested such party in good faith and which relate to obligations shown in the Financial Statements delivered to SmartREIT and for which reserves have been established by the REIT;

(g) unregistered or inchoate Liens for Taxes which are not yet due or payable or that are being contested in good faith;

(h) security given to a public utility or any municipality or governmental or other public authority when required by the operations of any Property in the ordinary course of business; permits, reservations, covenants, servitudes, watercourse, rights of water, rights of access or user licenses, easements, rights-of-way and rights in the nature of easements (including, licenses, easements, rights-of-way and rights in the nature of easements for railways, sidewalks, public ways, sewers, drains, gas and oil pipelines, steam and water mains or electric light and power, or telephone and telegraph conduits, poles, wires and cables) in favour of any Governmental Entity or utility company in connection with the development, servicing, use or operation of any Property that do not materially and adversely affect the value or the present use of such Property;

(i) any encroachments, title defects or irregularities which do not in the aggregate materially and adversely affect the value or the present use of such Property;

(j) any matters disclosed by a survey (or certificate of location) of any Property provided such matters do not in the aggregate materially and adversely affect the value or the present use of such Property;

(k) registered (or disclosed in the Data Room) development agreements, subdivision agreements, site plan control agreements, servicing agreements and other similar agreements with any Governmental Entity or utility company affecting the development, servicing, use or operation of any Property that do not materially and adversely affect the value or the present use of such Property, in each case, provided same are being complied with;

(l) registered cost sharing, servicing, reciprocal or other similar agreements relating to the use and/or operation of the Property and to obligations shown in the REIT's financial information and for which reserves have been established by the REIT, in each case, provided same are being complied with;

(m) except for those exceptions and qualifications excluded in paragraph (d) above, the right reserved to or vested in any Governmental Entity by any statutory provision;

(n) municipal zoning, land use and building restrictions, by-laws, regulations and ordinances of federal, provincial, municipal or other Governmental Entities, including municipal by-laws and regulations, airport zoning regulations, restrictive covenants and other land use limitations, (public or private) by-laws and regulations and other restrictions as to the use of such Property;

(o) any registered liens together with any certificate of action registered in respect thereof relating to work done by or for the benefit of a Tenant of such Property (a "**Tenant Lien**") so long as the REIT or any REIT Subsidiary, as applicable, has not assumed responsibility for such Tenant Lien and the REIT or any Subsidiary, as applicable, is taking all reasonable steps and proceedings to cause any such Tenant Lien to be discharged or vacated from such Property;

(p) the Existing Mortgages and related security;

(q) security interests under Contracts granted in connection with the leasing or financing of personal property and similar transactions (including renewals of existing leases of personal property) in the ordinary course of business to secure rentals or the unpaid purchase price or lease cost of such personal property provided that any such lease is secured only by the personal property leased therein;

(r) the Leases, charges of Leases and all new leases and renewals, extensions, modifications, restatements and replacements thereof entered into subsequent to the date of the Arrangement Agreement in compliance with the terms of the Arrangement Agreement and any options or rights in favour of a Tenant or other third party contained therein;

(s) servicing agreements and contracts for services to such Property entered into in the ordinary course of business on arm's length terms and conditions; and

(t) any instrument, easement, charge, caveat, lease, agreement or other document registered or recorded against title to such Property on or prior to August 2, 2017;

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

"**Plan of Arrangement**" means the plan of arrangement, substantially in the form of Appendix "D" hereto, and any amendments or variations thereto made in accordance with the plan of arrangement or upon the direction of the Court in the Final Order with the prior written consent of the REIT and SmartREIT, each acting reasonably;

"**Pro Forma Unit**" means a Unit or the Unit that would be issued if the exchange right attaching to a Class B LP Unit was being exercised;

"**Pro Forma Unitholders**" means the holders from time to time of the Units and the Persons who would be the holders of Units if the exchange right attaching to the Class B LP Units was being exercised;

"**Properties**" means all of the Lands, Buildings and Tangible Personal Property;

"**QE Redemption**" has the meaning set out in "*The Arrangement – Arrangement Mechanics*";

"**QE SVU Redemption**" has the meaning set out in "*The Arrangement – Arrangement Mechanics*";

"**QE Transactions**" means the transactions to be consummated pursuant to Sections 2.4(s), 2.4(t) and 2.4(u) of the Plan of Arrangement;

"**Recapture Income**" has the meaning set out in "*Certain Material Canadian Federal Income Tax Considerations – Taxation of the REIT and the Vendor – Strathallen Sale Transaction*";

"**Record Date**" means the record date to determine the entitlement of Voting Unitholders to receive notice of, and to vote at, the Meeting or any adjournment or postponement thereof, being the close of business (Toronto time) on August 18, 2017;

"**Reference Price**" means:

(i) if the Exchange Ratio Reference Price is greater than 103.5% of the Arrangement Agreement Reference Price, 103.5% of the Arrangement Agreement Reference Price;

(ii) if the Exchange Ratio Reference Price is less than 96.5% of the Arrangement Agreement Reference Price, 96.5% of the Arrangement Agreement Reference Price; and

(iii) if the Exchange Ratio Reference Price is 96.5% of the Arrangement Agreement Reference Price or greater but not greater than 103.5% of the Arrangement Agreement Reference Price, the Exchange Ratio Reference Price;

"**Registered Plans**" means trusts governed by RRSPs, RRIFs, TFSAs, deferred profit sharing plans, RESPs and RDSPs under the Tax Act;

"**Registered Unitholder**" has the meaning set out in "*General Proxy Matters – Record Date*";

"**REIT**" means OneREIT, an unincorporated open-ended real estate investment trust created by the Declaration of Trust and governed by the Laws of the Province of Ontario;

"**REIT Disclosure Letter**" means the disclosure letter dated the date of the Arrangement Agreement and delivered by the REIT to SmartREIT with the Arrangement Agreement;

"**REIT Exception**" has the meaning set out in "*Certain Material Canadian Federal Income Tax Considerations – Residents of Canada – Holding and Disposing of SmartREIT Units received*

pursuant to the Plan of Arrangement – Qualification of SmartREIT as a "Real Estate Investment Trust"";

"**REIT Remaining Assets**" has the meaning set out in "*Summary – Description of the Transaction*";

"**REIT Subsidiaries**" means the Subsidiaries of the REIT, and "**REIT Subsidiary**" means any one of the REIT Subsidiaries;

"**related party**" has the meaning set out in MI 61-101;

"**Remaining SmartREIT Units**" has the meaning set out in "*The Arrangement – Arrangement Mechanics*";

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

"**Resident Holder**" had the meaning set out in "*Certain Material Canadian Federal Income Tax Considerations – Residents of Canada*";

"**RDSPs**" means registered disability savings plans;

"**RESPs**" means registered education savings plans;

"**RRIFs**" means registered retirement income funds;

"**RRSPs**" means registered retirement savings plans;

"**SC/MRR Group**" has the meaning set out in "*General Proxy Matters – Authorized Capital and Principal Holders – Special Voting Units*";

"**Securityholders**" mean holders of Voting Units and Convertible Securities;

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

"**SIFT**" has the meaning set out in "*Certain Material Canadian Federal Income Tax Considerations – Residents of Canada – Holding and Disposing of SmartREIT Units received pursuant to the Plan of Arrangement – Qualification of SmartREIT as a "Real Estate Investment Trust"*";

"**SIFT Rules**" has the meaning set out in "*Certain Material Canadian Federal Income Tax Considerations – Residents of Canada – Holding and Disposing of SmartREIT Units received pursuant to the Plan of Arrangement – Qualification of SmartREIT as a "Real Estate Investment Trust"*";

"**SmartCentres 2008 Transaction**" has the meaning set out in "*General Proxy Matters – Authorized Capital and Principal Holders – Special Voting Units*";

"**SmartCentres Partnership**" has the meaning set out in "*General Proxy Matters – Authorized Capital and Principal Holders – Special Voting Units*";

"**SmartREIT**" means Smart Real Estate Investment Trust, a trust organized under the laws of the Province of Alberta;

"**SmartREIT Confidentiality Agreement**" means the confidentiality and standstill agreement dated as of May 12, 2016, and subsequently amended as of May 11, 2017 between SmartREIT and the REIT.

"**SmartREIT Declaration of Trust**" means the Eleventh Amended and Restated Declaration of Trust of SmartREIT dated as of May 11, 2017, and as further amended from time to time, which is governed by the laws of the Province of Alberta.

"**SmartREIT LP**" has the meaning set out in "*Certain Material Canadian Federal Income Tax Considerations – Residents of Canada – Holding and Disposing of SmartREIT Units received pursuant to the Plan of Arrangement – Taxation of Limited Partnerships in which SmartREIT holds an Interest*";

"**SmartREIT Special Voting Unit**" means a non-participating special voting unit of SmartREIT, other than a SmartREIT Unit, issued pursuant to and having the attributes described in the SmartREIT Declaration of Trust.

"**SmartREIT Sub**" means 2590529 Ontario Inc., a corporation existing under the laws of Ontario;

"**SmartREIT Termination Fee**" means $6,750,000, less any reimbursements made by the REIT to SmartREIT pursuant to the Arrangement Agreement;

"**SmartREIT Transaction**" has the meaning set out in "*OneREIT Management Information Circular – Introduction*";

"**SmartREIT Unit**" means a participating unit of SmartREIT issued pursuant to the SmartREIT Declaration of Trust and having the attributes described therein;

"**SmartREIT Unitholders**" means holders of SmartREIT Units;

"**Special Committee**" means the special committee of independent trustees of the REIT appointed by the Board in connection with the Transaction, comprised of Christopher J. Cann, Patrick J. Lavelle, Andrew Shapack, Robert Wolf and Hani Zayadi;

"**Special Resolution**" means the special resolution of the Voting Unitholders approving the Strathallen Sale Transaction and the Plan of Arrangement which is to be considered at the Meeting substantially in the form and content of Appendix "A" hereto;

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

"**Special Voting Unit Consideration**" means such number of SmartREIT Special Voting Units per Special Voting Unit that is equal to the Exchange Ratio;

"**Special Voting Unitholders**" has the meaning set out in "*OneREIT Management Information Circular – Introduction*";

"**Strathallen**" means Strathallen Acquisitions Inc., a corporation incorporated under the laws of the Province of Ontario;

"**Strathallen Confidentiality Agreement**" means the confidentiality and standstill agreement dated as of May 12, 2016, and subsequently amended as of May 11, 2017 between Strathallen and the REIT;

"**Strathallen Properties**" means the properties identified in the Strathallen Purchase Agreement to be sold by the Vendor to Strathallen or its assigns ;

"**Strathallen Purchase Agreement**" means the conditional purchase and sale agreement dated August 4, 2017 between ONR LP, ONR LP I, the REIT and Strathallen in respect of the purchase and sale of the Strathallen Properties;

"**Strathallen Purchase Price**" has the meaning set out in "*Strathallen Sale Transaction – Summary of the Strathallen Purchase Agreement – Purchase Price*";

"**Strathallen Sale Transaction**" has the meaning set out in "*OneREIT Management Information Circular – Introduction*";

"**Strathallen Termination Fee**" means $6,750,000, less any reimbursements made pursuant to the Strathallen Purchase Agreement;

"**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;

"**Superior Proposal**" means any bona fide written Acquisition Proposal made after the date of the Arrangement Agreement that was not obtained in breach of the Arrangement Agreement or the Strathallen Purchase Agreement and 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 (excluding any Class B LP Units to the extent such Acquisition Proposal contemplates that such securities will continue to be held by such holders) that:

(a) did not result from a breach of any agreement between any one or more of the persons making such Acquisition Proposal and its affiliates and the REIT;

(b) is not subject to any financing condition and in respect of which any required financing to complete such Acquisition Proposal has been demonstrated to be available to the satisfaction of the Board, acting in good faith (after receipt of advice from its financial advisors and its outside legal counsel);

(c) is, in the opinion of the Board (after consultation with outside legal counsel and financial advisers) reasonably capable of being completed without undue delay, taking into account all financial, legal, regulatory and other aspects of such proposal and the Person making such 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), would reasonably be expected to, if consummated in accordance with its terms (but without assuming away the risk of non-completion), result in a transaction which is more favourable, from a financial point of view, to Unitholders and holders of Class B LP Units and Class C LP Units (but only insofar as such units are exchangeable into Units) than the Arrangement (including the Strathallen Sale Transaction) (including any amendments to the terms and conditions of the Arrangement (including the Strathallen Sale Transaction) as proposed by Strathallen and SmartREIT, respectively, pursuant to the Arrangement Agreement and the Strathallen Purchase Agreement);

"**Superior Proposal Notice**" has the meaning set out in "*The Arrangement Agreement – Summary of the Arrangement Agreement – Non-Solicitation Covenants – SmartREIT's Right to Match*";

"**Support and Voting Agreements**" has the meaning set out in "*The Arrangement – Support and Voting Agreement*";

"**Tangible Personal Property**" means all machinery, equipment, tools, furniture, office equipment, computer hardware, supplies, spare parts, vehicles and other items of tangible personal property of every kind owned or leased by the REIT or any of its Subsidiaries or used in the Lands or Buildings or in their respective businesses (wherever located and whether or not carried on the books of REIT or a REIT Subsidiary) with the exclusion of such items owned, leased or used in connection with the Strathallen Properties, together with (i) all replacements thereof, additions and alterations thereto, and substitutions therefor, made between the date hereof and the Effective Time and (ii) any express or implied warranty by the manufacturers or sellers or lessors of any item or component part thereof and all maintenance records and other documents relating thereto;

"**Tax Act**" means the *Income Tax Act* (Canada);

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

"**Taxable Income**" means income (including net realized taxable capital gains) determined in accordance with the Tax Act (read without reference to paragraph 82(1)(b) and subsection 104(6));

"**Taxes**" means (i) 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, employee 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 (ii) 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 (i) above or this clause (ii).

"**TCP**" has the meaning set out in "*Certain Material Canadian Federal Income Tax Considerations – Non-Residents of Canada – Cash Redemption and Dissent – Distribution Paid on Redemption of a Unit for Cash Consideration and to Dissenting Unitholders*";

"**TCP Gains Balance**" has the meaning set out in "*Certain Material Canadian Federal Income Tax Consequences – Non-Residents of Canada – Cash Redemption and Dissent – Distribution Paid on Redemption of a Unit for Cash Consideration and to Dissenting Unitholders"*;

"**TD Fairness Opinion**" has the meaning set out in "*Background to the Transaction – TD Fairness Opinion*";

"**TD Securities**" means TD Securities Inc., financial advisor to the REIT;

"**Tenants**" means all persons having a right to occupy any rentable area of a Building pursuant to, or as permitted by, a Lease; and "**Tenant**" means any one of the Tenants;

"**TFSAs**" means tax-free savings accounts;

"**Transaction**" means, collectively, the Arrangement and the Strathallen Sale Transaction;

"**Transfer Agent**" means AST Trust Company (Canada) or such other person as may from time to time be appointed by the REIT as the registrar and transfer agent for the Units;

"**Trustee**" means a trustee of the REIT;

"**TSX**" means the Toronto Stock Exchange;

"**Unit**" means a participating unit of interest in the REIT issued pursuant to the Declaration of Trust and having the attributes described therein;

"**Unit Electing Unitholder**" means, as applicable, (a) a Unitholder who elects Non-Cash Consideration in exchange for one or more of such Unitholder's Units pursuant and subject to the Plan of Arrangement, and (b) an LP Unitholder who does not elect Cash Consideration in exchange for one or more of such LP Unitholder's Class B LP Units pursuant and subject to the Plan of Arrangement;

"**Unitholder Approval**" has the meaning set out in "*The Arrangement – Required Securityholder Approval*";

"**Unitholders**" has the meaning set out in "*OneREIT Management Information Circular – Introduction*";

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

"**U.S. Exchange Act**" means the United States *Securities Exchange Act of 1934* and the rules and regulations promulgated thereunder;

"**U.S. GAAP**" means U.S. generally accepted accounting principles, as amended from time to time;

"**U.S. Securities Act**" means the United States *Securities Act of 1933* and the rules and regulations promulgated thereunder;

"**Valuation**" has the meaning set out in "*Background to the Transaction – NBF Fairness Opinion and Valuation*";

"**Vendor**" means, collectively, ONR LP and ONR LP I;

"**VIF**" means voting instruction form;

"**Voting Unitholders**" means, collectively, the Unitholders and holders of Special Voting Units;

"**Voting Units**" means, collectively, the Units and the Special Voting Units; and

"**VWAP**" means as regards to any securities means the volume weighted average trading price of such securities on the TSX.

ONEREIT
MANAGEMENT INFORMATION CIRCULAR

Introduction

This management information circular (the "**Circular**") is furnished in connection with the solicitation of proxies by and on behalf of the management of OneREIT (the "**REIT**") for use at the special meeting (the "**Meeting**") of holders of units ("**Units**") and special voting units ("**Special Voting Units**") of the REIT to be held at the offices of Fasken Martineau DuMoulin LLP, 333 Bay Street, Suite 2400, Toronto, Ontario M5H 2T6 on September 25, 2017 at 10:00 a.m. (Toronto time) for the purposes set forth in the accompanying Notice of Meeting.

The holders of Units ("**Unitholders**") and holders of Special Voting Units ("**Special Voting Unitholders**") are collectively referred to in this Circular as "**Voting Unitholders**". The Units and Special Voting Units are collectively referred to in this Circular as "**Voting Units**".

At the Meeting, Voting Unitholders will be asked to consider and vote on a special resolution approving certain transactions, including a plan of arrangement under the *Business Corporations Act* (Ontario), involving, among others, the REIT, Smart Real Estate Investment Trust ("**SmartREIT**"), 1606906 Ontario Inc. and Strathallen Acquisitions Inc. ("**Strathallen**"). Pursuant to the Transaction,

- Strathallen or its assigns will purchase the 44 properties specified in Appendix "J" of the enclosed management information circular and assume related property debt and liabilities from subsidiaries of the REIT for a purchase price of $703.5 million, plus certain capital expenditures, receivables, leasing costs and commissions relating to such properties and subject to adjustments (the "**Strathallen Sale Transaction**"), and

- SmartREIT will purchase the balance of the REIT's assets, including the REIT's subsidiary limited partnerships that directly or indirectly own the REIT's interest in a portfolio of 12 properties specified in Appendix "J" of this Circular, residual working capital and certain intellectual property, and will assume the REIT's residual liabilities (the "**SmartREIT Transaction**").

The purchase price for the Strathallen Sale Transaction will be satisfied by the payment by Strathallen and its assigns in cash of approximately $319 million and by the assumption by Strathallen and its assigns of the debt related to the Strathallen Properties. The purchase price for the SmartREIT Transaction will be satisfied by way of: (i) the assumption by SmartREIT of the REIT's residual liabilities, including convertible debentures and certain net working capital items of the REIT together with the effective assumption of the remaining property-related debt of the REIT's limited partnerships; (ii) the issuance of approximately $75 million in SmartREIT units to the REIT, which will transfer such units to those of its unitholders who elect to receive SmartREIT units based on an exchange ratio described in greater detail below after taking into account SmartREIT Units reserved for purposes of assuming the REIT's exchange obligation to issue units to the holders of Class B LP Units, on the same basis as the unit exchange ratio made available to REIT unitholders; and (iii) the issuance of SmartREIT exchangeable special voting

units to holders of the REIT's special voting units to the extent the REIT exchangeable special voting units remain outstanding.

Unitholders may elect to receive cash or SmartREIT Units in exchange for their Units. Unitholders who fail to elect will be deemed to have elected Cash Consideration. The amount of cash to be received by Unitholders who elect cash is $4.275 per Unit. Based on a SmartREIT Unit reference price between $30.51 and $32.73, the value of the SmartREIT Units to be received by Unitholders who elect SmartREIT Units would be $4.20 per Unit. The actual value received by Unitholders will reflect the trading price of the SmartREIT Units on the TSX at the time of closing. The actual number of SmartREIT Units to be issued per Unit will be based upon an exchange ratio calculated by dividing $4.20 by a reference price. Such reference price will be based upon the SmartREIT Unit price and calculated using the VWAP of the SmartREIT Units on the TSX for the five trading days immediately preceding the date which is three Business Days prior to the Meeting, subject to a minimum of $30.51 and maximum of $32.73. Assuming the Meeting is held on September 25, 2017 the reference price will be determined based on the trading days from and including September 13 to and including September 19, 2017. The amount of cash and the number of SmartREIT Units available to Unitholders are subject to proration. The consideration will be comprised of approximately $305 million of cash and approximately $75 million of SmartREIT Units to be issued under the Transaction. Elections with respect to consideration must be validly made prior to 5:00 p.m. (Toronto time) on September 21, 2017.

Voting Unitholders that are unable to attend the Meeting in person or that are not registered holders of Voting Units are requested to complete, sign and return the accompanying form of proxy or voting information form, as applicable, to AST Trust Company (Canada), P.O. Box 721, Agincourt, Ontario, M1S 0A1 (or to such address as may be specified in the voting information form). Proxies may also be faxed to AST Trust Company (Canada) at (416) 368-2502 or 1 (866) 781-3111 (toll free in North America). All proxies, whether delivered by mail, or by fax, must be deposited with AST Trust Company (Canada) prior to 5:00 p.m. (Toronto time) on September 21, 2017 (or if the Meeting is adjourned or postponed, on the second last Business Day prior to the date of the adjourned or postponed Meeting), or may be deposited with the Chair at the Meeting.

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

This Circular does not constitute the solicitation of an offer to acquire any securities or the solicitation of a proxy by any person in any jurisdiction in which such 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 solicitation.

All information relating to SmartREIT and its affiliates, Strathallen and its affiliates and SmartCentres Inc. and its affiliates or parties related to any of them (other than the REIT) contained in this Circular has been taken from or based upon publicly available documents, records and other public sources or has been provided to the REIT by SmartREIT or Strathallen, as applicable, for inclusion in this Circular. The REIT has relied upon this information without having made independent inquiries as to the accuracy or completeness thereof; however, it has

no reason to believe such information contains a misrepresentation. Neither the Board nor the REIT assumes any responsibility for the accuracy or completeness of such information or for any omission therein or for any failure on the part of SmartREIT or Strathallen, as applicable, to disclose facts or events which may affect the accuracy or completeness of any such information.

All summaries of, and references to, the Transaction in this Circular are qualified in their entirety by reference to the complete text of the Plan of Arrangement, a copy of which is attached as Appendix "D" to this Circular, and the complete text of the Arrangement Agreement and the Strathallen Purchase Agreement, copies of which are available under the REIT's profile on SEDAR at www.sedar.com or upon request without charge to the Secretary of the REIT at 700 Applewood Crescent, Suite 300, Vaughan, Ontario L4K 5X3 (telephone: (416) 741-7999). **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 August 23, 2017, except where otherwise noted.

Glossary of Terms

All capitalized terms used in this Circular but not otherwise defined herein have the meanings set forth under "*Glossary of Terms*".

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. Such forward-looking statements and information include statements or information with respect to the expected costs and benefits of the Transaction, the financial condition, results of operations, future performance and business the REIT and of SmartREIT following completion of the Transaction, including future and current acquisition and construction plans, requirements for additional capital, future capital and expenditures, and matters related to the completion of the Transaction.

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", "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 completion of the Transaction; the accuracy and completeness of information received from or on behalf of SmartREIT and Strathallen; the anticipated benefits of the Transaction; the timing of the Meeting; the accuracy of advice received from professional advisors; the impact of the current economic climate and the current global financial conditions; the REIT's, SmartREIT's and Strathallen's financing capacity and

asset value will remain consistent with the REIT's current expectations; there will be no material changes to government and environmental regulations adversely affecting the REIT's or SmartREIT's operations; the performance of the REIT's and SmartREIT's investments will proceed on a basis consistent with the REIT's current expectations; and conditions in the real estate market, including competition for acquisitions, will be consistent with the current climate. Although management 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 REIT's AIF 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 Transaction and the business and operations of SmartREIT and Strathallen (including the business and operations that are currently being conducted and undertaken by SmartREIT and those that will be conducted and undertaken by SmartREIT upon consummation of the Transaction) including, but not limited to; risks regarding the actual consideration to be received by Unitholders due to proration; the risk of failure to satisfy the conditions to completion of the Transaction, including failure to obtain required regulatory, court and Unitholder approvals; risks in connection with the Arrangement and the Strathallen Sale Transaction being cross-conditional; risks related to the REIT's limited recourse against Strathallen; the risk of an occurrence of a Material Adverse Effect in respect of the REIT or SmartREIT; risks related to the fees, costs and expenses associated with the Transaction, including the risk that the REIT may have to reimburse SmartREIT and/or Strathallen for certain of their respective costs as well as the risk that the REIT may have to pay the SmartREIT Termination Fee and/or the Strathallen Termination Fee; the risk that another attractive transaction may not be available in the event the Transaction is not completed; the risk that the Depositary may be in receipt of insufficient cash to satisfy the minimum cash condition; the risk that timing of the Election Deadline may expose Unitholders to trading price volatility; risks relating to the fact that while the Transaction is pending, the REIT is restricted from taking certain actions; the risk that the pending Transaction may divert the attention of the REIT's management; the risk that the REIT's Trustees and officers may have interests in the Transaction that are different from those of Unitholders; and risks regarding the reliability of the information regarding SmartREIT included in, or which may have been omitted from, this Circular. Certain risks and other factors with respect to SmartREIT following completion of the Transaction include, but are not limited to, the capital requirements associated with SmartREIT following completion of the Transaction and that SmartREIT may not be able to obtain financing on acceptable terms, and the risk that SmartREIT following completion of the Transaction may not realize any of the benefits of its real estate portfolio. The business of SmartREIT following completion of the Transaction will also be subject to the risks currently affecting the business of SmartREIT. See "*Risk Factors*".

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 Laws, 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 TRANSACTION AND THE SMARTREIT UNITS ISSUABLE PURSUANT TO THE TRANSACTION 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 TRANSACTION OR UPON THE ADEQUACY OR ACCURACY OF THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

The SmartREIT Units to be received by Unitholders in exchange for Units pursuant to the Transaction have not been and will not be registered under the U.S. Securities Act or any applicable state securities laws and will be issued in reliance on the exemption from the registration requirements of the U.S. Securities Act set forth in Section 3(a)(10) thereof and pursuant to exemptions from registration under any applicable state securities laws. Section 3(a)(10) of the U.S. Securities Act exempts from the general registration requirements under the U.S. Securities Act securities issued in exchange for one or more bona fide outstanding securities, or partly in such exchange and partly for cash, where the terms and conditions of the issuance and exchange are approved 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 SmartREIT Units received in exchange for the Units pursuant to the Transaction 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 SmartREIT. Any resale of such SmartREIT Units by such an affiliate (or, if applicable, former affiliate) may be subject to the registration requirements of the U.S. Securities Act, absent an exemption therefrom. See "*Principal Legal Matters – Securities Laws Matters – United States*".

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, which 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 SmartREIT 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.

The enforcement by investors of civil liabilities under U.S. securities laws may be affected adversely by the fact that each of the REIT, SmartREIT and Strathallen 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 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, SmartREIT and Strathallen and such persons 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, SmartREIT and Strathallen or their respective trustees, directors 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 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 Transaction 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. This Circular does not contain a description of the United States tax consequences of the Transaction or the ownership of SmartREIT Units.

Currency Presentation and Financial Principles

Unless otherwise indicated, all currency amounts are expressed in Canadian dollars. References to "$" in this Circular refer to Canadian dollars. The REIT's and SmartREIT's financial statements to the extent incorporated by reference herein are reported in Canadian dollars.

The REIT's and SmartREIT's financial statements to the extent incorporated by reference herein have been prepared in accordance with IFRS.

QUESTIONS AND ANSWERS

The following are some questions that you, as a Voting 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.

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

Q: Why did I receive this package of information?

A: On August 4, 2017, the REIT entered into (i) the Strathallen Purchase Agreement pursuant to which Strathallen or its assigns will purchase the 44 properties specified in Appendix "J" of this Circular and assume related property debt and liabilities from subsidiaries of the REIT for a purchase price of $703.5 million, plus certain capital expenditures, receivables, leasing costs and commissions relating to such properties, subject to adjustments, and (ii) the Arrangement Agreement pursuant to which SmartREIT will purchase the balance of the REIT's assets, including the REIT's subsidiary limited partnerships that directly or indirectly own the REIT's interest in a portfolio of 12 properties specified in Appendix "J" of this Circular, residual working capital and certain intellectual property, and will assume the REIT's residual liabilities.

The purchase price for the Strathallen Sale Transaction will be satisfied by the payment by Strathallen and its assigns in cash of approximately $319 million and by the assumption by Strathallen and its assigns of the debt related to the Strathallen Properties. The purchase price for the SmartREIT Transaction will be satisfied by way of: (i) the assumption by SmartREIT of the REIT's residual liabilities, including convertible debentures and certain net working capital items of the REIT together with the effective assumption of the remaining property-related debt of the REIT's limited partnerships; (ii) the issuance of approximately $75 million in SmartREIT Units to the REIT, which will transfer such units to those of its unitholders who elect to receive SmartREIT Units based on an exchange ratio described in greater detail below after taking into account SmartREIT Units reserved for purposes of assuming the REIT's exchange obligation to issue units to the holders of Class B LP Units, on the same basis as the unit exchange ratio made available to Unitholders; and (iii) the issuance of SmartREIT exchangeable special voting units to holders of the REIT's special voting units to the extent the REIT exchangeable special voting units remain outstanding.

Q: When and where is the Meeting?

A: The Meeting will be held at the offices of Fasken Martineau DuMoulin LLP, 333 Bay Street, Suite 2400, Toronto, Ontario M5H 2T6, on September 25, 2017 at 10:00 a.m. (Toronto time).

Q: What am I voting on?

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

Q: What is the approval level required to pass the Special Resolution?

A: To be effective, the Special Resolution being considered at the Meeting must be approved by: (a) at least 66 2/3% of the votes cast by Voting Unitholders present in person or

represented by proxy at the Meeting; and (b) a majority of the votes cast by Voting Unitholders excluding interested parties, related parties and their respective joint actors in accordance with MI 61-101.

As at the Record Date, there were 77,588,495 Units and 19,290,032 Special Voting Units issued and outstanding, with 4,929,600 Units and 19,290,032 Special Voting Units held collectively by interested parties, related parties and their respective joint actors in accordance with MI 61-101. Accordingly, a total of 24,219,632 votes will be excluded in determining whether minority approval is obtained. See "*Principal Legal Matters*".

Q: What will I receive in exchange for my Units on closing of the Transaction?

Unitholders may elect to receive cash or SmartREIT Units in exchange for Units. The amount of cash to be received by Unitholders who elect cash is $4.275 per Unit. Based on a SmartREIT Unit reference price between $30.51 and $32.73, the value of the SmartREIT Units to be received by Unitholders who elect SmartREIT Units would be $4.20 per Unit. The actual value received by Unitholders will reflect the trading price of the SmartREIT Units on the TSX at the time of closing. The actual number of SmartREIT Units to be issued per Unit will be based upon an exchange ratio calculated by dividing $4.20 by a reference price. Such reference price will be based upon the SmartREIT Unit price and calculated using the VWAP of SmartREIT Units on the TSX for the five trading days immediately preceding the date which is three Business Days prior to the Meeting, subject to a minimum of $30.51 and maximum of $32.73. The amount of cash and the number of SmartREIT Units available to Unitholders are subject to proration. See "*The Arrangement – Treatment of REIT Securityholders – Unitholders*".

In order to make a valid election with respect to the Consideration, Unitholders must follow their broker's or other intermediary's instructions as to the completion and the timing of submission of a Letter of Transmittal and Election Form which must be received by AST Trust Company (Canada) on or before 5:00 p.m. (Toronto time) on September 21, 2017. A valid election must be accompanied by the deposit of your Units which will be coordinated by your broker or intermediary upon your instruction. Accordingly, after a valid election you will not be entitled to sell your Units on the TSX. If you fail to make a valid election prior to the Election Deadline, you will be deemed to have elected to receive Cash Consideration and you will also continue to be able to sell your Units on the TSX for cash at any time prior to the Effective Time. Any purchaser of such Units will also be deemed to have elected to receive Cash Consideration for those Units, in each case subject to proration between Cash Consideration and Non-Cash Consideration. See "*Procedure for the Delivery of Securities and Payment of Consideration – Available Elections and Procedure*".

The Transaction has been structured such that Resident Holders who receive SmartREIT Units will receive their SmartREIT Units on a tax-deferred "roll over" basis for Canadian federal income tax purposes. See "*Certain Material Canadian Federal Income Tax Considerations*".

For further details of the Transaction, see "*The Arrangement*" and "*The Arrangement - The Strathallen Sale Transaction"*.

Q: What are the potential benefits of the Transaction to Unitholders?

A: The Transaction provides Unitholders with the opportunity to receive Units of SmartREIT or to elect to receive greater value in the form of an immediate cash payment, in each case subject to proration. The amount of cash to be received by Unitholders who elect cash is $4.275 per Unit. Based on a SmartREIT Unit reference price between $30.51 and $32.73, the value of the SmartREIT Units to be received by Unitholders who elect SmartREIT Units would be $4.20 per Unit. The actual value received by Unitholders will reflect the trading price of the SmartREIT Units on the TSX at the time of closing. The actual number of SmartREIT Units to be issued per Unit will be based upon an exchange ratio calculated by dividing $4.20 by a reference price. Such reference price will be based upon the SmartREIT Unit price and calculated using the VWAP of SmartREIT Units on the TSX for the five trading days immediately preceding the date which is three Business Days prior to the Meeting, subject to a minimum of $30.51 and maximum of $32.73. The amount of cash and the number of SmartREIT Units available to Unitholders are subject to proration. See "*The Arrangement – Treatment of REIT Securityholders – Unitholders*".

Q: Is the completion of the Transaction subject to any other conditions?

A: Yes. In addition to the approval of the Special Resolution by Voting Unitholders, completion of the Transaction requires the approval of the Plan of Arrangement by the Court, the approval of the TSX as to the listing of the SmartREIT Units, and that the other conditions specified in the Arrangement Agreement and in the Strathallen Purchase Agreement be satisfied or, where permitted, waived. See "*The Arrangement Agreement*" and "*The Arrangement – The Strathallen Sale Transaction*".

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

A: Each of the trustees and executive officers of the REIT intends to vote any Voting Units he or she holds for the Special Resolution. Mitchell Goldhar, who owns or exercises control over approximately 25% of the outstanding Voting Units and all of the LP Unitholders have entered into support agreements with SmartREIT and Strathallen to vote the Voting Units owned or controlled by them for the Special Resolution. As described herein, Mitchell Goldhar's votes will be excluded in determining whether minority approval is obtained. See "*Background to the Transaction – Reasons for the Recommendation*".

Q: When will the Transaction become effective?

A: Subject to obtaining Court approval and the satisfaction or, where permitted, waiver of all other conditions specified in the Arrangement Agreement and the Strathallen Purchase Agreement, if Voting Unitholders approve the Special Resolution, it is expected that closing will be completed in the fall of 2017.

Q: How do I receive the Consideration in exchange for my Units?

A: Units are issued in book-entry only form. Accordingly, your Units are held by CDS through a nominee, which is usually a trust company, securities broker or other financial

institution. Your nominee is required to seek your instructions as to how to vote your Units with respect to the Special Resolution and your election and completion of the Letter of Transmittal and Election Form with respect to the Consideration. The Consideration will be deposited with CDS by the Depositary if the Transaction is completed, and typically CDS will credit your account maintained with your nominee. In order to elect consideration other than Cash Consideration, a valid election must be received on or prior to the Election Deadline, being 5:00 p.m. (Toronto time) on September 21, 2017. Each nominee has its own signing and return instructions, which you should follow carefully to ensure your Units are voted and you receive your preferred Consideration.

Q: Can I sell my Units on the TSX for cash?

A: Generally speaking, Unitholders are free to sell their Units through the facilities of the TSX for cash at any time prior to the Election Deadline. However, you will have to arrange with your nominee for the deposit of your Units with AST Trust Company pursuant to a Letter of Transmittal and Election. Accordingly, after a valid election and deposit of your Units you will not be entitled to sell your Units on the TSX. If you fail to make a valid election prior to the Election Deadline, you will continue to be able to sell your Units on the TSX for cash at any time prior to the Effective Time but any purchaser of such Units will be deemed to have elected to receive Cash Consideration for those Units, and will be subject to proration between Cash Consideration and Non-Cash Consideration.

Q: How do I receive the Consideration in exchange for my Convertible Securities?

A: The Transaction contemplates various treatments for holders of Convertible Securities, depending upon the type of securities. Holders of Convertible Securities that wish to participate in the Transaction as if they were Unitholders must exchange or convert their Convertible Securities in sufficient time prior to the Election Deadline so that they receive Units in sufficient time to allow such holders to exercise such election in accordance with the answer to the previous question.

Q: Are SmartREIT Units listed on a stock exchange?

A: Yes. SmartREIT Units are listed on the TSX under the symbol "SRU.UN" and SmartREIT has applied to the TSX to have the SmartREIT Units to be issued under the Arrangement listed on the TSX.

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

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

Q: Does the Board support the Transaction?

A: Yes. The members of the Board entitled to vote are unanimously recommending that Voting Unitholders vote **FOR** the Special Resolution.

The Board established the Special Committee and pursued a rigorous process designed to achieve a transaction in the best interests of the REIT. In connection with this process, the REIT, SmartREIT and Strathallen negotiated the terms of the Arrangement Agreement and the terms of the Strathallen Sale Transaction. After considering a number of factors as described in the Circular under the heading "*Background to the Transaction – Reasons for the Recommendation*", including the NBF Fairness Opinion, the TD Fairness Opinion and the Valuation, the Special Committee unanimously concluded that the Transaction is in the best interests of the REIT and fair to Voting Unitholders (including Voting Unitholders that are not Interested Unitholders), it would be in the best interest of the REIT to enter into the Arrangement Agreement and the Strathallen Purchase Agreement and the Board should recommend that Voting Unitholders vote for the Special Resolution.

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. While most proxies will be solicited by mail only, the trustees, officers, employees or agents of the REIT may also contact some Voting Unitholders personally or by telephone. The REIT will provide proxy materials to CDS and request that such materials be forwarded to brokers, custodians, nominees and fiduciaries and request that such materials are, in turn, promptly forwarded on to Beneficial Unitholders.

Q: What if ownership of Voting Units has been transferred after the Record Date?

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

Q: Am I a Beneficial Unitholder?

A: You are a Beneficial Unitholder if your Units are held in an account in the name of a nominee (i.e., a bank, trust company, securities broker or other nominee). All Unitholders other than CDS are Beneficial Unitholders.

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

A: There are two ways you can vote your Voting Units held by your intermediary if you are a Beneficial Unitholder. As required by Canadian securities legislation, you will have received from your intermediary either a VIF or a form of proxy for the number of Voting Units you hold. For your Voting Units to be voted for you, please follow the voting instructions provided by your intermediary.

Alternatively, you may vote in person at the Meeting. If you wish to vote in person at the Meeting, insert your own name in the space provided on the VIF or form of proxy and return such document by following the instructions provided. Do not otherwise complete the form, as your vote will be taken at the Meeting. Please register with the Transfer Agent, AST Trust Company (Canada), upon arrival at the Meeting.

Q: Who votes my Voting Units and how will they be voted if I return a Proxy or a VIF?

A: Each person named in the form of proxy to represent Voting 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 Voting 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 or VIF, then insert the name of your chosen proxyholder in the space provided on the form of proxy (and strike out the names that appear on the form of proxy) or VIF. Beneficial Unitholders must follow the instructions provided to you by the investment dealer, other intermediary or clearing agency. By properly completing and returning a form of proxy or VIF, you are authorizing the person(s) named in the proxy or VIF to attend the Meeting and vote your Voting Units. All proxy forms must be deposited with AST Trust Company (Canada) prior to 5:00 p.m. (Toronto time) on September 21, 2017 (or if the Meeting is adjourned or postponed, on the second last Business Day prior to the date of the adjourned or postponed Meeting), or may be deposited with the Chair at the Meeting. Your intermediary may require that you complete your VIF at an earlier date.

The Voting Units represented by your form of proxy or VIF must be voted in accordance with your instructions. If you properly complete and return your form of proxy or VIF but do not specify how you wish the votes cast, your Voting Units will be voted as your proxyholder sees fit. Unless contrary instructions are provided, Voting Units represented by proxies received by management will be voted **FOR** the Special Resolution.

Q: Can I revoke a Form of Proxy or VIF?

A: Yes. If you are a registered holder of Voting Units and have given a form of proxy, you may revoke it at any time as to any matter on which a vote has not already been cast pursuant to the authority conferred by such form of proxy by an instrument in writing executed by you or by your attorney duly authorized in writing or, if the holder is a corporation, by an officer or attorney thereof duly authorized, and returned to AST Trust Company (Canada), at any time up to 5:00 p.m. (Toronto time) on September 21, 2017 (or if the Meeting is adjourned or postponed, on the second last Business Day prior to the date of the adjourned or postponed Meeting), or to the Chair of the Meeting prior to the commencement of the Meeting.

If you have given a VIF, please contact your intermediary for assistance regarding revoking your vote.

Q: Do I have Dissent Rights?

A: Pursuant to the Interim Order, registered Unitholders have the right to dissent with respect to the Special Resolution if: (i) the Unitholder's written objection to the Special Resolution is received by the REIT c/o Fasken Martineau DuMoulin LLP, 333 Bay Street, Suite 2400, Toronto, Ontario, M5H 2T6, Attention: Anil Aggarwal or by facsimile (416 364 7813) or by email at: aaggarwal@fasken.com, no later than 5:00 p.m. (Toronto Time) on September 21, 2017, or the second Business Day prior to the date to which the Meeting is adjourned or postponed and otherwise complies with the requirements of Section 185 of the OBCA as modified by the Interim Order and the Plan of Arrangement; (ii) the Dissenting Unitholder does not vote his or her Units at the Meeting either by proxy or in person, in favour of the Special Resolution; and (iii) the Dissenting Unitholder exercises the Dissent Rights in respect of all of the Units that he or she holds on behalf of the beneficial holder. A Beneficial Unitholder who wishes to exercise its right to dissent in respect of its units should immediately contact the intermediary with whom the Beneficial Unitholder deals as only Registered Unitholders may dissent.

Q: What is happening to the Class B LP Units that are exchangeable into Units?

A: In respect of the Class B LP Units, each holder thereof will have the opportunity to elect to receive the Cash Consideration for each of its Class B LP Units or to retain its Class B LP Units, as modified by the Plan of Arrangement. LP Unitholders who do not make a valid election prior to the Election Deadline, will be deemed to have elected to retain their Class B LP Units. If a holder of Class B LP Units elects, or is deemed to have elected, to retain their Class B LP Units, those Class B LP Units will become exchangeable into the number of SmartREIT Units the holder would otherwise have received under the Transaction had those Class B LP Units been exchanged for the underlying Units prior to the closing of the Transaction. In addition, LP Unitholders will receive SmartREIT Special Voting Units in exchange for their Special Voting Units, to the extent the Special Voting Units remain outstanding and adjusted in order to reflect the Exchange Ratio.

Q: What if I have other questions?

A: Voting Unitholders who have additional questions about the Transaction, including the procedures for voting, can contact AST Trust Company (Canada) at (800) 387-0825 (toll free in Canada only) or (416) 682-3860. Voting Unitholders who have questions about deciding how to vote should contact their professional advisors.

SUMMARY

This summary is qualified in its entirety by the more detailed information appearing elsewhere in the Notice of Meeting and this Circular, including the appendices 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 contained in this Circular.

The Transaction

Pursuant to the Transaction, the REIT entered into (i) the Strathallen Purchase Agreement pursuant to which Strathallen or its assigns will purchase the 44 properties specified in Appendix "J" of this Circular and assume related property debt and liabilities from subsidiaries of the REIT for a purchase price of $703.5 million, plus certain capital expenditures, receivables, leasing costs and commissions relating to such properties, subject to adjustments, and (ii) the Arrangement Agreement pursuant to which SmartREIT will purchase the balance of the REIT's assets, including the REIT's subsidiary limited partnerships that directly or indirectly own the REIT's interest in a portfolio of 12 properties specified in Appendix "J" of this Circular, residual working capital and certain intellectual property, and will assume the REIT's residual liabilities.

The purchase price for the Strathallen Sale Transaction will be satisfied by the payment by Strathallen and its assigns in cash of approximately $319 million and by the assumption by Strathallen and its assigns of the debt related to the Strathallen Properties. The purchase price for the SmartREIT Transaction will be satisfied by way of: (i) the assumption by SmartREIT of the REIT's residual liabilities, including convertible debentures and certain net working capital items of the REIT together with the effective assumption of the remaining property-related debt of the REIT's limited partnerships; (ii) the issuance of approximately $75 million in SmartREIT Units to the REIT, which will transfer such units to those of its unitholders who elect to receive SmartREIT Units based on an exchange ratio described in greater detail below after taking into account SmartREIT Units reserved for purposes of assuming the REIT's exchange obligation to issue units to the holders of Class B LP Units, on the same basis as the unit exchange ratio made available to Unitholders; and (iii) the issuance of SmartREIT exchangeable special voting units to holders of the REIT's special voting units to the extent the REIT exchangeable special voting units remain outstanding.

Effects of the Transaction on Unitholders

Unitholders may elect to receive cash or SmartREIT Units in exchange for Units. If the Special Resolution is approved, all conditions to closing are satisfied or, where permitted, waived and closing proceeds, Unitholders may elect to receive, for each Unit held: (a) $4.275 in cash; (b) between approximately 0.1283 (based on a SmartREIT Unit price of $32.73) and 0.1376 (based on a SmartREIT Unit price of $30.51) of a SmartREIT Unit, as determined by an exchange ratio based on the five day VWAP price of the SmartREIT Units for the five trading days immediately preceding the date which is three Business Days prior to the Meeting; or (c) a combination of cash and SmartREIT Units. The amount of cash and the number of SmartREIT Units available to Unitholders are subject to proration.

See "*The Arrangement – Treatment of REIT Securityholders – Unitholders*".

The Meeting and Record Date

The Meeting will be held on September 25, 2017 at 10:00 a.m. (Toronto time) at the offices of Fasken Martineau DuMoulin LLP, 333 Bay Street, Suite 2400, Toronto, Ontario M5H 2T6. The REIT has fixed August 18, 2017 as the Record Date for determining the Voting Unitholders entitled to receive notice of and vote at the Meeting.

Purpose of the Meeting

The purpose of the Meeting will be (i) to consider and vote upon the Special Resolution, and (ii) to transact such further and other business as may properly be brought before the Meeting or any adjournment thereof.

Background to the Transaction

The Arrangement Agreement and the Strathallen Purchase Agreement are the result of a publicly announced strategic review process undertaken by the REIT under the supervision of the Special Committee and arm's length negotiations conducted among representatives of the REIT, SmartREIT, and Strathallen and their respective legal and financial advisors. For a summary of material events that preceded the execution of the Arrangement Agreement and the Strathallen Purchase Agreement, see "*Background to the Transaction*".

Valuation

The Valuation, dated August 3, 2017, and delivered to the Special Committee contains NBF's opinion that, based on the scope of its review and subject to the assumptions, restrictions and limitations provided therein, as of August 3, 2017, the fair market value per Unit falls in the range of $4.00 to $4.65.

See "*Background to the Transaction – NBF Fairness Opinion and Valuation*".

NBF Fairness Opinion

In connection with the evaluation by the Special Committee of the Arrangement, the Special Committee received a Fairness Opinion from NBF in respect of the fairness, from a financial point of view, of the Consideration to be received by Unitholders pursuant to the Arrangement, other than the Interested Unitholders. A summary of the NBF Fairness Opinion is included in this Circular, and the full text of the NBF Fairness Opinion, which sets forth, among other things, assumptions made, matters considered, information reviewed and limitations on the review undertaken by NBF in connection with delivery of the NBF Fairness Opinion, is attached at Appendix "E" to this Circular. The NBF Fairness Opinion was provided solely for the use of the Special Committee in connection with its consideration of the Arrangement and is not a recommendation as to how Unitholders should vote in respect of the Special Resolution.

See "*Background to the Transaction – NBF Fairness Opinion and Valuation*".

TD Fairness Opinion

In connection with the evaluation by the Special Committee and the Board of the Arrangement, the Special Committee and the Board received a Fairness Opinion from TD Securities in respect of the fairness, from a financial point of view, of the Consideration to be received by Voting Unitholders pursuant to the Arrangement, other than the Interested Unitholders. A summary of the TD Fairness Opinion is included in this Circular, and the full text of the TD Fairness Opinion, which sets forth, among other things, assumptions made, matters considered, information reviewed and limitations on the review undertaken by TD Securities in connection with delivery of the TD Fairness Opinion, is attached at Appendix "F" to this Circular. The TD Fairness Opinion was provided solely for the use of the Special Committee and the Board, in connection with their consideration of the Arrangement and is not a recommendation as to how Voting Unitholders should vote in respect of the Special Resolution.

"*Background to the Transaction – TD Fairness Opinion*".

Recommendation of the Special Committee

Having received the NBF Fairness Opinion and the TD Fairness Opinion, and having considered the Valuation and a number of other factors, including those noted below, and having received advice from its financial and legal advisors, the Special Committee concluded that the Transaction is in the best interests of the REIT and is fair to Voting Unitholders (including the Voting Unitholders that are not Interested Unitholders). Accordingly, the Special Committee unanimously recommended that the Board approve the Transaction and recommend that Voting Unitholders vote for the Special Resolution.

Recommendation of the Board

The members of the Board entitled to vote, after receiving the recommendation of the Special Committee and advice from its financial and legal advisors, unanimously concluded that the Transaction is in the best interests of the REIT and fair to Voting Unitholders (including the Voting Unitholders that are not Interested Unitholders). **Accordingly, such members of the Board unanimously approved the Transaction and unanimously recommend that Voting Unitholders vote for the Special Resolution at the Meeting.**

Reasons for the Recommendation

The Board has carefully considered the Transaction and has received advice from its financial and legal advisors and a recommendation from the Special Committee. The Board and the Special Committee identified a number of factors set out below as being most relevant to its recommendation to Voting Unitholders to vote for the Special Resolution, including the following:

- The Transaction provides Unitholders with a premium over the trading price of the Units prior to announcement of the Transaction;

- The Transaction arose out of a comprehensive, publicly announced strategic review process overseen by a Special Committee of independent Trustees and represents the best available alternative to Unitholders;
- The form of Consideration under the Transaction provides choice and liquidity;
- The Transaction provides the opportunity for ownership in SmartREIT and therefore continued ownership in the combined entity;
- The Cash Consideration offers greater value to Unitholders while the Non-Cash Consideration, while less in value per Unit, provides Unitholders with a tax-deferral opportunity for purposes of the Tax Act;
- The value of the Consideration is in the range for the fair market value of the Units as concluded in the Valuation;
- The opinions received from NBF and TD Securities that the Consideration payable to Unitholders pursuant to the Transaction is fair, from a financial point of view, to the Unitholders, other than the Interested Unitholders;
- The credibility of counterparties to the Transaction and the likelihood of the transaction being completed;
- The REIT retains the ability to respond to, and accept, a Superior Proposal, subject to the payment of termination fees to SmartREIT and Strathallen;
- The Transaction is fair to other REIT securityholders.
- The voting requirements for approval of the Transaction provide certain substantive and procedural protections for Unitholders; and
- Each of the trustees and executive officers of the REIT, who hold in aggregate approximately 0.50% of the outstanding Voting Units, intends to vote any Voting Units he or she holds for the Special Resolution. Mitchell Goldhar, who owns or exercises control over approximately 25% of the outstanding Voting Units and all of the LP Unitholders have entered into support agreements with the SmartREIT and Strathallen to vote the Voting Units owned or controlled by them for the Special Resolution. As described herein, Mitchell Goldhar's votes will be excluded in determining whether minority approval is obtained.

See "*Background to the Transaction – Reasons for the Recommendation*".

Effects of the Transaction on LP Unitholders

In respect of the Class B LP Units, each holder thereof will have the opportunity to elect to receive the Cash Consideration for each of its Class B LP Units or to retain its Class B LP Units, as modified by the Plan of Arrangement. LP Unitholders who do not make a valid election prior to the Election Deadline, will be deemed to have elected to retain their Class B LP Units. If a holder of Class B LP Units elects, or is deemed to have elected, to retain his, her or its Class B

LP Units, subject to proration, those Class B LP Units will become exchangeable into the number of SmartREIT Units the holder would otherwise have received under the Transaction had those Class B LP Units been exchanged for the underlying Units prior to the closing of the Transaction. In addition, LP Unitholders will receive SmartREIT Special Voting Units in exchange for their Special Voting Units, to the extent the Special Voting Units remain outstanding and adjusted in order to reflect the Exchange Ratio.

See "*The Arrangement – Treatment of REIT Securityholders – LP Unitholders*".

Effects of the Transaction on Deferred Unitholders

Under the terms of the Arrangement Agreement, in accordance with the Plan of Arrangement, the vesting all Deferred Units will be accelerated to provide that such Deferred Units will be fully vested on the earlier of (i) the day immediately prior to the Effective Time or (ii) the day prior to the Effective Time by which any transfer agent or other depository requires such Deferred Units to be redeemed for Units (such that one Unit is issued for each Deferred Unit and such Deferred Unit is automatically cancelled) so that such Units can participate in the Arrangement on the same terms as all other Units (including having their Consideration be subject to proration) or be settled by payment in cash by the REIT at the Effective Time at the closing price of the Units on the TSX on the day immediately prior to the Effective Time.

See "*The Arrangement – Treatment of REIT Securityholders – Deferred Unitholders*".

Effects of the Transaction on Debentureholders

Each holder of Debentures will have the opportunity to participate in the Transaction as a Unitholder by validly exercising its conversion rights, such that it receives Units in accordance with such conversion in sufficient time before the Election Deadline in order to register its Election. Securityholders who receive Units upon the conversion of their Debentures prior to the Effective Time, but who do not make a valid election prior to the Election Deadline, will be deemed to have elected to receive Cash Consideration only. The current conversion price for the 2011 Debentures is $8.10, and the current conversion price for the 2013 Debentures is $7.20.

In respect of Debentures that remain outstanding at the Effective Time, SmartREIT and the REIT will execute the 2011 Debenture Supplemental Indenture and the 2013 Debenture Supplemental Indenture, and such other instruments as may be contemplated and required by the 2011 Indenture and the 2013 Indenture, as applicable, in order to provide for the assumption by SmartREIT, pursuant to and in accordance with the Plan of Arrangement, of all of the obligations of the REIT under the 2011 Indenture and 2013 Indenture, such that, upon completion of the steps contemplated by the Plan of Arrangement, the Debentures will be valid and binding obligations of SmartREIT entitling the holders thereof, as against SmartREIT, to all of the rights of holders of Debentures under the 2011 Indenture and the 2013 Indenture, as applicable, as supplemented and amended by the 2011 Debenture Supplemental Indenture and the 2013 Debenture Supplemental Indenture, as applicable. Upon such assumption, the Debentures will be convertible into SmartREIT Units rather than Units. In addition, the conversion price in respect of the Debentures will be the New Conversion Price such that the number of SmartREIT Units to be issued for each $1,000 principal amount of 2011 Debentures or 2013 Debentures so converted will be $1,000 divided by the applicable New Conversion

Price, subject to adjustment in accordance with the terms of the 2011 Debentures or the 2013 Debentures, as applicable. The applicable New Conversion Price will be determined by adjusting the existing conversion price by dividing it by the Debenture Exchange Ratio. The Debenture Exchange Ratio is $4.26 divided by the Reference Price.

See "*The Arrangement – Treatment of REIT Securityholders – Debentureholders*".

Information on OneREIT

The REIT is a TSX-listed open-ended real estate investment trust which focuses on owning retail properties across Canada with the goal of enhancing long-term unitholder value. The REIT owns 56 income-producing properties comprising approximately 6.8 million square feet located in Canada.

See "*Information Concerning OneREIT*".

Information on SmartREIT

SmartREIT is an unincorporated "open-end" trust constituted in accordance with the laws of the Province of Alberta pursuant to its declaration of trust. SmartREIT is one of Canada's largest real estate investment trusts with total assets of approximately $8.9 billion. SmartREIT's shopping centres focus on value-oriented retailers and include strong national and regional names as well as strong neighbourhood merchants.

As at June 30, 2017, SmartREIT owned 142 shopping centres with gross leasable area of 31.9 million square feet, one office property, eight development properties and one mixed-use property, located in communities across Canada. Generally, SmartREIT's centres are conveniently located close to major highways, which, along with the anchor stores, provide significant draws to SmartREIT's portfolio.

See "*Information Concerning SmartREIT*".

Information on Strathallen

Strathallen is a wholly-owned acquisition entity of Strathallen Capital Corporation. Strathallen Capital Corporation is a fully integrated Canadian real estate management company. Strathallen Capital Corporation provides asset management, property management and strategic advisory services to institutional and high net worth investors. Strathallen Capital Corporation currently manages and operates four private closed-end funds, with the mandate to strategically acquire and dispose of quality retail investments and deliver industry leading risk-adjusted returns. The Transaction will increase Strathallen Capital Corporation's assets under management to approximately $1.7 billion and 8.9 million square feet.

See "*Information Concerning Strathallen*".

Conditions to the Transaction

As more fully described in this Circular and the Arrangement Agreement, the completion of the Transaction depends on a number of conditions being satisfied or waived, including, among

others: (i) the Special Resolution being approved by Voting Unitholders as set out herein, including the requisite majority of Voting Unitholders excluding interested parties, related parties and their respective joint actors in accordance with MI 61-101; (ii) the Plan of Arrangement being approved by the Court; (iii) the Competition Act Approval being obtained; and (iv) the satisfaction or, where permitted, waiver of the other closing conditions of the Arrangement and the Strathallen Sale Transaction.

See "*The Arrangement Agreement – Summary of the Arrangement Agreement – Conditions*".

Risk Factors

An investment in SmartREIT is subject to a number of risks. Voting 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 Voting Units and whether to elect to receive Cash Consideration or Non-Cash Consideration. They should also consider the relative values of the Cash Consideration versus the Non-Cash Consideration.

Risks and uncertainties relating to the Transaction and the business of SmartREIT are described under "*Risk Factors*".

Description of the Transaction

The Transaction involves a number of steps which will occur sequentially. In summary, these steps will result in, among other things:

- the Declaration of Trust and the declaration of trust and the articles or other constating document (as applicable) of each REIT Subsidiary participating in the Transaction, will be amended to the extent necessary to facilitate the Transaction and the implementation of the steps and transactions described in the Plan of Arrangement;

- the Partnership Agreements and Exchange Agreement will be amended to the extent necessary to facilitate the Arrangement. Without limiting the generality of the foregoing, the Class B LP Units will become exchangeable into SmartREIT Units based upon the Exchange Ratio and the terms of the Class C LP Units will be adjusted as necessary to reflect the foregoing;

- the completion of the Strathallen Sale Transaction will become effective in accordance with the terms of the Strathallen Purchase Agreement;

- the vesting of all Deferred Units will be accelerated to provide that such Deferred Units will be fully vested on the earlier of (i) the day immediately prior to the Effective Time or (ii) the day prior to the Effective Time by which any transfer agent or other depository requires such Deferred Units to be redeemed for Units (such that one Unit is issued for each Deferred Unit and such Deferred Unit is automatically cancelled) so that such Units can participate in the Arrangement on the same terms as all other Units or be settled by payment in cash by the REIT at

the Effective Time at the closing price of the Units on the TSX on the day immediately prior to the Effective Time;

- all amounts owing by a holder in respect of any outstanding LTIP Units will be accelerated and will be presently due and payable and, if the REIT has not received such payment by the payment deadline established by the REIT, the security interest in the LTIP Units granted to the REIT by the LTIP will and will be deemed to be (i) enforced by the purchase for cancellation as at the close of business on the Business Day immediately prior to the Effective Date of such number of LTIP Units as is required to satisfy the amount owing by each such holder based upon the closing price of the Units on the TSX on such date, and (ii) released in respect of that number of each holder's LTIP Units that are not so purchased for cancellation so that such remaining LTIP Units can participate in the Arrangement on the same terms as all other Units;

- each REIT Subsidiary that (i) is a trust will allocate and make payable to its beneficiary, and (ii) is a partnership will allocate to its partners, its Taxable Income (determined without reference to the Strathallen Sale Transaction or the Arrangement) for its taxation year ending immediately prior to the commencement of the next step set out below;

- each REIT Subsidiary that (i) is a trust will allocate and make payable to its beneficiary that is the REIT or a REIT Subsidiary its Taxable Income from the Strathallen Sale Transaction, and (ii) is a partnership will allocate to its partners that are the REIT or a REIT Subsidiary its Taxable Income from the Strathallen Sale Transaction;

- cash will be distributed by the REIT Subsidiaries in successive steps;

- if the amount of Taxable Income allocated and made payable by each REIT Subsidiary that is a trust to its beneficiary exceeds the amount of cash distributed by such trust, all as contemplated by the Plan of Arrangement, such trust will satisfy its obligation to pay to its beneficiary the balance of the Taxable Income so allocated by issuing units to its beneficiary;

- to the extent that the Plan of Arrangement requires an exchange of Class B LP Units or an LP Unitholder has elected to receive Cash Consideration pursuant to the Plan of Arrangement, such Class B LP Units of such LP Unitholder will be exchanged for Units in accordance with the terms of the applicable Exchange Agreement (as it read prior to the amendment in accordance with the Plan of Arrangement) and an equivalent number of Special Voting Units will be cancelled;

- SmartREIT will pay out, as a special distribution on the SmartREIT Units, the amount, if any, that is determined by it prior to the Effective Time to be equal to its *bona fide* best estimate of the amount, if any, of its Taxable Income for the taxation year of SmartREIT that will be deemed, by section 132.2 of the Tax Act, to end as a result of the QE Transactions (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 period);

- the REIT will pay out, as a special distribution on the Units (except Dissenting Units), the amount, if any, that is determined by it prior to the Effective Time to be equal to its bona fide best estimate of the amount, if any, of its Taxable Income for the taxation year of the REIT that will be deemed, by section 132.2 of the Tax Act, to end as a result of the QE Transactions (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 period and determined without regard to any income arising as a result of the Strathallen Sale Transaction or the Arrangement);

- the monthly distribution to holders of record of Units as at September 29, 2017 payable on October 13, 2017 previously announced by the REIT on May 15, 2017 is cancelled and, subject to the paragraph below, no monthly distribution will be payable to holders of record subsequent to that point;

- in the event that the Effective Date is on or after November 1, 2017, except to the extent that distributions have been paid in accordance with the Arrangement Agreement in respect of any month (or part of a month), the REIT will pay out, as a special distribution on the Units, an amount of $0.025 per Unit for each month (or a prorated amount for each part of a month) from October 1, 2017 through to the date of filing of the Articles of Arrangement.

- each of the Dissenting Units will be transferred to the REIT (free and clear of all Encumbrances) and the consideration for such transfer will be satisfied by a debt claim against the REIT for the amount determined in accordance with the Plan of Arrangement. Effective at the time of this step, (i) the Dissenting Unitholders will cease to be the holders of such Units and to have any rights as holders of such Units, other than the right to be paid fair value for such Units, as determined in accordance with the Plan of Arrangement, (ii) the Dissenting Unitholders' names will be removed as the holders of such Units from the registers of Units maintained by or on behalf of the REIT, and (iii) the REIT will be deemed to be the transferee of and to have redeemed such Units (free and clear of all Encumbrances) and such Units will thereupon be cancelled;

- each Unit in respect of which a Unitholder is entitled to receive Cash Consideration in accordance with and subject to the provisions of Sections 3.1 and 3.3 of the Plan of Arrangement, will be redeemed by the REIT. In consideration for the redemption of such Units, the REIT will pay the Cash Consideration for each such Unit. Effective at the time of this step, (i) holders of the Units redeemed in this step will cease to be the holders of such Units and to have any rights as holders of such Units, other than the right to be paid the amount set out herein for such Units, and (ii) such holders' names will be removed as the holders of such Units from the registers of the Units maintained by or on behalf of the REIT;

- pursuant to and in accordance with the 2011 Debenture Supplemental Indenture, the 2011 Debentures and the 2011 Indenture will be amended and supplemented so that the 2011 Debentures will be convertible into SmartREIT Units rather than Units and the applicable "Conversion Price" specified therein will become the applicable New Conversion Price such that the number of SmartREIT Units to be issued for each $1,000 principal amount of 2011 Debentures so converted will be $1,000 divided by the applicable New Conversion Price, subject to adjustment in accordance with the terms of the 2011 Debentures;

- pursuant to and in accordance with the 2013 Debenture Supplemental Indenture, the 2013 Debentures and the 2013 Indenture will be amended and supplemented so that the 2013 Debentures will be convertible into SmartREIT Units rather than Units and the applicable "Conversion Price" specified therein will become the applicable New Conversion Price such that the number of SmartREIT Units to be issued for each $1,000 principal amount of 2013 Debentures so converted will be $1,000 divided by the applicable New Conversion Price, subject to adjustment in accordance with the terms of the 2013 Debentures;

- pursuant to and in accordance with the definition "qualifying exchange" in section 132.2 of the Tax Act, the REIT will sell, transfer, convey, assign and deliver to SmartREIT, and SmartREIT will acquire from the REIT, all of the right, title and interest of the REIT in and to all of its property after giving effect to the Strathallen Sale Transaction (the "**REIT Remaining Assets**"), free and clear of all Encumbrances other than Permitted Liens (and all requisite director, shareholder and trustee consents to the re-registration of the property shall be deemed to have been given), in exchange for: (A) the issuance by SmartREIT to the REIT of such number of SmartREIT Units as is equal to the product obtained by multiplying: (i) the Non-Cash Consideration; and (ii) the number of the Units then outstanding (for greater certainty, after taking into account the cancellation of the Dissenting Units and the redemption referred to in the Plan of Arrangement); (B) the issuance by SmartREIT to the REIT of such number of SmartREIT Special Voting Units as is equal to the product obtained by multiplying; (a) the Special Voting Unit Consideration; and (b) the number of the Special Voting Units then outstanding (including, for the avoidance of doubt, the Special Voting Units then owned by SmartREIT); and (C) the assumption by SmartREIT of the REIT's obligations under the 2011 Indenture, the 2013 Indenture, the 2008 Exchange Agreement, the 2014 Exchange Agreement and all other liabilities of the REIT;

- pursuant to and in accordance with the definition "qualifying exchange" in Section 132.2 of the Tax Act, the REIT will redeem all of the outstanding Units for consideration per outstanding Unit consisting solely of the Non-Cash Consideration;

- after giving effect to the cancellation of Special Voting Units in accordance with the Plan of Arrangement, pursuant to and in accordance with the definition "qualifying exchange" in Section 132.2 of the Tax Act, the REIT will redeem all

of the outstanding Special Voting Units for consideration per outstanding Special Voting Unit consisting solely of the Special Voting Unit Consideration;

- SmartREIT Sub and GP Trustee will amalgamate and continue as one corporation under the OBCA to form Amalco;
- Amalco will subscribe for one Unit for consideration of $10 and will cause its nominees to become Trustees of the REIT; and
- The releases and resignations referred to in the Plan of Arrangement will become effective.

The foregoing constitutes a summary only of the steps contemplated by the Transaction. See "*The Arrangement – Arrangement Mechanics*" for the detailed steps of the Transaction.

Arrangement Agreement

The Arrangement Agreement was signed on August 4, 2017 and provides the terms and conditions pursuant to which the Transaction is to be completed.

See "*The Arrangement Agreement*".

Strathallen Purchase Agreement

The Strathallen Purchase Agreement was signed on August 4, 2017 and provides the terms and conditions pursuant to which the Strathallen Sale Transaction is to be completed.

See "*Strathallen Sale Transaction*".

SmartREIT Termination Fee

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

See "*The Arrangement Agreement – Summary of the Arrangement Agreement – SmartREIT Termination Fee*".

Strathallen Termination Fee

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

See "*Strathallen Sale Transaction – Summary of the Strathallen Purchase Agreement – Strathallen Termination Fee*".

Expense Reimbursement

In certain circumstances upon the termination of the Arrangement Agreement or the Strathallen Purchase Agreement, the REIT will be required to reimburse SmartREIT or Strathallen, as

applicable, for its actual third party out-of-pocket costs, including applicable legal fees, due diligence costs and consultant fees, to a maximum amount of $1,500,000 for each of SmartREIT and Strathallen.

See "*The Arrangement Agreement – Summary of the Arrangement Agreement – Expense Reimbursement*".

Court Approval

A Plan of Arrangement requires court approval under the OBCA. Prior to the mailing of this Circular, the REIT and the GP Trustee obtained the Interim Order from the Court. The Interim Order is attached as Appendix "B" to this Circular. The Interim Order, among other things, provides for the calling and holding of the Meeting and contemplates the issuance of the notice of application for the Final Order of the Court. 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 if the Special Resolution is approved by Voting Unitholders as described herein, the hearing of the application for the Final Order will occur at the Court, 330 University Avenue, Toronto, Ontario M5G 1R7, and is scheduled for September 26, 2017 at 10:00 a.m. (Toronto time).

Under the terms of the Interim Order, each Voting Unitholder, each holder of Convertible Securities, each trustee, the auditors of the REIT and any other interested person will have the right to appear and make submissions at the application for the Final Order. Any person desiring to appear at the hearing of the application for the Final Order is required to indicate his, her or its intention to appear by filing with the Court and serving upon the REIT at the address set out below, no less than three days before the hearing of the application for the Final Order, a response, including his, her or its address for service, together with all materials on which he, she or it intends to rely at the application. The response and supporting materials must be delivered, within the time specified, to the REIT at the following address: c/o Fasken Martineau DuMoulin LLP, 333 Bay Street Suite 2400, Toronto, Ontario M5H 2T6, Attention: Brad Moore.

Voting Unitholders and other eligible persons 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 under the OBCA. The REIT has been advised by its counsel that 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 Voting 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 – Securities Laws Matters – Court Approval Process*".

Unitholder Approval

The Interim Order provides that, in order for the Transaction to proceed, the Special Resolution must be passed, with or without variation, by: (a) at least two-thirds (66⅔%) of the eligible votes cast with respect to the Special Resolution by Voting Unitholders present in person or represented by proxy at the Meeting; and (b) a majority of the votes cast by Voting Unitholders excluding interested parties, related parties and their respective joint actors in accordance with MI 61-101 (as a result, the votes cast by Interested Unitholders will be disregarded for purposes of calculating whether such majority has been achieved).

If the Special Resolution is not passed by a sufficient number of eligible votes at the Meeting, the Transaction will not be completed and it is expected that the REIT will continue to operate in the same manner as it presently does.

See "*The Arrangement – Required Securityholder Approval*".

Stock Exchange Listings

SmartREIT

The SmartREIT Units are currently listed on the TSX under the symbol "SRU.UN". Application has been made for the listing on the TSX of the SmartREIT Units to be distributed in connection with the Transaction, including any SmartREIT Units that are delivered upon the exercise of Convertible Securities following the Effective Time which listing will be conditional on the satisfaction of certain standard conditions.

OneREIT

The Units are currently listed on the TSX under the symbol "ONR.UN". Upon completion of the Transaction, a subsidiary of SmartREIT will become the sole Unitholder, and the Units are expected to be de-listed from the TSX following the completion of the steps set out in the Plan of Arrangement.

The 2011 Debentures and 2013 Debentures are currently listed on the TSX under the symbols "ONR.DB.B" and "ONR.DB.C", respectively. Pursuant to the Transaction, SmartREIT will assume all of the rights and obligations of the REIT relating to the Debentures, which, upon completion of the steps set out in the Plan of Arrangement, will be convertible into SmartREIT Units and not Units of the REIT, based on the revised conversion prices disclosed in the Plan of Arrangement. Application has been made such that, following the Effective Date, such Debentures will continue to be listed on the TSX but as obligations of SmartREIT, which listing will be conditional on the satisfaction of certain standard conditions.

Dissent Rights

Pursuant to the Interim Order, registered Unitholders have the right to dissent with respect to the Special Resolution if: (i) the Unitholder's written objection to the Special Resolution is received by the REIT c/o Fasken Martineau DuMoulin LLP, 333 Bay Street, Suite 2400, Toronto, Ontario, M5H 2T6, Attention: Anil Aggarwal or by facsimile (416 364 7813) or by email at:

aaggarwal@fasken.com, no later than 5:00 p.m. (Toronto time) on September 21, 2017, or the second last Business Day prior to the date to which the Meeting is adjourned or postponed and otherwise complies with the requirements of Section 185 of the OBCA as modified by the Interim Order and the Plan of Arrangement; (ii) the Dissenting Unitholder does not vote his or her Units at the Meeting either by proxy or in person, in favour of the Special Resolution; and (iii) the Dissenting Unitholder exercises the Dissent Rights in respect of all of the Units that he or she holds on behalf of the beneficial holder. Only Registered Unitholders may exercise Dissent Rights

See "*Dissent Rights*".

Procedure for Election to Receive Consideration by Unitholders

An Election will have been properly made by a Registered Unitholder or LP Unitholder only if the Depositary has received, by the Election Deadline, the applicable Letter(s) of Transmittal and Election Form properly completed and signed and accompanied by the certificate(s), if any, for the Units or Class B LP Units, as applicable, to which such Letter(s) of Transmittal and Election Form relate(s), properly endorsed or otherwise in proper form for transfer.

The REIT utilizes the Book Entry System. Accordingly, all Beneficial Unitholders should contact their intermediary to submit their instructions with respect to the Transaction. These instructions will be forwarded to CDS which will submit the Letter of Transmittal and Election Form on behalf of all Beneficial Unitholders. If a Unitholder instructs its intermediary to make an election or to otherwise receive the Consideration pursuant to the Book Entry System, such Unitholder thereby expressly acknowledges that such Unitholder has received and agrees to be bound by the terms of the Letter of Transmittal and Election Form.

A Unitholder will not be entitled to sell its Units on the TSX after the Unitholder elects to receive its preferred Consideration. If a Unitholder fails to make a valid election prior to the Election Deadline, the Unitholder will continue to be able to sell its Units on the TSX for cash at any time prior to the Effective Time but any purchaser of Units will be deemed to have elected to receive Cash Consideration for those Units, subject to prorating, if any, among Cash Consideration and Non-Cash Consideration.

The determination of the REIT as to whether Elections have been properly made or revoked and when Elections and revocations were received by the Depositary will be binding. **UNITHOLDERS WHO DO NOT MAKE AN ELECTION PRIOR TO THE ELECTION DEADLINE, OR FOR WHOM THE REIT DETERMINES THAT THEIR ELECTION WAS NOT PROPERLY MADE WITH RESPECT TO ANY SECURITIES, WILL BE DEEMED TO HAVE ELECTED TO RECEIVE CASH CONSIDERATION ONLY, SUBJECT TO PRORATING, IF ANY, AMONG CASH CONSIDERATION AND NON-CASH CONSIDERATION.**

LP UNITHOLDERS WHO DO NOT MAKE AN ELECTION PRIOR TO THE ELECTION DEADLINE, OR FOR WHOM THE REIT DETERMINES THAT THEIR ELECTION WAS NOT PROPERLY MADE WITH RESPECT TO ANY SECURITIES, WILL BE DEEMED TO HAVE ELECTED TO RETAIN THEIR CLASS B LP UNITS.

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

See "*Procedure for the Delivery of Securities and Payment of Consideration – Available Elections and Procedure*".

Procedure for Receiving Consideration

It is contemplated that following receipt of the Final Order and not less than the Business Day prior to the filing by the REIT of Articles of Arrangement, SmartREIT will provide its transfer agent with an irrevocable treasury direction in respect of the Non-Cash Consideration and the Special Voting Unit Consideration.

Immediately following the closing of the Strathallen Purchase Agreement, the REIT will cause to be released to the Depositary all funds payable to the REIT or its Subsidiaries on account of the aggregate cash consideration payable upon completion of the Strathallen Sale Transaction.

Upon surrender to the Depositary for cancellation of certificate(s), if any, which immediately prior to the Effective Time represented one or more Units, Special Voting Units or Class B LP Units, together with the applicable Letter(s) of Transmittal and Election Form and such additional documents and instruments duly executed and completed as the Depositary may reasonably require, the holder of such Units, Special Voting Units or Class B LP Units will, in accordance with the timing set out in Section 2.4 of the Plan of Arrangement, be entitled to receive in exchange therefor, and the Depositary will deliver to such Unitholder, Special Voting Unitholder or LP Unitholders, as applicable, as soon as practicable after the Effective Time, in the case of the Unitholders or LP Unitholders entitled to Cash Consideration in accordance with the terms of the Arrangement, cause individual cheques (or, if requested by Unitholders in certain circumstances, wire transfers) and, in the case of the Unitholders entitled to Non-Cash Consideration in accordance with the terms of the Arrangement and Special Voting Unitholders, cause certificates or DRS Advices representing SmartREIT Units or SmartREIT Special Voting Units, as applicable, to be sent to those Persons who have deposited the certificates, if any, for such Units, Special Voting Units or Class B LP Units, as applicable, together with the applicable Letter(s) of Transmittal and Election Form and such other documents and instruments required by the Depositary pursuant to the Plan of Arrangement. Unitholders holding Units through an intermediary will, as a practical matter have their entitlement credited to their account with such intermediary by CDS.

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

Timing of Completion of the Transaction

If the Meeting is held as scheduled and is not adjourned or postponed and the other necessary conditions of the Transaction are satisfied or waived, the REIT will apply to the Court for the Final Order approving the Transaction. If the Final Order is obtained on September 26, 2017, in the form and substance satisfactory to the REIT, SmartREIT and Strathallen, and all other

conditions to completion are satisfied or waived, the REIT expects the Effective Date of the Transaction to be in the fall of 2017.

Securities Laws Matters

Canada

Issuance of SmartREIT Units and SmartREIT Special Voting Units

The distribution of the SmartREIT Units and SmartREIT Special Voting Units on the Effective Date pursuant to the Transaction 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 laws, the SmartREIT Units and SmartREIT Special Voting Units distributed in connection with the Transaction 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 SmartREIT Units or SmartREIT Special Voting Units to affect materially the control of SmartREIT will be restricted in reselling such units pursuant to securities laws applicable in Canada.

See "*Principal Legal Matters – Securities Laws Matters – Canada – Issuance of SmartREIT Units and SmartREIT Special Voting Units*".

MI 61-101 Requirements

MI 61-101 requires that in certain circumstances in connection with a business combination, an issuer obtain a "formal valuation" (as defined in MI 61-101) of the subject matter of the transaction and any non-cash consideration. Pursuant to MI 61-101, in connection with the Transaction, the REIT was required to obtain a formal valuation of the Units; however the REIT was exempt from the requirement to obtain a valuation of the SmartREIT Units as described below. The Special Committee retained NBF to deliver a formal valuation of the Units. The REIT was exempt from the requirement to obtain a "formal valuation" of the SmartREIT Units pursuant to MI 61-101 because (a) the SmartREIT Units are securities of a reporting issuer for which there is a published market, (b) the REIT has no knowledge of any material information concerning SmartREIT or the SmartREIT Units that has not been generally disclosed, (c) a liquid market (as defined in MI 61-101) exists for the SmartREIT Units, (d) the Non-Cash Consideration constitutes less than 25% of the number of SmartREIT Units outstanding immediately before the Transaction, (e) the SmartREIT Units to be issued pursuant to the Transaction will be freely tradeable at the time the Transaction is completed, and (f) NBF is of the opinion that a valuation of the SmartREIT Units is not required. See "*Background to the Transaction – NBF Fairness Opinion and Valuation*".

MI 61-101 also requires that, in addition to any other required securityholder approval, a business combination be subject to certain minority approval requirements. In relation to the Transaction and for purposes of the required Unitholder approval for the Transaction, the "minority" Unitholders of the REIT are all Unitholders other than (i) the REIT; (ii) any interested party to the Transaction within the meaning of MI 61-101; (iii) any related party to such interested party within the meaning of MI 61-101 (subject to the exceptions set out therein); and (iv) any person that is a joint actor with a person referred to in the foregoing clauses (ii) or

(iii) for the purposes of MI 61-101. Under MI 61-101, an interested party includes, but is not limited to: (i) a related party of the REIT if such related party would, as a consequence of the transaction, acquire the issuer or the business of the issuer; and (ii) a related party of the REIT if such person is entitled to receive, directly or indirectly, as a consequence of the transaction, a "collateral benefit" (as such term is defined in MI 61-101).

Mitchell Goldhar is considered a related party of the REIT under MI 61-101 as Mr. Goldhar is a "control person" of the REIT since he is entitled under the terms of the REIT trust indenture to an aggregate of 25% of the voting rights of the REIT. Mr. Goldhar is also a "control person" of SmartREIT since he owns approximately 22% of the outstanding SmartREIT Units (on a diluted basis assuming exchange of the exchangeable Class B limited partnership units of SmartREIT's limited partnerships). As a result, the REIT and SmartREIT are "related parties" under MI 61-101 for purposes of the Transaction. In addition, because Mitchell Goldhar is a "related party" of SmartREIT, which in turn is an "interested party" to the Transaction within the meaning of MI 61-101, the 4,929,600 Units and 19,290,032 Special Voting Units that Mr. Goldhar beneficially owns or controls will be excluded for the purposes of determining whether minority approval has been obtained.

As a result of the provisions of MI 61-101, the Special Resolution must be approved by (i) 66⅔% of the votes cast on the Special Resolution by Voting Unitholders present in person or represented by proxy at the Meeting, and (ii) "minority approval" in accordance with section 8.1 of MI 61-101, which excludes votes cast by the Interested Unitholders. As of August 23, 2017, the Interested Unitholders hold an aggregate of 4,929,600 Units and 19,290,032 Special Voting Units.

See "*Principal Legal Matters – Securities Laws Matters – Canada – MI 61-101 Requirements*".

United States

The SmartREIT Units to be received by Unitholders pursuant to the Transaction have not been and will not be registered under the U.S. Securities Act or any applicable state securities laws and will be issued in reliance on the exemption from the registration requirements of the U.S. Securities Act set forth in Section 3(a)(10) thereof and pursuant to exemptions from registration under any applicable state securities laws. As a result, such SmartREIT Units received in exchange for the Units pursuant to the Transaction 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 SmartREIT. Any resale of such SmartREIT Units by such an affiliate (or, if applicable, former affiliate) may be subject to the registration requirements of the U.S. Securities Act, absent an exemption therefrom.

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, which are different than the requirements applicable to proxy solicitations under the U.S. Exchange Act.

See "*OneREIT Management Information Circular – Information for U.S. Unitholders*" and "*Principal Legal Matters – Securities Laws Matters – United States*".

Post Transaction Structure

Upon the completion of the Transaction and assuming a Reference Price of $30.51 (and thus an Exchange Ratio of 0.1376), approximately 159,220,392 SmartREIT Units and SmartREIT Class B LP Units will be outstanding, (based upon the Units, Class B LP Units, SmartREIT Units and SmartREIT Class B LP Units outstanding on the Record Date and assuming no Unitholder validly exercises Dissent Rights and no convertible debentures are converted into Units prior to the Effective Time). Of the then outstanding SmartREIT Units and SmartREIT Class B LP Units, approximately 98.5% will be held by existing SmartREIT Unitholders and SmartREIT Class B LP Unitholders and approximately 1.5% will be held by or reserved for issuance to former Unitholders (including former holders of Class B LP Units).

GENERAL PROXY MATTERS

Solicitation of Proxies

This Circular is furnished in connection with the solicitation of proxies by the REIT's management for use at the Meeting and at any adjournment or postponement thereof. The solicitation of proxies will be primarily by mail but proxies may also be solicited by telephone, fax or personally by the Trustees, officers, employees or agents of the REIT. The cost of solicitation will be borne by the REIT. The REIT will reimburse banks, brokerage firms and other custodians, nominees and fiduciaries for any reasonable expenses incurred in sending proxy material to beneficial owners of Units and requesting authority to execute proxies.

Record Date

The Board has fixed the close of business (Toronto time) on August 18, 2017, as the Record Date for the purpose of determining Voting Unitholders entitled to receive the Notice of Meeting and to vote at the Meeting. Each Voting Unitholder is entitled to one vote for each Voting Unit held and shown as registered in such holder's name on the list of Voting Unitholders prepared as of the close of business on the Record Date.

As at the date of this Circular, CDS is the only registered holder of Units (a "**Registered Unitholder**"). All other Unitholders are "**Beneficial Unitholders**", whose Units are registered either in the name of an intermediary that the non-registered holder deals with, such as banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans, or in the name of a depository or clearing agent. As at the date of this Circular, the SC/MRR Group (as hereinafter defined) is the only registered holder of Special Voting Units.

Beneficial Unitholders

All Beneficial Unitholders can expect to receive either:

(a) a form of proxy that is signed by the investment dealer, other intermediary or clearing agency (typically by a facsimile stamped signature), which sets forth the number of Units beneficially owned by the Beneficial Unitholder, but which is otherwise not completed. The Beneficial Unitholder may complete the proxy and deposit it with AST Trust Company (Canada) as described; or

(b) a VIF requesting voting instructions which must be completed and signed, or otherwise dealt with, by the Beneficial Unitholder in accordance with the instructions on the VIF.

The majority of investment dealers, other intermediaries or clearing agencies delegate responsibility for obtaining voting instructions from Beneficial Unitholders to BFSI. BFSI typically mails a VIF to Beneficial Unitholders requesting that the Beneficial Unitholders return the form to BFSI. The BFSI form also allows completion of the VIF by telephone, by internet and by facsimile. BFSI then tabulates the results of all instructions received from Beneficial

Unitholders and provides appropriate instructions respecting the voting of Units to the REIT's transfer agent, AST Trust Company (Canada). A Beneficial Unitholder receiving a VIF from BFSI cannot use the form to vote the Voting Units directly at the Meeting. The VIF must be returned to BFSI in order to have the Voting Units to which it relates voted. Beneficial Unitholders should consult with their intermediary to receive instructions as to how to vote their Voting Units. If a Beneficial Unitholder wishes to vote in person at the Meeting, such Beneficial Unitholder should strike out the names of the persons named in the VIF and insert their own name.

Beneficial Unitholders should return their voting instructions as specified in the VIF. Beneficial Unitholders should carefully follow the instructions set out in the VIF, including those regarding when and where the VIF is to be delivered. Beneficial Unitholders receiving a VIF cannot use that form to vote the Voting Units directly at the Meeting. Beneficial Unitholders who wish to attend the Meeting and vote their Voting Units in person (or have another person attend and vote on behalf of the Beneficial Unitholder) should contact their intermediaries in advance of the Meeting.

Beneficial Unitholders should also instruct their intermediaries to complete the Letter of Transmittal and Election Form with respect to the Beneficial Unitholders' Units and deposit such Beneficial Unitholders' Units with the Depositary as soon as possible in order to make an election as to Consideration under the Transaction.

Voting of Voting Units Represented by Management Proxies

On any ballot that may be called for, the Voting Units represented by properly executed forms of proxy will be voted by the persons named therein in accordance with the instructions of the Voting Unitholder in the proxy on any ballot that may be called for and, if the Voting Unitholder specifies a choice with respect to any matter to be acted upon, the Voting Units represented by such proxy will be voted accordingly.

If no choice is specified with respect to any matter to be acted upon at the Meeting, the Voting Units represented by such proxy will be voted FOR the Special Resolution.

The accompanying form of proxy confers discretionary authority upon the persons named therein with respect to amendments to or variations, if any, of matters identified in the Notice of Meeting and with respect to other matters, if any, which may properly come before the Meeting. To the knowledge of the Trustees of the REIT, as at the date of this Circular, there are no such amendments or other matters to come before the Meeting. If any such other matter or if any amendments to or variations of the matters identified in the Notice of Meeting should properly come before the Meeting, proxies received pursuant to this solicitation will be voted on such amendments, variations and other matters in accordance with the best judgment of the person voting the proxy.

Appointment and Revocation of Proxies

The persons named in the form of proxy accompanying this Circular are Trustees and/or officers of the REIT. **A Voting Unitholder may appoint another person or company (who need not be a Voting Unitholder), other than the persons designated in the form of proxy, to**

represent such Voting Unitholder at the Meeting. This appointee must attend the Meeting in order for a Voting Unitholder's vote to be cast. To exercise such right, a Voting Unitholder may either strike out the names of the persons named in the enclosed form of proxy or VIF and insert the name of the other person to be appointed in the blank space provided, or complete another acceptable form of proxy and, in either case, deliver the completed form of proxy or VIF to BFSI (or to any such address as may be specified in the VIF), at any time up to 5:00 p.m. (Toronto time) on September 21, 2017 (or if the Meeting is adjourned or postponed, on the second last Business Day prior to the date of the adjourned or postponed Meeting), or to the Chair of the Meeting at any time prior to the commencement of the Meeting.

Proxies given by Voting Unitholders for use at the Meeting may be revoked at any time prior as to any matter on which a vote has not already been cast pursuant to the authority conferred by such form of proxy. In addition to revocation in any other manner permitted by law, a proxy may be revoked by another completed and signed proxy bearing a later date or an instrument in writing executed by the Voting Unitholder, or by such Voting Unitholder's attorney duly authorized in writing or, if the Voting Unitholder is a corporation, by an officer or attorney of the corporation duly authorized, and returned to AST Trust Company (Canada), at any time up to 5:00 p.m. (Toronto time) on September 21, 2017 (or if the Meeting is adjourned or postponed, on the second last Business Day prior to the date of the adjourned or postponed Meeting), or to the Chair of the Meeting prior to the commencement of the Meeting.

Quorum

The Interim Order provides that two Voting Unitholders personally present or represented by proxy will constitute a quorum for the Meeting.

Authorized Capital and Principal Holders

The REIT is an unincorporated open-ended real estate investment trust governed by the laws of the Province of Ontario and created pursuant to the Declaration of Trust. The principal and head office of the REIT is located at 700 Applewood Crescent, Suite 300, Vaughan, Ontario, L4K 5X3.

As at August 23, 2017, the REIT had 77,588,495 Units outstanding and 19,290,032 Special Voting Units outstanding for a total of 96,878,527 Voting Units outstanding of which 8,218,472 Special Voting Units were issued pursuant to the Minimum Voting Entitlement and are unrelated to Class B LP Units.

Units

The REIT is authorized to issue an unlimited number of Units, each of which represents a Unitholder's proportionate undivided beneficial interest in the REIT. No Unit has any preference or priority over another. No Unitholder has or is deemed to have any right of ownership of any of the assets of the REIT. Each Unit confers the right to one vote at any meeting of Unitholders and to participate pro rata in any distributions by the REIT, whether of net income, net realized capital gains or other amounts and, in the event of termination of the REIT, in the net assets of the REIT remaining after satisfaction of all liabilities. Units are fully paid and non-assessable when issued (unless issued on an instalment basis) and are transferable.

Special Voting Units

The Declaration of Trust also provides that the REIT may issue an unlimited number of Special Voting Units, provided that Special Voting Units will only be issued concurrently with or in relation to the issuance of Exchangeable Securities or in connection with the Minimum Voting Entitlement. Currently, the only Exchangeable Securities outstanding are the Class B LP Units. All Class B LP Units are exchangeable on a one-for-one basis at any time for Units. No Special Voting Unit will be entitled to any legal or beneficial interest or share in the distributions or net assets of the REIT. Special Voting Units, other than those issued pursuant to the Minimum Voting Entitlement, will automatically be cancelled and the former holder of such Special Voting Units will cease to have any rights with respect thereto concurrently with the issuance of Units on the exchange of the related Exchangeable Securities (which includes Class B LP Units). Special Voting Units issued pursuant to the Minimum Voting Entitlement will automatically be cancelled immediately following the meeting of Unitholders and Special Voting Unitholders in respect of which such Special Voting Units were issued. Each Special Voting Unit is intended to be the voting equivalent of a Unit. Accordingly, subject to the Minimum Voting Entitlement, the holders of Special Voting Units will be entitled to that number of votes on any ballot vote at a meeting of Unitholders, or in respect of any written resolution of Unitholders, that is equal to the number of votes such holder would have been entitled to if the Exchangeable Securities to which such Special Voting Units relate had been exchanged for Units.

However, other than voting rights, the holders of Special Voting Units have no rights (whether as to distributions or otherwise) in respect of the REIT and Special Voting Units do not represent any claim or interest in, and no holder of Special Voting Units will have or be deemed to have any right of ownership in, any of the assets of the REIT.

Notwithstanding the foregoing, if in any given 365 day period in the ten year period from July 8, 2008, to July 8, 2018, the average weighted aggregate number of Units and Special Voting Units held or controlled by Mitchell Goldhar and entities controlled by Mitchell Goldhar, including any of the vendors in the purchase transaction completed with SmartCentres Inc. in July 2008 (the "**SmartCentres 2008 Transaction**"), or affiliates of such entities (collectively referred to herein as the "**SC/MRR Group**") is equal to or greater than the 9,110,269 Special Voting Units issued on the closing of the SmartCentres 2008 Transaction, then so long as a nominee of Mitchell Goldhar remains a trustee of the REIT and the SC/MRR Group beneficially owns or controls less than 25% of the voting rights attached to all voting securities of the REIT, the REIT will issue such number of additional Special Voting Units which will entitle the SC/MRR Group to cast 25% of the votes attached to all voting securities of the REIT at a meeting of the Unitholders and Special Voting Unitholders (the "**Minimum Voting Entitlement**"). The REIT is required to issue such additional Special Voting Units to the SC/MRR Group on the trading day immediately prior to each record date for voting at any meeting of Unitholders and Special Voting Unitholders, if such record date is on or prior to the day on which the Minimum Voting Entitlement right expires. Effective immediately following each such meeting of Unitholders and Special Voting Unitholders, or any adjournment of such meeting, all additional Special Voting Units issued to the SC/MRR Group pursuant to the Minimum Voting Entitlement are automatically cancelled, and the former holders of such Special Voting Units cease to have any rights with respect those cancelled Special Voting Units.

Currently the only issued and outstanding Special Voting Units are (i) those that were issued to the SC/MRR Group as part of the SmartCentres 2008 Transaction, in conjunction with the issuance to the SC/MRR Group of ONR Class B LP Units, (ii) those that were issued to SmartCentres Realty-CWT Partnership (the "**SmartCentres Partnership**") in conjunction with the issuance of 650,000 ONR I Class B LP Units to SmartCentres Partnership as partial consideration for the acquisition of two properties by the REIT from Walmart Canada Realty Inc. and SmartCentres Inc. in 2013 (the "**2013 Walmart/SmartCentres Acquisition**"), (iii) those that were issued to SmartCentres Partnership in conjunction with the issuance to SmartCentres Partnership of an aggregate of 315,291 ONR I Class B LP Units as additional earned consideration pursuant to the 2013 Walmart/SmartCentres Acquisition, and (iv) those that were issued to SmartCentres Partnership as part of the acquisition of two properties by the REIT from Walmart Canada Realty Inc. and Penguin Investments Inc. in 2014 in conjunction with the issuance of 996,000 ONR I Class B LP Units to SmartCentres Partnership.

Principal Voting Unitholders

To the knowledge of the REIT, as at August 23, 2017, no person or company beneficially owned, directly or indirectly, or exercised control or direction over, voting securities of the REIT carrying more than 10% of the voting rights attached to any class of voting securities of the REIT except as set out below:

Mitchell Goldhar - Toronto, ON:

Units		**Special Voting Units**		**Voting Units**	
Number	**Percentage**	**Number**	**Percentage**	**Number**	**Percentage**
4,929,600[(1)]	6.4%	19,290,032[(2)]	100%	24,219,632	25.00%

(1) The Units are held by SC Financial Investments Inc. and are under the control or direction of Mitchell Goldhar.
(2) The Special Voting Units are held by the SC/MRR Group (which includes SmartCentres Partnership) and are under the control or direction of Mitchell Goldhar.

To the knowledge of the REIT, as at August 23, 2017, Mitchell Goldhar had beneficial ownership of, or control over 11,071,560 Class B LP Units (securities exchangeable on a one-for-one basis for Units), of which he had beneficial ownership and control of 1,961,291 Class B LP Units and control over 9,106,269 Class B LP Units, which, together with his beneficial ownership of, or control over 4,929,600 Units, represented an approximate 18.05% equity interest in the REIT, in each case on a partially diluted basis, assuming the exchange of all Class B LP Units for Units.

BACKGROUND TO THE TRANSACTION

Background to the Transaction

The Arrangement Agreement and the Strathallen Purchase Agreement are the result of a publicly announced strategic review process undertaken by the REIT under the supervision of the Special Committee and arm's length negotiations conducted among representatives of the REIT, SmartREIT, and Strathallen and their respective legal and financial advisors. The following is a

summary of material events that preceded the execution of the Arrangement Agreement and the Strathallen Purchase Agreement.

Since 2015, the Canadian retail real estate environment has been facing a number of new challenges that have adversely affected demand for certain types retail space, an example of which was the announcement by Target that it would leave Canada and close all of its 133 retail stores in Canada, which included leases of approximately 14.7 million square feet of retail space. Many other retailers undertook a strategic review of their real-estate needs, particularly secondary markets without strong national or grocery anchor tenants. The foregoing contributed to slower growth or an outright freeze in new leases and rents in many locations. In this challenging market environment, the price of the Units declined meaningfully relative to the REIT's peers during 2015 and in January 2016. Given that the Units were consistently trading below what the Board believed to be their fair market value, in January 2016 the REIT approached TD Securities with the intention of engaging TD Securities to present preliminary views on the REIT's fair value and to review options to maximize value for Unitholders. In selecting TD Securities to perform this role, the REIT took into account a number of factors including TD Securities' extensive real estate expertise. Among the alternatives considered was the possibility of maintaining the status quo or waiting some period of time before proceeding with a potential transaction. Throughout the strategic review process, TD Securities reported to and took instruction from the Special Committee.

In January 2016 the Board established the Special Committee to oversee the strategic review process. The Special Committee was comprised of Christopher J. Cann, Patrick J. Lavelle, Andrew Shapack, Robert Wolf and Hani Zayadi, each being independent of the Interested Unitholders. The mandate of the Special Committee included, among other things: (a) to receive details of, consider and evaluate any proposal concerning any potential transaction arising out of the strategic review process and to discuss such proposal with representatives of the significant Unitholders to the extent the Special Committee deemed it appropriate to do so and with other organizations and experts, consultants and advisors to the Special Committee; (b) to consider and advise the Board as to whether any potential transaction is in the best interests of the REIT, having regard to all considerations determined relevant by the Special Committee; (c) if a potential transaction was approved, to review its implementation on behalf of the Board; and (d) from time to time, to provide advice and guidance to the Board as to matters considered by the Special Committee to be reasonably ancillary to a potential transaction, together with the recommendations of the Special Committee with respect thereto. In addition, the Special Committee was empowered to engage, on terms approved by the Special Committee and at the expense of the REIT, such experts, consultants and advisors as the Special Committee deemed appropriate, including one or more independent and appropriately qualified valuators for the purposes of preparing a formal valuation in accordance with MI 61-101, if required. The Special Committee oversaw and directed the strategic review process independent of the Interested Unitholders and the non-independent Trustees and directed TD Securities and senior management with respect to material decisions throughout the process and in negotiations with interested parties, including Strathallen and SmartREIT. Given Mr. Goldhar's significant equity and voting interest in the REIT, the Special Committee, of necessity in formulating any transaction, consulted with Mr. Goldhar from time to time, but these consultations were undertaken at the direction of, and at the time determined by, the Special Committee. Over the course of the strategic review process and up to the signing of the Arrangement Agreement and

the Strathallen Purchase Agreement, the Special Committee met formally approximately 39 times.

The Special Committee met twice in March of 2016 to discuss, among other things, the role to be played by TD Securities in the strategic review process and whether the Special Committee should retain an additional independent financial advisor given the potential that a related party of the REIT would participate in any proposed transaction and that, as a result, a formal valuation may be required in accordance with MI 61-101.

In February and March of 2016, TD Securities' engagement terms were negotiated, and preparations began for a sale process. This included identifying potential purchasers, both "en bloc" and consortium purchasers, selecting a sale process structure to best ensure confidentiality and preparing confidential information materials for potential purchasers. In light of Mitchell Goldhar being the largest Unitholder and taking into account his Minimum Voting Entitlement, the Special Committee determined it would be appropriate to inform Mr. Goldhar of the strategic review process. Mr. Goldhar was so informed and he advised the Special Committee that he supported the process.

In April 2016, TD Securities began the sale process and contacted ten potential "en bloc" purchasers and six potential consortium purchasers on a confidential basis to solicit their interest in making a proposal to acquire 100% of the REIT or assets of the REIT that, together with other proposals, could result in a transaction for 100% of the assets of the REIT. A total of 12 parties expressed interest in exploring the opportunity, signed confidentiality agreements and were provided with a Confidential Information Memorandum and other information so as to be in a position to provide the REIT with informed proposals.

On May 5, 2016, effective as of January 29, 2016, TD Securities was formally engaged by the REIT.

Based on the initial level of interest of potential purchasers, the Special Committee determined that the REIT publicly announce the strategic review process to ensure any other interested potential purchaser not identified to that point could come forward. Accordingly, on June 8, 2016, the REIT announced that the Board had formed the Special Committee to explore strategic alternatives to maximize value of the REIT and that the REIT had engaged TD Securities as its financial advisor and Fasken Martineau DuMoulin LLP as its legal advisor.

On June 21, 2016, the REIT received five non-binding proposals. Four proposals, including one from SmartREIT, contemplated the acquisition of less than all the assets of the REIT. The assets that were of interest to these four potential purchasers did not, together, represent the entire portfolio of the REIT. The fifth proposal contemplated the purchase of all of the assets of the REIT and was jointly submitted by Strathallen and another potential purchaser and valued the Units at $4.00 per Unit.

The Special Committee met four times in June of 2016 to, among other things, receive updates from TD Securities on the proposals received and to provide further direction to TD Securities. All five preliminary proposals were reviewed by the Special Committee on June 29, 2016. The Special Committee instructed TD Securities to revert to Strathallen and its partner to encourage

them to enhance their proposal. Thereafter, Strathallen together with the other purchaser did not increase the indicative price in their proposal.

In July 2016, the REIT received a non-binding proposal from another potential purchaser which contemplated a price of $4.50 per unit payable 100% in securities of the potential purchaser. However, the proposal was highly conditional, including a condition that the proposal receive voting support from the Interested Unitholders. In light of the foregoing condition, the Special Committee shared the proposal with the Interested Unitholders, who provided feedback that the potential purchaser should conduct additional due diligence in order to improve the proposal. The potential purchaser proceeded to conduct additional due diligence, following which the potential purchaser determined that it was interested only in certain assets of the REIT and any revised proposal would therefore require the prior sale of 25 of the REIT's properties. Thereafter, and given SmartREIT's prior proposal for various assets, the Special Committee facilitated discussions between the potential purchaser and SmartREIT whereby SmartREIT identified 17 assets it would have an interest in purchasing, leaving eight of the 25 assets referred to above that would have had to have been be pre-sold to third parties. No agreement was reached as to the value of the 17 assets or the identity of the purchaser of the remaining eight assets, thereby substantially reducing the likelihood of achieving the proposed consideration. In addition, the potential purchaser further indicated that the consideration to be offered to Unitholders would include a contingent value right based on the future trading value of the securities of the potential purchaser. After consultation with TD Securities, the Special Committee concluded that the contingent value right was unconventional and meaningfully increased the risk and complexity of the proposal and the uncertainty of its value to Unitholders. Accordingly, the Special Committee determined not to further pursue the proposal.

In August 2016, SmartREIT submitted a non-binding proposal to acquire the REIT in conjunction with an additional party or parties, such that SmartREIT would ultimately acquire only certain assets of the REIT. Given the number and value of assets to be disposed, the proposal was viewed as highly conditional and not practical to execute as no single buyer had expressed interest at that time in acquiring all of the assets that SmartREIT did not wish to purchase.

On September 7, 2016, the REIT announced the retirement of Patrick Lavelle from his role as a trustee and Chairman of the Board of Trustees and Chairman of the Special Committee. On September 26, 2016, the REIT announced the appointment of Hani Joseph Zayadi, an independent Trustee, as Chairman of the Board of Trustees. Mr. Zayadi, who also already a member of the Special Committee, was also named Chairman of the Special Committee.

In late September 2016, Strathallen contacted TD Securities to indicate potential interest in acquiring a substantial amount of assets of the REIT, to the extent there was another buyer for the remaining assets.

The Special Committee met twice in September 2016 to, among other things, receive an update from TD Securities on the sale process. At this time, TD Securities advised the Special Committee that it was becoming apparent that there would not likely be a single purchaser interested in all of the REIT's assets, such that any transaction for the entirety of the REIT would likely require multiple buyers working closely together.

Through October 2016, the Special Committee explored a potential joint transaction with Strathallen and SmartREIT and received informal non-binding proposals from both parties that accounted for all but five of the REIT's assets. The proposals provided for the acquisition by Strathallen of certain assets valued at approximately $580.8 million and the acquisition by SmartREIT of certain other assets valued at approximately $500 million, leaving five assets to be sold to third parties. In addition, both proposals were contingent on each party completing the transaction as an asset purchase.

In December 2016, further negotiations took place between TD Securities, at the direction of the Special Committee and SmartREIT and Strathallen that resulted in a further non-binding proposal from Strathallen and SmartREIT that, together, provided for the acquisition of all of the REIT's assets. Strathallen would acquire certain assets valued at $720.7 million and SmartREIT would acquire certain assets valued at $421.7 million and, together, both would effectively assume all the liabilities of the REIT. From January 2017 to June 2017, discussions were held between TD Securities, at the direction of the Special Committee and SmartREIT and Strathallen to further negotiate the terms of the proposals while SmartREIT and Strathallen continued to conduct due diligence.

The Special Committee met five times during December of 2016, five times during the first quarter of 2017 and six times during the second quarter of 2017 to, among other things, receive updates from TD Securities on discussions with SmartREIT and Strathallen and to direct TD Securities in the negotiation of letters of intent. In the course of these meetings, the Special Committee advised that it required that the transaction reflect a value for the Units of at least $4.37 per Unit.

In June 2017, Strathallen and SmartREIT entered into non-binding letters of intent with the REIT in respect of a transaction whereby Strathallen would acquire $707.5 million of assets payable in cash, and SmartREIT would acquire the balance of the REIT's assets and assume the remaining debt and certain liabilities of the REIT for an effective purchase price of approximately $429.3 million. Based on the balance sheet of the REIT at that time, and the net realizable value of certain working capital items, including non-property assets and liabilities, the proposals together were expected to result in consideration of approximately $4.31 per Unit for 100% of the REIT. The letters of intent provided for the grant of exclusivity to SmartREIT and Strathallen for a specified period so as to permit them to complete their respective due diligence and negotiate definitive transaction agreements. While the proposals valued the Units at less than $4.37 per Unit, the Special Committee nevertheless determined that such proposals presented an acceptable transaction for the REIT in the circumstances given, among other things, the Special Committee's view of the sale process to date and the future prospects of the REIT. The Special Committee also took into account advice received from the Interested Unitholders that they were willing to enter into support and voting agreements with SmartREIT and Strathallen in support of the proposed transaction which would increase the likelihood that a transaction would be completed.

Due to SmartREIT's participation in the Transaction, the Transaction would constitute a "business combination" under MI 61-101 for the REIT (see "*Principal Legal Matters*"). Accordingly, following the execution of the letters of intent, the Special Committee contacted NBF to engage it as an independent valuator to prepare a formal valuation of the Units as required pursuant to MI 61-101 and provide an independent fairness opinion. NBF was formally

engaged on July 6, 2017. In selecting NBF, the Special Committee took into account NBF's independence pursuant to MI 61-101, including its independence from Mr. Goldhar and the other Interested Unitholders, as well as its investment banking expertise.

Following extensive due diligence by Strathallen and SmartREIT and negotiations on price and structure during June, July and early August 2017, the parties reached an agreement on the commercial terms of a proposed transaction, including the amount and form of the Consideration, that valued the Units at an effective unit price of $4.26 per Unit. The ultimate value ascribed to the Units of the REIT was a result of, among other things, specific long-term deterioration in the REIT's tenancies, increases in capital costs to maintain certain assets and certain mark-to-market adjustments. In considering the proposed transaction value of $4.26 per Unit, the Special Committee also considered that, under the terms of the proposed transaction, the distribution to Unitholders for September would not be made, and the monthly distribution for October would not be made, unless closing of the transaction occurred on or after November 1, 2017.

On August 3, 2017, after the close of trading on the TSX, the Special Committee met to consider the proposed final terms of the Transaction, received the NBF Fairness Opinion and Valuation, the TD Fairness Opinion and made its recommendation to the Board that the Transaction is in the best interests of the REIT and fair to Voting Unitholders (including Voting Unitholders that are not Interested Unitholders) and that the Board should approve the Transaction and recommend that Voting Unitholders vote in favour of the Special Resolution. Immediately following such meeting, the Board met to consider the final terms of the Transaction and to receive the recommendation of the Special Committee, the NBF Fairness Opinion and Valuation and the TD Fairness Opinion. Following such consideration, the members of the Board entitled to vote determined that that the Transaction is in the best interests of the REIT and fair to Voting Unitholders (including Voting Unitholders that are not Interested Unitholders) and approved the Transaction and recommended that Voting Unitholders vote in favour of the Special Resolution.

Prior to the opening of trading on the TSX on August 4, 2017, the Arrangement Agreement, the Strathallen Purchase Agreement and the Support and Voting Agreements were finalized and executed and delivered by the parties thereto, and the Transaction was announced by press releases of the REIT and SmartREIT. Thereafter, the Arrangement Agreement was amended and restated to reflect certain technical changes.

NBF Fairness Opinion and Valuation

In connection with the evaluation by the Special Committee of the Transaction, the Special Committee received an opinion from NBF (the "**NBF Fairness Opinion**") in respect of the fairness, from a financial point of view, of the Consideration to be received by Unitholders pursuant to the Transaction, other than the Interested Unitholders. NBF was also engaged by the Special Committee as the independent valuator to prepare a formal valuation of the Units in accordance with MI 61-101 (the "**Valuation**"). The following summary of the NBF Fairness Opinion and Valuation is qualified in its entirety by reference to the full text of the NBF Fairness Opinion and Valuation attached at Appendix "E". Unitholders are urged to, and should, read the NBF Fairness Opinion and Valuation in its entirety.

At the meeting of the Special Committee on August 3, 2017, NBF delivered an oral opinion, subsequently confirmed in writing by the NBF Fairness Opinion, that, as at such date, and subject to the assumptions, restrictions and limitations set forth in the NBF Fairness Opinion, the Consideration to be received by Unitholders pursuant to the Transaction is fair, from a financial point of view, to the Unitholders, other than the Interested Unitholders. 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 August 3, 2017, the fair market value per Unit is in the range of $4.00 to $4.65.

The full text of the NBF Fairness Opinion and Valuation, which sets forth among other things, assumptions made, matters considered, information reviewed, restrictions and limitations on the review undertaken by NBF in connection with the NBF Fairness Opinion and Valuation, is attached at Appendix "E". **Unitholders are urged to read the NBF Fairness Opinion and Valuation in its entirety.** References to the NBF Fairness Opinion and Valuation in this Circular are qualified in their entirety by reference to the full text of the Fairness Opinion and Valuation. NBF provided the NBF Fairness Opinion and Valuation solely for the use of the Special Committee in connection with its consideration of the Transaction. NBF expressed no view as to, and the NBF Fairness Opinion and Valuation did not address, any other aspects or implications of the Transaction or the underlying business decision of the Board to effect the Transaction, the relative merits of the Transaction as compared to any alternative business strategies that might exist for the REIT or the effect of any other transaction in which the REIT might engage. The NBF Fairness Opinion and Valuation is not, and should not be considered to be, a recommendation to Voting Unitholders, or to others, to take any course of action. The NBF Fairness Opinion and Valuation has been prepared solely for the purposes stated, it may not have considered issues relevant to third parties and NBF has no responsibility whatsoever to any third party. Any use of the NBF Fairness Opinion and Valuation by a third party is entirely at its own risk.

Engagement of NBF

The Special Committee initially contacted NBF on June 15, 2017 regarding potentially engaging NBF as an independent financial advisor to provide financial advice and assistance to the Special Committee in evaluating the Transaction, including the preparation and delivery to the Special Committee of a formal valuation of the Units and a fairness opinion. On July 6, 2017, the Special Committee engaged NBF to prepare, under the supervision of the Special Committee, the NBF Fairness Opinion and the Valuation in accordance with MI 61-101. The Special Committee engaged NBF after having concluded that NBF is qualified and independent for purposes of MI 61-101, as further described below.

The terms of the engagement letter with NBF provide that NBF is to be paid a fixed fee for services to be rendered in connection with preparing the NBF Fairness Opinion and Valuation. In addition, NBF is to be reimbursed for its reasonable out-of-pocket expenses and is to be indemnified by the REIT under certain circumstances. No part of NBF's fee is contingent upon the conclusions reached in the NBF Fairness Opinion and Valuation or on the completion of the Transaction. NBF's fees and reimbursement of expenses is to be paid by the REIT.

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. The Valuation and the Fairness Opinion represents the opinions of NBF and the form and content thereof 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.

Independence of NBF

NBF has confirmed to the Special Committee in its engagement agreement, for purposes of MI 61-101, that neither NBF nor any "affiliated entity" (as such term is defined in MI 61-101) of NBF:

(a) is an "associated entity" or "affiliated entity" or "issuer insider" (as each such term is defined in MI 61-101) of SmartREIT, Mitchell Goldhar and any other "interested party" (as such term is defined in MI 61-101) in the Transaction (for purposes of this section, SmartREIT, Mitchell Goldhar and any other "interested party" each an "interested party" and collectively, the "interested parties");

(b) acts as an advisor to an interested party in respect of the Transaction; or

(c) has a material financial interest in the completion of the Transaction.

NBF has also confirmed to the Special Committee in its engagement agreement, for purposes of MI 61-101, that:

(a) it does not have, nor does any of its affiliated entities have, 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;

(b) during the 24 months before NBF was first contacted by the REIT in respect of the Transaction, NBF has not and its affiliates have not:

(i) 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,

(ii) 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,

(iii) 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,

(iv) had a material financial interest in a transaction involving an Interested Party, or

(v) had a material financial interest in a transaction involving the REIT; or

(c) it is not nor is any of its affiliated entities (i) a lead or co-lead lender or manager of a lending syndicate in respect of the Transaction, or (ii) 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.

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 or SmartREIT and from time to time, may have executed or may execute transactions for such entities and their respective associates and affiliates and clients from whom 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 or SmartREIT and their respective associates and affiliates and the Transaction.

In August 2016 and March 2017, NBF participated in SmartREIT's public debt offerings, but did not act as lead or co-lead underwriter in respect of such offerings. NBF also participates as a member of the lending syndicate relating to SmartREIT's credit facilities. In addition, in the ordinary course of its business, NBF or its controlling shareholder, National Bank of Canada, may have extended or may extend loans, or may have provided or may provide other financial services, including financial advisory and investment banking services, to the REIT, SmartREIT, Strathallen or their respective associates or affiliates. Except as expressed in the NBF Fairness Opinion and Valuation, there are no understandings, agreements or commitments between NBF or National Bank of Canada, on the one hand, and the REIT, SmartREIT, Strathallen or their respective associates or affiliates, on the other hand, with respect to any future business dealings.

NBF is of the view, and the Special Committee and the Board have determined on the basis of NBF's credentials and independence, that NBF is qualified and independent of the REIT for the purposes of MI 61-101.

TD Fairness Opinion

TD Securities was engaged by the REIT as a financial advisor to provide the Special Committee and the Board with financial advisory services in connection with the Arrangement, including advice and assistance in evaluating the Arrangement. In connection with the evaluation by the Special Committee and the Board of the Arrangement, the Special Committee and the Board received an opinion from TD Securities (the "**TD Fairness Opinion**") in respect of the fairness, from a financial point of view, of the Consideration to be received by Voting Unitholders pursuant to the Arrangement to such Voting Unitholders, other than the Interested Unitholders. The following summary of the TD Fairness Opinion is qualified in its entirety by reference to the

full text of the TD Fairness Opinion attached at Appendix "F". Unitholders are urged to, and should, read the TD Fairness Opinion in its entirety

TD Securities was engaged, effective January 29, 2016, by the REIT as financial advisor through an engagement agreement dated as of May 5, 2016 between the REIT and TD Securities. Pursuant to its engagement agreement, TD Securities agreed to provide, among other things, financial analysis and advice and to deliver a fairness opinion to the Special Committee and the Board, as requested.

At the meetings of the Special Committee and the Board held on August 3, 2017, TD Securities delivered an oral opinion, subsequently confirmed in writing by the TD Fairness Opinion, that, as at such date, and based upon and subject to the scope of review, and subject to the analyses, assumptions, limitations, qualifications, and other matters described in the TD Fairness Opinion, the Consideration to be received by Voting Unitholders pursuant to the Arrangement is fair, from a financial point of view, to such Voting Unitholders, other than the Interested Unitholders.

The full text of the TD Fairness Opinion, which sets forth among other things, analyses performed, assumptions made, matters considered, information reviewed, restrictions and limitations on the review undertaken by TD Securities in connection with the TD Fairness Opinion, is attached at Appendix "F". The TD Fairness Opinion was provided solely for the use of the Special Committee and the Board in connection with their evaluations of the Consideration from a financial point of view to be received by Voting Unitholders pursuant to the Arrangement and is not intended to be and does not constitute a recommendation as to how Voting Unitholders should vote in respect of the Special Resolution. TD Securities expressed no view as to, and the TD Fairness Opinion did not address, any other aspects or implications of the Arrangement or the underlying business decision of the Board to effect the Arrangement, the relative merits of the Arrangement as compared to any alternative business strategies that might exist for the REIT or the effect of any other transaction in which the REIT might engage.

Pursuant to the terms of its engagement agreement with the REIT, TD Securities is to be paid a fee for its services as financial advisor, a portion of which is payable upon delivery of the TD Fairness Opinion to the Special Committee and the Board and the material portion of which is contingent on completion of the Arrangement or certain other events. The REIT has also agreed to reimburse TD Securities for its reasonable out-of-pocket expenses and to indemnify it in certain circumstances.

The REIT has been advised by TD Securities that none of TD Securities, nor any of its affiliated entities, is an insider, associate or affiliate (as those terms are defined under applicable securities laws) of the REIT, SmartREIT, Strathallen, the Interested Unitholders or any of their respective associates or affiliates. TD Securities and its affiliated entities provide and have provided banking services in the normal course of business to the REIT, SmartREIT, the Interested Unitholders, or any of their respective associates or affiliates, and may in the future provide banking services and credit facilities to the REIT, SmartREIT, Strathallen, or the Interested Unitholders.

In addition to the services being provided under its engagement agreement with the REIT, TD Securities has in the past provided and/or may in the future provide financial advisory and investment banking services to the REIT, SmartREIT, Strathallen, the Interested Unitholders and

their respective associates or affiliates. There are no understandings, agreements or commitments between TD Securities, or any of its respective affiliated entities, and the REIT, SmartREIT, Strathallen, the Interested Unitholders, or any of their respective associates or affiliates, with respect to any future business dealings which are expected to result in fees that are material to TD Securities.

Recommendation of the Special Committee

Having received the NBF Fairness Opinion and the TD Fairness Opinion and having considered the Valuation and a number of other factors, including those noted below, and having received advice from its financial and legal advisors, the Special Committee concluded that the Transaction is in the best interests of the REIT and fair to Voting Unitholders (including the Voting Unitholders that are not Interested Unitholders). Accordingly, the Special Committee unanimously recommended that the Board approve the Transaction and recommend that Voting Unitholders vote for the Special Resolution.

Recommendation of the Board

The members of the Board entitled to vote, after receiving the recommendation of the Special Committee and advice from the Board's financial and legal advisors, unanimously concluded that the Transaction is in the best interests of the REIT and fair to Voting Unitholders (including the Voting Unitholders that are not Interested Unitholders). Accordingly, such members of the Board unanimously approved the Transaction and unanimously recommend that Voting Unitholders vote for the Special Resolution at the Meeting.

Reasons for the Recommendation

The Board has carefully considered the Transaction and has received the benefit of advice from its financial and legal advisors and a recommendation from the Special Committee. The Board and the Special Committee identified a number of factors set out below as being most relevant to its recommendation to Voting Unitholders to vote FOR the Special Resolution that will implement the Transaction. Neither the Board nor the Special Committee considered it practical to, and did not attempt to, assign relative weights to the various factors. In addition, individual members of the Board and the Special Committee may have given different weight to different factors. The following discussion of the information and factors considered and evaluated by the Board and the Special Committee is not intended to be exhaustive of all factors considered and evaluated by the Board or the Special Committee. The conclusions and recommendations of the Board and the Special Committee were made after considering the totality of the information and factors considered.

1. The Transaction provides Unitholders with a premium over the trading price of the Units.

As of the date of the Arrangement Agreement, the Transaction values the Units on a fully diluted basis (excluding units issuable pursuant to convertible debentures) at an equivalent to $4.26 per Unit, which represents a premium of 14.5% to the August 3, 2017 closing price of the Units on the TSX (the last closing price prior to the announcement of the Transaction) and a premium of 14.8% to the 20-day VWAP ending August 3, 2017. As well, the consideration represents a

premium of 22.4% to the unaffected closing price of the Units on the TSX on June 7, 2016, the day prior to the REIT's announcement that it would explore strategic alternatives. The Special Committee acknowledged that the Transaction value of the Units represents a discount to the value of the assets of the REIT for the purposes of IFRS as reflected on the financial statements of the REIT; however, the Transaction value nevertheless reflects a premium to the value ascribed to the Units on the TSX.

2. The Transaction arose out of a comprehensive, publicly announced strategic review process overseen by a Special Committee of independent Trustees and represents the best available alternative to Unitholders.

The Special Committee, comprised of independent Trustees, with the assistance of management of the REIT (as necessary) and its financial and legal advisors, has undertaken a comprehensive, publicly announced strategic review process over in excess of 19 months, with 12 interested parties signing confidentiality agreements. The strategic review process was conducted by the Special Committee independently of the Interested Unitholders and was designed to achieve a result that delivers significant value for the REIT and the Voting Unitholders. The Special Committee carefully considered the outcome of this process, including all proposals received as well as the results of negotiations with SmartREIT and Strathallen with respect to the terms of the Transaction and the limited likelihood of any offers or other transactions emerging from other parties exceeding the value of the Transaction. In evaluating the merits of the Transaction, the Special Committee also considered the future prospects for the REIT taking into account, among other things, industry trends and prospects for Canadian retail space, and concluded that the Transaction represents a superior alternative to the status quo. The members of the Board entitled to vote have unanimously determined, after consultation with the Board's financial and legal advisors, that the Transaction is in the best interests of the REIT and is fair to Voting Unitholders and to recommend that Voting Unitholders vote FOR the Special Resolution.

3. The form of consideration under the Transaction provides Unitholders with choice and liquidity.

The consideration offered under the Transaction to Unitholders is cash in the amount of $4.275 per Unit or such number of SmartREIT Units which was expected to result in a value of $4.20 per Unit based on the VWAP of the SmartREIT Units computed for the five trading days ending on August 3, 2017 (the last closing price prior to the announcement of the Transaction). Unitholders may have a preference for cash or SmartREIT Units depending upon their particular circumstances. Subject only to proration, Unitholders have the opportunity to elect the consideration of their choice in accordance with such preferences.

4. Unitholders may elect to receive SmartREIT Units, allowing continued ownership in the combined entity.

The Board believes that the ownership of SmartREIT Units and SmartREIT Special Voting Units provides Unitholders and Special Voting Unitholders, as applicable, the opportunity to participate in the ownership of SmartREIT post-Transaction and provides the opportunity to benefit from the stability that comes from SmartREIT managing its assets with an emphasis on maintaining stable operating cash flow through long-term leases to creditworthy tenants and from the pursuit of growth opportunities available to it.

5. Unitholders have the opportunity for tax deferral.

By providing Unitholders the ability to elect Non-Cash Consideration, the Transaction provides, subject to proration, an opportunity for Resident Holders to defer the Canadian income tax that otherwise might be payable if such Unitholders received all cash. The Transaction has been structured such that Resident Holders who receive SmartREIT Units will receive their SmartREIT Units on a tax-deferred "roll-over" basis for Canadian federal income tax purposes.

For Resident Holders who want to remain invested in the REIT's industry, the Transaction allows them to do so (subject to proration) while deferring Canadian federal income tax that might be realized had such holders sold their Units in the market for cash or pursuant to the Cash Redemption. In the event of a disposition of Units for cash, a Resident Holder would have available to reinvest only the after tax-proceeds from the disposition and would also incur transaction costs on the subsequent re-investment.

6. The value of the Consideration is in the range for the fair market value of the Units as concluded in the Valuation.

The Valuation sets out a range of $4.00 to $4.65 for the fair market value of each Unit. Accordingly, the value of the Cash Consideration represents a premium of approximately 7% to the low end of the range and the value of the Non-Cash Consideration (based upon a Reference Price of the SmartREIT Units of between $30.51 and $32.73) represents a premium of 5% to the low end of the range.

7. The Fairness Opinions, which provide that the Consideration payable under the Transaction is fair from a financial point of view, to Voting Unitholders, other than the Interested Unitholders.

The Special Committee has received a written opinion from NBF and the Special Committee and the Board have received a written opinion from TD Securities, each to the effect that as of August 3, 2017, and based upon and subject to the scope of review, and subject to the analyses, assumptions, limitations, qualifications, and other matters described therein, the Consideration payable to the Voting Unitholders under the Transaction is fair, from a financial point of view, to such Voting Unitholders, other than the Interested Unitholders. In evaluating the conclusions of the Fairness Opinions, the Special Committee noted that, while TD Securities would be compensated in relation to the Transaction (although not in relation to the TD Fairness Opinion) on a success fee basis, NBF is independent for purposes of MI 61-101 and would be compensated on a fixed fee basis without regard to the conclusions of its opinion, the Valuation or the success of the Transaction. Taking into account the foregoing, the conclusion of the NBF Fairness Opinion, together with the conclusion of the TD Fairness Opinion which was confirmatory of the conclusion of the NBF Fairness Opinion and considered as secondary support having regard to the compensation of TD Securities on a success fee basis, provided the Special Committee and the Board with validation that the strategic review process leading to the Transaction had produced a transaction that was fair, from a financial point of view, to Voting Unitholders, other than the Interested Unitholders. The full text of such opinions is attached as Appendix "E" and "F", respectively, to the Circular and should be reviewed and considered in its entirety in conjunction with the review of the Circular.

8. SmartREIT and Strathallen are credible counterparties and the Transaction has a reasonable likelihood of completion.

SmartREIT and Strathallen Capital Corporation are credible and reputable real estate owners, operators and investors with a track record of completing transactions. The Board believes that those parties have the financial capability to complete the Transaction and that SmartREIT has the operational expertise to successfully integrate the portions of the REIT being acquired by SmartREIT. In addition, the Transaction is not subject to any financing or due diligence conditions and the Board believes that the closing conditions that are outside of the control of the REIT are reasonable such that the likelihood of the Transaction being completed is considered by the Board to be high.

9. The REIT retains the ability to respond to Superior Proposals.

Under the Arrangement Agreement, the Board remains able to respond to and accept, in accordance with its fiduciary duties, unsolicited proposals that are more favourable from a financial point of view than the Transaction, subject to payment of the SmartREIT Termination Fee and the Strathallen Termination Fee. The SmartREIT Termination Fee and the Strathallen Termination Fee payable in connection with the acceptance of a Superior Proposal are reasonable in the circumstances and do not preclude other proposals.

10. The Transaction is fair to other REIT securityholders.

Holders of Convertible Securities will have the ability to participate in the Transaction and to receive substantially equivalent consideration for their securities as are received by Unitholders. In the alternative, in the case of holders of Debentures, such holders will continue to be able to hold those securities. Accordingly, the Special Committee believes that the Transaction is fair to holders of Convertible Securities.

Holders of Deferred Units will have those units redeemed by the REIT in exchange for Units which would then participate in the Transaction on the same terms as all other Units or be settled by payment in cash by the REIT at the Effective Time at the closing price of the Units on the TSX on the day immediately prior to the Effective Time.

11. Unitholders have certain procedural and substantive protections.

The Board considered the fact that the Special Resolution must be approved by: (a) not less than two-thirds of the votes cast by Voting Unitholders in person or by proxy at the Meeting; and (b) not less than a majority of the votes cast by Voting Unitholders in person or by proxy at the Meeting excluding interested parties, related parties and their respective joint actors accordance with MI 61-101, to be protective of the rights of Voting Unitholders. See "*Principal Legal Matters – Securities Laws Matters"*. The Board also considered the fact that the Transaction must also be approved by the Court, which will consider the fairness of the Transaction to all Voting Unitholders. In addition, any registered Unitholder who opposes the Transaction may, on strict compliance with certain conditions, exercise its Dissent Rights and receive the fair value of the Dissenting Units in accordance with the Plan of Arrangement.

12. All of the Trustees and Officers of the REIT will be voting FOR the Special Resolution.

All of the Trustees and senior executive officers of the REIT, who hold in aggregate approximately 0.50% of the outstanding Voting Units, have indicated their intention to vote all Voting Units that they own or exercise control or direction over for the Special Resolution. Mitchell Goldhar, who owns or exercises control over approximately 25% of the outstanding Voting Units and all of the LP Unitholders have entered into support agreements with SmartREIT and Strathallen to vote the Voting Units owned or controlled by them for the Special Resolution. As described herein, the Interested Unitholder's votes will be excluded in determining whether minority approval is obtained.

Other Considerations

The Special Committee and the Board also considered a number of potential risks and other factors resulting from the Transaction and the Arrangement Agreement, including the risks described under the heading "*Risk Factors*" and the following:

- The risks to the REIT and its Voting Unitholders if the Plan of Arrangement is not completed, including the costs to the REIT in pursuing the Transaction;

- The conditions to the various counterparties' obligations to complete the Transaction and the right of SmartREIT and of Strathallen to terminate the Arrangement Agreement or the Strathallen Purchase Agreement, as applicable, under certain limited circumstances;

- The terms of the Arrangement Agreement and the Strathallen Purchase Agreement in respect of: (i) restricting the REIT from soliciting third parties to make an Acquisition Proposal; (ii) the requirement that in order to constitute a Superior Proposal, among other conditions specified in the Arrangement Agreement, an Acquisition Proposal must result in a transaction more favourable, from a financial point of view, to Voting Unitholders than the Transaction; (iii) the fact that, if the Arrangement Agreement is terminated under certain circumstances, the REIT may be required to pay the SmartREIT Termination Fee; (iv) the fact that if the Strathallen Purchase Agreement is terminated under certain circumstances, the REIT may be required to pay the Strathallen Termination Fee; and (v) the fact that in certain circumstances each of SmartREIT and Strathallen may be entitled to expense reimbursement;

- The REIT will fund the cash redemption of the Units using proceeds received from the Strathallen Sale Transaction as well as other cash resources available to the REIT. Any income (including recaptured capital cost allowance and net realized capital gains) realized on the Strathallen Sale Transaction will be allocated to the Unitholders whose Units are redeemed for Cash Consideration (including any holders of Class B LP Units who elect or who are deemed to have elected Cash Consideration) and Dissenting Unitholders. See "*Certain Material Canadian Federal Income Tax Considerations*".

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 Securityholder Approval

If the Special Resolution is passed by the affirmative vote of: (a) at least two-thirds (66⅔%) of the votes cast by Voting Unitholders present in person or represented by proxy at the Meeting and entitled to vote; and (b) at least a majority of the votes cast by Voting Unitholders present in person or represented by proxy at the Meeting and entitled to vote, excluding the votes of interested parties, related parties and their respective joint actors accordance with MI 61-101 (collectively the "**Unitholder Approval**"), and all of the other conditions to closing of the Transaction are satisfied or, where permitted, waived, the Transaction will be implemented by way of a Court-approved plan of arrangement under the OBCA.

The Special Resolution must receive Unitholder Approval in order for the REIT to seek the Final Order and implement the Transaction on the Effective Date in accordance with the Final Order. Notwithstanding the Unitholder Approval, the REIT, SmartREIT and Strathallen reserve the right in certain circumstances to not proceed with the Transaction (including the Strathallen Sale Transaction) in accordance with the terms of the Arrangement Agreement and the Strathallen Purchase Agreement.

Treatment of REIT Securityholders

Unitholders

Under the Arrangement, Unitholders may elect, subject to certain proration provisions described below, to receive for each Unit:

(a) $4.275 in cash (the "**Cash Consideration**");

(b) between approximately 0.1283 and 0.1376 of a SmartREIT Unit, as determined by an exchange ratio based on the five-day VWAP of the SmartREIT Units (as described below) (the "**Non-Cash Consideration**"); or

(c) a combination of Cash Consideration and Non-Cash Consideration,

in exchange for the aggregate number of Units in respect of which such an election is made.

The exchange ratio will be calculated by dividing $4.20 by the VWAP of the SmartREIT Units on the TSX for the five trading days immediately preceding the date which is three Business Days prior to the Meeting, subject to a minimum of $30.51 and maximum of $32.73 and resulting in an exchange ratio ceiling of approximately 0.1376 and a floor of approximately 0.1283. With a meeting date of September 25, 2017, the exchange ratio will be determined based on the VWAP of the SmartREIT Units from September 14, 2017 to September 20, 2017, inclusive. The REIT and SmartREIT will issue a joint press release announcing the exchange

ratio following the close of markets at the end of the five day trading period referred to above, currently anticipated to be September 20, 2017.

For reference, the current VWAP of the SmartREIT Units on the TSX for the five trading days ended August 23, 2017 was approximately 30.64, which would have resulted in an exchange ratio of approximately 0.137 SmartREIT Units per Unit. Based on this exchange ratio and the closing price of the SmartREIT Units as at August 23, 2017 of 30.41, Unitholders electing Non-Cash Consideration would have received approximately $4.17 of value per Unit, before considering the impact of proration.

Under the Arrangement, Unitholders will receive, in aggregate, cash in respect of approximately 80% of the outstanding Units and SmartREIT Units in respect of approximately 20% of the outstanding Units. As a result, the maximum amount of cash to be paid to holders of Units is approximately $305 million less the Dissent Amount (the "**Actual Cash Consideration**") and the maximum number of SmartREIT Units to be issued to Unitholders or reserved for issuance to LP Unitholders is expected to be between approximately 2.29 and 2.46 million based on the current number of Units outstanding and assuming no Convertible Securities are converted into or exchanged for Units prior to the Effective Time.

If Unitholders elect to receive either cash or SmartREIT Units in excess of these amounts, the actual amount of cash to be paid, and the actual number of SmartREIT Units to be issued, to Unitholders pursuant to the Arrangement will be subject to proration. See "*Procedure for the Delivery of Securities and Payment of Consideration – Proration*".

LP Unitholders

In respect of the Class B LP Units, each holder thereof will have the opportunity to elect to receive the Cash Consideration (subject to proration) for each of its Class B LP Units or to retain its Class B LP Units (as modified by the Plan of Arrangement), in each case subject to proration. LP Unitholders who do not make a valid election prior to the Election Deadline, will be deemed to have elected to retain their Class B LP Units. If a holder of Class B LP Units elects, or is deemed to have elected, to retain the holder's Class B LP Units, those Class B LP Units will become exchangeable into the number of SmartREIT Units the holder would otherwise have received under the Transaction had those Class B LP Units been exchanged for the underlying Units prior to the closing of the Transaction. In addition, LP Unitholders will receive SmartREIT Special Voting Units in exchange for their Special Voting Units to the extent the Special Voting Units remain outstanding.

Deferred Unitholders

Under the terms of the Arrangement Agreement, in accordance with the Plan of Arrangement and the plan governing the Deferred Units, vesting of all Deferred Units will be accelerated to provide that such Deferred Units will be fully vested on the earlier of (i) the day immediately prior to the Effective Time or (ii) the day prior to the Effective Time by which any transfer agent or other depository requires such Deferred Units to be redeemed for Units (such that one Unit is issued for each Deferred Unit and such Deferred Unit is automatically cancelled) so that such Units can participate in the Arrangement on the same terms as all other Units (including having their Consideration be subject to proration) or be settled by payment in cash by the REIT at the

Effective Time at the closing price of the Units on the TSX on the Business Day immediately prior to the Effective Time.

Debentureholders

In respect of the Debentures, each holder thereof will have the opportunity to participate in the Transaction as a Unitholder by validly exercising its conversion rights, so that it receives Units in accordance with such conversion in sufficient time before the Election Deadline in order to register its Election. The current conversion price for the 2011 Debentures is $8.10, and the current conversion price for the 2013 Debentures is $7.20. Securityholders who receive Units upon the conversion of their Debentures prior to the Effective Time, but who do not make a valid Election prior to the Election Deadline, will be deemed to have elected to receive Cash Consideration only. See "*Procedure for the Delivery of Securities and Payment of Consideration – Available Elections and Procedure*". Holders who convert their Debentures will receive accrued and unpaid interest on such Debentures up to the date specified in the terms of the applicable Debenture. Only the holders of Voting Units that are issued and outstanding on the Record Date will be entitled to vote at the Meeting.

In respect of Debentures that remain outstanding at the Effective Time, SmartREIT and the REIT will execute the 2011 Debenture Supplemental Indenture and the 2013 Debenture Supplemental Indenture, and such other instruments as may be contemplated and required by the 2011 Indenture and the 2013 Indenture, as applicable, in order to provide for the assumption by SmartREIT, pursuant to and in accordance with the Plan of Arrangement, of all of the obligations of the REIT under the 2011 Indenture and 2013 Indenture, such that, upon completion of the steps contemplated by the Plan of Arrangement, the Debentures will be valid and binding obligations of SmartREIT entitling the holders thereof, as against SmartREIT, to all of the rights of holders of Debentures under the 2011 Indenture and the 2013 Indenture, as applicable, as supplemented and amended by the 2011 Debenture Supplemental Indenture and the 2013 Debenture Supplemental Indenture, as applicable. Upon such assumption, the Debentures will be convertible into SmartREIT Units rather than Units and the conversion price (the "**Conversion Price**") in respect of the Debentures will be the New Conversion Price such that the number of SmartREIT Units to be issued for each $1,000 principal amount of 2011 Debentures or 2013 Debentures so converted will be $1,000 divided by the applicable New Conversion Price, subject to adjustment in accordance with the terms of the 2011 Debentures or the 2013 Debentures, as applicable. The applicable New Conversion Price will be determined by adjusting the existing conversion price by dividing it by the Debenture Exchange Ratio. The Debenture Exchange Ratio is $4.26 divided by the Reference Price

Outstanding Securities

As at the close of business on August 23, 2017, there were issued and outstanding 77,588,495 Units, 19,290,032 Special Voting Units (of which 8,218,472 Special Voting Units are related to the Minimum Voting Entitlement and not related to Class B LP Units), 98,079 Deferred Units, $40,000,000 principal amount of 2011 Debentures and $36,250,000 principal amount of 2013 Debentures.

The Strathallen Sale Transaction

Subject to the terms of the Strathallen Purchase Agreement, the Arrangement Agreement and the Plan of Arrangement, the REIT has agreed to separately sell the Strathallen Properties and certain related assets to Strathallen or its assigns in accordance with the Strathallen Purchase Agreement. The Strathallen Sale Transaction will become effective as contemplated by the Plan of Arrangement. See "*Strathallen Sale Transaction*".

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 Transaction becoming effective, the following transactions, among others, will occur and will be deemed to occur in the order set out in the Plan of Arrangement.

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 one minute after the completion of the immediately preceding step (or at such time as the REIT and SmartREIT may agree):

(a) The Declaration of Trust, the declaration of trust and the articles or other constating document (as applicable) 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 described in the Plan of Arrangement. Without limiting the generality of the foregoing, such amendments will provide that any Taxable Income of the REIT or of any REIT Subsidiary arising as a result of the Strathallen Sale Transaction (including for the avoidance of doubt any such Taxable Income realized by a REIT Subsidiary which is allocated and made payable to the REIT by the REIT Subsidiaries) will be allocated by the REIT Subsidiary to the REIT and by the REIT to Unitholders (including Dissenting Unitholders) whose Units are transferred or redeemed pursuant to the Plan of Arrangement in proportion to the Units so transferred or redeemed, and amounts will be paid by the REIT to such Unitholders pursuant to those steps, which will not be less than such Taxable Income.

(b) The Partnership Agreements and Exchange Agreement will be amended to the extent necessary to facilitate the Arrangement. Without limiting the generality of the foregoing, the Class B LP Units will become exchangeable into SmartREIT Units based upon the Exchange Ratio and the terms of the Class C LP Units will be adjusted as necessary to reflect the foregoing.

(c) The completion of the Strathallen Sale Transaction will become effective in accordance with the terms of the Strathallen Purchase Agreement.

(d) The vesting of all Deferred Units will be accelerated to provide that such Deferred Units will be fully vested on the earlier of (i) the day immediately prior to the Effective Time or (ii) the day prior to the Effective Time by which any transfer agent or other depository requires such Deferred Units to be redeemed for Units (such that one Unit is issued for each Deferred Unit and such Deferred Unit is automatically cancelled) so that such Units

can participate in the Arrangement on the same terms as all other Units or be settled by payment in cash by the REIT at the Effective Time at the closing price of the Units on the TSX on the day immediately prior to the Effective Time.

(e) All amounts owing by a holder in respect of any outstanding LTIP Units will be accelerated and will be presently due and payable and, if the REIT has not received such payment by the payment deadline established by the REIT, the security interest in the LTIP Units granted to the REIT by the LTIP will and will be deemed to be (i) enforced by the purchase for cancellation as at the close of business on the Business Day immediately preceding the Effective Date of such number of LTIP Units as is required to satisfy the amount owing by each such holder based upon the closing price of the Units on the TSX on such date, and (ii) released in respect of that number of each holder's LTIP Units that are not so purchased for cancellation so that such remaining LTIP Units can participate in the Arrangement on the same terms as all other Units.

(f) Each REIT Subsidiary that (i) is a trust will allocate and make payable to its beneficiary, and (ii) is a partnership will allocate to its partners, its Taxable Income (determined without reference to the Strathallen Sale Transaction or the Arrangement) for its taxation year ending immediately prior to the commencement of the steps set out in the following paragraph.

(g) Each REIT Subsidiary that (i) is a trust will allocate and make payable to its beneficiary that is the REIT or a REIT Subsidiary its Taxable Income from the Strathallen Sale Transaction, and (ii) is a partnership will allocate to its partners that are the REIT or a REIT Subsidiary its Taxable Income from the Strathallen Sale Transaction.

(h) Cash will be distributed by the REIT Subsidiaries in successive steps as follows:

(i) each REIT Subsidiary that is a partnership that was the beneficial owner of properties sold pursuant to the Strathallen Purchase Agreement will distribute to its partners that are the REIT or the REIT Subsidiaries the cash proceeds received by such partnership on the Strathallen Sale Transaction;

(ii) each REIT Subsidiary that is a trust or partnership will distribute to its beneficiary or partners, as applicable, such amount, if any, of its cash on hand as it may specify at any time prior to the Effective Time with any proceeds from the Strathallen Purchase Agreement being distributed to the REIT or a REIT Subsidiary;

(iii) any REIT Subsidiary that is a corporation receiving a distribution referred to in (i) or (ii) will distribute and/or advance the proceeds of such distribution to its shareholders; and

(iv) any REIT Subsidiary that is a trust or partnership receiving a distribution or advance referred to in (i), (ii) or (iii) will distribute the proceeds of such distribution or advance to its beneficiary or partners, as applicable, with any proceeds from the Strathallen Purchase Agreement being distributed to the REIT or a REIT Subsidiary.

(i) If the amount of Taxable Income allocated and made payable by each REIT Subsidiary that is a trust to its beneficiary as contemplated in the Plan of Arrangement exceeds the amount of cash distributed by such trust as contemplated in the Plan of Arrangement, such trust will satisfy its obligation to pay to its beneficiary the balance of the Taxable Income so allocated by issuing units to its beneficiary.

(j) To the extent that the Plan of Arrangement requires an exchange of Class B LP Units or an LP Unitholder has elected to receive Cash Consideration pursuant to the Plan of Arrangement, such Class B LP Units of such LP Unitholder will be exchanged for Units in accordance with the terms of the applicable Exchange Agreement (as read prior to the amendment in Section 2.4(b) of the Plan of Arrangement) and an equivalent number of Special Voting Units will be cancelled.

(k) SmartREIT will pay out, as a special distribution on the SmartREIT Units, the amount, if any, that is determined by it prior to the Effective Time to be equal to its bona fide best estimate of the amount, if any, of its Taxable Income for the taxation year of SmartREIT that will be deemed, by section 132.2 of the Tax Act, to end as a result of the QE Transactions (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 period).

(l) The REIT will pay out, as a special distribution on the Units (except Dissenting Units), the amount, if any, that is determined by it prior to the Effective Time to be equal to its bona fide best estimate of the amount, if any, of its Taxable Income for the taxation year of the REIT that will be deemed, by section 132.2 of the Tax Act, to end as a result of the QE Transactions (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 period and to be determined without regard to any income arising as a result of the Strathallen Sale Transaction or the Arrangement).

(m) The monthly distribution to holders of record of Units as at September 29, 2017 payable on October 13, 2017 previously announced by the REIT on May 15, 2017 is cancelled and, subject to the following paragraph, no monthly distribution will be payable to holders of record subsequent to that point.

(n) In the event that the Effective Date is on or after November 1, 2017, except to the extent that distributions have been paid in accordance with the Arrangement Agreement in respect of any month (or part of a month), the REIT will pay out, as a special distribution on the Units, an amount of $0.025 per Unit for each month (or a prorated amount for each part of a month) from October 1, 2017 through to the date of filing of the Articles of Arrangement.

(o) Each of the Dissenting Units will be transferred to the REIT (free and clear of all Encumbrances) and the consideration for such transfer will be satisfied by a debt claim against the REIT for the amount determined in accordance with the Plan of Arrangement. Effective at the time of this step, (i) the Dissenting Unitholders will cease to be the holders of such Units and to have any rights as holders of such Units, other than the right to be paid fair value for such Units, as determined in accordance with the Plan of Arrangement, (ii) the Dissenting Unitholders' names will be removed as the holders of

such Units from the registers of Units maintained by or on behalf of the REIT, and (iii) the REIT will be deemed to be the transferee of and to have redeemed such Units (free and clear of all Encumbrances) and such Units will thereupon be cancelled.

(p) Each Unit in respect of which a Unitholder is entitled to receive Cash Consideration in accordance with and subject to the Plan of Arrangement, will be redeemed by the REIT. In consideration for the redemption of such Units, the REIT will pay the Cash Consideration for each such Unit. Effective at the time of this step, (i) holders of the Units redeemed in this step will cease to be the holders of such Units and to have any rights as holders of such Units, other than the right to be paid the amount set out herein for such Units, and (ii) such holders' names will be removed as the holders of such Units from the registers of the Units maintained by or on behalf of the REIT.

(q) Pursuant to and in accordance with the 2011 Debenture Supplemental Indenture, the 2011 Debentures and the 2011 Indenture will be amended and supplemented so that the 2011 Debentures will be convertible into SmartREIT Units rather than Units and the applicable "Conversion Price" specified therein will become the applicable New Conversion Price such that the number of SmartREIT Units to be issued for each $1,000 principal amount of 2011 Debentures so converted will be $1,000 divided by the applicable New Conversion Price, subject to adjustment in accordance with the terms of the 2011 Debentures.

(r) Pursuant to and in accordance with the 2013 Debenture Supplemental Indenture, the 2013 Debentures and the 2013 Indenture will be amended and supplemented so that the 2013 Debentures will be convertible into SmartREIT Units rather than Units and the applicable "Conversion Price" specified therein will become the applicable New Conversion Price such that the number of SmartREIT Units to be issued for each $1,000 principal amount of 2013 Debentures so converted will be $1,000 divided by the applicable New Conversion Price, subject to adjustment in accordance with the terms of the 2013 Debentures.

(s) Pursuant to and in accordance with the definition "qualifying exchange" in section 132.2 of the Tax Act, the REIT will sell, transfer, convey, assign and deliver to SmartREIT, and SmartREIT will acquire from the REIT, all of the right, title and interest of the REIT in and to all of the REIT Remaining Assets free and clear of all Encumbrances other than Permitted Liens (and all requisite director, shareholder, and trustee consents to the re-registration of the property will be deemed to have been given), in exchange for:

(i) the issuance by SmartREIT to the REIT of such number of SmartREIT Units (the "**Payment Units**") as is equal to the product obtained by multiplying:

(A) the Non-Cash Consideration; and

(B) the number of the Units then outstanding (for greater certainty, after taking into account the cancellation of the Dissenting Units and the redemption referred to in the Plan of Arrangement);

(ii) the issuance by SmartREIT to the REIT of such number of SmartREIT Special Voting Units (the "**Payment Special Voting Units**") as is equal to the product obtained by multiplying:

(A) the Special Voting Unit Consideration; and

(B) the number of the Special Voting Units then outstanding (including, for the avoidance of doubt, the Special Voting Units then owned by SmartREIT);

(iii) the assumption by SmartREIT of the due and punctual payment of all of the 2011 Debentures as sole obligor, including the agreement to perform substantially all of the covenants of the REIT under the 2011 Debentures as the successor to the REIT by the execution and delivery of the 2011 Debenture Supplemental Indenture and the release of the REIT from all of its covenants in relation to the 2011 Debentures and the 2011 Indenture;

(iv) the assumption by SmartREIT of the due and punctual payment of all of the 2013 Debentures as sole obligor, including the agreement to perform substantially all of the covenants of the REIT under the 2013 Debentures as the successor to the REIT by the execution and delivery of the 2013 Debenture Supplemental Indenture and the release of the REIT from all of its covenants in relation to the 2013 Debentures and the 2013 Indenture;

(v) the assumption by SmartREIT of the liabilities of the REIT under the 2008 Exchange Agreement by execution and delivery of the 2008 Exchange Agreement Amendment and the release of the REIT from all of its covenants in relation to the 2008 Exchange Agreement;

(vi) the assumption by SmartREIT of the liabilities of the REIT under the 2014 Exchange Agreement by execution and delivery of the 2014 Exchange Agreement Amendment and the release of the REIT from all of its covenants in relation to the 2014 Exchange Agreement; and

(vii) the assumption by SmartREIT of all liabilities of the REIT other than those assumed pursuant to the previous paragraphs (which, for greater certainty, includes the debt claims against the REIT, if any, which arise as a result of paragraph 2.4(o) of the Plan of Arrangement).

Effective at the time of this step of the Plan of Arrangement, the REIT will be deemed to be the owner of the Payment Units (free and clear of all Encumbrances) and Payment Special Voting Units (free and clear of all Encumbrances) and will be entered in the registers of SmartREIT Units and SmartREIT Special Voting Units maintained by or on behalf of SmartREIT.

(t) Pursuant to and in accordance with the definition "qualifying exchange" in section 132.2 of the Tax Act, the REIT will redeem all of the outstanding Units (the "**QE Redemption**") for consideration per outstanding Unit consisting solely of the Non-Cash

Consideration. No consideration will be receivable by a former holder of a Unit (or any portion thereof) for the redemption of such holder's Unit (or any portion thereof) other than Payment Units on the basis described in the preceding sentence. Effective at the time of this step, (i) holders of the Units pursuant to the QE Redemption will cease to be the holders of such Units (or any portion thereof) and to have any rights as holders of such Units, (ii) such former Unitholders' names will be removed as the holders of such Units (or percentage thereof) from the registers of the Units maintained by or on behalf of the REIT, and (iii) such former Unitholders will be deemed to be owners of the SmartREIT Units to which they are entitled, free and clear of all Encumbrances and will be entered into the registers of SmartREIT maintained by or on behalf of SmartREIT. The REIT will only deliver to the former holders of the Units redeemed in this step a whole number of SmartREIT Units; such number of SmartREIT Units (the "**Remaining SmartREIT Units**") as is equal to the sum of the fractional SmartREIT Units that Unitholders (excluding, for the avoidance of doubt, SmartREIT) are entitled to receive under this step, rounded down to the nearest whole number of SmartREIT Units, will be delivered by the REIT to the Depositary, as agent for the Unitholders (excluding, for the avoidance of doubt, SmartREIT), to be dealt with as specified in Section 2.9 of the Arrangement Agreement.

(u) After giving effect to the cancellation of Special Voting Units in accordance with the Plan of Arrangement, pursuant to and in accordance with the definition "qualifying exchange" in section 132.2 of the Tax Act, the REIT will redeem all of the outstanding Special Voting Units (including, for the avoidance of doubt, the Special Voting Units then held by SmartREIT) (the "**QE SVU Redemption**") for consideration per outstanding Special Voting Unit consisting solely of the Special Voting Unit Consideration. No consideration will be receivable by a former holder of a Special Voting Unit (or any portion thereof) for the redemption of such holder's Special Voting Unit (or any portion thereof) other than Payment Special Voting Units on the basis described in the preceding sentence. Effective at the time of this step, (i) holders of the Special Voting Units redeemed pursuant to the QE SVU Redemption will cease to be the holders of such Special Voting Units (or any portion thereof) and to have any rights as holders of such Special Voting Units, (ii) such former Special Voting Unitholders' names will be removed as the holders of such Special Voting Units (or percentage thereof) from the registers of the Special Voting Units maintained by or on behalf of the REIT, and (iii) such former Special Voting Unitholders will be deemed to be owners of the SmartREIT Special Voting Units to which they are entitled, free and clear of all Encumbrances and will be entered into the registers of SmartREIT maintained by or on behalf of SmartREIT. The REIT will only deliver to the former holders of the Special Voting Units redeemed in this step a whole number of SmartREIT Special Voting Units, rounded down to the nearest whole number of SmartREIT Special Voting Units.

(v) SmartREIT Sub and GP Trustee will amalgamate and continue as one corporation under the OBCA to form Amalco.

(w) Amalco will subscribe for one Unit for consideration of $10 and will cause its nominees to become Trustees of the REIT.

(x) The releases and resignations referred to in the Plan of Arrangement will become effective.

Sources of Funds for the Transaction

The aggregate cash component of the purchase price payable pursuant to the Strathallen Purchase Agreement plus other cash resources available to the REIT will be used to fund the Actual Cash Consideration. The Strathallen Sale Transaction is not conditional upon financing.

Support and Voting Agreement

On August 4, 2017, SmartREIT and Strathallen entered into support and voting agreements (the "**Support and Voting Agreements**") with the Interested Unitholders. As of the Record Date, 4,929,600 Units and 19,290,032 Special Voting Units were subject to the Support and Voting Agreements, representing approximately 6.35% of the outstanding Units and all of the outstanding Special Voting Units or 25% of all Voting Units in the aggregate.

The Support and Voting Agreements require each Interested Unitholder that is a party thereto:

(a) to vote or to cause to be voted such Interested Unitholder's Units and Special Voting Units, and any other securities directly or indirectly acquired by or issued to such Interested Unitholder after the date thereof, if any, in favour of the Arrangement and any other matter reasonably expected to facilitate the completion of the Arrangement at any meeting of securityholders held to consider it or any adjournment thereof;

(b) if requested by SmartREIT or Strathallen, acting reasonably, to deliver or to cause to be delivered to the REIT duly executed proxies, voting instruction forms or written resolutions in favour of the Arrangement;

(c) to agree to amendments to the limited partnership agreement(s) and exchange agreement(s) pertaining to such Interested Unitholder's Units, Class B LP Units and Special Voting Units to the extent necessary so that such limited partnership agreement(s) and exchange agreement(s) are consistent with the Arrangement;

(d) not to exercise any rights of appraisal, rights of dissent or rights to demand the repurchases of such Interested Unitholder's Units, Class B LP Units or Special Voting Units in connection with the Arrangement;

(e) not to take any action which would reasonably be regarded as likely to reduce the success of the Arrangement, except in accordance with the terms hereof;

(f) not to, directly or indirectly, (i) solicit, assist, initiate, knowingly encourage or knowingly facilitate any inquiries, proposals or offers that constitute or may reasonably be expected to constitute or lead to an Acquisition Proposal or enter into or otherwise engage or participate in any discussions or negotiations relating thereto or (ii) accept an Acquisition Proposal, provided that nothing contained in the Support and Voting Agreement to which such Interested Unitholder is a party

prevents (A) a nominee of such Interested Unitholder, if such nominee is a trustee of the REIT, from entering into an agreement or engaging in discussions or negotiations with or furnishing information to any person solely in his or her capacity as a member of the Board of Trustees of the REIT in respect of an unsolicited *bona fide* Acquisition Proposal, in each case, solely as permitted under the terms and conditions set out in the Arrangement Agreement and the Strathallen Purchase Agreement, (B) such Interested Unitholder from engaging in discussions or negotiations with or furnishing information to any person who has made an Acquisition Proposal to the REIT and to whom the REIT is providing information or with whom the REIT is negotiating in accordance with and as the REIT is permitted under the terms and conditions set out in the Arrangement Agreement and the Strathallen Purchase Agreement or (C) such Interested Unitholder from agreeing to support a Superior Proposal as approved by the REIT pursuant to the terms and conditions set out in the Arrangement Agreement and the Strathallen Purchase Agreement, subject to the termination of the Support and Voting Agreement to which such Interested Unitholder is a party in accordance with the terms thereof;

(g) not to, directly or indirectly, sell, transfer, pledge or assign or agree to sell, transfer, pledge or assign any of such Interested Unitholder's Units, Special Voting Units or Class B LP Units or any interest therein, without SmartREIT and Strathallen's prior written consent;

(h) not to, directly or indirectly, grant any proxies or power of attorneys over such Interested Unitholder's Units, Special Voting Units or Class B LP Units other than in connection with clause (b) above; and

(i) as soon as reasonably practicable, provide the REIT with any Acquisition Proposal received by such Interested Unitholder, to the extent such Acquisition Proposal has not been previously delivered to the REIT.

Each of the Support and Voting Agreements terminates on the earliest of: (i) the date on which the Arrangement Agreement or the Strathallen Purchase Agreement is terminated in accordance with its terms, (ii) the date on which the terms of the Arrangement, Arrangement Agreement or the Strathallen Purchase Agreement is amended in any manner adverse to the Interested Unitholders, or (iii) December 31, 2017.

PROCEDURE FOR THE DELIVERY OF SECURITIES AND PAYMENT OF CONSIDERATION

Letter of Transmittal and Election Form

If the Unitholder Approval is obtained and the Transaction is implemented, in order to receive the Consideration, a registered Voting Unitholder or LP Unitholder must complete and sign the applicable Letter(s) of Transmittal and Election Form enclosed with this Circular and deliver such Letter(s) of Transmittal and Election Form (or a manually executed facsimile thereof) together with the certificate(s) representing the Voting Units or Class B LP Units, if any, and the

other documents required by the instructions set out therein to the Depositary in accordance with the instructions contained in the Letter(s) of Transmittal and Election Form.

Insofar as the REIT utilizes the Book Entry System for the Units, all Beneficial Unitholders should contact their intermediary to submit their instructions with respect to the Transaction. These instructions will be forwarded to CDS which will submit the Letter of Transmittal and Election Form on behalf of all Beneficial Unitholders. If a Unitholder instructs its intermediary to make an election or to otherwise receive the Consideration pursuant to the Book Entry System, such Unitholder thereby expressly acknowledges that such Unitholder has received and agrees to be bound by the terms of the Letter of Transmittal and Election Form.

A Unitholder will not be entitled to sell its Units on the TSX after the Unitholder elects to receive its preferred Consideration. If a Unitholder fails to make a valid election prior to the Election Deadline, the Unitholder will continue to be able to sell its Units on the TSX for cash at any time prior to the Effective Time but any purchaser of Units will be deemed to have elected to receive Cash Consideration for those Units.

The Letter of Transmittal and Election Form contains procedural information relating to the Transaction 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 Voting Unitholder or LP Unitholder, as applicable, upon the terms and subject to the conditions of the Letter of Transmittal and Election Form and the Transaction.

In all cases, payment for Voting Units or Class B LP Units deposited will be made only after timely receipt by the Depositary of certificate(s) representing the Voting Units or Class B LP Units, if any, together with the applicable properly completed and duly executed Letter(s) of Transmittal and Election Form in the form accompanying this Circular, or a manually executed facsimile thereof, relating to such Voting Units or Class B LP 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. To make a valid election as to the form of Consideration that a Unitholder or LP Unitholder wishes to receive under the Transaction, a Registered Unitholder or registered LP Unitholder must sign the applicable Letter(s) of Transmittal and Election Form and make a proper election (an "**Election**") thereunder and return such Letter(s) of Transmittal and Election Form with the accompanying certificate(s), if any, representing the Units to the Depositary prior to 5:00 p.m. (Toronto time) on September 21, 2017 (or if the Meeting is adjourned or postponed, prior to 5:00 p.m. (Toronto time) on the second last Business Day prior to the date of the adjourned or postponed Meeting) (the "**Election Deadline**"), unless otherwise agreed in writing by SmartREIT and the REIT. If no Election is made or a Letter of Transmittal and Election Form is not received by the Election Deadline, Unitholders will be deemed to have elected to receive the Cash Consideration and LP Unitholders will be deemed to have elected to retain their Class B LP Units, as modified by the Plan of Arrangement.

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

properly completed by the registered holder, with the signature on the endorsement panel, or securities transfer power of attorney guaranteed by an Eligible Institution.

All questions as to validity, form, eligibility (including timely receipt) and acceptance of any Units deposited pursuant to the Arrangement Agreement will be determined by the REIT in its sole discretion, provided that, if in the opinion of the REIT, acting reasonably, such questions will not be resolved prior to the Effective Date, then such questions will be determined by the REIT and SmartREIT in their sole discretion. Depositing Unitholders and LP Unitholders agree that such determination will be final and binding. The REIT and, if applicable, SmartREIT, reserve the absolute right to reject any and all deposits which the REIT and, if applicable, SmartREIT, determine not to be in proper form or which may be unlawful for it to accept under the laws of any jurisdiction. The REIT and, if applicable, SmartREIT, reserve the absolute right to waive any defect or irregularity in the deposit of any Voting Units or Class B LP Units. There is no duty or obligation on the part of SmartREIT, the REIT, the Depositary or any other person to give notice of any defect or irregularity in any deposit of Voting Units or Class B LP Units and no liability will be incurred by any of them for failure to give such notice. The REIT's and SmartREIT's interpretation of the terms and conditions of the Transaction (including the Circular and the Letter of Transmittal and Election Form) will be final and binding.

The method of delivery of certificates, if any, representing Voting Units or Class B LP Units and all other required documents is at the option and risk of the person depositing the same. The REIT recommends that such documents be delivered by hand to the Depositary and a receipt obtained or, if mailed, that registered mail with return receipt requested be used and that appropriate insurance be obtained.

Available Elections and Procedure

An Election will have been properly made by a registered Unitholder or LP Unitholder only if the Depositary has received, by the Election Deadline, the applicable Letter(s) of Transmittal and Election Form properly completed and signed and accompanied by the certificate(s), if any, for the Units or Class B LP Units to which such Letter(s) of Transmittal and Election Form relate(s), properly endorsed or otherwise in proper form for transfer.

Insofar as the REIT utilizes the Book Entry System, all Beneficial Unitholders should contact their intermediary to submit their instructions with respect to the Consideration they wish to receive in connection with the Transaction. If you are a Beneficial Unitholder, you should carefully follow the instructions provided by the intermediary that holds Units on your behalf in order to make an election with respect to the form of Consideration you wish to receive.

The determination of the REIT as to whether Elections have been properly made or revoked and when Elections and revocations were received by the Depositary will be binding.

UNITHOLDERS WHO DO NOT MAKE AN ELECTION PRIOR TO THE ELECTION DEADLINE, OR FOR WHOM THE REIT AND, IF APPLICABLE, SMARTREIT, DETERMINE THAT THEIR ELECTION WAS NOT PROPERLY MADE WITH RESPECT TO ANY SECURITIES, WILL BE DEEMED TO HAVE ELECTED TO RECEIVE CASH CONSIDERATION ONLY.

LP UNITHOLDERS WHO DO NOT MAKE AN ELECTION PRIOR TO THE ELECTION DEADLINE, OR FOR WHOM THE REIT AND, IF APPLICABLE, SMARTREIT, DETERMINES THAT THEIR ELECTION WAS NOT PROPERLY MADE WITH RESPECT TO ANY SECURITIES, WILL BE DEEMED TO HAVE ELECTED TO RETAIN THEIR CLASS B LP UNITS.

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

Proration

Under the Transaction, each Unitholder will be entitled to receive, in exchange for each Unit, at such Unitholder's election (i) $4.275 in cash, or (ii) the Non-Cash Consideration, in each case subject to proration. The Actual Cash Consideration payable under the Transaction is approximately $305 million in the aggregate less the Dissent Amount and it is expected that, and assuming no Convertible Securities are converted into or exchanged for Units prior to the Effective Time, between approximately 2.29 and 2.46 million SmartREIT Units in the aggregate will be received by Unitholders or reserved for issuance to LP Unitholders, based upon an exchange ratio calculated by dividing $4.20 by a reference price. Such reference price will be based upon the SmartREIT Unit price and calculated using the VWAP of SmartREIT Units on the TSX for the five trading days immediately preceding the date which is three Business Days prior to the Meeting, subject to a minimum of $30.51 and maximum of $32.73.

If the product of the Cash Consideration and the number of Pro Forma Units represented by Pro Forma Unitholders who have elected (or deemed to have elected) Cash Consideration (disregarding any increase or decrease pursuant to the proration mechanics under the Plan of Arrangement) (such amount being the "**Elected Cash**") exceeds the Actual Cash Consideration, then:

(a) the number of the Pro Forma Units for which a Cash Electing Unitholder has elected or deemed to have elected to receive Cash Consideration (disregarding any reduction pursuant to the proration mechanics under the Plan of Arrangement) will be reduced to that number of whole Pro Forma Units (rounded down to the near whole unit) equal to the product of that number of the Pro Forma Units indicated on such holder's cash election and a fraction, the numerator of which is the Actual Cash Consideration and the denominator of which is the Elected Cash; and

(b) the number of the Pro Forma Units for which a Cash Electing Unitholder will be entitled to receive Non-Cash Consideration (or in the case of an LP Unitholder, to retain Class B LP Units) will be increased by that number (the "**Increase Number**") of the Pro Forma Units equal to the difference between the number of the Pro Forma Units for which the holder elected to receive Cash Consideration and the number determined in accordance with the proration mechanics under the Plan of Arrangement. For greater certainty, the number of Class B LP Units that a holder has elected to receive Cash Consideration in respect of will be deemed to be reduced by the Increase Number applicable to such holder.

If the Elected Cash is less than the Actual Cash Consideration (such difference being the "**Cash Shortfall**"), then:

(a) the number of the Elected Pro Forma Units of a Unit Electing Unitholder (disregarding any reduction pursuant to the proration mechanics under the Plan of Arrangement) will be reduced by that number of whole Elected Pro Forma Units (rounded down to the nearest whole unit) equal to the product obtained when (A) a fraction, the numerator of which is equal to the Cash Shortfall and the denominator of which is equal to $4.20, is multiplied by (B) a fraction, the numerator of which is the number of Elected Pro Forma Units of such Unit Electing Unitholder and the denominator of which is the total number of Elected Pro Forma Units of all Unit Electing Unitholders;

(b) the number of the Pro Forma Units for which a Unit Electing Unitholder will receive Cash Consideration will be increased by that number of the Pro Forma Units equal to the difference between the number of the Elected Pro Forma Units of such Unit Electing Unitholder and the number determined in accordance with paragraph (a) above;

(c) to the extent that a Pro Forma Unitholder holds both Units and Class B LP Units, and to the extent that paragraphs (a) and (b) above are applicable to such Pro Forma Unitholder, redemption for cash of such Units will be effected in priority to the redemption for cash of Units issued upon the exchange of Class B LP Units; and

(d) for purposes of paragraph (b) above, or as a result of an election filed by an LP Unitholder, the relevant number of Class B LP Units will be exchanged for Units in accordance with the terms of the applicable Exchange Agreement (as read prior to amendment in the Plan of Arrangement) and an equivalent number of Special Voting Units will be cancelled.

To the extent that a Pro Forma Unitholder demonstrates to the reasonable satisfaction of the REIT that such Unitholder beneficially owns both Units and Class B LP Units, and to the extent that the proration mechanics in the Plan of Arrangement are applicable to such Pro Forma Unitholder, redemption for cash of such Pro Forma Unitholder's Units will be effected in priority to the redemption for cash of Units issued upon the exchange of such Pro Forma Unitholder's Units Class B LP Units

Delivery of Consideration

It is contemplated that as part of the completion of the Transaction, following receipt of the Final Order and not less than one Business Day prior to the filing by the REIT of Articles of Arrangement, SmartREIT will provide its transfer agent with an irrevocable treasury direction in respect of the Non-Cash Consideration.

Immediately following the closing of the Strathallen Purchase Agreement, the REIT will cause to be provided to the Depositary all funds payable to the REIT or its Subsidiaries on account of the

aggregate cash consideration payable upon completion of the Strathallen Sale Transaction plus all other cash amounts comprising the Cash Consideration.

The direction and funds described in the paragraphs above will be held by the Depositary in trust (on terms and conditions satisfactory to the REIT acting reasonably).

Receipt of payment by the Depositary will be deemed to constitute receipt of payment by Voting Unitholders. Under no circumstances will interest accrue or be paid to persons depositing Voting Units on the purchase price for Voting Units, regardless of any delay in making such payment.

The Depositary will act as the agent of persons who have deposited Voting Units pursuant to the Transaction for the purpose of receiving payment from the REIT or SmartREIT, as applicable in accordance with the Plan of Arrangement, and transmitting payment from the REIT or SmartREIT, 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 persons depositing Voting Units.

Upon surrender to the Depositary for cancellation of certificate(s), if any, which immediately prior to the Effective Time represented one or more Voting Units or Class B LP Units, together with the applicable Letter(s) of Transmittal and Election Form and such additional documents and instruments duly executed and completed as the Depositary may reasonably require, such Voting Unitholder or LP Unitholder, as applicable, will, in accordance with the timing set out in the Plan of Arrangement, be entitled to receive in exchange therefor, and the Depositary will deliver to such Voting Unitholder or LP Unitholder, as applicable, as soon as practicable after the Effective Time, in the case of the Unitholders or LP Unitholders entitled to Cash Consideration in accordance with the terms of the Arrangement, individual cheques (or, if requested by registered Unitholders in certain circumstances, wire transfers) and, in the case of the Unitholders entitled to Non-Cash Consideration and Special Voting Unitholders entitled to the Special Voting Unit Consideration in accordance with the terms of the Arrangement, certificates or DRS Advices representing SmartREIT Units and SmartREIT Special Voting Units, as applicable, to be sent to those Persons who have deposited such Voting Units or Class B LP Units, as applicable, and such documents and instruments required by the Depositary pursuant to the Plan of Arrangement. Such cheques and certificates, if applicable, will be:

(a) in the case of cheques and certificates, 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 for the particular Voting Unitholder in the register of the Voting Unitholders; or

(b) if requested by such Voting 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 Voting Unitholder. Cheques and certificates mailed will be deemed to have been delivered at the time of delivery thereof to the post office.

After completion of the Plan of Arrangement, each certificate, if any, formerly representing Voting Units will represent only the right to receive, in the case of certificates, if any, held by Dissenting Unitholders, the fair value of the Units represented by such certificates, and, in the

case of all other Voting Unitholders, the Cash Consideration, the Non-Cash Consideration or the Special Voting Unit Consideration, as the case may be, that the former Voting Unitholder is entitled to in accordance with the terms of the Arrangement upon such Voting Unitholder depositing with the Depositary the certificate, if any, and such other documents and instruments as the Depositary may reasonably require and subject to compliance with the requirements set forth in the Plan of Arrangement.

After completion of the steps specified in the Plan of Arrangement, each certificate, if any, formerly representing Class B LP Units that has been deemed to be exchanged pursuant to the Plan of Arrangement will represent, in respect of such number of Class B LP Units deemed to be exchanged only the right to receive the Cash Consideration, that the deemed LP Unitholder is entitled to in accordance with the provisions of the Plan of Arrangement upon such deemed Unitholder depositing with the Depositary the certificate and such other documents and instruments as the Depositary may reasonably require and subject to compliance with the requirements set forth in the Plan of Arrangement.

As SmartREIT utilizes the Book Entry System, no new certificates for the Non-Cash Consideration will be delivered to Beneficial Unitholders in connection with the Transaction but Beneficial Unitholder brokerage accounts will be credited through their intermediary's position in CDS.

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

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

The parties will cause the Depositary to, as expeditiously as is commercially reasonable following the Effective Time, sell the Remaining SmartREIT Units through the facilities of the TSX and pay the net proceeds of such sales, after brokerage sales commissions, to those registered Unitholders (which, for the avoidance of doubt, excludes SmartREIT) who were entitled to receive fractional SmartREIT Units, in proportion to their respective entitlements to Remaining SmartREIT Units, less any applicable withholding taxes and without interest.

DISSENT RIGHTS

Dissent Rights

The Interim Order expressly provides registered Unitholders with the right to dissent from the Special Resolution as provided in the Plan of Arrangement and the Interim Order. Pursuant to the Plan of Arrangement, a Dissenting Unitholder will cease to have any rights as a holder of Dissenting Units and will only be entitled to be paid the fair value of the holder's Dissenting Units by the REIT. A Dissenting Unitholder who is paid the fair value of the holder's Dissenting Units, will be deemed to have transferred the holder's Dissenting Units to the REIT in

accordance with the Plan of Arrangement, and such Dissenting Units will thereupon be cancelled. The fair value of the Dissenting Units will be determined as of the close of business on the last business day before the day on which the Arrangement is approved by the holders of Units at the Meeting.

Persons who are beneficial owners of Units registered in the name of a broker, custodian, nominee or other intermediary who wish to dissent should be aware that only the registered holders of such Units are entitled to dissent. Accordingly, a beneficial owner of Units desiring to exercise his or her right to dissent must make arrangements for the registered holder of his or her Units to dissent on his or her behalf. See Appendix "D" for the full text of the Plan of Arrangement, Appendix "B" for the full text of the Interim Order and Appendix "I" for the full text of Section 185 of the OBCA.

A registered Unitholder who wishes to dissent must provide a dissent notice to the REIT c/o Fasken Martineau DuMoulin LLP, 333 Bay Street, Suite 2400, Toronto, Ontario, M5H 2T6, Attention: Anil Aggarwal or by facsimile (416 364 7813) or by email at: aaggarwal@fasken.com, no later than 5:00 p.m. (Toronto Time) on September 21, 2017, or the second Business Day prior to the date to which the Meeting is adjourned or postponed. Strict adherence to the procedures established in the Plan of Arrangement is required in order to validly dissent and failure to do so may result in the loss of all dissenters' rights. Accordingly, each Unitholder who might desire to exercise the dissenters' rights should carefully consider and comply with the provisions of the Plan of Arrangement and Interim Order and consult such Unitholder's legal advisor.

SmartREIT may elect not to proceed with the Transaction if a specified threshold of Unitholders validly dissent. See "*The Arrangement Agreement – Summary of the Arrangement Agreement – Conditions*".

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

Recognition of Dissenting Unitholders

In no circumstances will SmartREIT or the REIT or any other person be required to recognize a person exercising Dissent Rights unless such person is the registered holder of those Units in respect of which such rights are sought to be exercised. For greater certainty, in no case will SmartREIT or the REIT or any other person be required to recognize a Dissenting Unitholder as a holder of Units in respect of which Dissent Rights have been validly exercised as set out in the Plan of Arrangement, and the names of such Dissenting Unitholders will be removed from the REIT's register of Unitholders in respect of Dissenting Units for which Dissent Rights have been validly exercised as of the time set out in the Plan of Arrangement. No person who has voted in favour of the Arrangement will be entitled to dissent with respect to the Arrangement.

Rights of Dissenting Unitholders

A Dissenting Unitholder who for any reason is not entitled to be paid the fair value of the holder's Dissenting Units will be entitled to receive from SmartREIT in respect to such Dissenting Unitholder's debt obligation created under the Plan of Arrangement, at the option of SmartREIT, either (i) Cash Consideration based on the number of such holder's Dissenting Units previously cancelled or (ii) the same pro rata combination of Cash Consideration and Non-Cash Consideration (based on the number of such holder's Dissenting Units previously cancelled) as otherwise would have been applicable in accordance with the Plan of Arrangement as if such Dissenting Unitholder had not dissented and had elected to receive Cash Consideration for such Dissenting Units, and thus be subject to proration in accordance with the Plan of Arrangement.

THE ARRANGEMENT AGREEMENT

Summary of the Arrangement Agreement

The Arrangement Agreement has been filed on the SEDAR website of the Canadian Securities Administrators (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. Capitalized terms used in this section "*The Arrangement Agreement – Summary of the Arrangement Agreement"* but not defined have the meanings given in the Arrangement Agreement.

Representations and Warranties

The Arrangement Agreement contains customary representations and warranties made by the REIT to SmartREIT in respect of the REIT and customary representations and warranties made by SmartREIT to the REIT in respect of SmartREIT. Those representations and warranties were made solely for purposes of the Arrangement Agreement, were made as of a specified date and may be subject to contractual standards of materiality different from what may be viewed as material to Voting Unitholders. For the foregoing reasons, Voting Unitholders should not rely on the representations and warranties contained in the Arrangement Agreement as statements of factual information at the time they were made or otherwise.

The representations and warranties provided by the REIT in favour of SmartREIT relate to: status; authorization; no breach of instruments or laws; enforceability of obligations; no bankruptcy; governmental authorizations; capitalization; statement of adjustments; unitholder and similar agreements; material subsidiaries; securities law matters; financial statements; disclosure controls and internal control over financial reporting; auditor independence; no undisclosed liabilities; absence of certain changes or events; compliance with laws; permits; opinions and board approval; brokers; material contracts; ownership of assets; notices; leases; remedial orders; no expropriation; environmental data; environmental matters; builders liens; chattels; permitted liens complied with; intellectual property; litigation and proceedings; employment matters; employee plans; insurance; taxes; related party transactions; IT systems; legal title and beneficial interest; exclusive right; accuracy of information; no collective bargaining agreement; compliance with employment laws; unfair labour practice and common employer; severance; workers compensation; occupational health and safety, accruals; unregistered government agreements; and REIT to update due diligence documents.

The representations and warranties provided by SmartREIT in favour of the REIT relate to: status; authorization; no breach of instruments or laws; enforceability of obligations; no bankruptcy; governmental authorizations; capitalization; securities law matters; financial statements; disclosure controls and internal control over financial reporting; auditor independence; no undisclosed liabilities; absence of certain changes or events; compliance with laws; permits; security ownership; issuance of SmartREIT Units and SmartREIT Special Voting Units; finders' fees; litigation; insurance; taxes; and Investment Canada Act.

Conditions

The Arrangement Agreement contains certain customary conditions to the completion of the Transaction in favour of each of the REIT and SmartREIT including that:

(a) the Special Resolution will have been approved and adopted by Voting Unitholders;

(b) the requisite Interim Order and the Final Order will have been obtained;

(c) the Competition Act Approval will have been obtained;

(d) 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, the GP Trustee or SmartREIT from consummating the Arrangement;

(e) Strathallen will have delivered a certificate addressed to the REIT and SmartREIT confirming that the conditions to closing of the Strathallen Purchase Agreement in its favour have been satisfied or waived and Strathallen is ready, willing and able to close the transactions contemplated therein;

(f) the REIT will have delivered a certificate addressed to SmartREIT confirming that the conditions to closing of the Strathallen Purchase Agreement in its favour have been satisfied or waived and the REIT is ready, willing and able to close the transactions contemplated therein;

(g) SmartREIT will have obtained approval to (a) the listing of the SmartREIT Units issuable or to be made issuable pursuant to the Arrangement on the TSX, and (b) the supplemental listing on the TSX of the Debentures to be assumed by SmartREIT pursuant to the Arrangement, in each case subject only to customary conditions; and

(h) the SmartREIT Units issuable or to be made issuable pursuant to the Arrangement will be freely tradeable in accordance with all applicable securities laws, excluding restrictions in respect of trades from holdings of a control person.

The Arrangement Agreement also contains certain customary conditions to the completion of the Transaction for the sole benefit of SmartREIT including:

(a) conditions related to covenants to be performed by the REIT and the correctness of representations and warranties provided by the REIT;

(b) conditions related to debt levels of the REIT;

(c) since the date of the Arrangement Agreement until immediately prior to the Effective Time, there will not have occurred a Material Adverse Effect with respect to the conditions of the Properties considered as a whole or the conduct of business by the REIT in the ordinary course in relation to the Properties;

(d) the REIT's receipt of certain lender consents;

(e) holders of not greater than 5% of the outstanding Units will have validly exercised Dissent Rights in respect of the Arrangement that have not been withdrawn as of the Effective Date;

(f) the REIT will have received approval from the CRA to change the fiscal year-end of ONR LP and ONR LP I to coincide with the Effective Date;

(g) Strathallen will have deposited or caused to be deposited with the Depositary in escrow (the terms and conditions of such escrow to be satisfactory to SmartREIT, acting reasonably) the Strathallen Purchase Price; and

(h) on the Effective Date, the title to the Properties will be free and clear of all Liens, except for the Permitted Liens, and such other matters which have been agreed to, accepted or waived by SmartREIT in writing.

The Arrangement Agreement also contains certain customary conditions to the completion of the Transaction for the sole benefit of the REIT including:

(a) conditions related to covenants to be performed by SmartREIT and the correctness of representations and warranties provided by SmartREIT;

(b) SmartREIT will 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 SmartREIT, acting reasonably) an irrevocable treasury direction in respect of the Non-Cash Consideration payable to Unitholders and holders of Class B LP Units as provided for in the Plan of Arrangement; and

(c) the Depositary will have provided written confirmation satisfactory to the REIT, acting reasonably, that it is holding in escrow sufficient cash to ensure that each Pro Forma Unitholder who is to receive Cash Consideration in respect of any Pro Forma Unit will receive $4.275 per each such Pro Forma Unit at the Effective Time and before taking into account any withholdings pursuant to the Plan of Arrangement.

Non-Solicitation Covenants

Non-Solicitation Covenant

The Arrangement Agreement provides that, except in accordance with the Arrangement Agreement, the REIT will not, and will cause its Subsidiaries not to, directly or indirectly, through any of its or its Subsidiaries' Representatives, and will not permit any such Person to: (i) solicit, initiate or knowingly encourage any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to an Acquisition Proposal; (ii) enter into or otherwise engage or participate in any discussions (other than to request clarification of an Acquisition Proposal that has already been made for purposes of assessing whether such Acquisition Proposal is or may reasonably be expected to lead to a Superior Proposal) 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: (a) SmartREIT or any affiliate of SmartREIT or any Person acting jointly or in concert with SmartREIT or any affiliate of SmartREIT where the terms of the Strathallen Sale Transaction are being respected, or (b) Strathallen or any affiliate of Strathallen or any Person acting jointly or in concert with Strathallen or any affiliate of Strathallen regarding the Strathallen Properties where the terms of the Arrangement Agreement and the Arrangement are being respected; (iii) otherwise assist or 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 effort or attempt to make any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to, an Acquisition Proposal; (iv) make a Change in Recommendation; or (v) accept, approve, endorse, recommend or enter into, or publicly propose to accept, endorse or enter into, any letter of intent, agreement in principle, agreement, arrangement or undertaking providing for any Acquisition Proposal.

The Arrangement Agreement further provides that the REIT will, and will cause its Subsidiaries and its and their Representatives to, immediately cease and terminate, and cause to be terminated, any solicitation, encouragement, discussion, or negotiations with any Person (other than SmartREIT and Strathallen, where the terms of the Strathallen Purchase Agreement are being respected) with respect to any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to an Acquisition Proposal, and in connection therewith will: (i) discontinue access to and disclosure of all information regarding the REIT or any of its Subsidiaries in respect of any inquiry, proposal or offer that constitutes, or may reasonably be expected to constitute or lead to, an Acquisition Proposal, including any data room and any other confidential information, properties, facilities, books or records of the REIT or any Subsidiary; and (ii) to the extent that such information has not previously been returned, promptly request, and exercise all rights it has to require, (A) the return or destruction of all copies of any confidential information regarding the REIT or its Subsidiaries and (B) the destruction of all material including or incorporating or otherwise reflecting such confidential information regarding the REIT or any Subsidiary, in each case, provided to any Person other than SmartREIT and Strathallen in respect of any inquiry, proposal or offer that constitutes, or may reasonably be expected to constitute or lead to, an Acquisition Proposal, using its commercially reasonable efforts to ensure that such requests are fully complied with in accordance with the terms of such rights or entitlements.

The Arrangement Agreement further provides that the REIT and its Subsidiaries will take all necessary action to enforce each confidentiality, standstill, non-disclosure, non-solicitation, use, business purpose or similar agreement or covenant to which the REIT or any Subsidiary is a party, and it will not release, and 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 of its Subsidiaries is a party that remains in effect as of the date of the Arrangement Agreement (it being acknowledged by SmartREIT that the automatic termination or release of any standstill restrictions of any such agreements as a result of entering into and announcing the Arrangement Agreement will not be a violation of the Arrangement Agreement).

Notice to SmartREIT of Acquisition Proposals

If the REIT or any of its Subsidiaries or any of their respective Representatives, receives any 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 an Acquisition Proposal, for copies of, access to, or disclosure of, confidential information relating to the REIT or any Subsidiary, including information, access, or disclosure relating to the properties, facilities, books or records of the REIT or any Subsidiary, the REIT will promptly notify SmartREIT, at first orally, and then promptly and in any event within one Business Day in writing, of such Acquisition Proposal, inquiry, proposal, offer or request, including a description of the material terms and conditions of the Acquisition Proposal, inquiry, proposal, offer or request and the identity of all Persons making the Acquisition Proposal, inquiry, proposal, offer or request and will provide SmartREIT with copies of all material and substantive written documents, correspondence or other materials received in respect of, from or on behalf of any such Persons. The REIT will keep SmartREIT fully informed on a current basis of the status of all material developments and (to the extent permitted by the Arrangement Agreement) discussions and negotiations with respect to such Acquisition Proposal, inquiry, proposal, offer or request, including any material changes, modifications or other amendments to any such Acquisition Proposal, inquiry, proposal, offer or request and will provide to SmartREIT copies of all material or substantive correspondence if in writing or electronic form, and, if not in writing or electronic form, a description of the material terms of such correspondence communicated to the REIT by or on behalf of any Person making any such Acquisition Proposal, inquiry, proposal, offer or request.

Ability to Respond to a Superior Proposal

If at any time prior to the Unitholder Approval having been obtained, the REIT receives a written Acquisition Proposal, the REIT may (a) engage in or participate in discussions or negotiations with the relevant Person regarding such Acquisition Proposal, and (b) provide copies of, access to or disclosure of confidential information, properties, facilities, books or records of the REIT or its Subsidiaries provided that: (i) 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 would reasonably be expected to lead to a Superior Proposal; (ii) prior to or 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 SmartREIT; (iii) prior to providing any such copies, access or disclosure, the REIT provides SmartREIT with a true,

complete and final executed copy of the applicable Acceptable Confidentiality Agreement; and (iv) the REIT has complied with its obligations under the Arrangement Agreement and the Strathallen Purchase Agreement and the person making such Acquisition Proposal was not restricted from doing so pursuant to a standstill or similar provision.

SmartREIT's Right to Match

If the REIT receives an Acquisition Proposal that constitutes a Superior Proposal prior to the Unitholder Approval having been obtained, the Board may enter into a definitive agreement with respect to such Superior Proposal, if and only if:

(a) the REIT has complied with its obligations under Article 5 of the Arrangement Agreement and the Person making such Acquisition Proposal was not restricted from doing so pursuant to a standstill, non-disclosure, use, business purpose or similar provision;

(b) the REIT has delivered to SmartREIT a written notice of the determination of the Board that such Acquisition Proposal constitutes a Superior Proposal and of the intention of the Board to enter into a definitive agreement with respect to such Superior Proposal, together with a written notice from the Board regarding the value and financial terms that the Board, in consultation with its financial advisors, has determined should be ascribed to any non-cash consideration offered under such Superior Proposal (the "**Superior Proposal Notice**");

(c) the REIT has provided SmartREIT a copy of the proposed definitive agreement for the Superior Proposal and all material and substantive supporting materials, including any financing documents supplied to the REIT and its Subsidiaries in connection therewith;

(d) at least 5 Business Days (the "**Matching Period**") have elapsed from the later of the date on which SmartREIT received the Superior Proposal Notice and the date on which SmartREIT received the materials set out in paragraph (b) above;

(e) after the Matching Period, the Board (i) has determined, 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 and the Strathallen Sale Transaction as proposed to be amended by SmartREIT and Strathallen, respectively) 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; and

(f) prior to or concurrently with entering into such definitive agreement, the REIT terminates the Arrangement Agreement and pays the SmartREIT Termination Fee in accordance with the terms of the Arrangement Agreement.

During the Matching Period: (a) SmartREIT and Strathallen will have the opportunity to offer to amend the Arrangement, the Arrangement Agreement and the Strathallen Purchase Agreement in order for such Acquisition Proposal to cease to be a Superior Proposal; (b) the Board will review any such offer made by SmartREIT and/or Strathallen to amend the terms of the Arrangement Agreement and the Arrangement in good faith in order to determine whether such offer would, upon acceptance, result in the Acquisition Proposal previously constituting a Superior Proposal ceasing to be a Superior Proposal; and (c) the REIT will negotiate in good faith with SmartREIT and/or Strathallen to make such amendments to the terms of the Arrangement Agreement and the Arrangement as would enable the REIT to proceed with the transactions contemplated by the Arrangement Agreement and the Strathallen Purchase Agreement on such amended terms. If the Board determines that such Acquisition Proposal would cease to be a Superior Proposal, the REIT will promptly so advise SmartREIT and the REIT and SmartREIT will amend the Arrangement Agreement and/or the REIT, its applicable Subsidiaries and Strathallen will amend the Strathallen Purchase Agreement to reflect such offer made by SmartREIT and/or Strathallen, as applicable, and will take and cause to be taken all such actions as are necessary to give effect to the foregoing.

Each successive amendment to any Acquisition Proposal that results in an increase in, or modification of, the consideration (or value of such consideration) to be received by the Unitholders or other material terms or conditions thereof will constitute a new Acquisition Proposal for the purposes of the Arrangement Agreement and the Strathallen Purchase Agreement, and SmartREIT and Strathallen will be afforded a new Matching Period from the later of (i) the date on which SmartREIT and Strathallen received the Superior Proposal Notice for the new Superior Proposal from the REIT and (ii) the date on which SmartREIT and Strathallen received the applicable materials with respect to the new Superior Proposal.

If the REIT provides a Superior Proposal Notice to SmartREIT on a date that is less than ten Business Days before the Meeting, the REIT will be entitled to and will upon request from SmartREIT, acting reasonably, postpone the Meeting to a date that is not more than 15 Business Days after the scheduled date of the Meeting.

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

The Arrangement Agreement does not prohibit the Board from: (a) responding through a trustees' circular or otherwise as required by Law to an Acquisition Proposal in a manner consistent with Article 5 of the Arrangement Agreement; or (b) calling or holding a meeting of Unitholders and Special Voting Unitholders requisitioned by Unitholders and/or Special Voting Unitholders in accordance with the Declaration of Trust or taking any other action with respect to an Acquisition Proposal to the extent ordered or otherwise mandated by a court of competent jurisdiction in accordance with Law.

Conduct of the REIT's Business

During the period from the date of the Arrangement Agreement to the Effective Time, the REIT has agreed to, and to cause each of its Subsidiaries to, use commercially reasonable efforts to conduct its business in the ordinary course and consistent with past practice (other than as required or permitted by the Arrangement Agreement or the Strathallen Purchase Agreement) and in accordance with applicable Laws in all material respects, and to preserve intact the current business organization of the REIT, keep available the services of the present employees and agents of the REIT and maintain satisfactory relations with key suppliers and tenants having significant business relationships with the REIT and its Subsidiaries.

The REIT has also agreed to a number of negative covenants related to carrying on its business until the earlier of the Effective Time or termination of the Arrangement Agreement.

Conduct of SmartREIT's Business

During the period from the date of the Arrangement Agreement to the Effective Time, SmartREIT has agreed to, and to cause each of its Subsidiaries to, use commercially reasonable efforts to conduct its business in the ordinary course and consistent with past practice (other than as required or permitted by the Arrangement Agreement) and in accordance with applicable Laws in all material respects, and to preserve intact the current business organization of SmartREIT, keep available the services of the present employees and agents of SmartREIT and maintain satisfactory relations with key suppliers and customers having significant business relationships with SmartREIT and its Subsidiaries.

SmartREIT has also agreed to a number of negative covenants related to carrying on business until the earlier of the Effective Time or termination of the Arrangement Agreement.

Pre-Acquisition Reorganization

The REIT has agreed that it will, upon request by SmartREIT and at the expense of SmartREIT, undertake such reorganizations of the REIT or its Subsidiaries' business, operations and assets or such other transactions as SmartREIT may request, acting reasonably. The REIT will not be required to undertake any such transaction which, in the opinion of the REIT, acting reasonably, would lead to a number of outcomes, including, among others, if it: (a) would require the approval of Unitholders or other securityholders of the REIT; (b) would be prejudicial to the REIT, any REIT Subsidiary or Unitholders or other securityholders of the REIT; (c) would reduce the Consideration to be received by Unitholders; (d) would unreasonably interfere with the ongoing operations of the REIT or any REIT Subsidiary; or (e) would materially prevent, delay or impede the ability of the REIT to consummate the Strathallen Sale Transaction.

Termination by SmartREIT or OneREIT

Prior to the Effective Time, either SmartREIT or the REIT may terminate its obligations under the Arrangement Agreement by written notice to the other party if: (a) there is a mutual written agreement to such effect; (b) the Transaction has not been consummated by the Outside Date, provided that a Party may not terminate the Arrangement Agreement for such reason if the failure of the Effective Time so to occur has been caused by, or is a result of, a breach by such

Party of any of its representations or warranties or the failure of such Party to perform any of its covenants or agreements under the Arrangement Agreement; (c) after the date of the Arrangement Agreement, any Law is enacted, made, enforced or amended, as applicable, that makes the consummation of the Arrangement illegal or otherwise prohibits or enjoins the REIT or SmartREIT from consummating the Arrangement, and such Law has, if applicable, become final and non-appealable, provided the Party seeking to terminate the Arrangement Agreement has used its commercially reasonable efforts to, as applicable, appeal or overturn such Law or otherwise have it lifted or rendered non-applicable in respect of the Arrangement; (d) the Special Resolution is not approved by the Unitholders and the Special Voting Unitholders at the Meeting in accordance with the Interim Order; or (e) the Strathallen Purchase Agreement is terminated in accordance with its terms.

Termination by the REIT

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

(a) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of SmartREIT under the Arrangement Agreement occurs that would cause certain conditions in the Arrangement Agreement not to be satisfied, and such breach or failure is incapable of being cured or is not cured in accordance with the Arrangement Agreement; provided that the REIT is not then in breach of the Arrangement Agreement so as to cause certain conditions in the Arrangement Agreement not to be satisfied; or

(b) prior to the Unitholder Approval having been obtained, the Board authorizes the REIT to enter into a written agreement (other than a confidentiality agreement permitted by and in accordance with the Arrangement Agreement) with respect to a Superior Proposal, provided the REIT is then in compliance with the Arrangement Agreement and, prior to or concurrent with such termination, the REIT pays the SmartREIT Termination Fee in accordance with the Arrangement Agreement.

Termination by SmartREIT

Prior to the Effective Time, SmartREIT may terminate its obligations under the Amended Arrangement Agreement if:

(a) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the REIT under the Arrangement Agreement occurs that would cause certain condition in the Arrangement Agreement not to be satisfied, and such breach or failure is incapable of being cured or is not cured in accordance with the terms of the Arrangement Agreement;

(b) there is a Change in Recommendation;

(c) the REIT has breached its non-solicitation covenants in the Arrangement Agreement in any material respect; or

(d) after the date of the Arrangement Agreement, a Material Adverse Effect in respect of the REIT or the condition of the Properties has occurred.

SmartREIT Termination Fee

In certain circumstances upon the termination of the Arrangement Agreement, including in the event that there is a Change in Recommendation, the REIT terminates the Arrangement Agreement in connection with a Superior Proposal or the REIT has breached its non-solicitation covenants in the Arrangement Agreement, the REIT will be required to pay the SmartREIT Termination Fee to SmartREIT.

In addition, the SmartREIT Termination Fee will be payable if the Arrangement Agreement is terminated in certain circumstances and (a) prior to such termination, a bona fide Acquisition Proposal is made or publicly announced or otherwise publicly disclosed by any Person other than Strathallen or SmartREIT or their respective affiliates or any Person other than Strathallen or SmartREIT or any of their respective affiliates has publicly announced an intention to make an Acquisition Proposal; and (b) within nine months following the date of such termination, (A) an Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal referred to in clause (a) above) is consummated or effected, or (B) the REIT or one or more of its Subsidiaries, directly or indirectly, in one or more transactions, enters into a contract, other than a confidentiality agreement permitted by and in accordance with Arrangement Agreement, in respect of any Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal referred to in clause (A) above) and such Acquisition Proposal is subsequently consummated or effected at any time thereafter

Expense Reimbursement

In the event that SmartREIT terminates the Arrangement Agreement due to (a) the REIT's failure to perform a covenant under the Arrangement Agreement or the REIT's breach of a representation or warranty in the Arrangement Agreement or (b) a failure to obtain Unitholder Approval, then the REIT will be required to reimburse SmartREIT for its actual third party out-of-pocket costs, including applicable legal fees, due diligence costs and consultant fees, to a maximum amount of $1,500,000.

Insurance and Indemnification of Directors and Officers

The REIT has agreed to, and SmartREIT has agreed to cause the REIT (or its successor) to, indemnify and hold harmless each present and former trustee, director and officer of the REIT and its Subsidiaries against certain claims arising out of or related to such person's service as a trustee, director or officer of the REIT and/or any of its Subsidiaries or services performed by such persons at the request of the REIT and/or any of its Subsidiaries.

SmartREIT agreed to (at the REIT's expense) obtain and fully pay the premium for the irrevocable extension of (i) the trustees', directors' and officers' liability coverage of the REIT's and its Subsidiaries' existing trustees', directors' and officers' insurance policies and (ii) 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; provided that the total cost of such run-off D&O Insurance must not exceed 300% of the current annual aggregate premium for D&O Insurance currently maintained by the REIT and its Subsidiaries.

STRATHALLEN SALE TRANSACTION

Summary of the Strathallen Purchase Agreement

The Strathallen Purchase Agreement has been filed on the SEDAR website of the Canadian Securities Administrators (www.sedar.com). The following is a summary of certain provisions of the Strathallen Purchase Agreement, but is not intended to be complete. Please refer to the Strathallen Purchase Agreement for a full description of the terms and conditions thereof. Capitalized terms used in this section "*Strathallen Sale Transaction – Summary of the Strathallen Purchase Agreement*" but not defined have the meanings given in the Strathallen Purchase Agreement.

Purchase Price

The purchase price payable by Strathallen to the Vendor for the Strathallen Properties and certain related assets under the Strathallen Purchase Agreement is equal to $703,500,000 plus the amount of certain capital expenditures incurred by the Vendor with respect to the Strathallen Properties, subject to adjustments in accordance with the Strathallen Purchase Agreement (the "**Strathallen Purchase Price**"). Such purchase price is payable by an assumption by Strathallen of certain mortgage liabilities with the balance of the purchase price payable in cash. Strathallen has paid a deposit of $5,000,000 pending completion of the Transaction.

Representations and Warranties

The Strathallen Purchase Agreement contains customary representations and warranties made by the Vendor to Strathallen and customary representations and warranties made by Strathallen to the Vendor. Those representations and warranties were made solely for the purposes of the Strathallen Purchase Agreement, certain of them were made as of specified dates and may be subject to contractual standards of materiality different from what may be viewed as material to Voting Unitholders. For the foregoing reasons, Voting Unitholders should not rely on the representations and warranties contained in the Strathallen Purchase Agreement as statements of factual information at the time they were made or otherwise.

The representations and warranties provided by the Vendor in favour of Strathallen relate to: status; authorization; no breach of instruments or laws; enforceability of obligations; residence; no bankruptcy; legal title and beneficial interest; exclusive right; notices; leases; remedial orders; no litigation; no expropriation; contracts; sales tax; regulatory approvals and consents; environmental data; builders liens; chattels; accuracy of information; environmental matters; maintenance of insurance; collective bargaining agreements; compliance with employment laws; unfair labour practice and common employer; severance; workers compensation; occupational health and safety; accruals; permitted encumbrances complied with; unregistered government agreements; government investigations; and taxes.

The representations and warranties provided by Strathallen in favour of ONR LP relate to: status; authorization; no breach of instruments or laws; enforceability of obligations; no bankruptcy; sales tax; and Investment Canada Act.

Conditions

The Strathallen Purchase Agreement contains certain customary conditions to the completion of the Strathallen Sale Transaction for the sole benefit of Strathallen including: the Strathallen Properties will be free and clear of all Encumbrances, subject to certain exceptions; performance of obligations of the Vendor; accuracy of the Vendor's representations and warranties; the receipt of required mortgagee consents; no increases in debt levels to be assumed by Strathallen in relation to the Strathallen Properties; receipt of a purchaser certificate issued by the Ontario Workplace, Safety and Insurance Board; no Material Adverse Effect (as defined in the Strathallen Purchase Agreement); receipt by Strathallen of certain estoppel certificates; no applicable law (other than in connection with the Competition Act Approval) will be in effect that makes the consummation of the Strathallen Sale Transaction illegal or otherwise prohibits or enjoins the Vendor or Strathallen from consummating the Strathallen Sale Transaction; and all required approvals will have been obtained.

The Strathallen Sale Transaction is not conditional upon financing and is not subject to a due diligence condition in favour of Strathallen.

The Strathallen Purchase Agreement contains certain customary conditions to the completion of the Strathallen Sale Transaction for the sole benefit of the Vendor including: performance of obligations of Strathallen; accuracy of Strathallen's representations and warranties; the receipt of required mortgagee consents; no applicable law (other than in connection with the Competition Act Approval) will be in effect that makes the consummation of the Strathallen Sale Transaction illegal or otherwise prohibits or enjoins the Vendor or Strathallen from consummating the Strathallen Sale Transaction; all required approvals will have been obtained; and the contemporaneous closing of the Arrangement and the Strathallen Sale Transaction.

Termination

The Vendor is entitled to terminate the Strathallen Purchase Agreement if prior to the Unitholder Approval having been obtained, the Board authorizes the REIT or any of its Subsidiaries to enter into a written agreement (other than a confidentiality agreement permitted by and in accordance with the Strathallen Purchase Agreement) with respect to a Superior Proposal, provided the REIT is then in compliance with the Strathallen Purchase Agreement and, prior to or concurrent with such termination, the REIT pays the Strathallen Termination Fee.

The Vendor is also entitled to terminate the Strathallen Purchase Agreement if a breach of any representation or warranty or failure to perform any covenant or agreement on the part of Strathallen under the Strathallen Purchase Agreement occurs that would cause any closing condition in favour of the Vendor not to be satisfied, and such breach or failure is incapable of being cured or is not cured in accordance with the terms of the Strathallen Purchase Agreement; provided that the Vendor is not then in breach of the Strathallen Purchase Agreement so as to cause any closing condition in favour of Strathallen not to be satisfied.

Strathallen is entitled to terminate the Strathallen Purchase Agreement if a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the Vendor under the Strathallen Purchase Agreement occurs that would cause any closing condition in favour of Strathallen not to be satisfied, and such breach or failure is incapable of being cured or is not cured in accordance with the terms of the Strathallen Purchase Agreement; provided that Strathallen is not then in breach of the Arrangement Agreement so as to cause any closing condition in favour of the REIT not to be satisfied.

In addition, Strathallen may terminate the Strathallen Purchase Agreement if: (a) there is a Change in Recommendation; (b) the REIT breaches its non-solicitation covenants; or (c) there is a Material Adverse Effect (as defined in the Strathallen Purchase Agreement) with respect to the condition of the Strathallen Properties considered as a whole, or to the conduct of business by the Vendor in the ordinary course in relation to the Strathallen Properties.

In addition, each of the Vendor and Strathallen has the right to terminate the Strathallen Purchase Agreement if: (a) the Unitholder Approval is not received at the Meeting; (b) any applicable law is enacted, made, enforced or amended, as applicable, that makes the consummation of the Strathallen Sale Transaction illegal or otherwise prohibits or enjoins the Vendor or Strathallen from consummating the Strathallen Sale Transaction, and such applicable law has, if applicable, become final and non-appealable, provided the party seeking to terminate the Strathallen Purchase Agreement has used its commercially reasonable efforts to, as applicable, appeal or overturn such applicable law or otherwise have it lifted or rendered non-applicable in respect of the Strathallen Sale Transaction; (c) the Strathallen Sale Transaction does not occur on or prior to the Outside Date, provided that a party may not terminate the Strathallen Purchase Agreement for this reason if the failure of the Strathallen Sale Transaction so to occur has been caused by, or is a result of, a breach by such party of any of its representations or warranties or the failure of such party to perform any of its covenants or agreements under the Strathallen Purchase Agreement; or (d) the required consents and approval for the consummation of the Strathallen Sale Transaction have not been obtained.

Strathallen Termination Fee

In certain circumstances upon the termination of the Strathallen Purchase Agreement, including (a) in the event that there is a Change in Recommendation, (b) the REIT terminates the Arrangement Agreement in connection with a Superior Proposal, or (c) the REIT has breached its non-solicitation covenants in the Strathallen Purchase Agreement, the REIT will be required to pay the Strathallen Termination Fee to Strathallen.

In addition, the Strathallen Termination Fee will be payable if the Strathallen Purchase Agreement is terminated in certain circumstances and (a) prior to such termination, a bona fide Acquisition Proposal is made or publicly announced or otherwise publicly disclosed by any Person other than Strathallen or SmartREIT or their respective affiliates or any Person other than Strathallen or SmartREIT or any of their respective affiliates has publicly announced an intention to make an Acquisition Proposal; and (b) within nine months following the date of such termination, (A) an Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal referred to in clause (a) above) is consummated or effected, or (B) the REIT or one or more of its Subsidiaries, directly or indirectly, in one or more transactions, enters into a contract, other than a confidentiality agreement permitted by and in accordance with

Strathallen Purchase Agreement, in respect of any Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal referred to in clause (A) above) and such Acquisition Proposal is subsequently consummated or effected at any time thereafter.

Covenants

The Vendor and Strathallen have agreed to use commercially reasonable efforts to obtain the consent of certain mortgagees to allow Strathallen to assume the applicable mortgages and to procure releases of such mortgagees in favour of the Vendor, the REIT and its subsidiaries and their assigns.

The Vendor has made certain covenants in the Strathallen Purchase Agreement with respect to its operations until the earlier of the Effective Time or termination of the Strathallen Purchase Agreement, including that it will cause the Strathallen Properties to be operated, managed and maintained in the ordinary course of business consistent with its past practices. The Vendor has also agreed to a number of negative covenants related to carrying on business until the earlier of the Effective Time or termination of the Strathallen Purchase Agreement.

The Strathallen Purchase Agreement contains substantially similar non-solicitation covenants as those in the Arrangement Agreement described above, including restrictions on the REIT from soliciting offers, the requirement to notify Strathallen of any Acquisition Proposal, the ability of the REIT to respond to and accept an Acquisition Proposal and Strathallen's right to match.

PRINCIPAL LEGAL MATTERS

Securities Laws Matters

Canada

Issuance of SmartREIT Units and SmartREIT Special Voting Units

The distribution of the SmartREIT Units and SmartREIT Special Voting Units on the Effective Date pursuant to the Transaction 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 laws, the SmartREIT Units and SmartREIT Special Voting Units distributed in connection with the Transaction 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 SmartREIT Units and SmartREIT Special Voting Units to affect materially the control of SmartREIT will be restricted in reselling such units pursuant to securities laws applicable in Canada.

Each Unitholder is urged to consult the holder's professional advisors with respect to restrictions applicable to trades in SmartREIT Units and SmartREIT Special Voting Unit under applicable securities laws.

On or following the Effective Date following completion of the steps set out in the Plan of Arrangement 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 (or equivalent).

MI 61-101 Requirements

The REIT is a reporting issuer (or its equivalent) in each of the provinces and territories of Canada and is accordingly subject to applicable securities laws of the jurisdictions that have adopted MI 61-101. MI 61-101 is intended to regulate insider bids, issuer bids, business combinations and related party transactions to ensure that all securityholders are treated in a manner that is fair, generally requiring enhanced disclosure, approval by a majority of "minority" securityholders by excluding interested or related parties and their respective joint actors, independent valuations and, in certain instances, approval and oversight of certain transactions by a special committee of independent directors. The protections of MI 61-101 generally apply to, among other transactions, "business combinations" (as defined in MI 61-101) like the Arrangement which terminate the interests of securityholders without their consent.

MI 61-101 requires that in certain circumstances in connection with a business combination, an issuer obtain a "formal valuation" (as defined in MI 61-101) of the subject matter of the transaction and any non-cash consideration. Pursuant to MI 61-101, in connection with the Transaction, the REIT was required to obtain a formal valuation of the Units; however the REIT was exempt from the requirement to obtain a valuation of the SmartREIT Units as described below. As a result, NBF was retained to deliver a formal valuation of the Units. The REIT was exempt from the requirement to obtain a "formal valuation" of the SmartREIT Units pursuant to MI 61-101 because (a) the SmartREIT Units are securities of a reporting issuer for which there is a published market, (b) the REIT has no knowledge of any material information concerning SmartREIT or the SmartREIT Units that has not been generally disclosed, (c) a liquid market (as defined in MI 61-101) exists for the SmartREIT Units, (d) the Non-Cash Consideration constitutes less than 25% of the number of SmartREIT Units outstanding immediately before the Transaction, (e) the SmartREIT Units to be issued pursuant to the Transaction will be freely tradeable at the time the Transaction is completed, and (f) NBF is of the opinion that a valuation of the SmartREIT Units is not required. See "*Background to the Transaction – NBF Fairness Opinion and Valuation*".

MI 61-101 also requires that, in addition to any other required securityholder approval, a business combination must be subject to certain minority approval requirements. In relation to the Transaction and for purposes of the required Unitholder approval for the Transaction, the "minority" Unitholders of the REIT are all Unitholders other than (i) the REIT; (ii) any interested party to the Transaction within the meaning of MI 61-101; (iii) any related party to such interested party within the meaning of MI 61-101 (subject to the exceptions set out therein); and (iv) any person that is a joint actor with a person referred to in the foregoing clauses (ii) or (iii) for the purposes of MI 61-101. Under MI 61-101, an interested party includes, but is not limited to: (i) a related party of the REIT if such related party would, as a consequence of the transaction, acquire the issuer or the business of the issuer; and (ii) a related party of the REIT if such person is entitled to receive, directly or indirectly, as a consequence of the transaction, a "collateral benefit" (as such term is defined in MI 61-101).

Mitchell Goldhar is considered a related party of the REIT under MI 61-101 as Mr. Goldhar is a "control person" of the REIT since he is entitled under the terms of the OneREIT trust indenture

to an aggregate of 25% of the voting rights of the REIT. Mr. Goldhar is also a "control person" of SmartREIT since he owns approximately 22% of the outstanding SmartREIT Units (on a diluted basis assuming exchange of the exchangeable Class B limited partnership units of SmartREIT's limited partnerships). As a result, OneREIT and SmartREIT are "related parties" under MI 61-101 for purposes of the Transaction. In addition, because Mitchell Goldhar is a "related party" of SmartREIT, which in turn is an "interested party" to the Transaction within the meaning of MI 61-101, the 4,929,600 Units and 19,290,032 Special Voting Units that Mr. Goldhar beneficially owns or controls will be excluded for the purposes of determining whether minority approval has been obtained. Specifically, securities owned by the following entities that are controlled by Mr. Goldhar will be excluded:

Holder	**Number of Units**	**Number of Special Voting Units**
MRR Investors Limited Partnership No. 1	-	9,846,320
MRR Investors Limited Partnership No. 2	-	3,357,368
MRR Investors Limited Partnership No. 3	-	1,278,998
MRR Investors Limited Partnership No. 4	-	948,685
MRR Investors Limited Partnership. 5	-	948,685
MRR Investors Limited Partnership 6	-	948,685
The Smartcentres Realty-CWT Partnership	-	1,961,291
SC Financial Investments Inc.	4,929,600	-

Each of Mr. Richard Michaeloff and Mr. Tom Wenner has severance entitlements that may be payable as a result of the completion of the Arrangement in accordance with applicable employment contracts. In accordance with MI 61-101, their severance entitlements are deemed not to be a "collateral benefit" because (a) the benefit is not conferred for the purpose, in whole or in part, of increasing the value of the consideration paid to Mr. Michaeloff or Mr. Wenner for their Units, (b) the conferring of the benefit is not, by its terms, conditional on Mr. Michaeloff or Mr. Wenner supporting the Transaction in any manner, (c) full particulars of the benefit are disclosed in this Circular, and (d) at the time the Transaction was agreed to, each of Mr. Michaeloff and Mr. Wenner, and their respective associated entities, beneficially owned or exercised control or direction over less than 1% of the outstanding Units. See "*Interest of Certain Persons or Companies in Matters to be Acted Upon – Interests of Certain Persons in the Transaction*".

As part of the Plan of Arrangement, the vesting of all Deferred Units will be accelerated to provide that such Deferred Units will be fully vested on the earlier of (i) the day immediately prior to the Effective Time or (ii) the day prior to the Effective Time by which any transfer agent or other depository requires such Deferred Units to be redeemed for Units (such that one Unit is issued for each Deferred Unit and such Deferred Unit is automatically cancelled) so that such Units can participate in the Arrangement on the same terms as all other Units or be settled by payment in cash by the REIT at the Effective Time at the closing price of the Units on the TSX on the day immediately prior to the Effective Time. The table below sets forth the details of the Deferred Units expected to be outstanding immediately prior to the Effective Date, including the number of Deferred Units that will have accelerated vesting as a result of the Transaction. In

accordance with MI 61-101 and as described above, since at the time the Transaction was agreed to, each holder of Deferred Units and their respective associated entities, beneficially owned or exercised control or direction over less than 1% of the outstanding Units, the acceleration of vesting of their Deferred Units is deemed not to be a "collateral benefit".

Deferred Unit Holder	**Number of Deferred Units for which vesting will be accelerated**
Richard Michaeloff	267,047
Robert Wolf	81,714
Hani Zayadi	97,836
Tom Wenner	70,369
Justin Deknatel	26,537

As a result of the provisions of MI 61-101, the Special Resolution must be approved by (i) 66⅔% of the votes cast on the Special Resolution by Voting Unitholders present in person or represented by proxy at the Meeting, and (ii) "minority approval" in accordance with section 8.1 of MI 61-101, which excludes votes cast by the Interested Unitholders. As of August 23, 2017, the Interested Unitholders hold an aggregate of 4,929,600 Units and 19,290,032 Special Voting Units.

Prior Offers

Except as described in this Circular, the REIT has not received any *bona fide* prior offer that relates to the subject matter of or is otherwise relevant to the Transaction during the 24 months before the date of the Arrangement Agreement. See "*Background to the Transaction*".

Prior Valuations

To the knowledge of the REIT and its directors and senior officers, after reasonable enquiry, other than the Valuation, no "prior valuations" (as such term is defined in MI 61-101) regarding the REIT, its securities or material assets have been prepared within the 24 months preceding the date hereof. The REIT determines fair value of each of its properties internally by discounting the expected future cash flows of the property as further described in the REIT's financial statements. To supplement the internally generated fair value, the REIT also engages external appraisers to complete appraisals for approximately one third of the REIT's portfolio by value on an annual rotation basis to ensure approximately 90% (by value) of the portfolio is appraised externally over a three-year period. The REIT does not believe that such appraisals, if disclosed, would reasonably be expected to affect the decision of a Voting Unitholder to vote for or against the Transaction or the decision of a Unitholder or LP Unitholder with respect to its Election.

United States

The SmartREIT Units to be received by Unitholders pursuant to the Transaction have not been and will not be registered under the U.S. Securities Act or any applicable state securities laws and will be issued in reliance on the exemption from the registration requirements of the U.S. Securities Act set forth in Section 3(a)(10) thereof and pursuant to exemptions from registration

under any applicable state securities laws. Section 3(a)(10) of the U.S. Securities Act exempts from the general registration requirements under the U.S. Securities Act securities issued in exchange for one or more bona fide outstanding securities, or partly in such exchange and partly for cash, where the terms and conditions of the issuance and exchange are approved 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 SmartREIT Units received in exchange for the Units pursuant to the Transaction 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 SmartREIT. Any resale of such SmartREIT Units by such an affiliate (or, if applicable, former affiliate) may be subject to the registration requirements of the U.S. Securities Act, absent an exemption therefrom.

As defined in Rule 144 under the U.S. Securities Act, an "affiliate" of an issuer is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with the issuer. The determination of whether a person is an "affiliate" (as defined in Rule 144 under the U.S. Securities Act) is dependent upon all relevant facts and circumstances. Persons who are executive officers, directors or 10% or greater holders of an issuer or who are otherwise able to exert influence over an issuer should consult with their own legal counsel regarding whether they would be considered such affiliates and whether resales of the SmartREIT Units will be subject to restrictions imposed by the U.S. Securities Act. Subject to certain limitations, such affiliates (and former affiliates) may immediately resell such SmartREIT Units outside the United States without registration under the U.S. Securities Act pursuant to and in accordance with Regulation S under the U.S. Securities Act. Such SmartREIT Units may also be resold in transactions completed in accordance with Rule 144 under the U.S. Securities Act, if available.

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, which are different than the requirements applicable to proxy solicitations under the U.S. Exchange Act.

The foregoing discussion is only a general overview of certain requirements of the U.S. Securities Act applicable to the resale of the SmartREIT Units receivable by Unitholders upon completion of the Transaction. **All holders of such securities are urged to consult with counsel to ensure that the resale of their securities complies with applicable securities legislation.**

Court Approval Process

A Plan of Arrangement under the OBCA requires court approval. Prior to the mailing of this Circular, the Interim Order was obtained from the Court. The Interim Order and Notice of Application for the Final Order are attached to this Circular as Appendices "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, the Interim Order and if the Special Resolution is approved by Voting Unitholders

the REIT will apply to the court to obtain the Final Order. The hearing in respect of the Final Order is scheduled to take place at the Court located at 330 University Avenue, Toronto, Ontario M5G 1R7 on September 26, 2017 at 10:00 a.m. (Toronto time).

Under the terms of the Interim Order, each Voting Unitholder, each holder of Convertible Securities, each trustee, the auditors of the REIT and any other interested person will have the right to appear and make submissions at the application for the Final Order. Any person desiring to appear at the hearing of the application for the Final Order is required to indicate his, her or its intention to appear by filing with the Court and serving upon the REIT at the address set out below, no less than three days before the hearing of the application for the Final Order, a response, including his, her or its address for service, together with all materials on which he, she or it intends to rely at the application. The response and supporting materials must be delivered, within the time specified, to the REIT at the following address: c/o Fasken Martineau DuMoulin LLP, 333 Bay Street Suite 2400, Toronto, Ontario M5H 2T6, Attention: Anil Aggarwal. Voting 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 SmartREIT Units to be delivered pursuant to the Transaction have not been and will not be registered under the U.S. Securities Act. Prior to the hearing on the Final Order, the Court will be informed that the Final Order, if granted, will constitute the basis for the exemption from the registration requirements of the U.S. Securities Act set forth in Section 3(a)(10) of the U.S. Securities Act with respect to the SmartREIT Units to be issued pursuant to the Transaction.

The authority of the Court is very broad under the OBCA. The REIT has been advised by its counsel that 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 Voting 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 Transaction is conditional upon the receipt of certain regulatory approvals or decisions, including the Competition Act Approval. Under the Competition Act, the acquisition of the assets of an operating business or the acquisition of the units of a trust that carries on an operating business in Canada may require pre-merger notification if certain size of parties and size of transaction thresholds are exceeded. It has been determined that pre-merger notification is required in respect of the Transaction.

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 notified the parties that he requires additional information that is relevant to the Commissioner's assessment of the transaction pursuant to subsection 114(2) of the Competition Act (a "**Supplementary Information Request**"). In the

event that the Commissioner of Competition 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, a party to a notifiable transaction may apply to the Commissioner for an advance ruling certificate or, in the alternative, a no-action letter. An advance ruling certificate may be issued where the Commissioner is satisfied that he would not have sufficient grounds to apply to the Competition Tribunal under Section 92 of the Competition Act. Where the Commissioner issues an advance ruling certificate 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 advance ruling certificate was issued. If the Commissioner is not prepared to issue an advance ruling certificate, 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, 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 of the obligation to notify the Commissioner and supply information pursuant to subsection 113(c) of the Competition Act in circumstances where the information prescribed pursuant to subsection 114(1) has not been filed.

With respect to the Transaction, the parties filed a letter requesting an Advance Ruling Certificate or, in the alternative, a "No-Action" Letter.

Stock Exchange Matters

SmartREIT

The SmartREIT Units are currently listed on the TSX under the symbol "SRU.UN". Application has been made for the listing on the TSX of the SmartREIT Units to be distributed in connection with the Transaction, which listing will be conditional on the satisfaction of certain standard conditions.

OneREIT

The Units are currently listed on the TSX under the symbol "ONR.UN". Pursuant to the Transaction, a subsidiary of SmartREIT will become the sole Unitholder, and the Units are expected to be de-listed from the TSX following the completion of the steps set out in the Plan of Arrangement.

The 2011 Debentures and 2013 Debentures are currently listed on the TSX under the symbols "ONR.DB.B" and "ONR.DB.C", respectively. Pursuant to the Transaction, SmartREIT will assume all of the rights and obligations of the REIT relating to the Debentures, which, upon completion of the steps set out in the Plan of Arrangement, will be convertible into SmartREIT Units, based on the revised conversion prices disclosed in the Plan of Arrangement. Application

has been made such that, following the Effective Date, such Debentures will continue to be listed on the TSX under the symbols "SRU.DB.A" and "SRU.DB.B" but as obligations of SmartREIT, which listing will be conditional on the satisfaction of certain standard conditions.

CERTAIN MATERIAL CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

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 who:

(a) disposes of a Unit to the REIT in exchange for (i) Cash Consideration (the "**Cash Redemption**") and/or (ii) SmartREIT Units pursuant to the "QE Redemption"; or

(b) is a Dissenting Unitholder.

This summary only applies to such a Unitholder who, at all relevant times, for purposes of the Tax Act, (i) deals at arm's length and is not affiliated with the REIT, SmartREIT and their respective affiliates; (ii) holds Units as capital property; and (iii) will hold SmartREIT Units, if any, received in exchange for Units as capital property. Generally, Units and SmartREIT 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 and has not acquired the units in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary does not address the consequences to the holders of other securities of the REIT participating in the Plan of Arrangement. Moreover, this summary does not address all tax consequences of participating in the Plan of Arrangement to Unitholders who acquired their Units on a conversion, exercise, exchange or otherwise in connection with a Convertible Security. Such holders should consult their own tax advisors.

This summary is based upon the current provisions of the Tax Act and an understanding of the current administrative policies and assessing practices of the CRA published in writing by the CRA prior to the date of this Circular. This summary also takes into account all specific proposals to amend the Tax Act 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 that this will be the case. Except for the Tax Proposals, this summary does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial decision or action, or changes in the CRA's administrative policies and 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. On July 18, 2017, the Minister of Finance (Canada) released a consultation paper that included an announcement of the government's intention to amend the Tax Act to increase the amount of tax applicable to passive investment income earned through a private corporation. No specific amendments to the Tax Act were proposed in connection with this announcement and the potential implications of this announcement are not discussed in this summary. Unitholders that are private Canadian corporations should consult their own tax advisors.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular 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.

A. Status of REIT and SmartREIT

For the purposes of this summary, it is assumed that each of SmartREIT and the REIT has, at all relevant times, qualified and is expected to continue to qualify as a "mutual fund trust" for the purposes of the Tax Act. If any of SmartREIT or the REIT were not to qualify as a mutual fund trust at any particular time, the income tax considerations described below would, in some respects, be materially different.

B. Currency

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

C. Taxation of the REIT and the Vendor

(a) Strathallen Sale Transaction

The Strathallen Sale Transaction will result in the realization by the Vendor of income, including income resulting from the recapture of capital cost allowance ("**CCA**") in respect of the buildings and other depreciable properties included in the Strathallen Properties disposed of by the Vendor ("**Recapture Income**"). To the extent that the buildings and other depreciable properties included in the Strathallen Properties constitute all of the properties of the relevant prescribed class for purposes of the Tax Act of the Vendor, the amount of the Recapture Income will be equal to the amount, if any, by which the lesser of (i) the proceeds of disposition allocated to such properties and (ii) the cost amount of such properties, exceeds the undepreciated capital cost of the particular prescribed class for purposes of the Tax Act. The Vendor will also realize capital gains on the Strathallen Sale Transaction equal to the amount, if any, by which the proceeds of disposition of the Strathallen Properties, net of any reasonable costs of disposition, exceed (or are less than) the cost or capital cost to the Vendor of such Strathallen Properties. CCA in respect of properties disposed of on the Strathallen Sale Transaction will not be available in the fiscal period of the Vendor that includes the Strathallen Sale Transaction.

The Vendor will allocate the amount equal to substantially all of the income (including any Recapture Income) and net taxable capital gains arising as a consequence of the Strathallen Sale Transaction to the REIT including income that would otherwise be sheltered by the CCA that

could have been deducted in respect of the Strathallen Properties had the Strathallen Sale Transaction not occurred, such income is hereinafter included in subsequent references to Recapture Income. In accordance with the Declaration of Trust, the income of the REIT (including Recapture Income) and net taxable capital gains arising from the Strathallen Sale Transaction will be allocated to Unitholders receiving Cash Consideration on the Cash Redemption and Dissenting Unitholders. Accordingly, the REIT will generally not be liable for tax under Part I of the Tax Act on income and net taxable capital gains arising from the Strathallen Sale Transaction. Management of the REIT has advised that the amount of Recapture Income to be allocated is not expected to exceed $0.15 per Unit or Dissenting Unit.

No allocation or distribution of income or capital gains arising from the Strathallen Sale Transaction will be made in respect of Units that are not redeemed on the Cash Redemption nor Dissenting Units.

(b) QE Transactions – Transfer of REIT Assets to SmartREIT and QE Redemption

Provided that the REIT and SmartREIT file an election under section 132.2 of the Tax Act in the manner and time prescribed, the transfer of the REIT Remaining Assets to SmartREIT will be part of a "qualifying exchange" as defined in section 132.2 of the Tax Act. As a result of the qualifying exchange the REIT Remaining Assets will be transferred to SmartREIT for proceeds of disposition equal to the greater of the tax cost of such assets and the debt assumed on the transaction. Taking into account the potential application of loss carryforwards, there should be no taxable income to the REIT arising from the transfer. Alternatively, the transfer may be organized so as to create income in the REIT equal to the amount of unused or latent losses or available deductions of the REIT. Again, in such circumstance, there should be no net taxable income to the REIT arising from the transfer.

The REIT will not realize a gain or loss on the transfer of SmartREIT Units to Unitholders on the QE Redemption.

(c) Computation of Income and Taxable Capital Gains of the REIT

The current taxation year of the REIT will be deemed to end on the Effective Date following the transfer of the REIT Remaining Assets to SmartREIT, giving rise to a short taxation year for (as well as for SmartREIT).

If, based on *bona fide* best estimates, the REIT determines that its undistributed taxable income for this short taxation year (without regard to income arising as a result of the Strathallen Sale Transaction), after application of any non-capital loss carry forwards, exceeds prior distributions made to Unitholders in that period, the REIT will pay a special distribution to Unitholders (except Dissenting Unitholders) in advance of the disposition of Units by Dissenting Unitholders, the Cash Redemption and the QE Transactions to ensure that the REIT will not be liable for tax under Part I of the Tax Act for this short taxation year (the "**Special Distribution**").

The REIT and SmartREIT are seeking approval of the CRA (the "**CRA Approval**") to change the fiscal and taxation year end of certain Subsidiaries in order to ensure that (i) substantially all of the income and net taxable capital gains earned by such Subsidiaries up to and including the Effective Date (without regard to income and net taxable capital gains arising as a result of the

Strathallen Sale Transactions) will be allocated to Unitholders who receive the Special Distribution, and (ii) substantially all of the income (including Recapture Income) and net taxable capital gains arising as a result of the Strathallen Sale Transaction will be allocated to Unitholders whose units are redeemed on the Cash Redemption and Dissenting Unitholders. This summary assumes that the CRA Approval will be obtained, but no assurance can be given in this regard.

D. Residents of Canada

This portion of the summary applies to a Unitholder (including a Unitholder that becomes a SmartREIT Unitholder, as applicable) 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**"). Certain Resident Holders whose 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. Unitholders who do not hold their Units as capital property and who will not hold their SmartREIT Units as capital property should consult their own tax advisors regarding their particular circumstances.

This portion of the summary does not apply to a Unitholder or SmartREIT Unitholder: (i) that is a "financial institution" for purposes of the mark-to-market rules; (ii) that is a "specified financial institution"; (iii) an interest in which is a "tax shelter investment", (iv) that has elected to determine its Canadian tax results in accordance with a "functional currency", as each term is defined in the Tax Act; or (v) that, at any material time, holds Units acquired upon the exercise of rights to acquire such Units in respect of, in the course of, or by virtue of employment with the REIT or any corporation or mutual fund trust not dealing at arm's length for purposes of the Tax Act with the REIT. 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 debt incurred in connection with the acquisition or holding of Units or SmartREIT Units.

(i) Disposition of Units Prior to the Effective Date

Resident Holders who dispose of Units on the TSX with a settlement date prior to the Effective Date will not receive any distributions or other payments under the Plan of Arrangement and should not be allocated any income from the REIT in respect thereof (including the Strathallen Sale Transaction). Such Resident Holders should consult their own tax and investment advisors.

A disposition of a Unit on the TSX should result in a capital gain (or a capital loss) to a Resident Holder equal to the amount, if any, by which the proceeds of disposition of the Unit, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Unit to the Resident Holder immediately prior to the disposition.

(ii) Special Distribution and Pre-Effective Date Distributions

The tax treatment to Resident Holders of the Special Distribution, if any, 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. Since the current taxation year of the REIT will be deemed to end on the Effective Date following the transfer of the REIT Remaining Assets to

SmartREIT, Unitholders with taxation years ending before December 31, 2017 may be required to report income from the REIT earlier than they would otherwise have been required.

As stated above, CCA in respect of properties disposed of on the Strathallen Sale Transaction will not be available in the fiscal period of the Vendor that includes the Strathallen Sale Transaction. This could affect the REIT's income for its taxation year ending on the Effective Date and, accordingly, the nature of distributions that have been paid or made payable by the REIT in its current taxation year. **Resident Holders should consult their own tax advisors regarding the characterization of such distribution**s.

(iii) Dissenting Unitholders

A Resident Holder who is a Dissenting Unitholder will be considered to have disposed of such holder's Dissenting Units to the REIT and will have a right to be paid the fair value of such Dissenting Units, as determined in accordance with 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. For this purpose, proceeds of disposition will not include an amount made payable by the REIT to such Resident Holder that is (i) otherwise required to be included in the holder's income, including Recapture Income and net taxable capital gains arising from the Strathallen Sale Transaction, or (ii) the non-taxable portion of capital gains arising from the Strathallen Sale Transaction.

As described above, a Resident Holder who is a Dissenting Unitholder and who for any reason is not entitled to be paid the fair value of the holder's Dissenting Units shall receive from SmartREIT in respect of the debt obligation created under the Plan of Arrangement, at the option of SmartREIT, either (i) Cash Consideration or (ii) the same pro rata combination of Cash Consideration and Non-Cash Consideration as otherwise would have been applicable in accordance with the Plan of Arrangement as if such holder had not dissented and had elected to receive Cash Consideration for such Dissenting Units. Such a Resident Holder will be considered to have disposed of such holder's Dissenting Units. 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 the Resident Holder immediately prior to the disposition. For this purpose, proceeds of disposition of the Dissenting Units will generally be equal to the aggregate, as applicable, of the Cash Consideration and/or the fair market value of the Non-Cash Consideration received by such Dissenting Unitholder and will not include an amount made payable by the REIT to the Dissenting Unitholder that is (i) otherwise required to be included in the Dissenting Unitholder's income, including Recapture Income and net taxable capital gains arising from the Strathallen Sale Transaction, or (ii) the non-taxable portion of capital gains arising from the Strathallen Sale Transaction.

A Dissenting Unitholder will generally be required to include in income for its taxation year in which the current taxation of the REIT ends, the portion of taxable income (including Recapture Income) and net taxable capital gains of the REIT (including those arising from the Strathallen Sale Transaction) that is allocated and made payable to the Dissenting Unitholder. Provided that appropriate designations are made by the REIT, that portion of the REIT's net taxable capital

gains that is paid to such a Dissenting Unitholder will effectively retain its character and be taxed as such in the hands of such holder for purposes of the Tax Act. The non-taxable portion of any net capital gains of the REIT that is paid to a Dissenting Unitholder will not be included in computing the holder's income for the year. Management of the REIT has advised that the amount of Recapture Income is not expected to exceed $0.15 per Dissenting Unit.

(iv) Cash Redemption – Redemption of a Unit for Cash Consideration

The disposition of a Unit pursuant to the Cash Redemption 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 Unit, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Unit to the Resident Holder immediately prior to the Cash Redemption (which adjusted cost base will take into account any reductions resulting from the Special Distribution, if any, to be made by the REIT as described above). The proceeds of disposition of the Unit will generally be equal to the amount of the Cash Consideration received by the Resident Holder in exchange therefor, less any amount paid by the REIT to the Resident Holder that is (i) otherwise required to be included in the Resident Holder's income, including Recapture Income and net taxable capital gains arising from the Strathallen Sale Transaction and/or (ii) the non-taxable portion of capital gains arising from the Strathallen Sale Transaction.

A Resident Holder who receives Cash Consideration for Units will generally be required to include in income for its taxation year in which the current taxation year of the REIT ends, the portion of taxable income (including Recapture Income) and net taxable capital gains of the REIT arising from the Strathallen Sale Transaction that is allocated and paid to such holder. Provided that appropriate designations are made by the REIT, that portion of the REIT's net taxable capital gains that is paid to such a Resident Holder will effectively retain its character and be taxed as such in the hands of such holder for purposes of the Tax Act. The non-taxable portion of any net capital gains of the REIT that is paid to a Resident Holder will not be included in computing the holder's income for the year. Management of the REIT has advised that the amount of Recapture Income is not expected to exceed $0.15 per Unit redeemed on the Cash Redemption.

Resident Holders who are taxable and who hold their Units on capital account may in some circumstances wish to consider disposing of their Units on the TSX with a settlement date that is prior to the Effective Date and should consult their own tax and investment advisors with regard to this decision.

(v) QE Redemption

Provided that the REIT and SmartREIT file an election under section 132.2 of the Tax Act in the manner and time prescribed, the redemption of a Resident Holder's Unit for SmartREIT Units will be part of a "qualifying exchange" as defined in section 132.2 of the Tax Act. Accordingly, on the disposition by a Resident Holder of such Units to the REIT in exchange for SmartREIT Units on the QE Redemption, the Resident Holder's proceeds of disposition for the Units disposed of, and the cost to the Resident Holder of the SmartREIT Units received in exchange therefor, will be deemed to be equal to the adjusted cost base to the Resident Holder of such Units immediately prior to the QE Redemption (which adjusted cost base will take into account any reductions resulting from the Special Distribution, if any). For the purpose of determining

the adjusted cost base of the SmartREIT Units acquired by a Resident Holder on the QE Redemption, the cost of such SmartREIT Units will be averaged with the adjusted cost base of all other SmartREIT Units held as capital property by the Resident Holder immediately before the exchange.

(vi) Holding and Disposing of SmartREIT Units received pursuant to the Plan of Arrangement

Subsequent to the exchange of Units for SmartREIT Units pursuant to the QE Redemption, former Unitholders who elected (or were deemed to have elected) to receive Non-Cash Consideration will own SmartREIT Units. The following sections summarize the general income tax treatment under the Tax Act of holding and disposing such units.

(a) Qualification of SmartREIT as a "Real Estate Investment Trust"

The Tax Act imposes a special taxation regime (the "**SIFT Rules**") applicable to certain publicly traded income trusts and partnerships (each a "**SIFT**"). Under the SIFT Rules, a SIFT is subject to tax in respect of certain distributions that are attributable to the SIFT's "non-portfolio earnings" (as defined in the Tax Act; generally, income (other than certain dividends) from, or capital gains realized on, "non-portfolio properties", which does not include certain investments in non-Canadian entities), at a rate substantially equivalent to the combined federal and provincial corporate tax rate on certain types of income.

SmartREIT will be a SIFT for purposes of the SIFT Rules in a particular taxation year unless it meets certain specified criteria relating to the nature of its revenues and investments and qualifies as a "real estate investment trust" under the Tax Act for such year (the "**REIT Exception**").

SmartREIT has represented in the Arrangement Agreement that SmartREIT has, at all relevant times, qualified as a "real estate investment trust" for purposes of the Tax Act. There can be no assurance that subsequent investments or activities undertaken by SmartREIT will not result in it failing to comply with the REIT Exception. This summary assumes that SmartREIT has and will continue to qualify for the REIT Exception at all times. If SmartREIT were not to qualify under the REIT Exception, the Canadian federal income tax considerations described below would, in some respects, be materially different.

SmartREIT has investments in certain lower tier partnerships and trusts. In certain circumstances, it is possible that such lower tier entities could themselves be subject to the SIFT Rules; however, a lower tier entity will not be subject to the SIFT Rules if it is an "excluded subsidiary entity", as defined for purposes of the SIFT Rules. SmartREIT has represented in the Arrangement Agreement that each partnership and trust in which SmartREIT has a direct or indirect interest is an excluded subsidiary entity. This summary assumes that each such lower tier entity is an excluded subsidiary entity for these purposes.

(b) Taxation of SmartREIT

With the exception of the short taxation year of SmartREIT resulting from the QE Transactions, the taxation year of SmartREIT is the calendar year. In each taxation year, SmartREIT will generally be subject to tax under Part I of the Tax Act on any taxable income of SmartREIT

(including net realized taxable capital gains from dispositions of property and SmartREIT's allocated share of the income from its underlying partnerships for the fiscal period of such underlying partnerships ending in, or coinciding with the year end of SmartREIT), 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 SmartREIT Unitholders. An amount will be considered to be payable to a SmartREIT Unitholder in a taxation year if it is paid to the unitholder in the year by SmartREIT or if the unitholder is entitled in that year to enforce payment of the amount.

In computing its income, SmartREIT may generally deduct reasonable administrative costs and other reasonable expenses incurred by it for the purpose of earning income and available capital cost allowances, as well as a portion of any reasonable expenses incurred by SmartREIT to issue units or debentures, subject to the relevant provisions of the Tax Act. Losses incurred by SmartREIT cannot be allocated to SmartREIT Unitholders, but can be deducted by SmartREIT in future years in computing its taxable income, subject to and in accordance with the provisions of the Tax Act.

SmartREIT will be entitled for 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 SmartREIT Units during the year (the "**Capital Gains Refund**"). In certain circumstances, the Capital Gains Refund in a particular taxation year may not completely offset SmartREIT's tax liability for such taxation year.

SmartREIT intends to distribute to its unitholders, in cash or in SmartREIT Units, in each year its net income and net realized capital gains to such an extent that SmartREIT will not be liable in any year for income tax under Part I of the Tax Act, after taking into account applicable losses of SmartREIT and any Capital Gains Refund to which SmartREIT is entitled for such year. Income of SmartREIT payable to its unitholders, whether in cash, additional SmartREIT Units or otherwise, will generally be deductible by SmartREIT in computing its taxable income.

(c) Taxation of Limited Partnerships in which SmartREIT holds an Interest

This portion of the summary relates to each of the limited partnerships in which SmartREIT holds an interest (each, a "**SmartREIT LP**"). With respect to each SmartREIT LP, where all of the equity of a SmartREIT LP is held by a real estate investment trust (as defined in the Tax Act), one or more taxable Canadian corporations (as defined in the Tax Act) and/or an excluded subsidiary entity (as defined in the Tax Act) throughout a relevant taxation year and none of the equity of such SmartREIT LP is listed or traded on a stock exchange or other public market at any time in such relevant taxation year, then such SmartREIT LP will be an excluded subsidiary entity (as defined in the Tax Act) and will not be subject to the SIFT Rules in such relevant taxation year. As described above, this summary assumes that each of the SmartREIT LPs, on the basis of the above criteria as applicable, is currently, and is expected to be at any relevant times, an excluded subsidiary entity (as defined in the Tax Act) such that none of the SmartREIT LPs will be subject to the SIFT Rules in its current fiscal year or, as expected, in any subsequent fiscal year.

Each of the SmartREIT LPs is not subject to tax under the Tax Act. Each partner of a SmartREIT LP, including SmartREIT, will be required to include in computing the partner's income the partner's share of the income or loss of such SmartREIT LP for its fiscal year ending in or

coincident with the partner's taxation year, whether or not any such income is distributed to the partner in the taxation year. For this purpose, the income or loss of a SmartREIT LP will be computed for each fiscal year as if such SmartREIT LP were a separate person resident in Canada. In computing the income or loss of a SmartREIT LP, deductions will be claimed in respect of its reasonable administrative and other expenses incurred for the purpose of earning income and available capital cost allowances. The income (including taxable capital gains) or loss of a SmartREIT LP for a fiscal year will be allocated to partners of such SmartREIT LP, including SmartREIT, on the basis of their respective shares of such income or loss, subject to the detailed rules in the Tax Act in that regard.

(d) Distributions – SmartREIT Unitholders

A Resident Holder will generally be required to include in income for a particular taxation year the portion of the net income of SmartREIT for the taxation year of SmartREIT ending on or before the taxation year of the Resident Holder, including net realized taxable capital gains, that is paid or payable to the Resident Holder in the particular taxation year, whether that amount is received in cash, additional SmartREIT Units or otherwise. Provided that appropriate designations are made by SmartREIT, that portion of the: (1) taxable dividends received by it from taxable Canadian corporations; (2) net realized taxable capital gains; and (3) income of SmartREIT from a source in a country other than Canada ("**Foreign Source Income**"), as is paid or payable to a Resident Holder will effectively retain their respective characters and be treated as taxable dividends, taxable capital gains or Foreign Source Income, as the case may be, in the hands of the Resident Holder for purposes of the Tax Act. To the extent that amounts are designated as taxable dividends received or deemed to be received on shares of a taxable Canadian corporation, the normal gross-up and dividend tax credit provisions will be applicable in respect of Resident Holders who are individuals, the refundable tax under Part IV of the Tax Act will be payable by Resident Holders that are "private corporations" and "subject corporations", and the deduction in computing taxable income will be available to Resident Holders that are corporations.

Certain taxable dividends received by individuals from a corporation resident in Canada will be eligible for the enhanced dividend tax credit to the extent certain conditions are met and designations are made. This may apply to distributions made by SmartREIT that have as their source "eligible dividends" received by SmartREIT from a corporation resident in Canada, to the extent SmartREIT makes the appropriate designation to have such "eligible dividends" deemed received by the Resident Holder and provided that the corporate dividend payer makes the required designation to treat such taxable dividends as "eligible dividends".

The non-taxable portion of any net realized taxable capital gains of SmartREIT that is 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. Any other amount in excess of the net income and net taxable capital gains of SmartREIT that is paid or payable to a Resident Holder in that year will generally not be included in the Resident Holder's income for the year. However, where such an amount is paid or payable to a Resident Holder (other than as proceeds in respect of the redemption of SmartREIT Units), the Resident Holder will be required to reduce the adjusted cost base of the SmartREIT Units by that amount. Where reductions to a Resident Holder's adjusted cost base of SmartREIT Units for a year would result in the adjusted cost base becoming a negative amount, such amount will be treated as a capital gain realized by the

Resident Holder in that year and the Resident Holder's adjusted cost base of the SmartREIT Units will then be nil.

The cost to a Resident Holder of additional SmartREIT Units received in lieu of a cash distribution of income will be the amount of income distributed by the issue of those SmartREIT Units. For the purpose of determining the adjusted cost base to a Resident Holder, when a SmartREIT Unit is acquired, the cost of the newly-acquired SmartREIT Unit will be averaged with the adjusted cost base of all of the SmartREIT Units owned by the Resident Holder as capital property immediately before that acquisition.

(e) Dispositions of SmartREIT Units

On the disposition or deemed disposition of a SmartREIT Unit, whether on a redemption or otherwise, the Resident Holder will realize a capital gain (or capital loss) equal to the amount by which the Resident Holder's proceeds of disposition exceed (or are less than) the aggregate of the adjusted cost base of the SmartREIT Unit and any reasonable costs of disposition. Proceeds of disposition will not include any amount that is otherwise required to be included in the Resident Holder's income such as amounts treated as having been paid to the Resident Holder out of income or capital gains of SmartREIT.

For the purpose of determining the adjusted cost base to a Resident Holder of SmartREIT Units, when a SmartREIT Unit is acquired, the cost of the newly-acquired SmartREIT Unit will be averaged with the adjusted cost base of all SmartREIT Units owned by the Resident Holder as capital property immediately before that time.

Where the redemption proceeds of SmartREIT Units are paid by the distribution of securities and/or obligations of SmartREIT to the redeeming Resident Holder, the proceeds of disposition to the Resident Holder of the SmartREIT Units will be equal to the fair market value of the securities so distributed. The cost of any security and/or obligation distributed by SmartREIT to a Resident Holder upon a redemption of SmartREIT Units will be equal to the fair market value of that security and/or obligation at the time of the transfer less, in the case of a debt security, any accrued interest on the debt security. The Resident Holder will thereafter be required to include in income interest on any debt security so acquired in accordance with the provisions of the Tax Act. To the extent that the Resident Holder is thereafter required to include in income any interest accrued to the date of the acquisition of a debt security by the Resident Holder, an offsetting deduction will be available.

(vii) Taxation of Capital Gains and Capital Losses

One-half of any capital gain realized by a Resident Holder on the disposition of a Unit or SmartREIT Unit 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 Unit or SmartREIT 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 years, to the extent and under the circumstances described in the Tax Act.

Where a Resident Holder that is a corporation or trust (other than a mutual fund trust) disposes of a Unit or SmartREIT Unit the Resident Holder's capital loss from the disposition will generally be reduced by the amount of any distribution received by the Resident Holder to the extent such distribution was designated by the REIT or SmartREIT, as applicable, as being a dividend in accordance with the Tax Act, except to the extent that a loss on a previous disposition of a Unit or SmartREIT Unit, as applicable, by the Resident Holder has been reduced by the distribution. Analogous rules apply where a corporation or trust (other than a mutual fund trust) is a member of a partnership that disposes of Units or SmartREIT Units.

Where a Resident Holder that is not a corporation, trust or partnership disposes of a Unit or SmartREIT Unit, the Resident Holder's capital loss from the disposition will generally be reduced by the amount of any distribution received by the Resident Holder to the extent such distribution was designated by the REIT or SmartREIT, as applicable, as being a capital dividend in accordance with the Tax Act, except to the extent that a loss on a previous disposition of a Unit or SmartREIT Unit, as applicable, by the Resident Holder has been reduced by the distributions.

(viii) Eligibility for Investment

If issued on the date of this Circular, SmartREIT Units would be, on such date, qualified investments for Registered Plans provided that, on such date, SmartREIT qualifies as a mutual fund trust under the Tax Act or the SmartREIT Units are listed on the TSX.

In the case of an RRSP, an RRIF or a TFSA, provided the annuitant of the RRSP or RRIF or the holder of the TFSA, as the case may be, deals at arm's length with SmartREIT (within the meaning of the Tax Act) and does not have a "significant interest" in SmartREIT (as defined in the Tax Act), the SmartREIT Units will not be a prohibited investment under the Tax Act for such RRSP, RRIF or TFSA.

Pursuant to Tax Proposals released on March 22, 2017, the rules with respect to "prohibited investments" are also proposed to apply to (i) RESPs and subscribers thereof, and (ii) RDSPs and holders thereof. Holders of a TFSA or RDSP, annuitants of an RRSP or RRIF, and subscribers of a RESP, should consult their own tax advisors in regards to the application of these rules in their particular circumstances.

Upon a redemption of SmartREIT Units or termination of SmartREIT, the trustees of SmartREIT may distribute securities and/or obligations of SmartREIT or held by SmartREIT directly to the SmartREIT Unitholders, subject to obtaining any required regulatory approvals. Such securities and/or obligations so distributed may not be qualified investments for Registered Plans (depending upon the circumstances at the time), which would give rise to adverse consequences to the Registered Plan or the holder, annuitant or beneficiary thereunder if the Registered Plan acquires such securities and/or obligations. Accordingly, Registered Plans that owns SmartREIT Units should consult their own tax advisor before deciding to exercise the redemption rights attached to the SmartREIT Units

E. Non-Residents of Canada

This portion of the summary only applies to a Unitholder (or Unitholder that becomes a SmartREIT Unitholder, as applicable) who, at all relevant times, for purposes of the Tax Act and any applicable income tax convention, (i) is neither resident nor deemed to be resident in Canada, (ii) does not use or hold Units in a business carried on in Canada, (iii) will not use or hold SmartREIT Units, if any, acquired in exchange for Units in a business carried on in Canada, and (iv) is not a non-resident insurer (a "**Non-Resident Holder**").

(i) Special Distribution and Pre-Effective Date Distributions

The tax treatment to Non-Resident Holders of the Special Distribution, if any, will be determined in a manner similar to that applicable to other distributions that have been paid or payable by the REIT to Non-Resident Holders.

As stated above, CCA in respect of properties disposed of on the Strathallen Sale Transaction will not be available in the fiscal period of the REIT Subsidiaries that includes the Strathallen Sale Transaction. This could affect the REIT's income for its taxation year ending on the Effective Date and, accordingly, the nature of distributions that have been paid or made payable by the REIT in its current taxation year. **Non-Resident Holders should consult their own tax advisors regarding the characterization of such distributions and withholding tax implications**.

(ii) Cash Redemption and Dissent – Distribution Paid on Redemption of a Unit for Cash Consideration and to Dissenting Unitholders

A Non-Resident Holder who disposes of a Unit to the REIT for Cash Consideration or who is a Dissenting Unitholder will be subject to Canadian non-resident withholding tax under Part XIII of the Tax Act at a rate of 25% on the portion of the REIT's income (including Recapture Income but excluding, for greater certainty, taxable capital gains designated by the REIT in respect of the Non-Resident Holder) arising from the Strathallen Sale Transaction that is paid or credited, or deemed to be paid or credited, in respect of such unit to the Non-Resident Holder in connection with the Cash Redemption or disposition of the Dissenting Unit, as applicable. Management of the REIT has advised that the amount of Recapture Income is not expected to exceed $0.15 per Dissenting Unit or Unit redeemed on the Cash Redemption.

To the extent the REIT designates an amount paid or credited, or deemed to be paid or credited, to the Non-Resident Holder as a taxable capital gain of such Non-Resident Holder, one-half of the lesser of (i) twice the amount so designated in respect of such Non-Resident Holder and (ii) such Non-Resident Holder's pro rata portion of the REIT's "**TCP Gains Balance**" (within the meaning of the Tax Act) for the taxation year will be subject to Canadian non-resident withholding tax at the rate of 25% if more than 5% of the amounts so designated by the REIT for the taxation year ending on the Effective Date are designated in respect of unitholders that are either "non-resident persons" or partnerships which are not "Canadian partnerships" (each as defined in the Tax Act). A trust's TCP Gains Balance generally includes all capital gains (less all capital losses) realized by the trust from the disposition of taxable Canadian property (within the meaning of the Tax Act, "**TCP**"), less amounts deemed to be TCP gains distributions in previous taxation years.

The 25% rate of withholding tax under Part XIII of the Tax Act is subject to reduction pursuant to the provisions of an applicable income tax convention. For example, the reduced rate under the Canada-U.S. Tax Convention is generally 15%. **Non-Resident Holders should consult their own tax advisors for advice having regard to their particular circumstances, including whether an income tax convention applies**.

In addition, a Non-Resident Holder will generally 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" that is not otherwise subject to Canadian income tax under Part I of the Tax Act or Canadian withholding tax under Part XIII of the Tax Act. A Unit will be a "Canadian property mutual fund investment" to a Non-Resident Holder. Assuming that the Unit is not TCP to the Non-Resident Holder, as described below, and the Non-Resident Holder is therefore not subject to Part I tax on the disposition of such Unit on the Cash Redemption or disposition of the Dissenting Unit, the Non-Resident Holder will be subject to the Mutual Fund Withholding Tax on the amount by which the payment made to the Non-Resident Holder in connection with the Cash Redemption or disposition of the Dissenting Unit, as applicable, exceeds the aggregate of the Non-Resident Holder's share of the income (including Recapture Income) and capital gains arising from the Strathallen Sale Transaction which are subject to Canadian withholding tax under Part XIII of the Tax Act as described above.

In effect, the entire amount paid to a Non-Resident Holder on the redemption of a Unit pursuant to the Cash Redemption or the disposition of a Dissenting Unit, as applicable, will be subject to Canadian withholding tax. However, 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 Unit on the Cash Redemption or disposition of the Dissenting Unit, as applicable. 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 Unit upon the Cash Redemption or disposing of a Dissenting Unit.

Non-Resident Holders will want to consider disposing of their Units on the TSX with a settlement date that is prior to the Effective Date and should consult their own tax and investment advisors with regard to this decision.

(iii) QE Redemption – Distribution of SmartREIT Units

Provided that the REIT and SmartREIT file an election under section 132.2 of the Tax Act in the manner and time prescribed, the Mutual Fund Withholding Tax will not apply in respect of the distribution of SmartREIT Units on the QE Redemption.

(iv) Distributions on SmartREIT Units

A Non-Resident Holder of SmartREIT Units will be subject to Canadian withholding tax under Part XIII of the Tax Act at the rate of 25% on the portion of the trust's income (excluding, for greater certainty, taxable capital gains designated by the trust in respect of the Non-Resident Holder) paid or credited, or deemed to be paid or credited, in respect of such units to the Non-Resident Holder, whether such distributions are paid in cash or *in specie*.

To the extent SmartREIT designates an amount paid or credited, or deemed to be paid or credited, to the Non-Resident Holder as a taxable capital gain of such Non-Resident Holder, one-half of the lesser of twice the amount so designated in respect of such Non-Resident Holder and such Non-Resident Holder's *pro rata* portion of the trust's TCP Gains Balance (as described above) for the taxation year will be subject to Canadian non-resident withholding tax at the rate of 25% if more than 5% of the amounts so designated by the trust for the taxation year are designated in respect of unitholders that are either "non-resident persons" or partnerships which are not "Canadian partnerships" (each as defined in the Tax Act).

The 25% rate of withholding tax under Part XIII of the Tax Act is subject to reduction pursuant to the provisions of an applicable income tax convention.

The Mutual Fund Withholding Tax will generally apply in respect of distributions paid or credited to a Non-Resident Holder from SmartREIT that are otherwise not subject to tax under Part I or Part XIII of the Tax Act. However, a Non-Resident Holder may be entitled to file a special Canadian tax return to claim a refund of all or a portion of such tax if the Non-Resident Holder has Canadian property mutual fund losses (as described above).

(v) Dispositions of Units and SmartREIT 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 Units (including a disposition of Units on the TSX with a settlement date that is prior to the Effective Date) or SmartREIT Units unless the Units or SmartREIT Units, as the case may be, are TCP of the Non-Resident Holder for purposes of the Tax Act and are not "treaty-protected property" of the Non-Resident Holder for purposes of the Tax Act.

Generally, a Unit or SmartREIT Unit, as applicable, will not constitute TCP to a Non-Resident Holder at the time of disposition 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) has not owned 25% or more of the units of the REIT or SmartREIT, as applicable, at any particular time during the 60-month period that ends at that time.

Even if the Units or SmartREIT Units, as the case may be, are TCP to the Non-Resident Holder, a taxable capital gain resulting from the disposition of such units will not be included in the Non-Resident Holder's taxable income earned in Canada for the purposes of the Tax Act if, at the time of disposition, the Units or SmartREIT Units, as applicable, constitute "treaty- protected property" of the Non-Resident Holder for purposes of the Tax Act. Units and SmartREIT Units will generally be considered treaty-protected property of a Non-Resident Holder for purposes of the Tax Act at the time of disposition if the gain from their disposition would, because of an

applicable income tax treaty between Canada and the country in which the Non-Resident Holder is resident for purposes of such treaty, be exempt from tax under the Tax Act.

Non-Resident Holders whose Units or SmartREIT Units, as the case may be, are TCP should consult their own tax advisors for advice having regard to their particular circumstances, including whether their units constitute treaty-protected property.

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

A unit of a mutual fund trust is "excluded property" for purposes of section 116 of the Tax Act. Accordingly, the compliance withholding regime under section 116 of the Tax Act will not apply to a disposition of Units or SmartREIT Units.

(vi) General

Canadian non-resident withholding tax imposed under the Tax Act payable by Non-Resident Holders will be withheld and remitted to the CRA on behalf of such Non-Resident Holders.

Non-Resident Holders should consult their own tax advisors with regards to the application of applicable income tax conventions and the availability of any applicable foreign tax credits, exemptions or refunds in respect of any Canadian withholding taxes.

OTHER TAX CONSIDERATIONS

This Circular does not address any tax considerations of the Transaction other than certain material Canadian federal income tax considerations. Voting Unitholders who are resident or otherwise taxable in jurisdictions other than Canada. should consult their own tax advisors with respect to the tax implications of the Transaction, including any associated filing requirements, in such jurisdictions and with respect to the tax implications in such jurisdictions of owning SmartREIT Units or SmartREIT Special Voting Units upon completion of the Transaction.

Voting Unitholders should also consult their own tax advisors regarding provincial, state or territorial tax considerations of the Transaction or of holding SmartREIT Units or SmartREIT Special Voting Units upon completion of the Transaction.

INFORMATION CONCERNING ONEREIT

Appendix "G" to this Circular sets forth additional information concerning the REIT.

INFORMATION CONCERNING SMARTREIT

Appendix "H" to this Circular sets forth additional information concerning SmartREIT.

INFORMATION CONCERNING STRATHALLEN

Strathallen is a wholly-owned acquisition entity of Strathallen Capital Corporation. Strathallen Capital Corporation is a fully integrated Canadian real estate management company. Strathallen Capital Corporation provides asset management, property management and strategic advisory

services to institutional and high net worth investors. Strathallen Capital Corporation currently manages and operates four private closed-end funds, with the mandate to strategically acquire and dispose of quality retail investments and deliver industry leading risk-adjusted returns. The Transaction will increase Strathallen Capital Corporation's assets under management to approximately $1.7 billion and 8.9 million square feet.

RISK FACTORS

Voting 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 Transaction includes SmartREIT Units or SmartREIT Special Voting Units. Accordingly, a Special Voting Unitholder or a Unitholder who elects to receive Non-Cash Consideration or who will receive Non-Cash Consideration as a result of proration will become a unitholder of SmartREIT. As a result, such Voting Unitholder will be subject to all of the risks associated with the operations of SmartREIT and SmartREIT's Subsidiaries and the industry in which such entities operate. Those risks include the risk factors described in SmartREIT's Annual Information Form for the year ended December 31, 2016 and its management's discussion and analysis for the three months ended March 31, 2017, both of which are incorporated by reference herein. The following risk factors are not a definitive list of all risk factors associated with the Transaction. Additional risks and uncertainties, including those currently unknown or considered immaterial by the REIT, may also adversely affect the completion of the Transaction and/or the value of the SmartREIT Units and SmartREIT Special Voting Units.

Risks Related to the Transaction

The Actual Consideration Received Will Depend on Proration

Unitholders will be entitled to receive, at the election of each holder, (a) $4.275 in cash per Unit; or (b) the Non-Cash Consideration, per Unit, in each case subject to proration. Consequently, a depositing Unitholder that elects the Non-Cash Consideration in respect of all of its Units may receive a portion of the Consideration for its deposited Units in cash and a depositing Unitholder that elects the Cash Consideration in respect of all of its Units may receive a portion of the Consideration for its deposited Units in SmartREIT Units.

LP Unitholders will be entitled, at the election of each holder, (a) to receive $4.275 in cash per Class B LP Unit; or (b) to retain such holder's Class B LP Units, as modified by the Plan of Arrangement, in each case subject to proration. Consequently, a depositing LP Unitholder that elects to retain its Class B LP Units, as modified by the Plan of Arrangement in respect of all of its Class B LP Units may receive a portion of the Consideration for its deposited Class B LP Units in cash and a depositing Unitholder that elects the Cash Consideration in respect of all of its Class B LP Units may retain of portion of such holder's Class B LP Units, as modified by the Plan of Arrangement.

Unitholders who do not make a valid Election prior to the Election Deadline will be deemed to have elected to receive Cash Consideration only. LP Unitholders who do not make a valid Election prior to the Election Deadline will be deemed to have elected to retain their Class B LP Units, as modified by the Plan of Arrangement.

The Transaction is Subject to Satisfaction or Waiver of Several Conditions

The completion of the Transaction is subject to a number of conditions precedent, certain of which are outside the control of the REIT, including receipt of the Final Order, Unitholder Approval, holders of no more than 5% of the issued and outstanding Units having exercised Dissent Rights and receipt of the Competition Act Approval. There can be no certainty, nor can the REIT provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied. If the Transaction is not completed, the current market price of the Units may decline to the extent that the market price reflects a market assumption that the Transaction will be completed.

The Arrangement and the Strathallen Sale Transaction are Cross-Conditional

The Arrangement and the Strathallen Sale Transaction are cross-conditional such that all of the closing conditions for the Arrangement must be satisfied or, where permitted, waived in order for the Strathallen Sale Transaction to proceed and vice versa. If any of the closing conditions for the Arrangement or the Strathallen Sale Transaction is not satisfied or, where permitted, waived, then neither the Arrangement nor the Strathallen Sale Transaction will proceed.

Limited Recourse Against Strathallen

Pursuant to the terms of the Strathallen Purchase Agreement, if Strathallen does not proceed with the Strathallen Sale Transaction in breach of the Strathallen Purchase Agreement, the REIT's recourse against Strathallen will be limited to the $5,000,000 deposit that has been paid by Strathallen.

Occurrence of a Material Adverse Effect in Respect of OneREIT or SmartREIT

The completion of the Transaction is subject to the condition that, among other things, on or after the date of the Arrangement Agreement or the Strathallen Purchase Agreement, as applicable, there will not have occurred a Material Adverse Effect in respect of the Properties or the Strathallen Properties or in respect of SmartREIT. Although a Material Adverse Effect excludes certain events, there can be no assurance that a Material Adverse Effect in respect of the Properties or the Strathallen Properties or in respect of SmartREIT will not occur prior to the Effective Time. If such a Material Adverse Effect occurs, the Transaction may not proceed.

Fees, Costs and Expenses of the Transaction

If the Transaction is not completed, neither the Arrangement Agreement nor the Strathallen Purchase Agreement provides for the REIT to receive any reimbursement from SmartREIT or Strathallen for most of the fees, costs and expenses it has incurred in connection with the Transaction. Such fees, costs and expenses include, legal fees, financial advisor fees, depositary fees and printing and mailing costs, which will be payable whether or not the Transaction is completed. The REIT expects such fees, costs and expenses in connection with the Transaction will equal an aggregate of approximately $3.1 million. In addition, the Arrangement Agreement and the Strathallen Purchase Agreement provide that in certain circumstances, the REIT will have to reimburse SmartREIT and Strathallen for its costs and expenses incurred in connection with the Transaction.

Payment of the Termination Fee

In the event the Arrangement Agreement and/or the Strathallen Purchase Agreement are terminated and the Transaction is not consummated, the REIT may in certain circumstances be obligated to pay the SmartREIT Termination Fee to SmartREIT and the Strathallen Termination Fee to Strathallen. In addition, the SmartREIT Termination Fee and Strathallen 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 Voting Unitholders than pursuant to the Transaction.

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

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

The Depositary may be in receipt of insufficient cash to satisfy the minimum cash condition

The Arrangement Agreement contains a condition in favour of the REIT that the Depositary will have provided written confirmation satisfactory to the REIT, acting reasonably, that it is holding in escrow sufficient cash to ensure that each Pro Forma Unitholder who is to receive Cash Consideration in respect of any Pro Forma Unit will receive $4.275 per each such Pro Forma Unit at the Effective Time and before taking into account any withholdings pursuant to the Plan of Arrangement. There may be insufficient cash deposited with the Depositary by Strathallen or from other sources, in which case one of the conditions to the completion of the Transaction will not be satisfied.

Timing of Election Deadline may Expose Unitholders to Trading Price Volatility

A Unitholder who elects Cash Consideration or Non-Cash Consideration in exchange for one or more of such Unitholder's Units pursuant and subject to the Plan of Arrangement will not be entitled to sell such Units on the TSX after making the election. As the Election Deadline is 5:00 p.m. (Toronto time) on September 21, 2017, electing Unitholders who receive Non-Cash Consideration may be exposed to volatility in the trading price of the SmartREIT Units between such deadline and the closing of the Transaction. The actual value received by Unitholders will reflect the trading price of the SmartREIT Units on the TSX at the time of closing.

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

The Arrangement Agreement and the Strathallen Purchase Agreement restrict the REIT from taking certain specified actions until the Transactions are completed without the consent of SmartREIT and Strathallen, respectively. These restrictions may prevent the REIT from pursuing attractive business opportunities that may arise prior to the completion of the Arrangement.

The Pending Transaction may Divert the Attention of the REIT's Management

The pendency of the Transaction could cause the attention of the REIT's management to be diverted from the day-to-day operations and customers or suppliers may seek to modify or terminate their business relationships with the REIT. These disruptions could be exacerbated by a delay in the completion of the Transaction and could have an adverse effect on the business, operating results or prospects of the REIT.

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

In considering the recommendation of the Special Committee and the Board of Directors to vote in favour of the Special Resolution, Voting Unitholders should be aware that certain members of the Board and officers of the REIT may have agreements or arrangements that provide them with interests in the Transaction that differ from, or are in addition to, those of Voting Unitholders, generally. See *"Interest of Certain Persons or Companies in Matters to be Acted Upon"*.

Risks Related to SmartREIT

For a discussion of the risk factors associated with SmartREIT, please refer to the risk factors described in SmartREIT's Annual Information Form for the year ended December 31, 2016 and SmartREIT's management's discussion and analysis for the three and six months ended June 30, 2017, incorporated by reference in this Circular and the risk factors described under the heading "Additional Risk Factors" in Appendix "H" of this Circular. Also please refer to any subsequent documents of the type described in Section 11.1 of Form 44-101F1 – *Short Form Prospectus* filed by SmartREIT with any securities commission or similar regulatory authority in Canada subsequent to the date of this Circular and prior to the Effective Date.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Interests of Certain Persons in the Transaction

In considering the Transaction and the unanimous recommendations of the Special Committee and the members of the Board entitled to vote with respect to the Transaction, Voting Unitholders should be aware that certain executive officers and members of the Board have certain interests in connection with the Transaction or may receive benefits that may differ from, or be in addition to, the interests of Voting Unitholders generally, which may present them with actual or potential conflicts of interest in connection with the Transaction. These interests and benefits are described below.

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

Units

As of August 23, 2017, the trustees and executive officers of the REIT, beneficially owned, directly or indirectly, or exercised control or direction over, in the aggregate 483,308 Units, which represented approximately 0.62% of the issued and outstanding Units on an undiluted basis. All of the Units held by such trustees and executive officers of the REIT will be treated in the same fashion under the Transaction as Units held by all other Unitholders. Further information with respect to the compensation and the financial holdings and interests of the Board and executive officers of the REIT is contained in the REIT's management information circular dated May 26, 2017 incorporated by reference in this Circular.

Interested Parties

Raymond Cheung, Edward Dato and David Schiffer are Trustees that were appointed to the Board by Mitchell Goldhar. It was determined by the Board that each of Messrs. Cheung, Dato and Schiffer are not independent with respect to the Transaction because of their relationship with Mr. Goldhar. As such, each of Messrs. Cheung, Dato and Schiffer abstained from voting on matters related to the Transaction.

Change of Control Arrangements

In July 2010, Mr. Richard Michaeloff entered into an employment agreement with the REIT in respect of his appointment as the REIT's President and Chief Executive Officer. Mr. Michaeloff's employment agreement continues until terminated in accordance with its terms and entitles him to receive one times his current annual salary and one times the actual bonus paid in the previous year, upon termination for any reason. Upon completion of the Transaction, it is anticipated that Mr. Michaeloff's employment agreement with the REIT will be terminated and that he will receive a severance payment equal to approximately $645,000.

On October 14, 2011, Mr. Tom Wenner entered into an employment agreement with the REIT in respect of his appointment as the REIT's Chief Financial Officer. Mr. Wenner's employment agreement continues until terminated in accordance with its terms and entitles him to receive seven months' salary, the equivalent of one month's salary for each additional year of employment to a maximum of 12 months and the amount of bonus paid in the previous year, upon termination for any reason, except for cause. Upon completion of the Transaction, it is anticipated that Mr. Wenner's employment agreement with the REIT will be terminated and that he will receive a severance payment equal to approximately $388,000.

LTIP Units

In accordance with the Plan of Arrangement, all amounts owing by a holder in respect of any outstanding LTIP Units will be accelerated and will be presently due and payable and, if the REIT has not received such payment by the payment deadline established by the REIT, the security interest in the LTIP Units granted to the REIT by the LTIP will and will be deemed to be (i) enforced by the purchase for cancellation as at the close of business on the Business Day immediately prior to the Effective Date of such number of LTIP Units as is required to satisfy the amount owing by each such holder based upon the closing price of the Units on the TSX on such date, and (ii) released in respect of that number of each holder's LTIP Units that are not so

purchased for cancellation so that such remaining LTIP Units can participate in the Arrangement on the same terms as all other Units. In connection with his expected retirement from the REIT prior to the Effective Date, any amount owing in respect of the 18,000 LTIP Units held by Mr. Christopher Cann will be forgiven as consideration for his past service to the REIT and in accordance with the REIT's administrative policy. Other than the 18,000 LTIP Units held by Christopher Cann, no current Trustee or officer of the REIT holds any LTIP Units.

Deferred Units

As part of the Plan of Arrangement, the vesting of all Deferred Units will be accelerated to provide that such Deferred Units will be fully vested on the earlier of (i) the day immediately prior to the Effective Time or (ii) the day prior to the Effective Time by which any transfer agent or other depository requires such Deferred Units to be redeemed for Units (such that one Unit is issued for each Deferred Unit and such Deferred Unit is automatically cancelled) so that such Units can participate in the Arrangement on the same terms as all other Units or be settled by payment in cash by the REIT at the Effective Time at the closing price of the Units on the TSX on the day immediately prior to the Effective Time. See "*Principal Legal Matters – Securities Laws Matters – Canada – MI 61-101 Requirements*".

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 the Record Date, trustees and executive officers of the REIT beneficially owned, directly or indirectly, or exercised control or direction over, the number of Units, Deferred Units and SmartREIT Units and the principal amount of Debentures disclosed below. All of the Units, Deferred Units and Debentures held by the executive officers and trustees of the REIT will be treated in the same fashion under the Transaction as Units, Deferred Units and Debentures held by any other Unitholder or holder of Deferred Units or Debentures, as applicable.

Name and Position	Number of Units[1]	Number of Deferred Units	Number of LTIP Units	Principal Amount of Debentures	Number of SmartREIT Units[3]
Christopher J. Cann *Trustee*	51,000	—	18,000	—	—
Raymond Cheung *Trustee*	4,000	—	—	—	—
Edward Dato *Trustee*	149,883	—	—	37,000	6,868
Richard Michaeloff *Trustee, President and Chief Executive Officer*	65,975	—[4]	—	—	1,025
David Schiffer *Trustee*	13,240	—	—	—	200
Andrew Shapack *Trustee*	32,171	—	—	—	—
Robert Wolf *Trustee*	5,000	19,004[2]	—	—	1,194
Hani Zayadi *Trustee and Chairman of the Board*	150,000	24,024[2]	—	—	—
Tom Wenner *Executive Vice President and Chief Financial Officer*	12,039	—[5]	—	—	—
Justin Deknatel *Vice President, Operations*	—	—[6]	—	—	—
Meredith Michetti *Vice President, Legal*	—	—[7]	—	20,000	—

Notes:

(1) The number of Units indicated in the column represents, in each case, less than 1% of the outstanding Units.

(2) Mr. Wolf and Mr. Zayadi elected to take their 2016 and 2017 fees in Deferred Units under the Deferred Unit Plan. In addition to the Deferred Units listed in the table, it is expected that approximately 62,710 and 73,812 Deferred Units will be issued to Mr. Wolf and Mr. Zayadi, respectively, prior to closing of the Transaction in respect of their 2016 fees. In addition, it is expected that approximately $148,500 and $240,000 will be paid to Mr. Wolf and Mr. Zayadi, respectively, in satisfaction of their entitlement with respect to their election to receive their 2017 fees in Deferred Units (plus the matching amount payable pursuant to the Deferred Unit Plan).

(3) The number of SmartREIT Units indicated in the column represents, in each case, less than 1% of the outstanding SmartREIT Units.

(4) Mr. Michaeloff elected to receive his 2015, 2016 and 2017 annual bonuses in Deferred Units under the Deferred Unit Plan. It is expected that approximately 267,047 Deferred Units will be issued to Mr. Michaeloff prior to closing of the Transaction in respect of his election to receive his 2015 and 2016 annual bonuses in Deferred Units. In addition, it is expected that approximately $307,704 will be paid to Mr. Michaeloff in satisfaction of his entitlement in respect of his election to receive his 2017 annual bonus in Deferred Units (plus the matching amount payable pursuant to the Deferred Unit Plan).

(5) Mr. Wenner elected to receive his 2015 and 2017 annual bonuses in Deferred Units under the Deferred Unit Plan. It is expected that approximately 70,369 Deferred Units will be issued to Mr. Wenner prior to closing of the Transaction in respect of his election to receive his 2015 annual bonus in Deferred Units. In addition, it is expected that approximately $141,070 will be paid to Mr. Wenner in satisfaction of his entitlement in respect of his election to receive his 2017 annual bonus in Deferred Units (plus the matching amount payable pursuant to the Deferred Unit Plan).

(6) Mr. Deknatel elected to receive his 2016 and 2017 annual bonuses in Deferred Units under the Deferred Unit Plan. It is expected that approximately 26,537 Deferred Units will be issued to Mr. Deknatel prior to closing of the Transaction in respect of his election to receive his 2016 annual bonus in Deferred Units. In addition, it is expected that approximately $66,748 will be paid to Mr. Deknatel in satisfaction of his entitlement in respect of his election to receive his 2017 annual bonus in Deferred Units (plus the matching amount payable pursuant to the Deferred Unit Plan).

(7) Ms. Michetti elected to receive her 2017 annual bonus in Deferred Units under the Deferred Unit Plan. It is expected that approximately $45,712 will be paid to Ms. Michetti in satisfaction of her entitlement in respect of her election to receive her 2017 annual bonus in Deferred Units (plus the matching amount payable pursuant to the Deferred Unit Plan).

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed elsewhere in this Circular, no informed person (as such term is defined in National Instrument 51-102 - *Continuous Disclosure Obligations*) or any associate or affiliate of any informed person has any material interest, direct or indirect, in any transaction since the commencement of the REIT's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the REIT or any of its Subsidiaries.

INTERESTS OF EXPERTS

OneREIT

The financial statements of the REIT, which comprise the consolidated balance sheet as at December 31, 2016 and December 31, 2015, the consolidated statements of net income and comprehensive income, changes in unitholders equity and cash flows for the years ended December 31, 2016 and December 31, 2015 and the notes thereto, incorporated by reference in this Circular, have been audited by KPMG LLP, Chartered Professional Accountants, Licensed Public Accountants, as set forth in their report thereon dated March 28, 2017, incorporated by reference in this Circular.

KPMG LLP have confirmed that they are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any application legislation or regulations.

Certain legal matters in this Circular have been reviewed by Fasken Martineau DuMoulin LLP and Goodmans LLP on behalf of the REIT and certain U.S. legal matters in this Circular have been reviewed by Paul, Weiss, Rifkind, Wharton & Garrison LLP on behalf of the REIT. As of the date hereof, the partners and associates of each of Fasken Martineau DuMoulin LLP, Goodmans LLP and Paul, Weiss, Rifkind, Wharton & Garrison LLP as a group, own, directly or indirectly, less than 1% of the Units.

SmartREIT

The audited consolidated balance sheet of SmartREIT as at December 31, 2016, and December 31, 2015 and the consolidated statements of income and comprehensive income, consolidated statement of equity and consolidated statement of cash flows for each of the years in the two year period ended December 31, 2016, together with the report of the auditors thereon dated February 15, 2017 and the notes thereto, incorporated by reference in this Circular, have been audited by PricewaterhouseCoopers LLP, Chartered Professional Accountants, Licensed Public Accountants, as set forth in their report thereon, included therein and incorporated herein by reference.

PricewaterhouseCoopers LLP, Chartered Professional Accountants, Licensed Public Accountants have advised that they are independent of SmartREIT in accordance with professional standards.

OTHER BUSINESS

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

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the REIT are KPMG LLP at their office located at Bay Adelaide Centre, 333 Bay Street Suite 4600, Toronto, Ontario M5H 2S5, Canada. The transfer agent and registrar for the REIT is AST Trust Company (Canada), at its office located at 320 Bay Street, 3rd Floor, Toronto, Ontario M5H 4A6.

The auditors of SmartREIT are PricewaterhouseCoopers LLP at their office located at 18 York Street, Suite 2600, Toronto, Ontario M5J OB2. The transfer agent and registrar for SmartREIT is Computershare Trust Company of Canada, at its office located at 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1.

ADDITIONAL INFORMATION

The REIT files reports and other information with the securities commissions of the provinces and territories of Canada. Financial information is provided in the REIT's consolidated financial statements and management's discussion and analysis for the most recently completed financial year ended December 31, 2016 and subsequent interim periods. These reports and information are available to the public free of charge under the REIT's profile on SEDAR at www.sedar.com and may also be obtained free of charge, upon request of any Voting Unitholder to the Secretary of the REIT at 700 Applewood Crescent, Suite 300, Vaughan, Ontario L4K 5X3 (telephone: (416) 741-7999).

CONSENT OF NATIONAL BANK FINANCIAL INC.

To: the Special Committee of the Board of Trustees of OneREIT

We hereby consent to the references to our firm name and to the formal valuation and fairness opinion of our firm dated August 3, 2017 ("**Valuation and Fairness Opinion**") in the Notice of Special Meeting of Unitholders and Management Information Circular of OneREIT dated August 23, 2017 (the "**Circular**"), including under the headings "Summary – NBF Fairness Opinion and Valuation", "Background to the Transaction – Background to the Transaction" and "Background to the Transaction – NBF Fairness Opinion and Valuation" and to the inclusion of the text of the Valuation and Fairness Opinion in Appendix "E" of the Circular and to the filing of the Valuation and Fairness Opinion with securities regulatory authorities. The Valuation and Fairness Opinion was given as at August 3, 2017 and remains based upon and subject to the scope of review, and subject to the analyses, assumptions, limitations, qualifications and other matters described therein. In providing this consent, it is understood that no person other than the Special Committee of the Board of Trustees and the Board of Trustees of OneREIT shall be entitled to rely upon the Valuation and Fairness Opinion.

NATIONAL BANK FINANCIAL INC. (signed)

National Bank Financial Inc.
August 23, 2017

CONSENT OF TD SECURITIES INC.

To: the Special Committee of the Board of Trustees and the Board of Trustees of OneREIT

We hereby consent to the references to our firm name and our fairness opinion in the Notice of Special Meeting of Unitholders and Management Information Circular of OneREIT dated August 23, 2017 (the "**Circular**"), including under the headings "Summary – TD Fairness Opinion", "Background to the Transaction – Background to the Transaction" and "Background to the Transaction – TD Fairness Opinion" and to the inclusion of the text of our fairness opinion in Appendix "F" of the Circular and to the filing of our fairness opinion with securities regulatory authorities. Our fairness opinion was given as at August 3, 2017 and remains based upon and subject to the scope of review, and subject to the analyses, assumptions, limitations, qualifications and other matters described therein. In providing such consent, it is understood that no person other than the Special Committee of the Board of Trustees and the Board of Trustees of OneREIT shall be entitled to rely upon our fairness opinion.

TD SECURITIES INC. (signed)

TD Securities Inc.
August 23, 2017

APPROVAL OF THE BOARD OF TRUSTEES

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

DATED August 23, 2017

BY ORDER OF THE BOARD OF TRUSTEES

"*Richard Michaeloff*"
Richard Michaeloff
Trustee, President and Chief Executive Officer

APPENDIX "A"
SPECIAL RESOLUTION

BE IT RESOLVED THAT:

2. The sale by ONR Limited Partnership ("**ONR**") and ONR Limited Partnership I ("**ONR I**") of certain properties pursuant to a conditional purchase and sale agreement dated August 4, 2017 between OneREIT (the "**REIT**"), ONR, ONR I and Strathallen Acquisitions Inc. (the "**Sales Agreement**"), as more particularly described in the management information circular of the REIT dated August 23, 2017, and all transactions contemplated thereby are approved and authorized.

3. The Sales Agreement (as may be amended from time to time) and all transactions contemplated therein, and the actions of the trustees of REIT in approving the Sales Agreement and the actions of the trustees and officers of REIT in executing and delivering the Sales Agreement and causing the performance by the REIT of its obligations thereunder, are approved, ratified and confirmed.

4. The arrangement (the "**Arrangement**") under Section 182 of the Business Corporations Act (Ontario) (the "**OBCA**") of the REIT, as more particularly described and set forth in the management information circular (the "**Circular**") dated August 23, 2017 of the REIT accompanying the notice of this meeting (as the Arrangement may be amended, modified or supplemented in accordance with the definitive agreement (the "**Arrangement Agreement**")) made as of August 4, 2017 between the REIT, 1606906 Ontario Inc. and Smart Real Estate Investment Trust, is hereby authorized, approved and adopted. 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, is hereby authorized, approved and adopted. 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 and approved. The REIT be and is hereby authorized to apply for a final order from the Ontario Superior Court of Justice (Commercial List) to approve the Arrangement on the terms set forth in the Arrangement Agreement and the Plan of Arrangement (as they may be amended, modified or supplemented and as described in the Circular). Notwithstanding that this resolution has been passed (and the Arrangement adopted) by the unitholders of the REIT or that the Arrangement has been approved by the Ontario Superior Court of Justice (Commercial List), the trustees of the REIT are hereby authorized and empowered to, without notice to or approval of the unitholders of the REIT, (i) amend, modify or supplement the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement and (ii) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement and related transactions. Any officer or trustee of the REIT is hereby authorized and directed for and on behalf of the REIT to execute and deliver for filing with the Director under the OBCA articles of arrangement and such other documents as are necessary or desirable to give effect to the Arrangement in

accordance with the Arrangement Agreement, such determination to be conclusively evidenced by the execution and delivery of such articles of arrangement and any such other documents. 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 No. CV-17-580907-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE REGIONAL SENIOR)	FRIDAY, THE 18TH
)	
JUSTICE MORAWETZ)	DAY OF AUGUST, 2017

IN THE MATTER OF AN APPLICATION UNDER SECTION 182 OF THE *BUSINESS CORPORATIONS ACT*, R.S.O. 1990, c. B.16, AS AMENDED, SECTION 60(1) OF THE *TRUSTEE ACT*, RSO 1990, c T.23, AND RULES 14.05(2) AND 14.05(3) OF *THE RULES OF CIVIL PROCEDURE*

AND IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING ONEREIT, 1606906 ONTARIO INC., SMART REAL ESTATE INVESTMENT TRUST and STRATHALLEN ACQUISITIONS INC.

INTERIM ORDER

THIS MOTION made by the Applicants, OneREIT (the "**REIT**") and 1606906 Ontario Inc. ("**GP Trustee**"), for an interim order for advice and directions pursuant to section 182 of the Ontario *Business Corporations Act*, R.S.O. 1990, c. B.16, as amended, (the "**OBCA**") and section 60 of the *Trustee Act*, R.S.O. 1990, c T.23 (the "**Trustee Act**") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Notice of Application issued on August 16, 2017 and the affidavit of Richard Michaeloff sworn August 16, 2017, (the "**Michaeloff Affidavit**"), including the Plan of Arrangement, which is attached as Appendix "D" to the draft management information circular of the REIT (the "**Circular**"), which is attached as Exhibit "A" to the Michaeloff Affidavit, and on hearing the submissions of counsel for the REIT and GP Trustee and counsel for Smart Real Estate Investment Trust ("**SmartREIT**") and upon

being advised that it is the intention of the parties to rely upon Section 3(a)(10) of the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), as a basis for an exemption from the registration requirements of the U.S. Securities Act with respect to the securities of SmartREIT to be issued under the proposed Plan of Arrangement based on the Court's approval of the Arrangement.

Definitions

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

The Meeting

2. **THIS COURT ORDERS** that the REIT is permitted to call, hold and conduct a special meeting (the "**Meeting**") of the holders (the "**Voting Unitholders**") of units ("**Units**") and special voting units (collectively, the "**Voting Units**") of the REIT, to be held at Ivey Tangerine Leadership Centre, 130 King Street West, Toronto, Ontario on September 25, 2017 at 10:00 a.m. (Toronto time) in order for the Voting Unitholders to consider and, if determined advisable, pass a special resolution authorizing, adopting and approving, with or without variation, the Transaction, including an Arrangement and the Plan of Arrangement (collectively, the "**Special Resolution**").

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

4. **THIS COURT ORDERS** that the record date (the "**Record Date**") for determination of the Voting Unitholders entitled to notice of, and to vote at, the Meeting shall be August 18, 2017.

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

a) the Voting Unitholders or their respective proxyholders;

b) the officers, trustees, auditors and advisors of the REIT;

c) representatives and advisors of SmartREIT;

d) representatives and advisors of Strathallen Acquisitions Inc.; and

e) other persons who may receive the permission of the Chair of the Meeting.

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

Quorum

7. **THIS COURT ORDERS** that the Chair of the Meeting shall be determined by the REIT and that the quorum at the Meeting shall be not less than two persons present or represented by proxy provided that if the REIT has only one Unitholder and Special Voting Unitholder, the Unitholder or Special Voting Unitholder present in person or by proxy constitutes a meeting and a quorum for such meeting, in accordance with the Declaration of Trust of the REIT.

Amendments to the Arrangement and Plan of Arrangement

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

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

Amendments to the Circular

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

Adjournments and Postponements

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

Notice of Meeting

12. **THIS COURT ORDERS** that, in order to effect notice of the Meeting, the REIT shall send the Circular (including the Notice of Application and this Interim Order), the Notice of Meeting, the form of proxy and the letter of transmittal, along with such amendments or additional documents as the REIT may determine are necessary or desirable and are not inconsistent with the terms of this Interim Order (collectively, the "**Meeting Materials**"), to the following:

a) the registered Voting Unitholders at the close of business on the Record Date, at least twenty-one (21) days prior to the date of the Meeting, excluding the date of sending and the date of the Meeting, by one or more of the following methods:

i) by pre-paid ordinary or first class mail at the addresses of the Voting Unitholders as they appear on the books and records of the REIT, or its registrar and transfer agent, at the close of business on the Record Date

and if no address is shown therein, then the last address of the person known to the REIT;

ii) by delivery, in person or by recognized courier service or inter-office mail, to the address specified in (i) above; or

iii) by facsimile or electronic transmission to any Voting Unitholder, who is identified to the satisfaction of the REIT, who requests such transmission in writing and, if required by the REIT, who is prepared to pay the charges for such transmission;

b) non-registered Voting Unitholders by providing sufficient copies of the Meeting Materials to intermediaries and registered nominees in a timely manner, in accordance with National Instrument 54-101 of the Canadian Securities Administrators; and

c) the respective trustees and auditors of the REIT by delivery in person, by recognized courier service, by pre-paid ordinary or first class mail or, with the consent of the person, by facsimile or electronic transmission, at least twenty-one (21) days prior to the date of the Meeting, excluding the date of sending and the date of the Meeting;

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

13. **THIS COURT ORDERS** that, in the event that the REIT elects to distribute the Meeting Materials, the REIT is hereby directed to distribute the Circular (including the Notice of Application, and this Interim Order), and any other communications or documents

determined by the REIT to be necessary or desirable (collectively, the "**Court Materials**") to the holders of Class B LP units, holders of 2011 Debentures, Holders of 2013 Debentures, and holders of Deferred Units by any method permitted for notice to Voting Unitholders as set forth in paragraphs 12(a) or 12(b), above, concurrently with the distribution described in paragraph 12 of this Interim Order. Distribution to such persons shall be to their addresses as they appear on the books and records of the REIT or its registrar and transfer agent at the close of business on the Record Date.

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

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

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

Solicitation and Revocation of Proxies

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

18. **THIS COURT ORDERS** that Voting Unitholders shall be entitled to revoke their proxies, in addition to revocation in any other manner permitted by law, by an instrument in writing executed by the Voting Unitholder, or by such Voting Unitholder's attorney duly authorized in writing or, if the Voting Unitholder is a corporation, by an officer or attorney of the corporation duly authorized, and returned to AST Trust Company (Canada), at any time up

to 5:00 p.m. (Toronto time) on September 21, 2017 (or if the Meeting is adjourned or postponed, on the second last Business Day prior to the date of the adjourned or postponed Meeting), or to the Chair of the Meeting prior to the commencement of the Meeting.

Voting

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

20. **THIS COURT ORDERS** that votes shall be taken at the Meeting on the basis of one vote per Voting Unit, subject to the Minimum Voting Entitlement relating to Mitchell Goldhar and entities controlled by Mitchell Goldhar or affiliates of such entities, as described in the Circular, and that in order for the Plan of Arrangement to be implemented, subject to further Order of this Honourable Court, the Special Resolution must be passed, with or without variation, at the Meeting by:

a) an affirmative vote of at least two-thirds ($66^2/_3\%$) of the votes cast in respect of the Special Resolution at the Meeting in person or by proxy by the Voting Unitholders; and

b) a simple majority of the votes cast in respect of the Special Resolution at the Meeting in person or by proxy by the Voting Unitholders, other than Mitchell Goldhar and such other holders of Units whose votes are excluded pursuant to

Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions.*

Such votes shall be sufficient to authorize the REIT to do all such acts and things as may be necessary or desirable to give effect to the Arrangement and the Plan of Arrangement on a basis consistent with what is provided for in the Circular without the necessity of any further approval by the Voting Unitholders, subject only to final approval of the Arrangement by this Honourable Court.

21. **THIS COURT ORDERS** that in respect of matters properly brought before the Meeting pertaining to items of business affecting the REIT (other than in respect of the Special Resolution), each Voting Unitholder is entitled to one vote for each Voting Unit held, subject to the Minimum Voting Entitlement relating to Mitchell Goldhar and entities controlled by Mitchell Goldhar or affiliates of such entities, as described in the Circular.

Dissent Rights

22. THIS COURT ORDERS that each registered Unitholder shall be entitled to exercise Dissent Rights in connection with the Special Resolution in accordance with section 185 of the OBCA (except as the procedures of that section are varied by this Interim Order, the Plan of Arrangement and the Declaration of Trust of the REIT) provided that, notwithstanding subsection 185(6) of the OBCA, any registered Unitholder who wishes to dissent must, as a condition precedent thereto, provide written objection to the Special Resolution to the REIT at c/o Fasken Martineau DuMoulin LLP, 333 Bay Street, Suite 2400, Toronto, Ontario, M5H 2T6, Attention: Anil Aggarwal or by facsimile (416 364 7813) or by email at: aaggarwal@fasken.com, no later than 5:00 p.m. (Toronto Time) on September 21, 2017, or the

second last Business Day prior to the date to which the Meeting is adjourned or postponed and otherwise complies with the requirements of Section 185 of the OBCA as modified by the Interim Order and the Plan of Arrangement. No Unitholder other than the Unitholders as of the Record Date shall be entitled to exercise dissent rights.

23. **THIS COURT ORDERS** that the REIT shall be required to offer to pay fair value for Unitholders who duly exercise dissent rights, and to pay the amount to which such Unitholders may be entitled pursuant to the terms of the Plan of Arrangement.

24. **THIS COURT ORDERS** that any Unitholder who duly exercises such dissent rights set out in paragraph 22 above and who is ultimately determined by this Honourable Court to be entitled to be paid fair value for his, her or its Units, shall be deemed to have transferred those Units as of the Effective Time, without any further act or formality and free and clear of all liens, claims, encumbrances, charges, adverse interests or security interests to the REIT for cancellation in consideration for a payment of cash from the REIT equal to such fair value but in no case shall the REIT or SmartREIT or any other person be required to recognize such Unitholders as holders of Units of the REIT at or after the date upon which the Arrangement becomes effective and the names of such Unitholders shall be deleted from the REIT's register of Units maintained by or on behalf of the REIT.

Hearing of Application for Approval of the Arrangement

25. **THIS COURT ORDERS** that upon approval by the Voting Unitholders of the Plan of Arrangement in the manner set forth in this Interim Order, the REIT and GP Trustee may apply to this Honourable Court for final approval of the Arrangement.

26. **THIS COURT ORDERS** that distribution of the Notice of Application and the Interim Order in the Circular, when sent in accordance with paragraphs 12 and 13 shall constitute good and sufficient service of the Notice of Application and this Interim Order and no other form of service need be effected and no other material need be served unless a Notice of Appearance is served in accordance with paragraph 27.

27. **THIS COURT ORDERS** that any Notice of Appearance served in response to the Notice of Application shall be served on the lawyers for the REIT and GP Trustee, with a copy to counsel for SmartREIT, as soon as reasonably practicable, and, in any event, no less than 3 days before the hearing of this Application at the following addresses:

FASKEN MARTINEAU DUMOULIN LLP
333 Bay Street, Suite 2400
Toronto, Ontario
M5H 2T6

Brad Moore
bmoore@fasken.com
Tel: 416 865 4550
Fax: 416 364 7813

Lawyers for the Applicants

OSLER, HOSKIN & HARCOURT LLP
100 King Street West
1 First Canadian Place
Suite 6200
Toronto ON M5X 1B8

Craig Lockwood
clockwood@osler.com
Tel: 416 865 3432

Lawyers for Smart Real Estate Investment Trust

28. **THIS COURT ORDERS** that, subject to further order of this Honourable Court, the only persons entitled to appear and be heard at the hearing of the within application shall be:

i) the REIT and GP Trustee;

ii) SmartREIT; and

iii) any person who has filed a Notice of Appearance herein in accordance with the Notice of Application, this Interim Order and the *Rules of Civil Procedure*.

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

30. **THIS COURT ORDERS** that in the event the within Application for final approval does not proceed on the date set forth in the Notice of Application, and is adjourned, only those persons who served and filed a Notice of Appearance in accordance with paragraph 27 shall be entitled to be given notice of the adjourned date.

Precedence

31. **THIS COURT ORDERS** that, to the extent of any inconsistency or discrepancy between this Interim Order and the Declaration of Trust or any other instrument creating, governing or collateral to the Units, the Class B LP Units, the 2011 Debentures, the 2013 Debentures and the Deferred Units, or other rights to acquire Units of the REIT, this Interim Order shall govern.

Extra-Territorial Assistance

32. **THIS COURT** seeks and requests the aid and recognition of any court or any judicial, regulatory or administrative body in any province of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the

legislature of any province and any court or any judicial, regulatory or administrative body of the United States or other country to act in aid of and to assist this Honourable Court in carrying out the terms of this Interim Order.

Variance

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

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

AUG 18 2017

PER / PAR

IN THE MATTER OF AN APPLICATION UNDER SECTION 182 OF THE *BUSINESS CORPORATIONS ACT*, R.S.O. 1990, c. B.16, as amended, SECTION 60(1) OF THE *TRUSTEE ACT*, R.S.O. 1990, c T.23, AND RULES 14.05(2) AND 14.05(3) OF THE RULES OF CIVIL PROCEDURE

ONEREIT and 1606906 ONTARIO INC.
Applicants

Court File No. CV-17-580907-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

INTERIM ORDER

FASKEN MARTINEAU DuMOULIN LLP
Barristers and Solicitors
333 Bay Street, Suite 2400
Bay Adelaide Centre, Box 20
Toronto, ON M5H 2T6

Brad Moore (LSUC: 47880A)
bmoore@fasken.com
Tel: 416 865 4550

Jonathan Wansbrough (LSUC: 62430G)
jwansbrough@fasken.com
Tel: 416 943 8839
Fax: 416 364 7813

Lawyers for the Applicants

APPENDIX "C"
NOTICE OF APPLICATION FOR FINAL ORDER

Court File No.
CV-17-580907-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF AN APPLICATION UNDER SECTION 182 OF THE *BUSINESS CORPORATIONS ACT*, R.S.O. 1990, c. B.16, AS AMENDED, SECTION 60(1) OF THE *TRUSTEE ACT*, R.S.O. 1990, c T.23, AND RULES 14.05(2) AND 14.05(3) OF *THE RULES OF CIVIL PROCEDURE*

AND IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING ONEREIT, 1606906 ONTARIO INC., SMART REAL ESTATE INVESTMENT TRUST and STRATHALLEN ACQUISITIONS INC.

ONEREIT and 1606906 ONTARIO INC.

Applicants

NOTICE OF APPLICATION

TO THE RESPONDENT(S)

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

THIS APPLICATION will come on for a hearing before a Judge presiding over the Commercial List on September 26, 2017 at 10:00 a.m., or as soon after that time as the application may be heard, at 330 University Avenue, Toronto Ontario.

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

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

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

Date August 16, 2017 Issued by _____
Local Registrar

Address of court office: Superior Court of Justice
330 University Avenue, 7th Floor
Toronto ON
M5G 1R7

TO: ALL HOLDERS OF UNITS OF ONEREIT

AND TO: ALL HOLDERS OF 2011 DEBENTURES ISSUED BY ONEREIT

AND TO: ALL HOLDERS OF 2013 DEBENTURES ISSUED BY ONEREIT

AND TO: ALL HOLDERS OF DEFERRED UNITS OF ONEREIT

AND TO: ALL LP UNITHOLDERS

AND TO: ALL TRUSTEES OF ONEREIT

AND TO: THE AUDITOR FOR ONEREIT

AND TO: **OSLER, HOSKIN & HARCOURT LLP**
100 King Street West
1 First Canadian Place
Suite 6200
Toronto ON M5X 1B8

Craig Lockwood
clockwood@osler.com
Tel: 416 865 3432

Lawyers for Smart Real Estate Investment Trust

AND TO: **STIKEMAN ELLIOTT LLP**
5300 Commerce Court West
199 Bay Street
Suite 6200
Toronto ON M5L 1B9

Samaneh Hosseini
shosseini@stikeman.com
Tel: 416 869 5522

Lawyers for Strathallen Acquisitions Inc.

APPLICATION

1. The Applicants, OneREIT (the "**REIT**") and 1606906 Ontario Inc. ("**GP Trustee**"), make application for:

(a) an interim order (the "**Interim Order**") for advice and directions pursuant to section 182(5) of the Ontario *Business Corporations Act*, R.S.O. 1990, c. B.16, as amended (the "**OBCA**") and section 60 of the *Trustee Act*, R.S.O. 1990, c. T.3, as amended (the "**Trustee Act**") with respect to a proposed arrangement (the "**Arrangement**") arising out of proposed interconnected transactions (collectively the "**Transaction**") involving, among others, the REIT, Smart Real Estate Investment Trust ("**SmartREIT**"), GP Trustee and Strathallen Acquisitions Inc. ("**Strathallen**") as described in the Management Information Circular of the REIT;

(b) a final order approving the Arrangement pursuant to sections 182(3) and 182(5) of the OBCA and section 60(1) of the Trustee Act;

(c) an order abridging the time for service of this application, if necessary; and

(d) such further and other relief as this Honourable Court may deem just.

2. The grounds for the application are:

(a) The REIT is an unincorporated, open-ended real estate investment trust established by the Declaration of Trust, existing under, and governed by, the laws of the Province of Ontario. The REIT focuses on owning and acquiring retail properties across Canada with the objective of producing a geographically

diversified portfolio of properties with stable and growing cash flows. As of the date hereof, the REIT owns a portfolio of 56 properties including 54 investment properties located in nine provinces and the Yukon Territory, one parcel of land for development located in New Brunswick, and an interest in a joint venture property in Ontario. Participating units of interest in the REIT (the "**Units**") are currently listed on the Toronto Stock Exchange (the "**TSX**") under the symbol "ONR.UN". Debentures issued by the REIT pursuant to trust indentures dated June 28, 2011 and May 27, 2013 are currently listed on the TSX under the symbols "ONR.DB.B" and "ONR.DB.C", respectively;

(b) GP Trustee is a corporation existing under the OBCA that is wholly owned by the REIT. It is the sole trustee of GP Trust, a trust formed under the laws of the Province of Ontario. GP Trust is the general partner of ONR Limited Partnership, ONR Limited Partnership-I, and OneREIT Property Management LP, through which all of the properties of the REIT are owned and managed;

(c) SmartREIT is an unincorporated open-ended real estate trust constituted in accordance with the laws of the Province of Alberta pursuant to a declaration of trust. SmartREIT is one of Canada's largest real estate investment trusts with total assets of approximately $9 billion. It owns and manages 32 million square feet in value-oriented, principally Walmart-anchored retail centres;

(d) Strathallen is a corporation incorporated under the OBCA, and a wholly-owned subsidiary of Strathallen Capital Corporation that was incorporated for purposes of the Transaction. Strathallen does not carry on any operations and does not have

any assets. Strathallen Capital Corporation is a fully integrated Canadian real estate management company, and currently manages and operates four private closed-end funds with the mandate to strategically acquire and dispose of quality retail investments and deliver industry leading risk-adjusted returns;

(e) The Arrangement is an "arrangement" within the meaning of section 182(1) of the OBCA;

(f) Among other events and pursuant to the Transaction, Strathallen will purchase 44 properties from subsidiaries of the REIT for a purchase price of $703.5 million, plus certain capital expenditures and leasing costs and commissions relating to such properties and SmartREIT will (i) purchase the balance of the REIT's assets, including the REIT's interest in the limited partnerships owned directly or indirectly by the REIT and all intellectual property, and (ii) assume all of the REIT's remaining liabilities and obligations, including its convertible debentures to the extent those debentures are not converted;

(g) All statutory requirements under section 182 and other applicable provisions of the OBCA will be satisfied by the return date of this Application;

(h) All requirements pursuant to Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* will be satisfied by the return date of this Application;

(i) The Arrangement is in the best interests of the REIT and is put forward in good faith;

(j) The Arrangement is procedurally and substantively fair and reasonable overall;

(k) The provisions of section 182 of the OBCA and section 60(1) of the *Trustee Act*, R.S.O. 1990, c T.23;

(l) The directions set forth in any Interim Order this Court may grant, and the securityholder approvals required, will be followed and obtained by the date of the return of this Application;

(m) Certain holders of Units are resident outside of Ontario and will be served at their addresses as they appear on the books and records of the REIT pursuant to rule 17.02(n) of the *Rules of Civil Procedure* and the terms of any Interim Order for advice and directions granted by this Honourable Court;

(n) Section 3(a)(10) of the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") exempts from registration requirements of the U.S. Securities Act those securities which are issued in exchange for *bona fide* outstanding securities, claims or property interests, or partly in exchange and partly for cash, where the terms and conditions of such issuance and exchange are approved after a hearing by a court upon the fairness of such terms and conditions, at which all persons to whom it is proposed to issue securities in such exchange shall have the right to appear. Based on the Court's approval of the Arrangement, SmartREIT intends to rely upon the exemption under section 3(a)(10) of the U.S. Securities Act to issue SmartREIT Units to holders of Units;

(o) Rules 2.03, 3.02, 14.05, 17.02, 37 and 38 of the *Rules of Civil Procedure*; and

(p) Such further and other grounds as counsel may advise and this Honourable Court may permit.

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

(a) The affidavit of Richard Michaeloff, President and Chief Executive Officer of the REIT, to be sworn, and the exhibit thereto;

(b) A further or supplementary affidavit to be sworn, and the exhibits thereto, on behalf of the REIT, reporting as to compliance with any Interim Order and the results of any meeting conducted pursuant to such Interim Order; and

(c) Such further and other evidence as counsel may advise and this Honourable Court may permit.

August 16, 2017

FASKEN MARTINEAU DuMOULIN LLP
Barristers and Solicitors
333 Bay Street, Suite 2400
Bay Adelaide Centre, Box 20
Toronto, ON M5H 2T6

Brad Moore (LSUC: 47880A)
bmoore@fasken.com
Tel: 416 865 4550

Jonathan Wansbrough (LSUC: 62430G)
jwansbrough@fasken.com
Tel: 416 943 8839

Fax: 416 364 7813

Lawyers for the Applicants

IN THE MATTER OF AN APPLICATION UNDER SECTION 182 OF THE *BUSINESS CORPORATIONS ACT*, R.S.O. 1990, c. B.16, as amended, SECTION 60(1) OF THE TRUSTEE ACT, RSO 1990, c T.23, AND RULES 14.05(2) AND 14.05(3) OF THE RULES OF CIVIL PROCEDURE

ONEREIT AND 1606906 ONTARIO INC.
Applicants

Court File No. CV-17-580907-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

NOTICE OF APPLICATION
(RETURNABLE SEPTEMBER 26, 2017)

FASKEN MARTINEAU DuMOULIN LLP
Barristers and Solicitors
333 Bay Street, Suite 2400
Bay Adelaide Centre, Box 20
Toronto, ON M5H 2T6

Brad Moore (LSUC: 47880A)
bmoore@fasken.com
Tel: 416 865 4550

Jonathan Wansbrough (LSUC: 62430G)
jwansbrough@fasken.com
Tel: 416 943 8839
Fax: 416 364 7813

Lawyers for the Applicants

C-9

APPENDIX "D"
PLAN OF ARRANGEMENT

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

and Section 60
of the *Trustee Act*

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Plan of Arrangement, the following terms have the following meanings:

"**2008 Exchange Agreement Amendment**" means such documentation, in form and content satisfactory to each of SmartREIT and the parties to the 2008 Exchange Agreement, acting reasonably, to be entered into by such Persons to evidence the succession of SmartREIT as the successor pursuant to and in accordance with the terms of the 2008 Exchange Agreement and the release of the REIT from all covenants under the 2008 Exchange Agreement;

"**2008 Exchange Agreement**" means the exchange agreement dated July 8, 2008 among, *inter alios*, the REIT, ONR LP, GP Trust, MRR Investors Limited Partnership No. 1 and MRR Investors Limited Partnership No. 2;

"**2011 Debenture Supplemental Indenture**" means a supplemental indenture or supplemental indentures, as applicable, in form and content satisfactory to each of the REIT, SmartREIT and the Debenture Trustee, acting reasonably, to be entered into by the REIT, SmartREIT and the Debenture Trustee to evidence the succession of SmartREIT as the successor pursuant to and in accordance with the terms of the 2011 Indenture and the release of the REIT from all covenants under the 2011 Indenture and the debentures issued thereunder;

"**2011 Indenture**" means the trust indenture dated June 28, 2011 between the REIT and Debenture Trustee governing the terms and conditions of the 2011 Debentures;

"**2013 Debenture Supplemental Indenture**" means a supplemental indenture or supplemental indentures, as applicable, in form and content satisfactory to each of the REIT, SmartREIT and the Debenture Trustee, acting reasonably, to be entered into by the REIT, SmartREIT and the Debenture Trustee to evidence the succession of SmartREIT as the successor pursuant to and in accordance with the terms of the 2013 Indenture and the release of the REIT from all covenants under the 2013 Indenture and the debentures issued thereunder;

"**2013 Indenture**" means the trust indenture dated May 27, 2013 between the REIT and Debenture Trustee governing the terms and conditions of the 2013 Debentures;

"**2014 Exchange Agreement Amendment**" means such documentation, in form and content satisfactory to each of SmartREIT and the parties to the 2008 Exchange Agreement, acting reasonably, to be entered into by such Persons to evidence the succession of SmartREIT as the successor pursuant to and in accordance with the terms of the 2014 Exchange Agreement and the release of the REIT from all covenants under the 2014 Exchange Agreement;

"**2014 Exchange Agreement**" means the amended and restated exchange agreement dated September 16, 2014 among the REIT, ONR LP, ONR LP I, GP Trust and The SmartCentres Realty-CWT Partnership;

"**5.45% Debentures**" means the 5.45% convertible unsecured subordinated debentures due June 30, 2018 issued by the REIT pursuant to the 2011 Indenture originally in the aggregate principal amount of $40,000,000;

"**5.50% Debentures**" means the 5.50% convertible unsecured subordinated debentures due June 30, 2020 issued by the REIT pursuant to the 2013 Indenture originally in the aggregate principal amount of $36,250,000;

"**Actual Cash Consideration**" has the meaning set out in Section 3.3(a);

"**affiliate**" means an "affiliate" as defined in National Instrument 45-106 - *Prospectus Exemptions*;

"**Amalco**" means the corporation formed upon the amalgamation of GP Trustee and SmartREIT Sub pursuant to the Arrangement;

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

"**Arrangement Agreement**" means the arrangement agreement dated August 4, 2017 among SmartREIT, the REIT and GP Trustee, 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 Agreement Reference Price**" means $31.62;

"**Arrangement Resolution**" means the special resolution in respect of the Arrangement to be considered at the REIT Unitholder Meeting;

"**Articles of Arrangement**" means the articles of arrangement in respect of the Arrangement required under subsection 183(1) of the OBCA to be sent to the Registrar after the Final Order has been granted, giving effect to the Arrangement;

"**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 Toronto, Ontario;

"**Cash Consideration**" means $4.275 in cash per REIT Unit to be paid by the Persons and in the manner described in this Plan of Arrangement;

"**Cash Electing Unitholder**" means a Pro Forma REIT Unitholder who elects to receive Cash Consideration in exchange for such Pro Forma REIT Unitholder's Pro Forma REIT Units pursuant and subject to Section 3.1, Section 3.2 and Section 3.3 and the other provisions of this Plan of Arrangement;

"**Certificate**" means the certificate or certificates or confirmation of filing which may be issued by the Registrar pursuant to subsection 183(2) of the OBCA;

"**Class B LP Units**" means, collectively, the Class B limited partnership units of ONR LP and the Class B limited partnership units of ONR LP I, and a "Class B LP Unit" means any one of them;

"**Class C LP Unit**" means a Class C limited partnership unit of ONR LP I;

"**Convertible Securities**" means securities of the REIT or a REIT Subsidiary that are convertible into or exchangeable, redeemable or exercisable for Units, including the Debentures, the Class B LP Units and the Deferred Units;

"**Court**" means the Ontario Superior Court of Justice (Commercial List);

"**Debenture Exchange Ratio**" means $4.26 divided by the Reference Price;

"**Debenture Trustee**" means BNY Trust Company;

"**Debentures**" means, collectively, the 5.45% Debentures and the 5.50% Debentures;

"**Deferred Unit Plan**" means the REIT's deferred unit plan established as of January 1, 2013.

"**Deferred Units**" means the deferred units issued under and subject to the Deferred Unit Plan;

"**Depositary**" means CIBC Mellon Trust Company, in its capacity as depositary for the Arrangement, or such other entity chosen by the parties to act as depositary for the Arrangement;

"**Dissent Amount**" means $4.275 multiplied by the number of Dissenting Units, if any;

"**Dissent Right**" means the right of a registered REIT Unitholder in accordance with the Interim Order and Section 4.1 of this Plan of Arrangement, to dissent to the Arrangement Resolution and to be paid the fair value of the REIT Units in respect of which the REIT Unitholder dissents;

"**Dissenting REIT 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 REIT Unitholders in respect of which Dissent Rights have been and remain validly exercised at the Effective Time;

"**Effective Date**" means the date on which the Articles of Arrangement are filed with the Registrar;

"**Effective Time**" means 12:01 a.m. (Toronto time) or such other time as the parties may agree on the Effective Date;

"**Elected Pro Forma REIT Units**" means the Pro Forma REIT Units in respect of which a REIT Unitholder and/or LP Unitholder, as applicable, has not elected to receive the Cash Consideration;

"**Election Deadline**" means 5:00 p.m. (Toronto time) on the date that is two Business Days prior to the REIT Unitholder Meeting;

"**Encumbrance**" includes any hypothec, mortgage, pledge, assignment, charge, lien, claim, security interest, adverse interest, adverse claim, other third person interest or encumbrance of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by Laws, contract or otherwise) capable of becoming any of the foregoing;

"**Exchange Agreement**" means the 2008 Exchange Agreement or the 2014 Exchange Agreement, as amended by the 2008 Exchange Agreement Amendment or the 2014 Exchange Agreement Amendment, respectively;

"**Exchange Ratio**" means $4.20 divided by the Reference Price;

"**Exchange Ratio Reference Price**" means the volume weighted average trading price per SmartREIT Unit of the SmartREIT Units on the TSX for the five trading days immediately preceding the date which is three (3) Business Days prior to the REIT Unitholder Meeting;

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

"**Governmental Entity**" means (i) 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, (ii) any subdivision, agent or authority of any of the above, (iii) 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 (iv) any stock exchange;

"**GP Trustee**" means 1606906 Ontario Inc., a corporation existing under the laws of the Province of Ontario;

"**Increase Number**" has the meaning set out in Section 3.3(b)(ii);

"**Interim Order**" means the interim order of the Court in a form acceptable to the REIT and SmartREIT, each acting reasonably, providing for, among other things, the calling and holding of the REIT Unitholder Meeting, as such order may be amended, modified, supplemented or varied by the Court (with the consent of the REIT and SmartREIT, each acting reasonably);

"**Laws**" 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, in each case having the force of law and that is binding upon or applicable to such Person or its business, undertaking, property or securities;

"**Letter of Transmittal and Election Form**" means the letter of transmittal and election form accompanying the REIT Information Circular sent to the REIT Unitholders;

"**LP Unitholders**" means the holders from time to time of the Class B LP Units;

"**LTIP**" means the REIT's long-term incentive plan established as of March 22, 2004 and amended and restated on June 19, 2007;

"**LTIP Units**" means the REIT Units issued under and subject to the LTIP;

"**New Conversion Price**" means the "Conversion Price" as determined with respect to each of the 2011 Debentures and 2013 Debentures immediately prior to the Effective Date divided by the Debenture Exchange Ratio;

"**Non-Cash Consideration**" means such number of SmartREIT Units per REIT Unit that is equal to the Exchange Ratio;

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

"**ONR LP I**" means ONR Limited Partnership I;

"**ONR LP**" means ONR Limited Partnership;

"**Partnership Agreements**" means the limited partnership agreement of ONR LP and of ONR Limited Partnership I;

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

"**Payment Special Voting Units**" has the meaning set out in Section 2.4(s);

"**Payment Units**" has the meaning set out in Section 2.4(s);

"**Permitted Liens**" has the meaning set out in Section 1.1 of the Arrangement Agreement;

"**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;

"**Pro Forma REIT Unit**" means a REIT Unit or the REIT Unit that would be issued if the exchange right attaching to a Class B LP Unit was being exercised;

"**Pro Forma REIT Unitholders**" means the holders from time to time of the REIT Units and the Persons who would be the holders of REIT Units if the exchange right attaching to the Class B LP Units was being exercised;

"**QE Redemption**" has the meaning set out in Section 2.4(t);

"**QE SVU Redemption**" has the meaning set out in Section 2.4(u);

"**QE Transactions**" has the meaning set out in Section 2.11 of the Arrangement Agreement;

"**Reference Price**" means:

(a) if the Exchange Ratio Reference Price is greater than 103.5% of the Arrangement Agreement Reference Price, 103.5% of the Arrangement Agreement Reference Price;

(b) if the Exchange Ratio Reference Price is less than 96.5% of the Arrangement Agreement Reference Price, 96.5% of the Arrangement Agreement Reference Price; and

(c) if the Exchange Ratio Reference Price is 96.5% of the Arrangement Agreement Reference Price or greater but not greater than 103.5% of the Arrangement Agreement Reference Price, the Exchange Ratio Reference Price;

"**Registrar**" means the Registrar of Corporations duly appointed under section 263 of the OBCA;

"**REIT**" means OneREIT, an unincorporated open-end real estate investment trust created by the REIT Declaration of Trust and governed by the Laws of the Province of Ontario;

"**REIT Declaration of Trust**" means the Seventh Amended and Restated Declaration of Trust of the REIT dated as of October 2, 2014, as amended on June 16, 2015 and as further amended from time to time, which is governed by the laws of the Province of Ontario;

"**REIT Entities**" means the REIT and the REIT Subsidiaries;

"**REIT Information Circular**" means the notice of the REIT Unitholder Meeting and accompanying management information circular, including all schedules, appendices and exhibits thereto, sent to, among others, REIT Unitholders and REIT Special Voting Unitholders in connection with the REIT Unitholder Meeting, as amended, supplemented or otherwise modified from time to time;

"**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 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;

"**REIT Special Voting Unitholders**" means holders of the REIT Special Voting Units;

"**REIT Subsidiaries**" means the Subsidiaries of the REIT, and "**REIT Subsidiary**" means any one of the REIT Subsidiaries;

"**REIT Unit**" means a participating unit of interest in the REIT issued pursuant to the REIT Declaration of Trust and having the attributes described therein;

"**REIT Unitholder Meeting**" means the special meeting of REIT Unitholders and REIT Special Voting Unitholders, 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 the Arrangement Resolution;

"**REIT Unitholders**" means the holders from time to time of the REIT Units;

"**Remaining SmartREIT Units**" has the meaning set out in Section 2.4(t);

"**Requested Redemption Notice**" has the meaning set out in Section 1.1 of the Arrangement Agreement;

"**SmartREIT**" means Smart Real Estate Investment Trust, a trust organized under the laws of the Province of Alberta;

"**SmartREIT Cash Consideration**" has the meaning set out in Section 1.1 of the Arrangement Agreement;

"**SmartREIT Declaration of Trust**" means the Eleventh Amended and Restated Declaration of Trust of SmartREIT dated as of May 11, 2017 and as further amended from time to time, which is governed by the laws of the Province of Alberta;

"**SmartREIT Special Voting Unit**" means a non-participating special voting unit of SmartREIT, other than a SmartREIT Unit, issued pursuant to and having the attributes described in the SmartREIT Declaration of Trust;

"**SmartREIT Sub**" means 2590529 Ontario Inc., a corporation existing under the laws of Ontario;

"**SmartREIT Unit**" means a participating unit of interest in SmartREIT issued pursuant to the SmartREIT Declaration of Trust and having the attributes described therein;

"**Special Voting Unit Consideration**" means such number of SmartREIT Special Voting Units per REIT Special Voting Unit that is equal to the Exchange Ratio;

"**Strathallen**" means Strathallen Acquisitions Inc., a corporation existing under the Laws of the Province of Ontario;

"**Strathallen Purchase Agreement**" has the meaning set out in Section 1.1 of the Arrangement Agreement;

"**Strathallen Sale Transaction**" has the meaning set out in Section 1.1 of the Arrangement Agreement;

"**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 income (including net realized taxable capital gains) determined in accordance with the Tax Act (read without reference to paragraph 82(1)(b) and subsection 104(6));

"**TSX**" means the Toronto Stock Exchange; and

"**Unit Electing Unitholder**" means, as applicable, (a) a REIT Unitholder who elects Non-Cash Consideration in exchange for one or more of such REIT Unitholder's REIT Units pursuant and subject to Section 3.1 and Section 3.3 and the other provisions of this Plan of Arrangement, and (b) a LP Unitholder who does not elect Cash Consideration in exchange for one or more of such LP Unitholder's Class B LP Units pursuant and subject to Section 3.2 and Section 3.3 and the other provisions of this Plan of Arrangement.

1.2 Unless otherwise stated, all references in this Plan of Arrangement to sums of money are expressed in, and all payments provided for herein shall be made in, Canadian currency and "Cdn.$" or "$" refers to Canadian dollars.

1.3 The division of this Plan of Arrangement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement.

1.4 Unless reference is specifically made to some other document or instrument, all references herein to "Articles" and "Sections" are to articles and sections of this Plan of Arrangement;

1.5 Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa; words importing any gender shall include all genders. Wherever the term "includes" or "including" is used, it shall be deemed to mean "includes, without limitation" or "including, without limitation", respectively.

1.6 In the event that the date on which any action is required to be taken hereunder by any of the parties is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

1.7 A period of time is to be computed as beginning on the day following the event that began the period and ending at 4:30 p.m. on the last day of the period, if the last day of the period is a Business Day, or at 4:30 p.m. on the next Business Day if the last day of the period is not a Business Day. If the date on which any action is required or permitted to be taken under this Plan of Arrangement by a Person is not a Business Day, such action shall be required or permitted to be taken on the next succeeding day which is a Business Day.

1.8 References to time herein or in any Letter of Transmittal and Election Form are to local time, Toronto, Ontario, Canada.

1.9 References to any legislation or to any provision of any legislation shall include any legislative provision substituted therefor and all regulations, rules and interpretations issued thereunder or pursuant thereto, in each case as the same may have been or may hereafter be amended or re- enacted from time to time.

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, upon the filing of the Articles of Arrangement and the issue of the Certificate, if any, shall become effective on, and be binding on SmartREIT, SmartREIT Sub, the REIT, GP Trustee, the REIT Subsidiaries, Strathallen, all registered holders of the REIT Units, including Dissenting REIT Unitholders, all holders and beneficial owners of Class B LP Units, Class C LP Units, Deferred Units, LTIP Units, Debentures and the REIT Special Voting Units, the registrar and transfer agent of each of the REIT, SmartREIT, the Depositary, and all other Persons, at and after, the Effective Time without any further act or formality required on the part of any Person.

2.3 The Articles of Arrangement and Certificate shall be filed and issued, respectively, with respect to this Arrangement in its entirety. The Certificate 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 is required to be issued by the Registrar pursuant to subsection 183(2) of the OBCA, the Arrangement shall become effective on the date the Articles of Arrangement are sent to the Registrar pursuant to subsection 183(1) of the OBCA.

2.4 Arrangement

Commencing at the Effective Time, each of the steps set out below shall occur in the following order without any further act or formality, with each such step occurring one minute after the completion of the immediately preceding step:

(a) The REIT Declaration of Trust, the declaration of trust and the articles or other constating document (as applicable) 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 described herein. Without limiting the generality of the foregoing, such amendments shall provide that any Taxable Income of the REIT or of any REIT Subsidiary arising as a result of the Strathallen Sale Transaction (including for the avoidance of doubt any such Taxable Income realized by a REIT Subsidiary which is allocated and made payable to the REIT by the REIT Subsidiaries) shall be allocated by the REIT Subsidiary to the REIT and by the REIT to REIT Unitholders whose REIT Units are redeemed pursuant to Section 2.4(o) or Section 2.4(p) in proportion to the REIT Units so transferred or redeemed, and amounts shall be paid by the REIT to such REIT Unitholders pursuant to those steps, which shall not be less than such Taxable Income.

(b) The Partnership Agreements and Exchange Agreement shall be amended to the extent necessary to facilitate the Arrangement. Without limiting the generality of the foregoing, the Class B LP Units shall become exchangeable into SmartREIT Units based upon the Exchange Ratio and the terms of the Class C Units shall be adjusted as necessary to reflect the foregoing.

(c) The completion of the Strathallen Sale Transaction shall become effective in accordance with the terms of the Strathallen Purchase Agreement.

(d) The vesting of all Deferred Units shall be accelerated to provide that such Deferred Units shall be fully vested on the earlier of (i) the day immediately prior to the Effective Time or (ii) the day prior to the Effective Time by which any transfer agent or other depository requires such Deferred Units to be redeemed for REIT Units (such that one REIT Unit is issued for each Deferred Unit and such Deferred Unit is automatically cancelled) so that such REIT Units can participate in the Arrangement on the same terms as all other REIT Units or be settled by payment in cash by the REIT at the Effective Time at the closing price of the REIT Units on the TSX on the day immediately prior to the Effective Time.

(e) All amounts owing by a holder in respect of any outstanding LTIP Units shall be accelerated and shall be presently due and payable and, if the REIT has not received such payment by the payment deadline established by the REIT, the security interest in the LTIP Units granted to the REIT by the LTIP shall and shall be deemed to be (i) enforced by the purchase for cancellation of such number of LTIP Units as is required to satisfy the amount owing by each such holder based upon the closing price of the REIT Units on the TSX on the date immediately prior to the Effective Date, and (ii) released in respect of that number of each holder's LTIP Units that are not so purchased for cancellation so that such remaining LTIP Units can participate in the Arrangement on the same terms as all other REIT Units.

(f) Each REIT Subsidiary that (i) is a trust shall allocate and make payable to its beneficiary, and (ii) is a partnership shall allocate to its partners, its Taxable Income (determined without reference to the Strathallen Sale Transaction or the Arrangement) for its taxation year ending immediately prior to the commencement of the steps set out in Section 2.4(g).

(g) Each REIT Subsidiary that (i) is a trust shall allocate and make payable to its beneficiary that is the REIT or a REIT Subsidiary its Taxable Income from the Strathallen Sale Transaction, and (ii) is a partnership shall allocate to its partners that are the REIT or a REIT Subsidiary its Taxable Income from the Strathallen Sale Transaction.

(h) Cash shall be distributed by the REIT Subsidiaries in successive steps as follows:

(i) each REIT Subsidiary that is a partnership that was the beneficial owner of properties sold pursuant to the Strathallen Purchase Agreement shall

distribute to its partners that are the REIT or REIT Subsidiaries the cash proceeds received by such partnership on the Strathallen Sale Transaction;

(ii) each REIT Subsidiary that is a trust or partnership shall distribute to its beneficiary or partners, as applicable, such amount, if any, of its cash on hand as it may specify at any time prior to the Effective Time with any proceeds from the Strathallen Purchase Agreement being distributed to the REIT or a REIT Subsidiary;

(iii) any REIT Subsidiary that is a corporation receiving a distribution referred to in (i) or (ii) shall distribute and/or advance the proceeds of such distribution to its shareholders; and

(iv) any REIT Subsidiary that is a trust or partnership receiving a distribution or advance referred to in (i), (ii) or (iii) shall distribute the proceeds of such distribution or advance to its beneficiary or partners, as applicable with any proceeds from the Strathallen Purchase Agreement being distributed to the REIT or a REIT Subsidiary.

(i) If the amount of Taxable Income allocated and made payable by a trust to its beneficiary as contemplated in Sections 2.4(f) and (g) exceeds the amount of cash distributed by such trust as contemplated in Section 2.4(h), such trust shall satisfy its obligation to pay to its beneficiary the balance of the Taxable Income so allocated by issuing units to its beneficiary.

(j) To the extent that paragraph 3.3(c) requires an exchange of Class B LP Units or an LP Unitholder has elected to receive Cash Consideration pursuant to Section 3.1 such Class B LP Units of such LP Unitholder shall be exchanged for REIT Units in accordance with the terms of the applicable Exchange Agreement (as it read prior to the amendment in Section 2.4(b)) and an equivalent number of REIT Special Voting Units shall be cancelled.

(k) SmartREIT shall pay out, as a special distribution on the SmartREIT Units, the amount, if any, that is determined by it prior to the Effective Time to be equal to its bona fide best estimate of the amount, if any, of its Taxable Income for the taxation year of SmartREIT that shall be deemed, by section 132.2 of the Tax Act, to end as a result of the QE Transactions (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 period).

(l) The REIT shall pay out, as a special distribution on the REIT Units (except Dissenting Units), the amount, if any, that is determined by it prior to the Effective Time to be equal to its bona fide best estimate of the amount, if any, of its Taxable Income for the taxation year of the REIT that shall be deemed, by section 132.2 of the Tax Act, to end as a result of the QE Transactions (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 period and determined

without regard to any income arising as a result of the Strathallen Sale Transaction or the Arrangement).

(m) The monthly distribution to holders of record of REIT Units as at September 29, 2017 payable on October 13, 2017 previously announced by the REIT on May 15, 2017 is cancelled and, subject to Section 2.4(n), no monthly distribution shall be payable to holders of record subsequent to that point.

(n) In the event that the Effective Date is on or after November 1, 2017, except to the extent that distributions have been paid in accordance with Section 4.1(2)(b)(iii) of the Arrangement Agreement in respect of any month (or part of a month), the REIT shall pay out, as a special distribution on the REIT Units, an amount of $0.025 per REIT Unit for each month (or a pro rated amount for each part of a month) from October 1, 2017 through to the date of filing of the Articles of Arrangement.

(o) Each of the Dissenting Units shall be transferred to the REIT (free and clear of all Encumbrances) and the consideration for such transfer shall be satisfied by a debt claim against the REIT for the amount determined under Article 4. Effective at the time of this step, (i) the Dissenting REIT 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 REIT 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 and to have redeemed such REIT Units (free and clear of all Encumbrances) and such REIT Units shall thereupon be cancelled.

(p) Each REIT Unit in respect of which a REIT Unitholder is entitled to receive Cash Consideration in accordance with and subject to the provisions of Sections 3.1 and 3.3, shall be redeemed by the REIT. In consideration for the redemption of such REIT Units, the REIT shall pay the Cash Consideration for each such REIT Unit. Effective at the time of this step, (i) holders of the REIT Units redeemed in this step 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 the amount set out herein for such REIT Units, and (ii) such holders' names shall be removed as the holders of such REIT Units from the registers of the REIT Units maintained by or on behalf of the REIT.

(q) Pursuant to and in accordance with the 2011 Debenture Supplemental Indenture, the 2011 Debentures and the 2011 Indenture shall be amended and supplemented so that the 2011 Debentures shall be convertible into SmartREIT Units rather than REIT Units and the applicable "Conversion Price" specified therein shall become the applicable New Conversion Price such that the number of SmartREIT Units to be issued for each $1,000 principal amount of 2011 Debentures so converted shall be $1,000 divided by the applicable New Conversion Price, subject to adjustment in accordance with the terms of the 2011 Debentures.

(r) Pursuant to and in accordance with the 2013 Debenture Supplemental Indenture, the 2013 Debentures and the 2013 Indenture shall be amended and supplemented so that the 2013 Debentures shall be convertible into SmartREIT Units rather than REIT Units and the applicable "Conversion Price" specified therein shall become the applicable New Conversion Price such that the number of SmartREIT Units to be issued for each $1,000 principal amount of 2013 Debentures so converted shall be $1,000 divided by the applicable New Conversion Price, subject to adjustment in accordance with the terms of the 2013 Debentures.

(s) Pursuant to and in accordance with the definition "qualifying exchange" in section 132.2 of the Tax Act, the REIT shall sell, transfer, convey, assign and deliver to SmartREIT, and SmartREIT shall acquire from the REIT, all of the right, title and interest of the REIT in and to all of its property (after giving effect to the Strathallen Sale Transaction), free and clear of all Encumbrances other than Permitted Liens (and all requisite director, shareholder, and trustee consents to the re-registration of the property shall be deemed to have been given), in exchange for:

(i) the issuance by SmartREIT to the REIT of such number of SmartREIT Units (the "**Payment Units**") as is equal to the product obtained by multiplying:

(A) the Non-Cash Consideration; and

(B) the number of the REIT Units then outstanding (for greater certainty, after taking into account the cancellation of the Dissenting Units in Section 2.4(o) and the redemption referred to in Section 2.4(p));

(ii) the issuance by SmartREIT to the REIT of such number of SmartREIT Special Voting Units (the "**Payment Special Voting Units**") as is equal to the product obtained by multiplying:

(A) the Special Voting Unit Consideration; and

(B) the number of the REIT Special Voting Units then outstanding (including, for the avoidance of doubt, the REIT Special Voting Units then owned by SmartREIT);

(iii) the assumption by SmartREIT of the due and punctual payment of all of the 2011 Debentures as sole obligor, including the agreement to perform substantially all of the covenants of the REIT under the 2011 Debentures as the successor to the REIT by the execution and delivery of the 2011 Debenture Supplemental Indenture and the release of the REIT from all of its covenants in relation to the 5.45% Debentures and the 2011 Indenture;

(iv) the assumption by SmartREIT of the due and punctual payment of all of the 2013 Debentures as sole obligor, including the agreement to perform

substantially all of the covenants of the REIT under the 2013 Debentures as the successor to the REIT by the execution and delivery of the 2013 Debenture Supplemental Indenture and the release of the REIT from all of its covenants in relation to the 5.50% Debentures and the 2013 Indenture;

(v) the assumption by SmartREIT of the liabilities of the REIT under the 2008 Exchange Agreement by execution and delivery of the 2008 Exchange Agreement Amendment and the release of the REIT from all of its covenants in relation to the 2008 Exchange Agreement;

(vi) the assumption by SmartREIT of the liabilities of the REIT under the 2014 Exchange Agreement by execution and delivery of the 2014 Exchange Agreement Amendment and the release of the REIT from all of its covenants in relation to the 2014 Exchange Agreement; and

(vii) the assumption by SmartREIT of all liabilities of the REIT other than those assumed pursuant to the previous clauses (which, for greater certainty, includes the debt claims against the REIT, if any, which arise as a result of paragraph 2.4(o) above).

Effective at the time of this step, the REIT shall be deemed to be the owner of the Payment Units (free and clear of all Encumbrances) and Payment Special Voting Units (free and clear of all Encumbrances) and shall be entered in the registers of SmartREIT Units and SmartREIT Special Voting Units maintained by or on behalf of SmartREIT.

(t) Pursuant to and in accordance with the definition "qualifying exchange" in section 132.2 of the Tax Act, the REIT shall redeem all of the outstanding REIT Units (the "**QE Redemption**") for consideration per outstanding REIT Unit consisting solely of the Non-Cash Consideration. No consideration shall be receivable by a former holder of a REIT Unit (or any portion thereof) for the redemption of such holder's REIT Unit (or any portion thereof) other than Payment Units on the basis described in the preceding sentence. Effective at the time of this step, (i) holders of the REIT Units, pursuant to the QE Redemption, shall cease to be the holders of such REIT Units (or any portion thereof) and to have any rights as holders of such REIT Units, (ii) such former REIT Unitholders' names shall be removed as the holders of such REIT Units (or percentage thereof) from the registers of the REIT Units maintained by or on behalf of the REIT, and (iii) such former REIT Unitholders shall be deemed to be owners of the SmartREIT Units to which they are entitled, free and clear of all Encumbrances and shall be entered into the registers of SmartREIT maintained by or on behalf of SmartREIT. The REIT shall only deliver to the former holders of the REIT Units redeemed in this step a whole number of SmartREIT Units; such number of SmartREIT Units (the "**Remaining SmartREIT Units**") as is equal to the sum of the fractional SmartREIT Units that REIT Unitholders (excluding, for the avoidance of doubt, SmartREIT) are entitled to receive under this step, rounded down to the nearest whole number of SmartREIT Units, shall be delivered by the REIT to the Depositary, as agent for the REIT Unitholders (excluding, for the

avoidance of doubt, SmartREIT), to be dealt with as specified in Section 2.9 of the Arrangement Agreement.

(u) After giving effect to the cancellation of REIT Special Voting Units in accordance with Section 3.3(c)(iv), pursuant to and in accordance with the definition "qualifying exchange" in section 132.2 of the Tax Act, the REIT shall redeem all of the outstanding REIT Special Voting Units (including, for the avoidance of doubt, the REIT Special Voting Units then held by SmartREIT) (the "**QE SVU Redemption**") for consideration per outstanding REIT Special Voting Unit consisting solely of the Special Voting Unit Consideration. No consideration shall be receivable by a former holder of a REIT Special Voting Unit (or any portion thereof) for the redemption of such holder's REIT Special Voting Unit (or any portion thereof) other than Payment Special Voting Units on the basis described in the preceding sentence. Effective at the time of this step, (i) holders of the REIT Special Voting Units redeemed pursuant to the QE SVU Redemption shall cease to be the holders of such REIT Special Voting Units (or any portion thereof) and to have any rights as holders of such REIT Special Voting Units, (ii) such former REIT Special Voting Unitholders' names shall be removed as the holders of such REIT Special Voting Units (or percentage thereof) from the registers of the REIT Special Voting Units maintained by or on behalf of the REIT, and (iii) such former REIT Special Voting Unitholders shall be deemed to be owners of the SmartREIT Special Voting Units to which they are entitled, free and clear of all Encumbrances and shall be entered into the registers of SmartREIT maintained by or on behalf of SmartREIT. The REIT shall only deliver to the former holders of the REIT Special Voting Units redeemed in this step a whole number of SmartREIT Special Voting Units, rounded down to the nearest whole number of SmartREIT Special Voting Units;

(v) SmartREIT Sub and GP Trustee shall be amalgamated and continued as one corporation under the OBCA to form Amalco in accordance with the following:

(i) *Name*. The name of Amalco shall be the same as the name of SmartREIT Sub;

(ii) *Registered Office*. The registered office of Amalco shall be the registered office of SmartREIT;

(iii) *Share Provisions*. Amalco shall be authorized to issue an unlimited number of common shares of Amalco;

(iv) *Restrictions on Transfer*. No shares of Amalco shall be transferred to any person without the approval of the board of directors of Amalco;

(v) *Directors and Officers*.

(A) *Minimum and Maximum*. The directors of Amalco shall, until otherwise changed in accordance with the OBCA, consist of a

minimum number of one director and a maximum number of ten directors;

(B) *Initial Directors*. The initial directors of Amalco shall be the directors of SmartREIT Sub; and

(C) *Initial Officers*. The initial officer of Amalco shall be the officer of SmartREIT Sub;

(vi) *Shareholders*. The sole shareholders of Amalco shall be SmartREIT;

(vii) *Business and Powers*. There shall be no restrictions on the business Amalco may carry on or on the powers it may exercise;

(viii) *Stated Capital*. The aggregate stated capital of Amalco shall be an amount equal to the aggregate of the stated capital for the shares of SmartREIT Sub immediately before the Effective Date;

(ix) *By-laws*. The by-laws of Amalco shall be the by-laws of SmartREIT Sub, mutatis mutandis;

(x) *Effect of Amalgamation*. The provisions of section 179 of the OBCA shall apply to the amalgamation with the result that:

(A) all of the property of each of SmartREIT Sub and GP Trustee (other than amounts receivable between SmartREIT Sub and GP Trustee, if any, and other than the shares in the capital of GP Trustee) shall continue to be the property of Amalco;

(B) Amalco shall continue to be liable for all of the obligations of each of SmartREIT Sub and GP Trustee (other than amounts payable between SmartREIT Sub and GP Trustee, if any);

(C) any existing cause of action, claim or liability to prosecution of SmartREIT Sub or GP Trustee shall be unaffected;

(D) any civil, criminal or administrative action or proceeding pending by or against SmartREIT Sub or GP Trustee may be continued to be prosecuted by or against Amalco; and

(E) a conviction against, or ruling, order or judgment in favour of or against, SmartREIT Sub or GP Trustee may be enforced by or against Amalco;

(xi) *Articles*. The Articles of Arrangement filed shall be deemed to be the articles of amalgamation of Amalco;

(w) Amalco shall subscribe for one REIT Unit for consideration of $10.

(x) The releases and resignations referred to in Article 5 shall become effective.

ARTICLE 3
ELECTION, CONSIDERATION AND CERTIFICATES

3.1 Election in respect of the Consideration to be received for Exchange of the REIT Units

(a) Subject to Section 3.3 and the other provisions of this Article 3, each REIT Unitholder will be entitled, with respect to each REIT Unit held by such REIT Unitholder at the Effective Time, to make an election at or prior to the Election Deadline to receive:

(i) Cash Consideration; or

(ii) Non-Cash Consideration.

(b) For the avoidance of doubt, a REIT Unitholder may elect to receive Cash Consideration for any whole number of the REIT Units held by such REIT Unitholder at the Effective Date and Non-Cash Consideration for the remainder of the REIT Units held by such REIT Unitholder at the Effective Date.

3.2 Election in respect of the Consideration to be received for Exchange of the Class B LP Units

(a) Subject to Section 3.3 and the other provisions of this Article 3, each LP Unitholder will be entitled, with respect to each Class B LP Unit held by such LP Unitholder at the Effective Time, to make an election at or prior to the Election Deadline to:

(i) receive Cash Consideration; or

(ii) retain its Class B LP Unit, as modified by Section 2.4(b) hereof (and for purposes of Section 3.3(c) the holder of such Class B LP Units shall be deemed to have elected to receive Non-Cash Consideration in respect of such units).

(b) For the avoidance of doubt, an LP Unitholder may elect to receive Cash Consideration for any whole number of the Class B LP Units held by such LP Unitholder at the Effective Date and may retain the remainder of the Class B LP Units held by such LP Unitholder at the Effective Date.

(c) Each LP Unitholder shall (except to the extent the LP Unitholder has filed a valid election electing to receive Cash Consideration on or before the Election Deadline) be deemed to have elected to retain its Class B LP Unit, as modified by Section 2.4(b) hereof.

3.3 Pro-Ration Mechanics

(a) The Cash Consideration payable by the REIT under the Arrangement is $4.275 per Pro Forma REIT Unit subject to a maximum amount of $305,150,558 less any Dissent Amount (the "**Actual Cash Consideration**").

(b) If the product of the Cash Consideration and the number of Pro Forma REIT Units represented by Pro Forma REIT Unitholders who have elected (or deemed to have elected) Cash Consideration (disregarding any increase or decrease pursuant to this Section 3.3) (such amount being the "**Elected Cash**") exceeds the Actual Cash Consideration, then:

(i) the number of the Pro Forma REIT Units for which a Cash Electing Unitholder has elected or deemed to have elected to receive Cash Consideration (disregarding any reduction pursuant to this Section 3.3) shall be reduced to that number of whole Pro Forma REIT Units (rounded down to the near whole unit) equal to the product of that number of the Pro Forma REIT Units indicated on such holder's cash election and a fraction, the numerator of which is the Actual Cash Consideration and the denominator of which is the Elected Cash; and

(ii) the number of the Pro Forma REIT Units for which a Cash Electing Unitholder shall be entitled to receive Non-Cash Consideration (or in the case of a holder of Class B LP Units, to retain Class B LP Units) shall be increased by that number (the "**Increase Number**") of the Pro Forma REIT Units equal to the difference between the number of the Pro Forma REIT Units for which the holder elected to receive Cash Consideration and the number determined in accordance with Section 3.3(b)(i) above. For greater certainty, the number of Class B LP Units that a holder has elected to receive Cash Consideration in respect of shall be deemed to be reduced by the Increase Number applicable to such holder.

(c) If the Elected Cash is less than the Actual Cash Consideration (such difference being the "**Cash Shortfall**"), then:

(i) the number of the Elected Pro Forma REIT Units of a Unit Electing Unitholder (disregarding any reduction pursuant to this Section 3.3) shall be reduced by that number of whole Elected Pro Forma REIT Units (rounded down to the nearest whole unit) equal to the product obtained when (A) a fraction, the numerator of which is equal to the Cash Shortfall and the denominator of which is equal to $4.20, is multiplied by (B) a fraction, the numerator of which is the number of Elected Pro Forma REIT Units of such Unit Electing Unitholder and the denominator of which is the total number of Elected Pro Forma REIT Units of all Unit Electing Unitholders;

(ii) the number of the Pro Forma REIT Units for which a Unit Electing Unitholder shall receive Cash Consideration shall be increased by that

number of the Pro Forma REIT Units equal to the difference between the number of the Elected Pro Forma REIT Units of such Unit Electing Unitholder and the number determined in accordance with Section 3.3(c)(i) above;

(iii) to the extent that a Pro Forma REIT Unitholder demonstrates to the reasonable satisfaction of the REIT that such REIT Unitholder beneficially owns both REIT Units and Class B LP Units, and to the extent that Sections 3.3(c)(i) and 3.3(c)(ii) above are applicable to such Pro Forma REIT Unitholder, redemption for cash of such REIT Units shall be effected in priority to the redemption for cash of REIT Units issued upon the exchange of Class B LP Units; and

(iv) for purposes of Section 3.3(c)(ii) above, or as a result of an election filed pursuant to Section 3.2(a), the relevant number of Class B LP Units shall be exchanged for REIT Units in accordance with the terms of the applicable Exchange Agreement (as it read prior to amendment in Section 2.4(b)) and an equivalent number of REIT Special Voting Units shall be cancelled.

For the avoidance of doubt, the REIT Units to be redeemed in exchange for Cash Consideration pursuant to Section 2.4(p) shall consist of the number of the REIT Units of a REIT Unitholder determined in accordance with this Section 3.3.

3.4 Method of Election and Deemed Election

(a) The election to receive:

(i) Cash Consideration or Non-Cash Consideration with respect to a particular REIT Unit shall be made by the REIT Unitholders entitled to make such election; and

(ii) Cash Consideration or to retain a Class B LP Unit with respect to a particular Class B LP Unit shall be made by the LP Unitholders entitled to make such election;

by depositing with the Depositary, 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 representing such REIT Unitholders' REIT Units or LP Unitholder's Class B LP Units, as applicable, and accompanied by such other documents and instruments as the Depositary may reasonably require.

(b) If a valid election has not been made by or on behalf of a REIT Unitholder at or prior to the Election Deadline, such REIT Unitholder shall be deemed to have elected to receive only Cash Consideration in exchange for each of such REIT Unitholder's REIT Units pursuant to the provisions hereof including Section 3.1 and Section 3.3.

3.5 SmartREIT Units and REIT Unit Certificates

(a) For greater certainty, following completion of the steps specified in Section 2.4, each outstanding SmartREIT Unit delivered to a former REIT Unitholder (other than, for the avoidance of doubt, SmartREIT) or the Depositary hereunder, constitutes a validly issued "Unit", as provided in the SmartREIT Declaration of Trust.

(b) After completion of the steps specified in Section 2.4, each certificate formerly representing REIT Units shall represent only the right to receive, in the case of certificates held by Dissenting REIT Unitholders, the fair value of the REIT Units represented by such certificates, and, in the case of all other REIT Unitholders, the Cash Consideration or the certificates representing Non-Cash Consideration, as the case may be, that the former REIT Unitholder is entitled to in accordance with the terms of the Arrangement upon such REIT Unitholder depositing with the Depositary the certificate and such other documents and instruments as the Depositary may reasonably require and subject to compliance with the requirements set forth in this Article 3.

(c) After completion of the steps specified in Section 2.4, each certificate formerly representing Class B LP Units that has been deemed to be exchanged pursuant to Section 3.3(c)(iv) shall represent, in respect of such number of Class B LP Units deemed to be exchanged, only the right to receive the Cash Consideration, that the deemed REIT Unitholder is entitled to in accordance with the provisions hereof upon such deemed REIT Unitholder depositing with the Depositary the certificate and such other documents and instruments as the Depositary may reasonably require and subject to compliance with the requirements set forth in this Article 3.

3.6 Payment of Consideration by Depositary

(a) In accordance with the timing set out in Section 2.4, the Depositary shall, in the case of the REIT Unitholders entitled to Cash Consideration in accordance with the terms of the Arrangement, cause individual cheques (or, if requested by such REIT Unitholders, wire transfers) and, in the case of the REIT Unitholders entitled to Non-Cash Consideration in accordance with the terms of the Arrangement, cause certificates representing SmartREIT Units, to be sent to those Persons who have deposited the certificates for such REIT Units and such documents and instruments required by the Depositary pursuant to Section 3.4. Such cheques, wire transfers and certificates shall be:

(i) in the case of cheques and certificates, 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 for the particular REIT Unitholder in the register of the REIT Unitholders of the REIT Units;

(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 REIT 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 REIT Unitholder. Cheques and certificates 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 the REIT Unitholders or deemed REIT Unitholders and holders of Restricted Units pursuant to the Arrangement shall be without interest and any interest earned on funds held in trust by the Depositary such Persons shall be for the sole benefit of SmartREIT.

(c) As regards Persons entitled to receive SmartREIT 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 certificates representing SmartREIT Units in accordance with Section 3.6 and this Section 3.6(c). In the event of a transfer of ownership of the REIT Units that was not registered in the securities register of the REIT, a certificate representing the proper number of SmartREIT Units may be issued to the transferee if the certificate 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.

3.7 Distributions with Respect to Unsurrendered Certificates

No distributions declared or made with respect to the REIT Units with a record date after the Effective Time shall be paid to a REIT Unitholder for any unsurrendered certificate which immediately prior to the Effective Time represented outstanding REIT Units.

3.8 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 Class B LP Units that were cancelled or transferred pursuant to Section 2.4 shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the REIT Unitholder or LP Unitholder claiming such instrument or certificate to be lost, stolen or destroyed, the Depositary will issue in exchange for such lost, stolen or destroyed instrument or certificate a certified cheque representing the appropriate aggregate amount of Cash Consideration deliverable to such REIT Unitholder or LP Unitholder or a certificate representing the Non-Cash Consideration, as applicable, deliverable to such REIT Unitholder in accordance with the provisions of Sections 3.6 and 3.6(c). When authorizing such payment in exchange for any lost, stolen or destroyed instrument or certificate, the REIT Unitholder or LP Unitholder to whom such payment is to be issued shall, as a condition precedent to the issuance thereof, give a bond satisfactory to SmartREIT, the REIT and the Depositary in such sum as SmartREIT, the REIT or the Depositary may direct, acting reasonably, or otherwise indemnify SmartREIT, the REIT and the Depositary in a manner satisfactory to SmartREIT, the REIT and the Depositary, acting reasonably, against any claim that may

be made against SmartREIT, the REIT or the Depositary with respect to the instrument or certificate alleged to have been lost, stolen or destroyed.

3.9 Extinction of Rights

Any instrument or certificate which immediately prior to the Effective Time represented outstanding REIT Units or Class B LP Units that were cancelled, redeemed or transferred pursuant to Section 2.4 (or an affidavit of loss and bond or other indemnity pursuant to Section 3.8), together with such other documents or instruments required by such former REIT Unitholder or LP Unitholder to receive payment for its REIT Units, that is not deposited with all other instruments required by Section 3.5(b) on or prior to the sixth anniversary of the Effective Date shall cease to represent a claim or interest of any kind or nature against the REIT and SmartREIT. On such date, the aggregate Cash Consideration and Non-Cash Consideration to which the former REIT Unitholder referred to in the preceding sentence (or the aggregate Cash Consideration to which the former LP Unitholder referred to in the preceding sentence) was ultimately entitled shall be deemed to have been surrendered for no consideration to SmartREIT and shall be returned to SmartREIT by the Depositary.

3.10 Withholding Rights

SmartREIT, the REIT and the Depositary shall be entitled to deduct and withhold from any payment to any Person pursuant to this Plan of Arrangement, such amounts as SmartREIT, the REIT or the Depositary, as the case may be, determines, acting reasonably, are required or permitted pursuant to the Tax Act or any successor provision thereto to be deducted and withheld with respect to such payment under the Tax Act, the United States Internal Revenue Code of 1986, or any provision of federal, provincial, territorial, state, local or foreign tax law, in each case, as amended. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to such Person as the remainder of the payment in respect of which such deduction and withholding was made; provided that, such withheld amounts are actually remitted to the appropriate taxing authority.

ARTICLE 4
DISSENTING SECURITYHOLDERS

4.1 Dissent Rights

Each registered holder of REIT Units shall have the right to dissent with respect to the Arrangement in accordance with the Interim Order. A Dissenting REIT Unitholder shall, at the time of the step set out in Section 2.4(o), cease to have any rights as a holder of Dissenting Units and shall only be entitled to be paid the fair value of the holder's Dissenting Units by the REIT. A Dissenting REIT Unitholder who is paid the fair value of the holder's Dissenting Units, shall be deemed to have transferred the holder's Dissenting Units to the REIT at the time of the step set out in Section 2.4(o), notwithstanding the provisions of section 185 of the OBCA and such Dissenting Units shall thereupon be cancelled. The fair value of the Dissenting Units shall be determined

as of the close of business on the last business day before the day on which the Arrangement is approved by the holders of REIT Units at the REIT Unitholder Meeting.

4.2 Recognition of Dissenting Unitholders

In no circumstances shall SmartREIT or the REIT 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 SmartREIT or the REIT or any other person be required to recognize a Dissenting REIT Unitholder as a holder of REIT Units in respect of which Dissent Rights have been validly exercised after the completion of the transfer under Section 2.4(o), and the names of such Dissenting REIT Unitholders shall be removed from the REIT's register of REIT Unitholders in respect of Dissenting Units for which Dissent Rights have been validly exercised as of the time of the step set out in Section 2.4(o). In addition to any other restrictions in section 185 of the OBCA, no person who has voted in favour of the Arrangement shall be entitled to dissent with respect to the Arrangement.

4.3 Rights of Dissenting Unitholders

A Dissenting REIT Unitholder who for any reason is not entitled to be paid the fair value of the holder's Dissenting Units shall be entitled to receive from SmartREIT in respect to such Dissenting Unitholder's debt obligation created under Step 2.4(o), at the option of SmartREIT, either (i) Cash Consideration based on the number of such holder's Dissenting Units previously cancelled or (ii) the same pro rata combination of Cash Consideration and Non-Cash Consideration (based on the number of such holder's Dissenting Units previously cancelled) as otherwise would have been applicable in accordance with the Plan as if such Dissenting REIT Unitholder had not dissented and had elected to receive Cash Consideration for such Dissenting Units, and thus be subject to pro-ration in accordance with Section 3.3.

ARTICLE 5
RELEASES AND RESIGNATIONS

5.1 At the Effective Time and in accordance with the sequence of steps set out in Section 2.4, 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 (i) the REIT Unitholders, (ii) the REIT Special Voting Unitholders, (iii) the holders of the Convertible Securities, or (iv) the holders of the Class C LP Units, relating to, arising out of, or in connection with, the REIT, the GP Trustee, 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 (a) 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); (b) 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; (c) nothing herein will release or discharge a REIT Released Party with respect to claims for indemnification that any director, trustee, officer, former director, former trustee or former officer of any REIT Entity may have under an indemnification or employment agreement, organizational documents of the applicable REIT Entity or otherwise; and (d) 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, all trustees of the REIT and all directors or trustees of Subsidiaries thereof shall be deemed to have resigned from such positions 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 any such entity.

ARTICLE 6
AMENDMENTS

6.1 SmartREIT 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 each such amendment, modification and/or supplement must be: (a) set out in writing; (b) approved by SmartREIT and the REIT; (c) filed with the Court and, if made following the REIT Unitholder Meeting, approved by the Court; and (d) communicated to holders of the REIT Units if and as required by the Court.

6.2 Any amendment to this Plan of Arrangement may be proposed by SmartREIT or the REIT at any time prior to the REIT Unitholder Meeting (provided that SmartREIT 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 REIT Unitholder Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

6.3 Any amendment, modification and/or supplement to this Plan of Arrangement that is approved or directed by the Court following the REIT Unitholder Meeting shall be effective only if (a) it is consented to in writing by each of SmartREIT 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 REIT Unitholders voting in the manner directed by the Court.

6.4 Any amendment, modification and/or supplement to this Plan of Arrangement may be made following the Effective Date unilaterally by SmartREIT, provided that it concerns a matter which, in the reasonable opinion of SmartREIT, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and in no way is prejudicial to the former REIT Unitholders or holders of Convertible Securities.

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 any and all REIT Units, Class B LP Units, Class C LP Units, Deferred Units, LTIP Units, Debentures and the REIT Special Voting Units issued prior to the Effective Time,

(b) the rights and obligations of the registered holders of REIT Units, Class B LP Units, Class C LP Units, Deferred Units, LTIP Units, Debentures and the REIT Special Voting Units, and the REIT, SmartREIT, SmartREIT Sub, the REIT, GP Trustee, the REIT Subsidiaries, Strathallen and any transfer agent or other depositary therefor in relation thereto, shall be governed by and subject to this Plan of Arrangement, and

(c) all actions, causes of action, claims or proceedings (actual or contingent and whether or not previously asserted) based on or in any way relating to any REIT Units, Class B LP Units, Class C LP Units, Deferred Units, LTIP Units, Debentures and the REIT Special Voting Units 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. SmartREIT 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"
NBF FAIRNESS OPINION AND VALUATION

August 3, 2017

The Special Committee of the
Board of Trustees of OneREIT
700 Applewood Crescent, Suite 300
Vaughan, Ontario
L4K 5X3

To the Special Committee:

National Bank Financial Inc. ("**NBF**") understands that OneREIT (the "**REIT**") proposes to enter into separate agreements to be dated August 4, 2017 with Smart Real Estate Investment Trust ("**SmartREIT**") and Strathallen Acquisitions Inc. ("**Strathallen**") pursuant to which SmartREIT and Strathallen will acquire all of the REIT's assets and assume all of its liabilities, and whereupon the REIT will redeem all of its publicly traded units (the "**Transaction**"). The consideration for the Transaction will be comprised of cash and SmartREIT units that value the issued and outstanding trust units of the REIT (the "**Trust Units**") at $4.26 per Trust Unit on a fully prorated basis (the "**Consideration**"), where unitholders of the REIT will be entitled to elect to receive $4.275 per Trust Unit in cash or units of SmartREIT representing $4.20 of value per Trust Unit, based on the trading price of SmartREIT units as of the date hereof. Completion of the Transaction will be subject to certain conditions, including the requisite approval of the holders of Trust Units and holders of special voting units of the REIT (collectively the "**OneREIT Unitholders**"). NBF understands that a meeting of the OneREIT Unitholders (the "**Meeting**") will be called to seek such unitholder approval.

As part of the Transaction, Strathallen will purchase 44 properties and assume related property debt and liabilities from subsidiaries of the REIT pursuant to an agreement of purchase and sale between the REIT and Strathallen (the "**APS**"). The REIT will also enter into an arrangement agreement with SmartREIT (the "**Arrangement Agreement**") to sell the balance of the REIT's assets, including the REIT's subsidiary limited partnerships that directly or indirectly own the REIT's interest in a portfolio of 12 properties, residual working capital and certain intellectual property, and will assume the REIT's residual liabilities.

Mr. Mitchell Goldhar directly or indirectly owns or exercises control over approximately 18% of the outstanding Trust Units and is entitled to exercise voting rights representing an aggregate of 25% of the votes that can be cast at a Meeting. Mr. Goldhar and all of the Class B LP unitholders (collectively, the "**Interested Unitholders**") have entered into voting and support agreements (the "**Support Agreements**") with SmartREIT and Strathallen to, among other things, vote their Trust Units and special voting units of the REIT in favour of the Transaction. Mr. Goldhar also directly or indirectly owns approximately 22% of the units of SmartREIT on a diluted basis.

NBF understands that a committee (the "**Special Committee**") of independent members of the board of trustees (the "**Board**") has been constituted to explore strategic alternatives, which was initially announced on June 8, 2016, and to evaluate the Transaction and report thereon to the Board. NBF

understands that the terms of the Transaction, the Arrangement Agreement, the APS 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 OneREIT 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, on behalf of the Board, as to whether the consideration payable to holders of Trust Units pursuant to the Transaction is fair, from a financial point of view, to holders of Trust Units other than 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 June 15, 2017 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 July 6, 2017 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. 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 SmartREIT, Mitchell Goldhar and any other "interested party" (as such term is defined in MI 61-101) in the Transaction (SmartREIT, Mitchell Goldhar and any other "interested party" each an "interested party" and collectively, the "interested parties"); (ii) acts as a financial advisor to an interested party in respect of the Transaction; (iii) has a material financial interest in the completion of the Transaction; (iv) 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; (v) 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 (vi) 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 August 2016 and March 2017, NBF participated in SmartREIT's public debt offerings, but did not act as lead or co-lead underwriter in respect of such offerings. NBF also participates as a member of the lending syndicate relating to SmartREIT's credit facilities. 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 REIT, SmartREIT, 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, 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 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. the draft Arrangement Agreement, APS (including statements of adjustments referred to in the Arrangement Agreement and APS) and Support Agreements dated August 2, 2017;
2. the non-binding expressions of interests from SmartREIT and Strathallen outlining the initial terms of the Transaction, dated June 2, 2017;
3. the audited financial statements and other public information of the REIT and SmartREIT for the fiscal years 2014-2016;
4. management's discussion and analysis of the financial condition of the REIT and SmartREIT for the fiscal years 2014-2016;
5. the annual reports of the REIT and SmartREIT for the fiscal years 2014-2016;
6. the quarterly reports and unaudited interim financial statements of the REIT and SmartREIT for the applicable reporting periods since each of the REIT and SmartREIT's most recent year-end, including the REIT's draft financial statements for the quarter ended June 30, 2017;
7. the annual information forms of the REIT and SmartREIT for the fiscal years 2014-2016;

8. unaudited projected cash flows for the REIT's properties, prepared by management of the REIT;
9. detailed capital expenditure forecasts for each of the REIT's properties, prepared by management of the REIT;
10. unaudited internal management budget of the REIT on a consolidated basis for the year ended December 31, 2017, prepared by management of the REIT;
11. independent appraisals of each of the REIT's properties, conducted to supplement the internally generated fair value;
12. detailed mortgage schedules for each of the REIT's properties;
13. various reports published by equity research analysts and industry sources regarding the REIT, SmartREIT and other public companies, to the extent deemed relevant by NBF;
14. trading statistics and selected financial information of the REIT, SmartREIT and other selected public companies;
15. comparable acquisition transactions considered by NBF to be relevant;
16. site visits to and discussions with property managers at certain of the REIT's properties;
17. discussions with legal advisors to the Special Committee;
18. discussions with the REIT's management with regards to, among other things, the Transaction, as well as the REIT's business, operations, financial position, budget, forecast, assets and prospects;
19. representations contained in certificates addressed to NBF, dated as of the date hereof, from senior officers of the REIT as to the completeness and accuracy of the information upon which the Valuation and Fairness Opinion are based; and
20. such information, analysis and discussions (including discussions with third parties) 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.

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. 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.

Two 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 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 the assumptions identified therein, 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 Letter 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 Letter.

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 any holder of Trust Units as to whether to vote in favour of the Transaction.

OVERVIEW OF THE REIT

The REIT is a Canadian real estate investment trust that engages in the ownership, development and management of income producing retail shopping centers. Its Trust Units are publicly traded in Canada on the Toronto Stock Exchange (ONR.UN).

The REIT owns and manages a portfolio of 56 properties, including 54 investment properties located in 10 provinces and territories across Canada covering approximately 7 million square feet. In addition, the REIT owns one parcel of land for development located in New Brunswick, and an interest in a joint venture property in Ontario. The REIT's portfolio is primarily comprised of enclosed malls, new format shopping centers and open air plaza centers located in secondary and tertiary markets.

DEFINITION OF FAIR MARKET VALUE

For purposes of the Valuation and the Fairness Opinion, 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.

ONEREIT VALUATION

NBF's primary valuation methodology in preparing the REIT's Valuation was a net asset value ("**NAV**") approach. NBF also reviewed comparable trading and precedent transactions analysis involving public real estate entities, including an analysis of multiples of funds from operations ("**FFO**"), multiples of adjusted funds from operations ("**AFFO**") and premiums / discounts to NAV. Additionally, NBF considered the premiums applied in change of control transactions in the Canadian real estate industry. Finally, NBF reviewed and considered valuation reference points such as the 52-week trading range and volume weighted average prices of the Trust Units, 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 five key components to NBF's calculation of the REIT's NAV:

1. income producing properties;
2. land value;
3. mortgage, convertible, vendor take back and corporate level debt;
4. other assets and liabilities;
5. capitalized general and administrative ("**G&A**") expenses; and
6. distinct material value.

Income Producing Properties

The REIT's income producing properties portfolio consists of 54 retail properties and a 30% interest in a joint venture property. To value the income producing properties, NBF used (i) a ten-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 a part of its DCF approach, NBF reviewed the long-term forecasted cash flows provided by management including assumptions on individual properties regarding expected rents, occupancy, operating expenses and capital expenditures. In consultation with management, NBF made certain adjustments to the forecast relating to occupancy, vacancy allowances and rental rates.

The following is a summary of the unlevered free cash flow projections, excluding synergies, used in the DCF analysis on a consolidated basis:

(C$ millions)	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**	**Year 7**	**Year 8**	**Year 9**	**Year 10[1]**
Revenue	$124.2	$133.4	$137.1	$140.0	$143.1	$145.3	$147.4	$150.0	$152.5	$152.4
Property Expenses	($51.9)	($53.1)	($54.2)	($55.4)	($56.6)	($57.8)	($59.0)	($60.2)	($61.5)	($63.4)
NOI	**$72.3**	**$80.3**	**$82.9**	**$84.7**	**$86.5**	**$87.6**	**$88.4**	**$89.8**	**$91.0**	**$89.0**
Leasing & Capital Costs	($36.5)	($24.6)	($24.8)	($16.5)	($9.7)	($4.8)	($7.9)	($6.6)	($5.6)	($7.1)
Free Cash Flow	**$35.8**	**$55.8**	**$58.0**	**$68.2**	**$76.8**	**$82.7**	**$80.4**	**$83.2**	**$85.4**	**$81.8**

(1) Excludes present value of the recoverable capital expenditure allowance which is captured in terminal value.

Discount rates for each property were based on management guidance, independent appraisals and NBF's knowledge of the current real estate market. The resulting property specific discount rates used by NBF ranged from 5.8% to 10.4% with a weighted average discount rate of 7.5% for the portfolio. The terminal value was calculated using a terminal year NOI value for each property and applying a terminal capitalization rate equal to the stabilized capitalization rate used in the NOI capitalization approach (see below) plus 25 basis points.

This resulted in an aggregate value for the REIT's income producing properties of $1,107.5 million to $1,181.4 million. 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. Based on the adjusted forecast utilized in the DCF approach, NBF identified the stabilized NOI for each property, defined as the NOI realized in the first year that the property reaches a level of occupancy that is expected to be sustained on a go-forward basis. Capitalization rates for each property were selected based on management guidance, independent appraisals and NBF's knowledge of the current real estate market. The individual property capitalization rates used by NBF ranged from 5.3% to 9.2% with a weighted average capitalization rate of 6.6% for the portfolio. The present value of the forgone rent and required leasing and tenant inducement costs incurred prior to each property's stabilization, as well as the present value of capital expenditures over the term of the forecast were then deducted from the gross capitalized value to arrive at a net value for the income producing properties.

This analysis resulted in an aggregate value for the REIT's income producing properties of $1,110.9 million to $1,185.7 million. NBF has not assumed any acquisitions or disposals of producing properties over the forecast period.

Land Value

In addition to the income producing properties, NBF has assigned aggregate land value of approximately $13.5 million for certain properties as identified by management and third party appraisers. This value is not captured in DCF or NOI capitalization approaches, and is added as an additional adjustment to the NAV build-up.

Mortgage, Convertible, Vendor Take Back and Corporate Level Debt

The REIT has total mortgage debt of approximately $558.5 million. The weighted average interest rate is modestly above the current market rates for a portfolio of this nature at 4.2% with a weighted average term of approximately 4.5 years. Based on current Government of Canada Bond yields and real estate lending spreads, the debt recorded under IFRS in the REIT's financial statements is lower than fair market value. NBF has calculated the mark-to-market associated with the REIT's mortgage debt as approximately $17.7 million.

The REIT has a series of 5.45% convertible debentures maturing on June 30, 2018 with a current market value of approximately $40.1 million. Each convertible debenture is convertible into approximately 123.5 Trust Units per $1,000 of face value, representing a conversion price of $8.10 per Trust Unit. The REIT also has a series of 5.50% convertible debentures maturing on June 30, 2020 with a current market value of approximately $37.1 million. Each convertible debenture is convertible into approximately 138.9 Trust Units per $1,000 of face value, representing a conversion price of $7.20 per Trust Unit.

The REIT has a vendor take back loan of approximately $30.3 million maturing on October 30, 2017 at an interest rate of 6.75% per annum.

The REIT has a revolving line of credit facility maturing on June 20, 2018 with an outstanding balance of approximately $30.0 million. The credit facility's interest rate is based on a formula calculated as the prime rate plus 125 basis points, and is secured by specific charges on certain investment properties. The REIT also has a non-revolving line of credit facility maturing on April 6, 2019 with an outstanding balance of approximately $27.2 million. The credit facility's interest rate is based on a formula calculated as the prime rate plus 100 basis points. The REIT also has another credit facility with an outstanding balance of approximately $4.5 million on certain investment properties.

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.

Capitalized General and Administrative Expenses

Based on the year-to-date results, the REIT is forecasted to spend total corporate non-recoverable G&A of approximately $2.8 million. For the purposes of the NAV analysis, NBF has deducted an amount of approximately $19.8 million for the capitalized cost of the G&A expenses based on a 7.0x multiple.

Distinct Material Value

NBF is aware that SmartREIT and Strathallen 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 $7.3 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):

	DCF Approach		**NOI Capitalization Approach**	
(C$ millions, except per unit amounts)	**Low**	**High**	**Low**	**High**
Income Producing Properties	$1,107.5	$1,181.4	$1,110.9	$1,185.7
Land Value	13.5	13.5	13.5	13.5
Mortgages	(558.5)	(558.5)	(558.5)	(558.5)
Mark-to-Market Adjustment	(17.7)	(17.7)	(17.7)	(17.7)
Convertible Debentures	(77.2)	(77.2)	(77.2)	(77.2)
Vendor Take Back	(30.3)	(30.3)	(30.3)	(30.3)
Credit Facilities	(61.7)	(61.7)	(61.7)	(61.7)
Other Assets and Liabilities	(6.1)	(6.1)	(6.1)	(6.1)
Capitalized G&A	(19.8)	(19.8)	(19.8)	(19.8)
Distinct Material Value	7.3	7.3	7.3	7.3
Net Asset Value	$356.9	$430.8	$360.3	$435.1
Fully-Diluted Units Outstanding	89.2	89.2	89.2	89.2
NAV per Unit	**$4.00**	**$4.83**	**$4.04**	**$4.88**

NAV Sensitivity Analysis

In completing the NAV analysis, NBF performed a variety of sensitivity analyses. Variables included capitalization rates, discount rates and vacancy allowances. A change of 0.20% in capitalization rates for the REIT's income producing properties resulted in a change in the NAV by approximately $0.42 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. Due to a small sample size and fundamental differences in asset class, vacancy, age and prospects, NBF does not apply significant weight to this analysis.

The following table illustrates the FFO and AFFO multiples and premiums / discounts to NAV at which transactions have been completed involving small to medium sized public real estate entities in Canada over the past five years.

Announcement Date	Target	Acquirer	Enterprise Value (C$mm)	FFO Multiple[1]	AFFO Multiple[1]	Premium / Discount to NAV[2]
Feb. 14, 2017…..	Nobel REIT	Edgefront REIT	$101.8	n/a	n/a	n/a
Aug. 10, 2015.....	True North Apartment REIT	Northern Property REIT	$836.7	12.9x	14.7x	(1.4%)
Mar. 11, 2015.....	NorthWest International	NorthWest Healthcare	$829.9	n/a	10.1x	(11.1%)
Aug. 12, 2014.....	Huntingdon Capital	Slate Properties	$199.9	13.7x	16.3x	(7.6%)
Mar. 25, 2013.....	Key REIT	Plaza Retail REIT	$323.8	14.8x	16.9x	18.0%
Mar. 19, 2013.....	C2C Industrial Properties	Dundee Industrial REIT	$197.9	14.3x	16.7x	7.8%

Notes:

(1) FFO and AFFO multiples are based on research analysts' consensus forward year one forecasts at the time of the transaction

(2) Premiums / discounts to NAV are based on research analysts' consensus at the time of announcement of the applicable transaction

In selecting the appropriate FFO and AFFO multiples and 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. Several of the precedent transactions involved entities whose properties were primarily in a different asset class or whose assets were perceived to be of higher quality than the REIT's. Based on the foregoing, NBF selected the following ranges of FFO and AFFO multiples and premiums / discounts to NAV for the REIT:

FFO Multiple…….....	13.4x	14.4x
Implied Value per Unit…….....	$5.82	$6.25
AFFO Multiple…….....	14.5x	15.5x
Implied Value per Unit…….....	$4.61	$4.93
Premium / Discount to NAV..……..……..	(5.0%)	5.0%
Implied Value per Unit……...	$4.34	$4.80

The precedent transaction analysis implies an average value of $4.92 to $5.33 per Trust Unit. However and as previously noted, different market conditions, quality and mix of asset class, transaction specific matters and small sample size make it challenging to justify comparability in utilizing this methodology to assess the value of the REIT, and as a result, the metrics are shown for illustrative purposes only.

Comparables Approach

In applying this valuation methodology to the REIT, NBF reviewed the public market trading multiples of retail and diversified Canadian real estate entities that have a similar market capitalization and risk profile as the REIT, as illustrated in the following table:

Comparable Company	Market Capitalization[1]	P/17E FFO[2]	P/17E AFFO[2]	Premium / Discount to NAV[3]
Morguard REIT	$860.7	8.6x	11.2x	(33.0%)
Plaza Retail REIT	$454.5	12.9x	14.1x	(8.5%)
BTB REIT	$197.5	9.9x	11.9x	0.9%
Nexus REIT	$193.6	10.1x	10.3x	(6.4%)
Partners REIT	$143.9	-	-	-
Pro REIT	$140.1	11.1x	12.1x	(6.6%)

Notes:

(1) Closing unit prices as at August 2, 2017
(2) Research consensus estimates available as of August 2, 2017
(3) NAV based on research analysis consensus estimates available as of August 2, 2017

NBF considered the characteristics of the publicly traded retail and diversified 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 FFO and AFFO, current yields, payout ratios, capitalization rates, leverage, asset management arrangements and governance. Based on the foregoing, NBF selected appropriate ranges of FFO and AFFO multiples per unit and premiums / discounts to NAV from the comparable sample referred to above.

These ranges of FFO and AFFO multiples per unit and premiums / discounts to NAV from the comparable sample are as follows:

FFO Multiple	9.5x	10.5x
Implied Value per Unit	$4.12	$4.55
AFFO Multiple	11.0x	12.0x
Implied Value per Unit	$3.51	$3.83
Premium / Discount to NAV	(10.0%)	(5.0%)
Implied Value per Unit	$4.11	$4.34

The comparables analysis implies an average value of $3.91 to $4.24 per Trust Unit.

Precedent Premia Approach

The following table illustrates change of control premiums paid in the Canadian public markets for real estate entities.

Announcement Date	Target	Acquirer	Premium to 1-Day / Unaffected Price[1]
Feb. 14, 2017	Nobel REIT	Edgefront REIT	(5.4%)
Jan. 23, 2017	Brookfield Canada Office Properties	Brookfield Property Partners	24.0%
Jan. 19, 2017	Milestone Apartment REIT	Starwood Capital	10.2%
Aug. 10, 2015	True North Apartment REIT	Northern Property REIT	16.4%
Mar. 11, 2015	NorthWest International	NorthWest Healthcare	(1.4%)
Aug. 12, 2014	Huntingdon Capital	Slate Properties	12.8%
Sep. 30, 2013	Brookfield Office	Brookfield Partners	17.6%
Mar. 25, 2013	Key REIT	Plaza Retail REIT	35.1%
Mar. 19, 2013	C2C Industrial Properties	Dundee Industrial REIT	31.1%
Feb. 5, 2013	Primaris Retail REIT	H&R & KingSett Capital	21.4%
Apr. 26, 2012	TransGlobe Apartment REIT	Starlight	15.4%
Jan. 17, 2012	Whiterock REIT	Dundee REIT	13.6%
Nov. 28, 2011	Canmarc	Cominar	24.2%
Dec. 14, 2010	Realex Properties	Dundee REIT	3.1%

Note:

(1) Unaffected unit / share price defined as the last trading price before announcement of a strategic review process

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 10% to 20%, applied to the REIT's unaffected [(1)] and current trading prices [(2)].

Notes:

(1) Defined as the closing Trust Unit price on June 7, 2016, a day before OneREIT announced that it was exploring strategic alternatives

(2) Based on the closing trading price of the Trust Units on the Toronto Stock Exchange as at August 2, 2017

The precedent premia analysis implies an average value of $3.83 to $4.48 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 August 2, 2017. Over this twelve month period, the Trust Units traded in a narrow band achieving a twelve month low of $3.45 and a twelve month high of $3.89 per Trust Unit. As of June 7, 2016, a day before the REIT announced that it was exploring strategic alternatives, the trading price of the Trust Units was $3.48. As of August 2, 2017, the trading price and 20-day volume weighted average price of the Trust Units were $3.73 and $3.71, 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.

	Low	High
Price Target	$3.75	$4.25
NAV per Trust Unit	$4.50	$4.70

Valuation Summary

The following is a summary of the range of "en bloc" fair market values of the Trust Units resulting from the NAV approach and precedent premium approach:

	Low	High
NAV Analysis using DCF Approach	$4.00	$4.83
NAV Analysis using NOI Capitalization Approach	$4.04	$4.88
Precedent Premia Approach	$3.83	$4.48

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 approach.

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 $4.00 to $4.65 per Unit.

VALUE OF THE CONSIDERATION

MI 61-101 requires that a formal valuation include a valuation of any non-cash consideration being offered as part of a transaction that is subject to MI 61-101, except in certain circumstances. In relation to the Transaction, for the reasons set out below, NBF is of the opinion that a formal valuation of the SmartREIT units is not required pursuant to MI 61-101. Upon receipt of the foregoing opinion, the Special Committee concluded that an exemption from the formal valuation requirements in respect of the SmartREIT units was available and, accordingly, the Special Committee did not engage NBF to prepare a formal valuation of the SmartREIT units.

In reaching its conclusion, NBF considered the following relevant facts:

1. The SmartREIT units are securities of a reporting issuer for which there is a published market;
2. The representations to be made by SmartREIT in the Arrangement Agreement as to its public disclosure and other matters;
3. A liquid market (as such term is defined for the purposes of MI 61-101) exists for the SmartREIT units;
4. The total number of SmartREIT units to be issued pursuant to the Transaction constitutes 25% or less than the number of SmartREIT units outstanding immediately before the Transaction; and
5. The SmartREIT units to be issued pursuant to the Transaction will be freely tradeable at the time the Transaction is completed.

In concluding that a liquid market exists for the SmartREIT units and that a formal valuation of the SmartREIT units is not required pursuant to MI 61-101, NBF considered, among other things, that: (i) SmartREIT units have a substantial market capitalization of approximately $4.9 billion and a freely traded float of approximately 116.4 million units[(1)(2)]; (ii) SmartREIT units are widely held by both retail and institutional unitholders and SmartREIT is actively covered by at least nine equity research analysts; (iii) the average daily trading volume of SmartREIT units over the last year since August 2, 2016 is approximately 0.25 million[(1)]; and (iv) the number of SmartREIT units to be issued pursuant to the Transaction is approximately 2.4 million, representing approximately 1.8% of the publicly traded SmartREIT units outstanding.

Notes:

(1) Based on trading data from the Toronto Stock Exchange as at August 2, 2017
(2) Float calculated as total units outstanding (excluding LP units) less insiders and institutional investors with more than 10% holdings

Based on the foregoing, as well as a review of equity research analyst reports on SmartREIT and comparable trading multiples for SmartREIT and its closest peers, NBF is of the opinion that the market price is indicative of the value of the SmartREIT units being issued to the holders of Trust Units as part of the Consideration.

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 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 of the REIT;

(ii) previous proposals received from various potential purchasers relating to the strategic review process undertaken by the REIT; and

(iii) 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 $4.26 per Trust Unit on a fully prorated basis through a combination of a cash proceeds and SmartREIT units, 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 Consideration payable to holders of Trust Units pursuant to the Transaction is fair, from a financial point of view, to holders of Trust Units other than the Interested Unitholders.

Yours very truly,

NATIONAL BANK FINANCIAL INC.

APPENDIX "F"
TD FAIRNESS OPINION

TD Securities
TD Securities Inc.
66 Wellington Street West
TD Bank Tower, 9th Floor
Toronto, Ontario M5K 1A2

August 3, 2017

The Special Committee and the Board of Trustees of OneREIT
700 Applewood Crescent, Suite 300
Vaughan, Ontario L4K 5X3

To the Special Committee and the Board of Trustees of OneREIT:

TD Securities Inc. ("TD Securities") understands that OneREIT ("OneREIT") is considering entering into an arrangement agreement (the "Arrangement Agreement") with Smart Real Estate Investment Trust ("SmartREIT") and an agreement of purchase and sale (the "Strathallen Purchase Agreement") with Strathallen Acquisitions Inc. ("Strathallen"), an affiliate of Strathallen Capital Corp. ("Strathallen Capital"), pursuant to which the following will occur:

- Strathallen or its assigns will purchase 44 properties and assume related property debt and liabilities from ONR Limited Partnership ("ONR LP") and ONR Limited Partnership I ("ONR LP I") for a purchase price of $703.5 million, plus certain capital expenditures, receivables, leasing costs and commissions relating to such properties and subject to adjustments (the "Strathallen Transaction"); and

- SmartREIT will purchase the balance of OneREIT's assets, including ONR LP and ONR LP I which directly or indirectly own OneREIT's interest in a portfolio of 12 properties, residual working capital and certain intellectual property, and will assume OneREIT's residual liabilities (the "SmartREIT Transaction").

The purchase price for the Strathallen Transaction will be satisfied by the payment by Strathallen and its assigns in cash of approximately $319 million and by the assumption by Strathallen and its assigns of the debt related to the properties acquired by Strathallen. The effective purchase price for the SmartREIT Transaction will be satisfied by way of: (i) the assumption by SmartREIT of OneREIT's convertible debentures and certain working capital items of OneREIT together with the effective assumption of the remaining property-related debt of ONR LP and ONR LP I; (ii) the issuance of approximately $75 million in units of SmartREIT ("SmartREIT Units") to OneREIT, which will transfer such units to those of its unitholders who elect to receive SmartREIT Units based on an exchange ratio described in greater detail below after taking into account SmartREIT Units reserved for purposes of assuming OneREIT's exchange obligation to issue units to its LP Unitholders (as defined below), on the same basis as the unit exchange ratio made available to holders of Units (as defined below); and (iii) the issuance of SmartREIT exchangeable special voting units to holders of OneREIT's special voting units (the "Special Voting Units") to the extent the Special Voting Units remain outstanding and adjusted to reflect the exchange ratio, discussed in further detail below.

The foregoing will result in all of OneREIT's assets being acquired and all of its liabilities, including long-term debt and all residual liabilities, being assumed, whereupon OneREIT will redeem all of its issued and outstanding units (the "Units") (such redemption together with the Strathallen Transaction and the SmartREIT Transaction being collectively referred to herein as the "Transaction"). Pursuant to the terms of the Transaction, the holders of Units (the "Unitholders", or individually a "Unitholder") can elect to receive for each Unit (i) $4.275 in cash (the "Cash Consideration"); or (ii) between 0.1283 and 0.1376 of a SmartREIT Unit, as determined by an exchange ratio based upon the volume weighted average trading price of SmartREIT Units on the Toronto Stock Exchange for the five trading days ending three business days prior to the special meeting of the Unitholders and holders of Special Voting Units (together, the "Voting Unitholders") which is being called to consider the Transaction (the "Unit

Consideration") (the Cash Consideration and the Unit Consideration are collectively referred to herein as the "Consideration"). The Cash Consideration and the Unit Consideration are subject to proration such that the maximum Cash Consideration, in aggregate, will be approximately $305.2 million and the Unit Consideration, in aggregate, will be in the range of approximately 2.3 million to 2.5 million SmartREIT Units, assuming, among other things, no issuance of additional Units as a result of the conversion of the debentures. The Cash Consideration will be funded by a portion of the net proceeds from the Strathallen Transaction, as well as other cash resources available to OneREIT.

Holders of the non-voting Class B LP Units of ONR LP and ONR LP I (the "LP Units") to which the Special Voting Units are attached (the "LP Unitholders", or individually a "LP Unitholder") may elect to receive the Cash Consideration for each of their LP Units or to retain their LP Units, as modified by the plan of arrangement included in the Arrangement Agreement. If a LP Unitholder elects, or is deemed to have elected, to retain their LP Units, those LP Units will become exchangeable into the number of SmartREIT Units the holder would otherwise have received under the Transaction had those LP Units been exchanged for the underlying Units prior to the closing of the Transaction.

As stated above, Special Voting Units that are attached to the LP Units will be exchanged for SmartREIT special voting units (adjusted to reflect the exchange ratio) to the extent that LP Unitholders do not exchange their LP Units for Units, and will be cancelled to the extent that LP Unitholders do exchange their LP Units for Units or receive Cash Consideration for their LP Units.

Mr. Mitchell Goldhar and entities that are under the control or direction of Mr. Goldhar (together with Mr. Goldhar, the "Interested Unitholders") directly or indirectly own or exercise control over approximately 18% of the combined outstanding Units and Special Voting Units. Pursuant to OneREIT's declaration of trust, Mr. Goldhar is entitled to exercise voting rights representing an aggregate of 25% of the votes that can be cast at a OneREIT meeting of Voting Unitholders. Mr. Goldhar also owns, directly or indirectly, approximately 22% of the SmartREIT Units (on a diluted basis). TD Securities understands that the Interested Unitholders have entered into support agreements with SmartREIT and Strathallen to vote the Units and Special Voting Units owned or controlled by them in favour of the Transaction.

The above description is summary in nature. The specific terms and conditions of the Transaction will be set out in the Arrangement Agreement, and the Strathallen Purchase Agreement, and will be fully described in OneREIT's notice of the special meeting of Voting Unitholders and management information circular (the "Circular"), which is to be mailed to Voting Unitholders in connection with the Transaction.

ENGAGEMENT OF TD SECURITIES

TD Securities was initially contacted by OneREIT in respect of a potential advisory engagement in January 2016. Effective January 29, 2016, TD Securities was formally engaged by OneREIT pursuant to an engagement agreement dated May 5, 2016 (the "Engagement Agreement") to provide financial advice and assistance to OneREIT in connection with the Transaction and, if requested, to prepare and deliver to the special committee (the "Special Committee") of the board of trustees of OneREIT (the "Board of Trustees") an opinion (the "Opinion") regarding the fairness, from a financial point of view, of the Consideration to be received by the Voting Unitholders pursuant to the Transaction, to such Voting Unitholders, other than the Interested Unitholders. TD Securities has not prepared a valuation of OneREIT, SmartREIT, Strathallen, Strathallen Capital or any of their respective securities or assets and the Opinion should not be construed as such.

The terms of the Engagement Agreement provide that TD Securities will receive a fee for its services, a portion of which is payable on delivery of the Opinion and the material portion of which is contingent on completion of the Transaction or certain other events, and is to be reimbursed for its reasonable out-of-pocket expenses. Furthermore, OneREIT has agreed to indemnify TD Securities, in certain circumstances,

against certain expenses, losses, claims, actions, suits, proceedings, investigations, damages and liabilities which may arise directly or indirectly from services performed by TD Securities in connection with the Engagement Agreement.

Pursuant to the Engagement Agreement, on August 3, 2017, TD Securities orally delivered the Opinion to the Special Committee and the Board of Trustees based upon and subject to the scope of review and subject to the analyses, assumptions, limitations, qualifications and other matters described herein. This Opinion provides the same opinion, in writing, as that given orally by TD Securities on August 3, 2017. Subject to the terms of the Engagement Agreement, TD Securities consents to the inclusion of the Opinion in the Circular, with a summary thereof, in a form acceptable to TD Securities, and to the filing thereof by OneREIT with the applicable Canadian securities regulatory authorities.

CREDENTIALS OF TD SECURITIES

TD Securities is one of Canada's largest investment banking firms with operations in a broad range of investment banking activities including corporate and government finance, mergers and acquisitions, equity and fixed income sales and trading and investment research. TD Securities also has significant international operations. TD Securities has been a financial advisor in a large number of transactions involving public and private companies in various industry sectors and has extensive experience in preparing valuations and fairness opinions. Furthermore, TD Securities has a fully-integrated real estate practice, with full-service property brokerage and advisory offered alongside a broad suite of investment banking products.

The Opinion represents the opinion of TD Securities and its form and content have been approved by a committee of senior investment banking professionals of TD Securities, each of whom is experienced in merger, acquisition, divestiture, valuation and fairness opinion matters. The Opinion has been prepared in accordance with 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 Opinion.

RELATIONSHIP WITH INTERESTED PARTIES

Neither TD Securities nor any of its affiliates (as such term is defined in Multilateral Instrument 61-101, referred to hereafter as "MI 61-101") is an issuer insider, associated entity or affiliated entity (as those terms are defined in MI 61-101) of OneREIT, SmartREIT, Strathallen, Strathallen Capital, the Interested Unitholders or any of their respective associates or affiliates (collectively, the "Interested Parties"). Neither TD Securities nor any of its affiliates is an advisor to any of the Interested Parties with respect to the Transaction other than to OneREIT pursuant to the Engagement Agreement.

TD Securities and its affiliates have not been engaged to provide any financial advisory services, have not acted as lead or co-lead manager on any offering of securities of any Interested Party, and have not had a material financial interest in any transaction involving any Interested Party during the 24 months preceding the date on which TD Securities was first contacted in respect of the Opinion, other than services provided under the Engagement Agreement and as described herein. TD Securities acted as sole bookrunner on OneREIT's $52 million treasury offering of Units in July 2014, joint bookrunner on SmartREIT's $150 million senior unsecured debenture offering in March 2017, and joint bookrunner, co-lead arranger, and administrative agent on SmartREIT's $500 million revolving credit facility. The Toronto-Dominion Bank ("TD Bank"), the parent company of TD Securities, directly or through an affiliate provides banking services and other financing services to entities related to OneREIT, SmartREIT, and Strathallen Capital in the normal course of business, including a $40 million bilateral revolving credit facility and a $30 million bilateral term loan with OneREIT, and may in the future provide banking services and credit facilities to OneREIT, SmartREIT, Strathallen, Strathallen Capital or any other Interested Party.

TD Securities and its affiliates act as a trader and dealer, both as principal and agent, in major financial markets and, as such, may have and may in the future have positions in the securities of any Interested Party, and, from time to time, may have executed or may execute transactions on behalf of any Interested Party or other clients for which it may have received or may receive compensation. As an investment dealer, TD Securities 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 matters with respect to the Transaction, OneREIT, SmartREIT, Strathallen, Strathallen Capital or any other Interested Party.

The fees paid to TD Securities in connection with the foregoing activities or together with the fees payable to TD Securities pursuant to the Engagement Agreement, are not financially material to TD Securities. No understandings or agreements exist between TD Securities and OneREIT, SmartREIT, Strathallen, Strathallen Capital, the Interested Unitholders or any other Interested Party with respect to future financial advisory or investment banking business other than those that may arise as a result of the Engagement Agreement. Subject to the terms of the Engagement Agreement, TD Securities may in the future, in the ordinary course of its business, perform financial advisory or investment banking services for OneREIT, SmartREIT, Strathallen, Strathallen Capital, the Interested Unitholders or any other Interested Party.

SCOPE OF REVIEW

In connection with the Opinion, TD Securities reviewed and relied upon (without attempting to verify independently the completeness or accuracy of) or carried out, among other things, the following:

1. a draft of the Arrangement Agreement between SmartREIT, OneREIT, and 1606906 Ontario Inc., dated August 3, 2017, including the plan of arrangement referenced therein;

2. a draft of the Strathallen Purchase Agreement between Strathallen, OneREIT, ONR LP, and ONR LP I, dated August 3, 2017;

3. drafts of the Voting Support Agreements for the Interested Unitholders, dated August 3, 2017;

4. audited financial statements and management's discussion and analysis related thereto, for each of OneREIT and SmartREIT for the fiscal years ended December 31, 2014 to 2016;

5. the annual reports for each of OneREIT and SmartREIT for the fiscal year ended December 31, 2016;

6. quarterly interim reports of each of OneREIT and SmartREIT, including the unaudited financial statements and management's discussion and analysis related thereto, for each of the three-month periods ended March 31, June 30, and September 30, in the year 2016, and for the three-month period ended March 31, 2017;

7. draft unaudited financial statements of OneREIT for the three-month period ended June 30, 2017;

8. the Annual Information Forms for each of OneREIT and SmartREIT for the fiscal year ended December 31, 2016;

9. the notice of meeting and management information circular dated May 26, 2017 for the annual meeting of Voting Unitholders of OneREIT held on June 28, 2017;

10. the notice of meeting and management information circular dated April 13, 2017 for the annual meeting of unitholders of SmartREIT held on May 11, 2017;

11. Argus models for OneREIT properties prepared by management of OneREIT;

12. various financial and operational information and reports regarding OneREIT prepared by and for management of OneREIT considered relevant (including property specific operating statements, vacancy summaries, rent rolls, capital expenditure summaries and lease agreements, among other things);

13. independent appraisals for certain OneREIT properties;

14. mortgage loan agreements and operating facility agreements entered into by OneREIT;

15. various relevant contractual agreements, bills and acquisition documentation related to OneREIT;

16. various third party reports related to OneREIT, including environmental and building condition reports;

17. various research publications prepared by equity research analysts regarding OneREIT, SmartREIT and other selected public entities considered relevant;

18. public information relating to the business, operations, financial performance and security trading history of OneREIT, SmartREIT and other selected public entities considered relevant;

19. public information with respect to certain other Canadian real estate transactions of a comparable nature considered relevant;

20. discussions with senior management of OneREIT with respect to the information referred to above, long term prospects and other issues deemed relevant;

21. representations contained in a certificate dated August 3, 2017, from senior officers of OneREIT (the "Certificate");

22. discussions with senior management of SmartREIT with respect to SmartREIT's past and current business operations, financial condition, business prospects and other issues deemed relevant;

23. discussions with members of the Special Committee;

24. verbal delivery of an independent valuation as at August 3, 2017, of the Units by National Bank Financial, Inc. ("NBF") delivered to the Special Committee;

25. discussions with legal counsel to the Special Committee and OneREIT, with respect to various legal matters relating to OneREIT and other matters considered relevant; and

26. such other corporate, industry, and financial market information, investigations and analyses as TD Securities considered necessary or appropriate in the circumstances.

TD Securities has not, to the best of its knowledge, been denied access by OneREIT to any information requested by TD Securities. TD Securities did not meet with the auditors of OneREIT and has assumed the accuracy and fair presentation of, and has relied upon, the consolidated financial statements of OneREIT and the reports of the auditors thereon.

PRIOR VALUATIONS

Senior officers of OneREIT, on behalf of OneREIT, have represented to TD Securities in the Certificate that, among other things, to the best of their knowledge, information and belief after reasonable inquiry, there have been no prior valuations or appraisals relating to OneREIT or any affiliate or any of their respective material assets or liabilities made in the preceding 24 months and in the possession or control of OneREIT other than those which have been provided to TD Securities or, in the case of valuations or appraisals known to OneREIT which it does not have within its possession or control, notice of which has not been given to TD Securities.

ASSUMPTIONS AND LIMITATIONS

With the Special Committee's acknowledgement and agreement as provided for in the Engagement Agreement, TD Securities has relied upon the accuracy, completeness and fair presentation in all material respects of all financial and other data and information filed by OneREIT or SmartREIT with securities regulatory or similar authorities (including on the System for Electronic Document Analysis and Retrieval ("SEDAR")), provided to it by or on behalf of OneREIT or SmartREIT or their respective representatives in respect of OneREIT or SmartREIT and/or their respective affiliates, or otherwise obtained by TD Securities, including the Certificate identified above (collectively, the "Information"). The Opinion is conditional upon such accuracy, completeness and fair presentation in all material respects of the Information. Subject to the exercise of professional judgment, and except as expressly described herein, TD Securities has not attempted to verify independently the accuracy, completeness or fair presentation of any of the Information.

With respect to the budgets, forecasts, projections or estimates provided to TD Securities and used in its analyses, TD Securities notes that projecting future results is inherently subject to uncertainty. TD Securities has assumed, however, that such budgets, forecasts, projections and estimates provided to TD Securities and used in its analyses were prepared using the assumptions identified therein and on bases reflecting the best currently available estimates and judgements of management as to matters covered thereby, which, with respect to budgets, forecasts, projections and estimates applicable to OneREIT, TD Securities has been advised by OneREIT are (or were at the time of preparation and continue to be) reasonable in the circumstances. TD Securities expresses no independent view as to the reasonableness of any such budgets, forecasts, projections and estimates or the assumptions on which they are based.

Senior officers of OneREIT, on behalf of OneREIT, have represented to TD Securities in the Certificate that to the best of their knowledge, information and belief after reasonable inquiry with the intention that TD Securities may rely thereon in connection with the preparation of its Opinion: (i) OneREIT has no information or knowledge of any facts, public or otherwise, not provided to TD Securities relating to OneREIT which would reasonably be expected to affect materially the Opinion to be given by TD Securities; (ii) with the exception of forecasts, projections or estimates referred to in item (iv) below, the Information as filed under OneREIT's profile on SEDAR and/or provided to TD Securities by or on behalf of OneREIT or its representatives in respect of OneREIT and its affiliates in connection with the Transaction, except as may have been modified by subsequent disclosure, is or, in the case of historical Information was, at the date of preparation, but subject to any modifications by subsequent disclosure referred to in item (iii) below, true, complete and accurate and did not and does not contain any untrue statement of a material fact and does not omit to state a material fact necessary to make the Information not misleading in the light of circumstances in which it was presented; (iii) to the extent that any of the Information identified in item (ii) above is historical, there have been no changes in any material facts or new material facts since the respective dates thereof which have not been disclosed to TD Securities or modified by subsequent disclosure not provided to TD Securities by OneREIT and, except as so disclosed or provided to TD Securities, there has been no material change, financial or otherwise in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of OneREIT 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 Opinion; (iv) any portions of the Information provided to TD Securities (or filed on SEDAR) which constitute forecasts, projections or estimates were prepared using the assumptions identified therein, which, in the reasonable opinion of OneREIT and except as otherwise disclosed to TD Securities, are (or were at the time of preparation and continue to be) reasonable in the circumstances; (v) there have been no valuations or appraisals relating to OneREIT or any affiliate or any of their respective material assets or liabilities made in the preceding 24 months and in the possession or control of OneREIT other than those which have been provided to TD Securities or, in the case of valuations known to OneREIT which it does not have within its possession or control, other than those notice of which has been given to TD Securities; (vi) there have been no oral or written offers made to OneREIT or serious negotiations to which OneREIT was a party for or transactions involving any material property of OneREIT or any of its affiliates during the preceding 24 months which have not been disclosed to TD Securities. For the purposes of items (v) and (vi), "material assets", "material liabilities" and "material property" shall include assets, liabilities and property of OneREIT or its affiliates having a gross value greater than or equal to $20 million; (vii) since the dates on which the Information was provided to TD Securities (or filed on SEDAR), other than as disclosed in the Information or to TD Securities no material transaction has been entered into by OneREIT or any of its affiliates; (viii) other than as disclosed in the Information or to TD Securities, OneREIT considered on a consolidated basis does not have any material contingent liabilities and there are no actions, suits, claims, proceedings, investigations or inquiries pending or threatened against or affecting the Transaction, OneREIT or any of its affiliates at law or in equity or before or by any federal, national, provincial, state, municipal or other governmental department, commission, bureau, board, agency or instrumentality which may, in any way, materially adversely affect OneREIT considered on a consolidated basis or the Transaction; (ix) except as otherwise disclosed to TD Securities, all financial material, documentation and other data concerning the Transaction, OneREIT and its affiliates, including any projections or forecasts provided to TD Securities, were prepared, if applicable, on a basis consistent in all material respects with the accounting policies applied in the most recent audited consolidated financial statements of OneREIT; (x) there are no agreements, undertakings, commitments or understanding (whether written or oral, formal or informal) to which OneREIT is a party relating to the Transaction, except as have been disclosed to TD Securities; (xi) the contents of any and all documents prepared in connection with the Transaction for filing with regulatory authorities or delivery or communication to securityholders of OneREIT (collectively, the "Disclosure Documents") are and, after giving effect to any modifications from time to time, will be, true, complete and correct in all material respects and do not contain any misrepresentation (as defined in the *Securities Act* (Ontario)), and the Disclosure Documents comply and, after giving effect to any modifications from time to time, will comply with all requirements under applicable laws; (xii) OneREIT has complied in all material respects with the Engagement Agreement; and (xiii) OneREIT has no plan or proposal for any material change (as defined in the *Securities Act* (Ontario)) in the affairs of OneREIT which has not been disclosed to TD Securities.

In preparing the Opinion, TD Securities has made several assumptions, including that all final or executed versions of agreements and documents will conform in all material respects to the drafts provided to TD Securities, all conditions precedent to be satisfied to complete the Transaction can and will be satisfied, that all approvals, authorizations, consents, permissions, exemptions or orders of relevant regulatory authorities, courts of law, or third parties required in respect of or in connection with the Transaction will be obtained in a timely manner, in each case without adverse condition, qualification, modification or waiver, that all steps or procedures being followed to implement the Transaction are valid and effective and comply in all material respects with all applicable laws and regulatory requirements, that all required documents (including the Circular) have been or will be distributed to the Voting Unitholders in accordance with applicable laws and regulatory requirements, and that the disclosure in such documents is or will be complete and accurate in all material respects and such disclosure complies or will comply in all material respects with the requirements of all applicable laws and regulatory requirements. In its analysis in connection with the preparation of the Opinion, TD Securities made numerous assumptions with respect to industry performance, general business and economic conditions, and other matters, many

of which are beyond the control of TD Securities, OneREIT, SmartREIT, Strathallen, Strathallen Capital and their respective affiliates or any other party involved in the Transaction. Among other things, TD Securities has assumed the accuracy, completeness and fair presentation of and has relied upon the financial statements forming part of the Information. The Opinion is conditional on all such assumptions being correct. All financial figures in this Opinion are in Canadian dollars unless otherwise stated.

The Opinion has been provided for the exclusive use of the Special Committee and the Board of Trustees in connection with the Transaction, and is not intended to be, and does not constitute, a recommendation as to how any Voting Unitholder should vote with respect to the Transaction. The Opinion may not be used or relied upon by any other person or for any other purpose without the express prior written consent of TD Securities. The Opinion does not address the relative merits of the Transaction as compared to other transactions or business strategies that might be available to OneREIT, nor does it address the underlying business decision to implement the Transaction or any other term or aspect of the Transaction, including the Arrangement Agreement, the Strathallen Purchase Agreement or any other agreements entered into or amended in connection with the Transaction. In considering fairness, from a financial point of view, TD Securities considered the Transaction from the perspective of the Voting Unitholders generally (other than the Interested Unitholders) and did not consider the specific circumstances of the Voting Unitholders or any particular Voting Unitholder, including with regard to income tax considerations. TD Securities expresses no opinion with respect to future trading prices of securities of OneREIT or SmartREIT. The Opinion is rendered as of August 3, 2017, on the basis of securities markets, economic and general business and financial conditions prevailing on that date and the condition and prospects, financial and otherwise, of OneREIT, SmartREIT, and their respective subsidiaries and affiliates as they were reflected in the Information provided to TD Securities. Any changes therein may affect the Opinion and, although TD Securities reserves the right to change, withdraw or supplement the Opinion in such event, it disclaims any undertaking or obligation to advise any person of any such change that may come to its attention, or to change, withdraw or supplement the Opinion after such date. TD Securities has not undertaken an independent evaluation, appraisal or physical inspection of any assets or liabilities of OneREIT or its subsidiaries. TD Securities is not an expert on, and did not provide advice to the Special Committee or the Board of Trustees regarding, legal, accounting, regulatory or tax matters. The Opinion may not be summarized, published, reproduced, disseminated, quoted from or referred to without the express written consent of TD Securities.

The preparation of a fairness opinion, such as the Opinion, is a complex process and is not necessarily amenable to partial analysis or summary description. TD Securities 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 an incomplete view of the process underlying the Opinion. Accordingly, the Opinion should be read in its entirety.

OVERVIEW OF THE COMPANY

OneREIT is an unincorporated, open-end real estate investment trust that owns and manages 56 real estate properties covering 7 million square feet across 10 provinces and territories in Canada, primarily located in secondary and tertiary markets. OneREIT specializes in owning and operating income producing shopping centres. OneREIT's portfolio offers a mix of new format shopping centres, open air strip plazas and enclosed shopping malls.

APPROACH TO FAIRNESS

In considering the fairness, from a financial point of view, of the Consideration to be received by Voting Unitholders pursuant to the Transaction, to such Voting Unitholders, other than the Interested Unitholders, TD Securities primarily considered the following:

i. a comparison of the Consideration to the results of a net asset value ("NAV") analysis of OneREIT;

ii. a comparison of the premium to analyst consensus NAV and the premium to the unaffected trading prices of the Units prior to the announcement of OneREIT's exploration of strategic alternatives on June 8, 2016, implied by the Consideration to the premiums implied by precedent transactions; and

iii. the results of the sale process conducted in connection with OneREIT's exploration of strategic alternatives.

In addition to the foregoing, TD Securities reviewed but did not rely upon: (i) the fact that the Consideration was within the NBF valuation range; (ii) the implied premiums to recent market prices of the Units; (iii) the implied premium to the adjusted market price of the Units at the time of the public announcement of OneREIT's exploration of strategic alternatives giving consideration to the relative performance of retail-focused Canadian REITs since that time; (iv) analyst consensus views on NAV and target prices; (v) historical trading prices of the Units; (vi) trading multiples and metrics of public companies involved in the Canadian retail real estate industry; and (vii) appraisals for certain OneREIT properties provided by OneREIT to TD Securities (except in respect of the cap rates selected by TD Securities referred to below under the heading Real Estate Portfolio).

TD Securities considered, among other things, the liquidity of SmartREIT Units and the small proportion of SmartREIT's market capitalization that the Unit Consideration represents, and concluded that the current market trading price of the SmartREIT Units was indicative of the value of the SmartREIT Units for purposes of assessing the Unit Consideration.

NAV Analysis of the REIT

The NAV approach involves attributing indicative values to each of OneREIT's assets and liabilities, using assumptions and methodologies appropriate in each case, and reflects the different risks, growth prospects and profitability of each of OneREIT's major assets. The sum of total assets less total liabilities yields the NAV.

There are six key components to analyzing the NAV of a real estate entity:

1. real estate portfolio;
2. debt;
3. other assets;
4. other liabilities;
5. capitalized general and administrative ("G&A") expenses; and
6. income taxes.

Real Estate Portfolio

TD Securities utilized a direct capitalization rate ("cap rate") approach and a discounted cash flow ("DCF") approach to assess each of OneREIT's properties. For the direct cap rate approach, appropriate cap rates were applied to the estimated, adjusted, normalized and pro forma net operating income ("NOI") of each property for the 12-months ending June 30, 2018. Cap rates were selected for each property based

on, among other factors, (i) a detailed review of each property; (ii) review of selected appraisal reports; (iii) share of area below market rent / available rents in local market; (iv) availability of supply currently in the market; and (v) comparable precedent transactions (completed and underway) in relevant geographic markets. Under the DCF approach, TD Securities considered the growth prospects and risks inherent in each property by taking into account the amount, timing, and relative certainty of projected unlevered free cash flows expected to be generated by the property. As a basis for the development of the cash flows required for this analysis, TD Securities reviewed the detailed financial models for all properties provided by management of OneREIT and the relevant underlying assumptions including, but not limited to, leasing up of vacant units and vacancy allowances. These assumptions were reviewed in comparison to industry research reports, forecasts by research analysts, independent appraisals and other sources considered relevant. Adjustments were made to reflect TD Securities' views on appropriate leasing up of vacant units and vacancy allowances. Appropriate discount rates and terminal value cap rates were selected based on precedent private market transactions and TD Securities' knowledge of current real estate pricing parameters.

The following represents a summary of the combined property-level forecasts for the OneREIT properties that TD Securities utilized in its analysis:

In C$ millions	**Forecast for the 12 months ending June 30th,**										
	2018	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**Term. Year**
Net Operating Income[(1)]	73.3	81.6	84.3	86.4	88.3	89.2	89.8	91.4	92.8	113.4	93.0
Less: Capital Expenditures	35.8	23.7	25.5	16.7	9.6	5.0	8.8	6.4	5.1	7.7	
Free Cash Flow	**37.4**	**57.9**	**58.8**	**69.7**	**78.7**	**84.1**	**81.0**	**85.0**	**87.7**	**105.6**	

(1) Net operating income for the 12 months ending June 30, 2027 is adjusted upward to reflect the NPV of the capital expenditure amortization that is recognized beyond the terminal year.

The following is a summary of the direct cap rates generally selected by TD Securities and applied to the NOI of each of OneREIT's properties, and the discount rates and terminal value cap rates generally selected by TD Securities and applied to the free cash flow projections of each of OneREIT's properties.

	Direct Cap Rate	**Discount Rate**	**Terminal Cap Rate**
High	8.8%	10.4%	8.9%
Low	5.0%	5.6%	5.1%

The indicative property values (in aggregate) resulting from the above analyses were reviewed based on implied aggregate cap rates and precedent transaction benchmarks to ensure these measures were also consistent with market pricing parameters. As part of its NAV analysis of OneREIT, TD Securities deemed that it was not appropriate to consider the impact of adjusting the foregoing property values for a portfolio premium given the current retail real estate market environment in secondary and tertiary markets in Canada, particularly in light of the current market environment for enclosed malls.

Debt

An indicative value of OneREIT's debt was derived based on the current principal amount outstanding and a mark-to-market adjustment based on current Government of Canada bond yields and an appropriate lending spread. A similar approach was applied for OneREIT's publicly-traded convertible debentures, with the results yielding a debenture value that is generally consistent with recent market trading prices of the convertible debentures.

Other Assets and Other Liabilities

OneREIT's other assets and liabilities that were considered to have economic value were reflected in TD Securities' NAV analysis at book value.

Capitalized G&A Expenses

The NAV methodology requires that a downward adjustment be made to NAV to reflect the value impact of corporate, non-recoverable G&A expenses. TD Securities reduced the amount of corporate G&A expenses to be included in the NAV analysis to reflect 50% of the synergies that could be readily achieved by an acquiror of OneREIT, and has determined the value impact of such expenses using a multiple deemed appropriate.

Income Taxes

No downward adjustment has been made to the NAV analysis of OneREIT to reflect income taxes as TD Securities considered that OneREIT, as a real estate investment trust under the *Income Tax Act* (Canada), has a tax efficient structure, and that there are several potential purchasers of OneREIT that are non-taxable financial institutions or also have tax efficient structures.

Results of NAV Analysis

Based on the foregoing and taking into account sensitivity analysis on the variables discussed above, TD Securities determined that the Consideration is within the range of indicative values determined through the NAV analysis of OneREIT.

Implied Premium Analysis

TD Securities calculated premiums implied by the Consideration to the unaffected trading prices of the Units prior to OneREIT's public announcement on June 8, 2016, that it had formed a special committee of independent trustees to explore strategic alternatives, as well as current analyst NAV and compared such premiums to those implied by the selected precedent transactions involving Canadian real estate investment trusts and real estate companies. TD Securities identified and reviewed 15 precedent transactions involving Canadian real estate investment trusts and real estate companies for which there was sufficient public information to derive transaction metrics.

Announcement Date	Target	Acquiror	Implied Trading Premiums: Closing Price 1-Day	Closing Price 30-Day	VWAP 30-Day	Premium / Analyst NAV
19-Jan-2017	Milestone Apartment REIT	Starwood Capital Group	10.2%	20.4%	16.3%	5.2%
10-Aug-2015	True North Apartment REIT	Northern Properties REIT	16.4%	11.0%	14.2%	(0.1%)
13-Aug-2014	HealthLease Properties REIT	Health Care REIT	31.1%	32.0%	31.9%	42.7%
12-Aug-2014(1)	Huntingdon Capital Corp.	Slate Properties Inc.	12.8%	10.7%	11.6%	(7.6%)
4-Apr-2013(2)	KEYreit	Plazacorp Retail Properties	35.1%	30.9%	34.6%	17.1%
19-Mar-2013	C2C Industrial Properties	Dundee Industrial REIT	31.1%	22.8%	24.1%	7.8%
5-Feb-2013	Primaris Retail REIT	KingSett Capital / H&R	21.4%	20.1%	21.0%	16.5%
26-Apr-2012	TransGlobe Apartment REIT	Starlight Investments	15.4%	14.5%	18.8%	20.0%
17-Jan-2012	Whiterock REIT	Dundee REIT	13.6%	26.8%	21.9%	25.0%
28-Nov-2011	CANMARC REIT	Cominar REIT	24.2%	29.4%	25.5%	21.0%
4-Dec-2006	Alexis Nihon REIT	Homburg / Cominar REIT	24.9%	30.6%	33.7%	31.6%
30-Aug-2006	Summit REIT	ING REIT	17.9%	17.0%	18.3%	29.1%
28-Apr-2006(3)	TGS NA REIT	Great West Life Assurance	18.1%	18.8%	17.8%	23.2%
1-Jun-2005(4)	O&Y REIT	Brookfield Consortium	6.2%	16.1%	13.2%	26.7%
30-Mar-2004(5)	Residential Equities REIT	CAP REIT	10.7%	14.5%	15.7%	20.0%
Average			19.2%	21.0%	21.2%	18.5%
4-Aug-2017(6)	**OneREIT**	**Smart REIT / Strathallen**	**22.4%**	**27.5%**	**25.5%**	**(6.7%)**

(1) Premiums based on February 18, 2014 announcement of strategic review process.
(2) Premiums based on January 29, 2013 announcement of Huntingdon's intention to make unsolicited proposal.
(3) Premiums based on February 6, 2006 announcement of a sale process.
(4) Premiums based on February 15, 2005 announcement of a sale process.
(5) Based on cash option offer price.
(6) Premiums based on June 7, 2016, the date prior to the public announcement of OneREIT's exploration of strategic alternatives.

TD Securities did not consider the target entity in any specific transaction to be directly comparable to OneREIT given differences in the types and locations of properties owned by each target entity and their associated growth and risk characteristics. In addition, TD Securities noted that a significant amount of time had passed since the dates on which many of the identified transactions were completed.

TD Securities determined that the premiums to market prices implied by the Consideration are within the range of the premiums implied by the precedent transactions. TD Securities noted that the premiums to analyst NAV implied by the precedent transactions is generally higher than that implied by the Consideration. However, TD Securities considered the fact that OneREIT has historically traded at a significant discount to analyst NAV and that analyst NAV was significantly in excess of TD Securities' assessment of NAV, and determined that the discount to analyst NAV implied by the Consideration is reasonable.

Sale Process

At the direction of the Special Committee and with input from management of OneREIT, TD Securities conducted a sale process (as part of OneREIT's publicly-announced exploration of strategic alternatives to maximize value) by contacting potential purchasers, including ten potential "en bloc" purchasers and six potential consortium purchasers to solicit their interest in making a proposal to acquire 100% of OneREIT or assets of OneREIT that, together with other proposals, could result in a transaction for 100% of the assets of OneREIT. Interested parties who signed confidentiality agreements were provided with confidential information regarding OneREIT. TD Securities believes that all parties that expressed an interest in OneREIT were provided with the opportunity to participate in the sale process and that all such participants were provided with the opportunity to ascertain the value of OneREIT and to make a proposal. The Consideration represents the highest value available from the sale process.

CONCLUSION

Based upon and subject to the foregoing and such other matters that TD Securities considered relevant, TD Securities is of the opinion that, as of August 3, 2017, the Consideration to be received by the Voting Unitholders pursuant to the Transaction is fair, from a financial point of view, to such Voting Unitholders, other than the Interested Unitholders.

Yours very truly,

TD Securities Inc.

TD SECURITIES INC.

APPENDIX "G"
INFORMATION CONCERNING ONEREIT

The REIT

The REIT is an unincorporated, open-ended real estate investment trust established by the Declaration of Trust, existing under, and governed by, the laws of the Province of Ontario. The principal and head office of the REIT is located at 700 Applewood Crescent, Suite 300, Vaughan, Ontario, L4K 5X3.

The REIT focuses on owning retail properties across Canada with the objective of producing a geographically diversified portfolio of properties with stable and growing cash flows. The REIT invests primarily in income-producing retail properties with strong tenant covenants, stable yields, low vacancy levels and strong growth potential.

The objectives of the REIT are to: (i) generate stable and growing cash distributions on a tax efficient basis; (ii) enhance the value of the REIT's assets and maximize long-term value through the active management of its assets; and (iii) expand the asset base of the REIT and increase its income available for distribution through selective redevelopments and acquisitions.

As of December 31, 2016, the REIT owned a portfolio of 56 properties including 54 investment properties located in nine provinces and the Yukon Territory, one parcel of land for development located in New Brunswick, and an interest in a joint venture property in Ontario. Gross revenues of the properties as of December 31, 2016, were derived from retail properties which contain an aggregate of 6,740,202 million square feet of gross leasable area. The properties are located in British Columbia (3), Alberta (3), Saskatchewan (6), Ontario (28), Quebec (7), New Brunswick (3), Nova Scotia (3), and one property in each of the Yukon Territory, Manitoba, and Newfoundland and Labrador.

ONR LP

ONR LP, a limited partnership constituted under the laws of the Province of Ontario, owns and holds directly, and indirectly through ONR LP I, all of the properties and property interests owned or held by the REIT. The general partner of ONR LP ("**GP Trust**"), is an Ontario trust whose sole beneficiary is 1090992 Alberta Inc., an Alberta corporation that is wholly owned by the REIT. The sole trustee of GP Trust is 1606906 Ontario Inc., an Ontario corporation that is wholly owned by the REIT.

ONR LP I

ONR LP I, a limited partnership constituted under the laws of the Province of Ontario, currently owns four properties acquired from Walmart Canada Realty Inc. and SmartCentres in 2013 and 2014. GP Trust is the general partner of ONR LP I.

Distributions

In each of the 24 months prior to the date of this Circular, the REIT had made monthly distributions to Unitholders in the amount of $0.025 per month.

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 annual information form of the REIT dated March 29, 2017;

(b) the management information circular of the REIT dated May 26, 2017 prepared in connection with the annual meeting of Unitholders held on June 28, 2017;

(c) the material change report of the REIT dated August 14, 2017;

(d) the audited consolidated annual financial statements of the REIT at and for the years ended December 31, 2016 and December 31, 2015 together with the notes thereto and the auditors' report thereon;

(e) management's discussion and analysis of financial condition and results of operations of the REIT for the year ended December 31, 2016;

(f) the unaudited interim condensed consolidated financial statements of the REIT at and for the three month periods ended June 30, 2017 and 2016 together with the notes thereto; and

(g) management's discussion and analysis of financial condition and results of operations of the REIT for the three month period ended March 31, 2017.

Information has been incorporated by reference in this Circular from documents filed with securities commissions or similar 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 Secretary of the REIT at 700 Applewood Crescent, Suite 300, Vaughan, Ontario L4K 5X3 (telephone: (416) 741-7999). 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 a 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 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.

PRIOR PURCHASES AND SALES

The following table sets forth the number and prices at which the REIT has issued Units during the 12 month period prior to the date of this Circular.

Dividend Reinvestment Plan

The following Units were issued in connection with the REIT's dividend reinvestment plan.

Date	**Number of Units**	**Issue Price**
September 15, 2016	58,573	$3.6350
October 14, 2016	58,681	$3.5360
November 15, 2016	63,993	$3.5070
December 15, 2016	73,005	$3.5430
January 13, 2017	71,781	$3.6370
February 15, 2017	71,500	$3.6690
March 15, 2017	65,636	$3.6380
April 13, 2017	64,672	$3.7740
May 15, 2017	65,172	$3.7780
June 15, 2017	66,200	$3.7640
July 14, 2017	72,143	$3.7170
August 15, 2017	64,814	$4.0270

During the 12 month period prior to the date of this Circular, the REIT has not purchased any Units.

TRADING PRICES AND VOLUMES

The Units are currently listed on the TSX under the symbol "ONR.UN". The 2011 Debentures and 2013 Debentures are currently listed on the TSX under the symbols "ONR.DB.B" and "ONR.DB.C", respectively. The following tables sets forth the high and low trading prices and the volumes traded of the Units, 2011 Debentures and 2013 Debentures, respectively, on the TSX for the periods indicated:

Units

Period	High ($)	Low ($)	Volume
2017			
February	$3.80	$3.63	1,295,896
March	3.75	3.56	1,352,933
April	3.88	3.68	2,225,985
May	3.89	3.72	2,015,513
June	3.86	3.70	1,525,377
July	3.77	3.67	933,773
August 1 to 23	4.25	3.69	10,213,094

2011 Debentures

Period	High ($)	Low ($)	Volume
2017			
February	$101.25	$100.60	204,000
March	101.25	100.55	256,000
April	101.60	100.61	109,000
May	101.60	100.60	404,000
June	101.00	99.97	58,000
July	101.60	100.27	390,000
August 1 to 23	101.50	100.27	547,000

2013 Debentures

Period	High ($)	Low ($)	Volume
2017			
February	$103.50	$100.50	351,000
March	102.99	101.02	256,000
April	102.75	101.71	219,000
May	103.00	102.50	156,000
June	103.00	102.00	278,000
July	102.50	102.00	219,000
August 1 to 23	102.71	102.25	405,000

APPENDIX "H"
INFORMATION CONCERNING SMARTREIT

Overview

SmartREIT is an unincorporated "open-end" trust constituted in accordance with the laws of the Province of Alberta pursuant to its declaration of trust. The principal and head office of SmartREIT is located at 700 Applewood Crescent, Suite 200, Vaughan, Ontario L4K 5X3. SmartREIT was initially settled pursuant to a declaration of trust on December 4, 2001 and is now subsisting under the eleventh amended and restated declaration of trust dated May 11, 2017.

SmartREIT is one of Canada's largest real estate investment trusts with total assets of approximately $8.9 billion. SmartREIT's vision is to create exceptional places to shop, work and live. SmartREIT's purpose is to develop, lease, construct, own and manage shopping centres that provide retailers a platform to reach their customers through convenient locations, intelligent designs, and a desirable tenant mix and in addition starting to deliver on mixed-use opportunities, including residential (in various forms), office, seniors housing and storage.

SmartREIT's shopping centres focus on value-oriented retailers and include strong national and regional names as well as strong neighbourhood merchants. It is expected that Wal-Mart Canada Corporation will continue to be the dominant anchor tenant in SmartREIT's portfolio and that its presence will continue to attract other retailers and consumers. SmartREIT's first internally developed office tower is the newly constructed KPMG tower located at the Vaughan Metropolitan Centre (the "**VMC**") in Vaughan, Ontario.

SmartREIT's strategic plan also includes maximizing the value of its major-market urban centres by introducing mixed-use developments that build on superior access to public transit and the regional highway network. SmartREIT and its partners recently announced its first high-rise residential development in the VMC with three 55-story residential towers. In addition, SmartREIT plans to build two 15-storey residential towers on a portion of its shopping centre lands in Laval, Quebec with Montreal-based residential developer, Jadco Corporation.

As at June 30, 2017, SmartREIT owned 142 shopping centres with gross leasable area of 31.9 million square feet, one office property, eight development properties and one mixed-use property, located in communities across Canada. Generally, SmartREIT's centres are conveniently located close to major highways, which, along with the anchor stores, provide significant draws to SmartREIT's portfolio.

SmartREIT acquired the right in May 2015 to use the "SmartCentres" brand, which represents a family and value oriented shopping experience. In addition, SmartREIT acquired the "SmartUrban" brand which SmartREIT uses to describe mixed-use developments in urban settings, which include a mix of retail, office and residential space such as the VMC, the StudioCentre site in eastern Toronto, Westside Mall in Toronto and Laval Centre in Montreal.

SmartREIT's executive management has, in the aggregate, over 100 years of experience in the commercial real estate market, including real estate development, acquisitions, dispositions, financing and administration, property management, construction and renovation and marketing.

For further information regarding SmartREIT, its business activities and its subsidiaries, including SmartREIT's organizational structure, see the annual information form for SmartREIT dated February 15, 2017 in respect of SmartREIT's financial year ended December 31, 2016, incorporated by reference in this Circular.

SmartREIT Upon Completion of the Transaction

The following section of this Appendix contains significant amounts of forward-looking information. Readers are cautioned that actual results may vary. See "Caution Regarding Forward-Looking Statements and Information".

Upon completion of the Transaction, SmartREIT will continue to be a trust organized under the laws of the Province of Alberta.

At the Effective Time, SmartREIT expects to acquire the remainder of the REIT's assets that are not purchased by Strathallen, including the REIT's interest in a portfolio 12 properties specified in Appendix "J" of this Circular through the acquisition of limited partnerships owned directly or indirectly by the REIT.

The 12 properties have a total gross leasable area of 2.2 million square feet and an average lease term to maturity of 7.3 years (compared to the SmartREIT average of 5.9 years). 10 of the properties are food anchored locations, inclusive of six Walmart Supercentres (Creekside Crossing, Fergus Retail Centre, Lincoln Value Centre, Orillia Shopping Centre, Rockland Shopping Centre, and Simcoe Shopping Centre). SmartREIT believes that the properties have excellent redevelopment potential, including mixed use, seniors and office, up to an additional 1.75 million square feet.

SmartREIT currently owns and manages 142 properties containing approximately 32.0 million square feet. Upon completion of the Transaction, SmartREIT will own and manage 154 Properties containing 34.2 million square feet, representing an increase in gross leasable area of approximately 7%. SmartREIT expects the Transaction to increase its net operating income in the first stabilized year by approximately $27.5 million (or approximately 6% of the total stabilized annual net operating income). SmartREIT also expects the Transaction to be accretive to 2018 funds from operations (FFO) and adjusted funds from operations (AFFO) per unit.

As a result of the Transaction, SmartREIT expects that its debt-to-aggregate assets ratio will increase from approximately 43.9% to approximately 45.3% and its total debt-to total enterprise value ratio will increase from 46.0% to 47.1%.

Units to be Issued and Principal Holder of SmartREIT Units

As of August 15, 2017, Mitchell Goldhar beneficially owns or controls approximately 22.2% of the voting securities of SmartREIT. To the knowledge of SmartREIT, no other person beneficially owns, directly or indirectly, or exercises control or direction over, 10% or more of the outstanding voting securities of SmartREIT.

SmartREIT expects to issue or reserve for issuance approximately $75 million in SmartREIT Units to the REIT pursuant to the Transaction or between 2,458,211 SmartREIT Units (based

upon the collar SmartREIT trading price of $30.51) and 2,291,476 SmartREIT units (based upon a cap SmartREIT trading price of $32.73).

Mr. Goldhar owns approximately 22.2% of the SmartREIT Units on a diluted basis assuming exchange of the exchangeable Class B limited partnership units of SmartREIT's limited partnerships (which units are the economic and voting equivalent of SmartREIT Units). Mr. Goldhar owns approximately 7.8% of the Units on a diluted basis assuming exchange of the exchangeable Class B LP Units of the REIT's limited partnerships (which units are the economic and voting equivalent of the Units). Assuming pro rata cash and unit distribution pursuant to the Transaction, Mr. Goldhar's proportionate interest in SmartREIT will decrease marginally. If Mr. Goldhar elects to receive all units and the remaining Unitholders elect all cash, Mr. Goldhar's interest in SmartREIT could increase by approximately 0.2%.

To the knowledge of SmartREIT, no other person will beneficially own, directly or indirectly, or exercise control or direction over, 10% or more of the outstanding SmartREIT Units upon completion of the Transaction.

Description of Units of SmartREIT

SmartREIT's declaration of trust authorizes the issuance of an unlimited number of SmartREIT Units and an unlimited number of Special Voting Units. As of August 15, 2017, SmartREIT had 131,203,406 SmartREIT Units and 25,558,775 Special Voting Units outstanding.

SmartREIT expects to issue approximately $75 million in SmartREIT Units pursuant to the Arrangement. SmartREIT may issue Special Voting Units to holders of OneREIT special voting units to the extent the OneREIT special voting units remain outstanding.

SmartREIT Units

Each SmartREIT Unit represents an equal fractional undivided beneficial interest in any distributions from SmartREIT and in any net assets of SmartREIT in the event of termination or winding-up of SmartREIT. All SmartREIT Units are of the same class with equal rights and privileges, subject to the Voting Top-Up Right described below. Each SmartREIT Unit is transferable, entitles the holder thereof to participate equally in distributions, including the distributions of net income and net realized capital gains of SmartREIT and distributions on liquidation, is fully paid and non-assessable and entitles the holder thereof to one vote at all meetings of SmartREIT unitholders for each SmartREIT Unit held.

As a result of the extension for an additional five years of the existing Voting Top-Up Right and at the request of the TSX, SmartREIT re-designated its trust units as "Variable Voting Units" effective as of July 8, 2015. Such designation will cease on the termination of the Voting Top-Up Right in 2020.

The closing price of the SmartREIT Units on the TSX on August 23, 2017 was $30.41.

Exchangeable Securities and Special Voting Units

Limited partnership subsidiaries of SmartREIT issue securities from time to time that are convertible or exchangeable directly for SmartREIT Units without the payment of additional consideration, including Class B limited partnership units and Class D limited partnership units. Such Exchangeable Securities are economically equivalent to SmartREIT Units as they are entitled to distributions equal to those on the SmartREIT Units and are exchangeable for SmartREIT Units on a one-for-one basis. The issue of a Class B limited partnership unit and a Class D limited partnership unit is each accompanied by a Special Voting Unit that entitles the holder to vote at meetings of SmartREIT unitholders.

Special Voting Units shall only be issued by SmartREIT from time to time in connection with or in relation to Exchangeable Securities on such terms and conditions as may be determined by the trustees of SmartREIT. Each Special Voting Unit shall entitle the holder of a Special Voting Unit to such number of votes at meetings of SmartREIT unitholders as is equal to the number of SmartREIT Units into which the Exchangeable Security to which such Special Voting Unit relates (other than an Exchangeable Security owned by SmartREIT or any subsidiary of SmartREIT) is then exchangeable or convertible for. Holders of Special Voting Units shall not be entitled, by virtue of their holding of Special Voting Units, to distributions of any nature whatsoever from SmartREIT nor shall they have any beneficial interest in any assets of SmartREIT on termination or winding up of SmartREIT. Special Voting Units are not separately transferable from the Exchangeable Security to which they relate and are automatically redeemed and cancelled upon the exercise or conversion of such Exchangeable Security.

Notwithstanding the foregoing, if in any given 365 day period prior to July 1, 2020, the average weighted aggregate number of Special Voting Units plus SmartREIT Units held or controlled by Mitchell Goldhar (while he remains alive) or the MG Entities (as defined below) (if Mitchell Goldhar is not alive) (not including any additional Special Voting Units issued to the MG Entities as described below) is equal to or greater than the lesser of (i) 20% of the aggregate issued and outstanding SmartREIT Units plus Special Voting Units and (ii) 20,000,000 SmartREIT Units plus Special Voting Units provided that such securities represent no less than 10% of the voting rights attached to all of the issued and outstanding SmartREIT Units and Special Voting Units, then so long as Mr. Goldhar or another individual appointed by the MG Entities remains a trustee of SmartREIT and the MG Entities beneficially own or control less than 25% of the voting rights attached to all voting securities of SmartREIT, SmartREIT shall issue such number of additional Special Voting Units which will entitle Mitchell Goldhar (while he remains alive) or the MG Entities (if Mitchell Goldhar is not alive) to cast 25% of the votes eligible to be cast at a meeting of the holders of Units and Special Voting Units (the "**Voting Top-Up Right**").

"**MG Entities**" for purposes of this Appendix "I" means, collectively, (i) Mitchell Goldhar; (ii) any heir, executor, administrator or legal representative of Mitchell Goldhar; (iii) any individual who is the child, spouse, common law spouse, father, mother, brother, sister, niece or nephew of Mitchell Goldhar, or is married to such individual; (iv) any trust in respect of which all of the beneficiaries shall be solely one or more of those persons referred to in clause (iii); (v) any combination of persons referred to in clauses (i), (ii), (iii) or (iv); and (vi) any person who is controlled by any person referred to in clauses (i), (ii), (iii) or (iv) or any combination thereof.

Trading Price and Volume of SmartREIT Units

The SmartREIT Units are listed for trading on the TSX under the trading symbol "SRU.UN". The following table sets forth, for the calendar periods indicated, the intraday high and low sale prices and composite volume of trading of the SmartREIT Units as reported on the TSX.

	Price Range		
Period	**High**	**Low**	**Trading Volume**
August 2016	$38.60	$35.19	4,669,431
September 2016	$36.35	$34.37	5,364,690
October 2016	$35.40	$33.18	4,215,378
November 2016	$33.84	$29.22	7,810,746
December 2016	$32.33	$30.52	5,270,806
January 2017	$32.70	$31.35	4,247,508
February 2017	$33.99	$31.65	4,394,159
March 2017	$33.64	$31.48	5,335,815
April 2017	$33.30	$32.06	4,531,829
May 2017	$32.33	$30.60	5,251,231
June 2017	$33.12	$30.80	7,484,767
July 2017	$32.21	$31.05	3,669,891
August 1, 2017 to August 23, 2017	$31.81	$29.99	3,023,115

Prior Sales

The following table sets out a description of each prior sale of SmartREIT Units and Exchangeable Securities that occurred in the 12-month period before the date of this Circular:

Date	Issuance Type[(1)]	Total Number of Securities Issued	Issuance Price per Security
July 15, 2016	Distribution Reinvestment Plan	104,520	37.09
July 28, 2016	20/20 Acquisition – Earn-Out Proceeds – Issuance of Exchangeable Securities	484	38.20
July 28, 2016	20/20 Acquisition – Earn-Out Proceeds – Issuance of Exchangeable Securities	484	38.20
July 28, 2016	20/20 Acquisition – Earn-Out Proceeds – Issuance of Exchangeable Securities	484	38.20
August 8, 2016	Exchange of 41,670 Exchangeable Securities into 41,670 SmartREIT Units	0	38.04
August 15, 2016	Distribution Reinvestment Plan	94,620	36.18
September 15, 2016	Distribution Reinvestment Plan	108,385	34.48
October 17, 2016	Distribution Reinvestment Plan	105,400	33.70
November 15, 2016	Distribution Reinvestment Plan	134,192	30.40
November 29, 2016	Golf 14 Acquisition – Earn-Out Proceeds – Issuance of Exchangeable Securities	7,620	31.34
November 29, 2016	Golf 7 Acquisition – Earn-Out Proceeds – Issuance of Exchangeable Securities	13,215	29.55
November 29, 2016	Golf 7 Acquisition – Earn-Out Proceeds – Issuance of Exchangeable Securities	3,886	29.55
December 15, 2016	Distribution Reinvestment Plan	121,558	30.38

Date	Issuance Type[1]	Total Number of Securities Issued	Issuance Price per Security
January 16, 2017	Distribution Reinvestment Plan	128,383	31.18
February 15, 2017	Distribution Reinvestment Plan	130,687	31.34
March 15, 2017	Distribution Reinvestment Plan	126,895	31.56
April 17, 2017	Distribution Reinvestment Plan	107,957	31.97
May 15, 2017	Distribution Reinvestment Plan	135,284	30.79
May 17, 2017	Exchange of deferred units for SmartREIT Units under deferred unit plan	2,438	31.47
June 15, 2017	Distribution Reinvestment Plan	137,374	31.02
July 15, 2017	Distribution Reinvestment Plan	134,871	30.72
July 28, 2017	Golf 5 Acquisition – Earn-out Proceeds – Issuance of Exchangeable Securities	13,390	20.10
July 28, 2017	Golf 5 Acquisition – Earn-out Proceeds – Issuance of Exchangeable Securities	4,516	20.10
August 15, 2017	Distribution Reinvestment Plan	154,091	29.91

(1) Capitalized terms in this column that are not otherwise defined herein have the meanings ascribed to them in SmartREIT's annual information form dated February 15, 2017.

(2) During the 12-month period before the date of this Circular, the subsidiary limited partnerships of SmartREIT have issued 26,803 Class B limited partnership units and nil Class D limited partnership units and SmartREIT has issued an equivalent number of Special Voting Units.

Distribution History

SmartREIT declared distributions of $0.12900 per SmartREIT Unit in each month from January 1, 2014 to September 2014, distributions of $0.13340 per SmartREIT Unit in each month from October 2014 to September 2015, distributions of $0.1375 per SmartREIT Unit in each month from October 2015 to September 2016 and distributions of $0.14167 per SmartREIT Unit in each month from October 2016 to July 2017. On August 9, 2017, the board of trustees of SmartREIT approved a $0.05 increase in annual distributions to $1.75 per SmartREIT Unit on an annualized basis effective October 2017.

Available Information

SmartREIT files reports and other information with applicable securities regulatory authorities in each of the provinces and territories of Canada. These reports and information are available to the public free of charge on SEDAR at www.sedar.com.

Risk Factors

Whether or not the Arrangement is completed, SmartREIT will continue to face many of the risks that it currently faces with respect to its business and affairs. Certain of these risk factors have been disclosed under the heading "Risk Factors" in SmartREIT's annual information form for the year ended December 31, 2016 and under the heading "Risks and Uncertainties" in SmartREIT's management's discussion and analysis of the financial condition and results of operations for the year ended December 31, 2016, each of which are incorporated by reference into this Circular and have been filed on SEDAR at www.sedar.com.

Possible Failure to Realize Expected Returns on Acquisition

Acquisitions involve risks that could materially and adversely affect SmartREIT's business plan, including the failure of the acquisition to realize the results SmartREIT expects. While the board of trustees of SmartREIT, based on an analysis of accretion provided by management and professional advisors (as well as other information deemed appropriate and sufficient for such purposes), believe the Arrangement will be accretive to SmartREIT's AFFO per SmartREIT Unit and FFO per SmartREIT Unit, such determination should not be regarded as a guarantee of future performance or results. If the acquisition fails to realize the results that SmartREIT expects, including continued high occupancy rates and renewal rates or the general state of the economy and interest rate volatility, the acquisition could have a material adverse effect on SmartREIT and its financial results.

SmartREIT Documents Incorporated by Reference

The following documents, filed by SmartREIT with the applicable securities 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 annual information form of SmartREIT dated February 15, 2017;

(b) the audited annual consolidated financial statements of SmartREIT for the years ended December 31, 2016 and 2015, together with the notes thereto and the auditor's report thereon;

(c) management's discussion and analysis of the financial condition and results of operations of SmartREIT for the year ended December 31, 2016;

(d) the unaudited condensed consolidated financial statements of SmartREIT for the three and six months periods ended June 30, 2017 and 2016, together with the notes thereto;

(e) management's discussion and analysis of the financial condition and results of operations of SmartREIT for the three and six month periods ended June 30, 2017; and

(f) the management information circular of SmartREIT dated April 13, 2017 issued in connection with the meeting of unitholders of SmartREIT held on May 11, 2017.

Information has been incorporated by reference in this Circular from documents filed with securities commissions or similar authorities in each of the provinces and territories of Canada. Copies of the documents incorporated herein by reference are available under the SmartREIT's profile on SEDAR at www.sedar.com or upon request without charge to the Secretary of the SmartREIT at 700 Applewood Crescent, Suite 200, Vaughan, Ontario L4K 5X3 (telephone: 905 326-6400). 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 SmartREIT 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 by reference in this Circular shall be deemed to be modified or superseded to the extent that a statement contained herein or in any other subsequently filed document which also is deemed to be incorporated by reference in this Circular 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 which it modifies or supersedes. The making of a modifying or superseding statement shall 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 shall not constitute a part of this Circular except as so modified or superseded.

APPENDIX "I"
SECTION 185 OF THE OBCA

Rights of dissenting shareholders

185.(1) Subject to subsection (3) and to sections 186 and 248, if a corporation resolves to,

(a) amend its articles under section 168 to add, remove or change restrictions on the issue, transfer or ownership of shares of a class or series of the shares of the corporation;

(b) amend its articles under section 168 to add, remove or change any restriction upon the business or businesses that the corporation may carry on or upon the powers that the corporation may exercise;

(c) amalgamate with another corporation under sections 175 and 176;

(d) be continued under the laws of another jurisdiction under section 181; or

(e) sell, lease or exchange all or substantially all its property under subsection 184 (3), a holder of shares of any class or series entitled to vote on the resolution may dissent.

Idem

(2) If a corporation resolves to amend its articles in a manner referred to in subsection 170 (1), a holder of shares of any class or series entitled to vote on the amendment under section 168 or 170 may dissent, except in respect of an amendment referred to in,

(a) clause 170 (1) (a), (b) or (e) where the articles provide that the holders of shares of such class or series are not entitled to dissent; or

(b) subsection 170 (5) or (6). R.S.O. 1990, c. B.16, s. 185 (2).

One class of shares

(2.1) The right to dissent described in subsection (2) applies even if there is only one class of shares.

Exception

(3) A shareholder of a corporation incorporated before the 29th day of July, 1983 is not entitled to dissent under this section in respect of an amendment of the articles of the corporation to the extent that the amendment,

(a) amends the express terms of any provision of the articles of the corporation to conform to the terms of the provision as deemed to be amended by section 277; or

(b) deletes from the articles of the corporation all of the objects of the corporation set out in its articles, provided that the deletion is made by the 29th day of July, 1986.

Shareholder's right to be paid fair value

(4) In addition to any other right the shareholder may have, but subject to subsection (30), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents becomes effective, 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 day before the resolution was adopted.

No partial dissent

(5) A dissenting shareholder may only claim under this section with respect to all the shares of a class held by the dissenting shareholder on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

Objection

(6) A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting or of the shareholder's right to dissent.

Idem

(7) The execution or exercise of a proxy does not constitute a written objection for purposes of subsection (6).

Notice of adoption of resolution

(8) The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (6) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn the objection.

Idem

(9) A notice sent under subsection (8) shall set out the rights of the dissenting shareholder and the procedures to be followed to exercise those rights.

Demand for payment of fair value

(10) A dissenting shareholder entitled to receive notice under subsection (8) shall, within twenty days after receiving such notice, or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing,

(a) the shareholder's name and address;

(b) the number and class of shares in respect of which the shareholder dissents; and

(c) a demand for payment of the fair value of such shares.

Certificates to be sent in

(11) Not later than the thirtieth day after the sending of a notice under subsection (10), a dissenting shareholder shall send the certificates, if any, representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent.

Idem

(12) A dissenting shareholder who fails to comply with subsections (6), (10) and (11) has no right to make a claim under this section.

Endorsement on certificate

(13) A corporation or its transfer agent shall endorse on any share certificate received under subsection (11) a notice that the holder is a dissenting shareholder under this section and shall return forthwith the share certificates to the dissenting shareholder.

Rights of dissenting shareholder

(14) On sending a notice under subsection (10), a dissenting shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of the shares as determined under this section except where,

(a) the dissenting shareholder withdraws notice before the corporation makes an offer under subsection (15);

(b) the corporation fails to make an offer in accordance with subsection (15) and the dissenting shareholder withdraws notice; or

(c) the directors revoke a resolution to amend the articles under subsection 168 (3), terminate an amalgamation agreement under subsection 176 (5) or an application for continuance under subsection 181 (5), or abandon a sale, lease or exchange under subsection 184 (8),

in which case the dissenting shareholder's rights are reinstated as of the date the dissenting shareholder sent the notice referred to in subsection (10).

Same

(14.1) A dissenting shareholder whose rights are reinstated under subsection (14) is entitled, upon presentation and surrender to the corporation or its transfer agent of any share certificate that has been endorsed in accordance with subsection (13),

(a) to be issued, without payment of any fee, a new certificate representing the same number, class and series of shares as the certificate so surrendered; or

(b) if a resolution is passed by the directors under subsection 54 (2) with respect to that class and series of shares,

(i) to be issued the same number, class and series of uncertificated shares as represented by the certificate so surrendered, and

(ii) to be sent the notice referred to in subsection 54 (3).

Same

(14.2) A dissenting shareholder whose rights are reinstated under subsection (14) and who held uncertificated shares at the time of sending a notice to the corporation under subsection (10) is entitled,

(a) to be issued the same number, class and series of uncertificated shares as those held by the dissenting shareholder at the time of sending the notice under subsection (10); and

(b) to be sent the notice referred to in subsection 54 (3).

Offer to pay

(15) A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (10), send to each dissenting shareholder who has sent such notice,

(a) a written offer to pay for the dissenting shareholder's shares in an amount considered by the directors of the corporation to be the fair value thereof, accompanied by a statement showing how the fair value was determined; or

(b) if subsection (30) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares.

Idem

(16) Every offer made under subsection (15) for shares of the same class or series shall be on the same terms.

Idem

(17) Subject to subsection (30), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (15) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made.

Application to court to fix fair value

(18) Where a corporation fails to make an offer under subsection (15) or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as the court may allow, apply to the court to fix a fair value for the shares of any dissenting shareholder.

Idem

(19) If a corporation fails to apply to the court under subsection (18), a dissenting shareholder may apply to the court for the same purpose within a further period of twenty days or within such further period as the court may allow.

Idem

(20) A dissenting shareholder is not required to give security for costs in an application made under subsection (18) or (19).

Costs

(21) If a corporation fails to comply with subsection (15), then the costs of a shareholder application under subsection (19) are to be borne by the corporation unless the court otherwise orders.

Notice to shareholders

(22) Before making application to the court under subsection (18) or not later than seven days after receiving notice of an application to the court under subsection (19), as the case may be, a corporation shall give notice to each dissenting shareholder who, at the date upon which the notice is given,

(a) has sent to the corporation the notice referred to in subsection (10); and

(b) has not accepted an offer made by the corporation under subsection (15), if such an offer was made,

of the date, place and consequences of the application and of the dissenting shareholder's right to appear and be heard in person or by counsel, and a similar notice shall be given to each dissenting shareholder who, after the date of such first mentioned notice and before termination of the proceedings commenced by the application, satisfies the conditions set out in clauses (a) and (b) within three days after the dissenting shareholder satisfies such conditions.

Parties joined

(23) All dissenting shareholders who satisfy the conditions set out in clauses (22) (a) and (b) shall be deemed to be joined as parties to an application under subsection (18) or (19) on the later of the date upon which the application is brought and the date upon which they satisfy the conditions, and shall be bound by the decision rendered by the court in the proceedings commenced by the application.

Idem

(24) Upon an application to the court under subsection (18) or (19), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall fix a fair value for the shares of all dissenting shareholders.

Appraisers

(25) The court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders.

Final order

(26) The final order of the court in the proceedings commenced by an application under subsection (18) or (19) shall be rendered against the corporation and in favour of each dissenting shareholder who, whether before or after the date of the order, complies with the conditions set out in clauses (22) (a) and (b).

Interest

(27) The court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment.

Where corporation unable to pay

(28) Where subsection (30) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (26), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

Idem

(29) Where subsection (30) applies, a dissenting shareholder, by written notice sent to the corporation within thirty days after receiving a notice under subsection (28), may,

(a) withdraw a notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder's full rights are reinstated; or

(b) retain 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.

Idem

(30) 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, after the payment, would be unable to pay its liabilities as they become due; or

(b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.

Court order

(31) Upon application by a corporation that proposes to take any of the actions referred to in subsection (1) or (2), the court may, if satisfied that the proposed action is not in all the circumstances one that should give rise to the rights arising under subsection (4), by order declare that those rights will not arise upon the taking of the proposed action, and the order may be subject to compliance upon such terms and conditions as the court thinks fit and, if the corporation is an offering corporation, notice of any such application and a copy of any order made by the court upon such application shall be served upon the Commission.

Commission may appear

(32) The Commission may appoint counsel to assist the court upon the hearing of an application under subsection (31), if the corporation is an offering corporation.

APPENDIX "J'
PROPERTIES

Property Portfolio to be Acquired by SmartREIT

- Creekside Crossing, Ontario
- Chilliwack Mall, British Columbia
- Golden Mile Shopping Centre, Saskatchewan
- Kingspoint Shopping Centre, Ontario
- Burnhamthorpe City Centre, Ontario
- Yorkgate Shopping Centre, Ontario
- Lincoln Value Centre, Ontario
- Hartzel Plaza, Ontario
- Orillia Shopping Centre, Ontario
- Simcoe Shopping Centre, Ontario
- Fergus Shopping Centre, Ontario
- Rockland Shopping Centre, Ontario

Property Portfolio to be Acquired by Strathallen (or its assigns)

- Cochrane Centre, Alberta
- Carry Place, Alberta
- Eastview Plaza, Alberta
- South Fraser Gate, British Columbia
- Mission Shopping Centre, British Columbia
- City Centre Mall, Manitoba
- Fairville Boulevard 600, New Brunswick
- Lancaster Mall, New Brunswick

- Harding Street Property, New Brunswick
- Gander Shopping Centre, Newfoundland
- Tillsonburg Town Centre, Ontario
- Scarborough Shopping Centre, Ontario
- 750-760 Birchmount Road, Ontario
- Burlington Shopping Centre, Ontario
- 1224 Dundas Street East, Ontario
- Bowmanville Mall, Ontario
- Bowmanville Square, Ontario
- Peterborough Shopping Centre, Ontario
- Orangeville Mall, Ontario
- 681-691 Gardiners Road, Ontario
- Kenora Shopping Centre, Ontario
- Napanee Shopping Centre, Ontario
- Norfolk Mall, Ontario
- Renfrew Shopping Centre, Ontario
- Midland Shopping Centre, Ontario
- McIntyre Centre, Ontario
- Red River Plaza, Ontario
- Kapuskasing Shopping Centre, Ontario
- Kinderseley Mall, Saskatchewan
- Town n Country, Saskatchewan
- South Hill Mall, Saskatchewan
- Southland Mall, Saskatchewan
- Wheatland Mall, Saskatchewan

- Magog Shopping Centre, Quebec
- Plaza Don Quichotte, Quebec
- Carrefour Don Quichotte, Quebec
- DrummondviIle Shopping Centre, Quebec
- IGA Tremblant, Quebec
- Galeries Don Quichotte, Quebec
- Carrefour des Forges, Quebec
- Qwanlin Mall, Yukon
- Truro Shopping Centre, Nova Scotia
- New Minas Shopping Centre, Nova Scotia
- Woodland Shopping Centre, Nova Scotia


ONE
REIT