



**TRUE NORTH APARTMENT
REAL ESTATE INVESTMENT TRUST**

NOTICE OF ANNUAL AND SPECIAL MEETING OF UNITHOLDERS

TO BE HELD ON JUNE 22, 2015

AND

MANAGEMENT INFORMATION CIRCULAR

May 11, 2015

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TRUE NORTH APARTMENT REAL ESTATE INVESTMENT TRUST
NOTICE OF ANNUAL AND SPECIAL MEETING OF UNITHOLDERS

NOTICE IS HEREBY GIVEN that the annual and special meeting (the “**Meeting**”) of the holders of trust units and special voting units (the “**Unitholders**”) of True North Apartment Real Estate Investment Trust (the “**REIT**”) will be held at Cassels Brock & Blackwell LLP, Suite 2100, Scotia Plaza, 40 King Street West, Toronto, Ontario, M5H 3C2, on June 22, 2015 at 4:30 p.m. (Toronto time) for the following purposes:

- (a) to receive the audited consolidated annual financial statements of the REIT as at and for the year ended December 31, 2014 and the auditor’s report thereon;
- (b) to elect trustees of the REIT for the ensuing year;
- (c) to re-appoint the auditor of the REIT for the ensuing year and to authorize the trustees of the REIT to fix such auditor’s remuneration;
- (d) to consider, and if thought advisable, to approve, adopt, ratify and confirm, with or without modification, a resolution regarding the deferred unit plan of the REIT and grants made under the deferred unit plan, as more fully described in the accompanying management information circular;
- (e) to consider, and if thought advisable, to approve, adopt, ratify and confirm with or without modification, a resolution regarding the restricted unit rights plan of the REIT and grants made under the restricted unit rights plan, as more fully described in the accompanying management information circular; and
- (f) to transact such other business as may properly come before the Meeting or any adjournment or postponement thereof.

The accompanying management information circular (the “**Circular**”) provides additional information relating to voting and the matters to be dealt with at the Meeting and forms part of this Notice. The board of trustees of the REIT has fixed May 7, 2015 as the record date for determining those Unitholders entitled to receive notice of and vote at the Meeting.

In connection with the Meeting, the REIT will be using the Canadian Securities Administrators’ “notice and access” delivery model which allows the REIT to furnish the Circular and accompanying materials to Unitholders over the Internet resulting in lower costs and a reduction in the environmental impact of the Meeting. On or about May 22, 2015, the REIT intends to mail to Unitholders of record as of May 7, 2015, a notice with information about the notice-and-access process and voting instructions, as well as a proxy or voting instruction form containing instructions on how to access the Circular and accompanying materials. Under notice-and-access, Unitholders still receive a proxy or voting instruction enabling them to vote at the Meeting. However, instead of a paper copy of the Circular, Unitholders will receive a notice with information on how they may access the Circular electronically. **UNITHOLDERS ARE REMINDED TO REVIEW THE CIRCULAR PRIOR TO VOTING.** Unitholders with questions about notice-and-access may contact TMX Equity Transfer Services toll free at 1-866-393-4891 or by email at tmxinvestorservices@tmx.com. The Circular and additional materials can be viewed online at the REIT’s website at www.truenorthreit.com, or under the REIT’s SEDAR profile at www.sedar.com. Please note that if you request a paper copy of the Circular, you will not receive a new form of proxy or voting instruction form, so you should retain the forms sent to you in order to vote.

Registered Unitholders who are unable to be personally present at the Meeting are encouraged to vote their proxy online at www.voteproxyonline.com. You may also complete, sign, date and return the enclosed form of proxy to the REIT's transfer agent, TMX Equity Transfer Services, in the envelope provided or otherwise by mail to TMX Equity Transfer Services, Suite 300, 200 University Avenue, Toronto, Ontario, M5H 4H1, or by hand delivery to TMX Equity Transfer Services, Suite 300, 200 University Avenue, Toronto, Ontario, M5H 4H1, or by facsimile at 416-595-9593, or to the head office of the REIT at 1801-3300 Bloor Street West, West Tower, Toronto, Ontario, M8X 2X2. In order to be effective, proxies must be received not later than 4:30 p.m. (Toronto time) on June 18, 2015 or, if the Meeting is adjourned or postponed, no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of such reconvened meeting.

Dated at Toronto, Ontario, this 11th day of May, 2015.

BY ORDER OF THE TRUSTEES OF TRUE NORTH
APARTMENT REAL ESTATE INVESTMENT TRUST

(signed) LESLIE VEINER
President and Chief Executive Officer

TRUE NORTH APARTMENT REAL ESTATE INVESTMENT TRUST

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 True North Apartment Real Estate Investment Trust (the “REIT”) for use at the annual and special meeting (the “Meeting”) of the holders of trust units (“Units”) and special voting units (“Special Voting Units”) of the REIT (collectively, the “Unitholders”) to be held on June 22, 2015 and any adjournment or postponement thereof for the purposes set forth in the accompanying notice of Meeting (the “Notice”). It is expected the solicitation will be primarily by mail, but proxies may also be solicited by telephone, or other personal contact by representatives of the REIT, without special compensation. The costs of solicitation will be borne by the REIT. The information contained herein is given as at May 1, 2015, except where otherwise indicated.

GENERAL INFORMATION

The REIT is utilizing the notice-and-access mechanism that came into effect on February 11, 2013 for distribution of this Circular to Registered Unitholders and Non-Registered Holders (each as defined below). Notice-and-access is a set of rules that allows issuers to post electronic versions of proxy-related materials (such as proxy circulars and annual financial statements) on-line via the SEDAR website at www.sedar.com and one other website, rather than mailing paper copies of such materials to Unitholders. Notice-and-access will directly benefit the REIT through a substantial reduction in both postage and printing costs and also promotes environmental responsibility by decreasing the large volume of paper documents generated by printing proxy-related materials.

It is anticipated that copies of proxy-related materials will be distributed to Registered Unitholders and Non-Registered Holders on or about May 22, 2015 pursuant to the notice-and-access regime. In addition, a notice with information about the notice-and-access process and voting instructions as well as a voting instruction form or proxy form (collectively, the “meeting materials”) will be distributed to Unitholders on or about May 22, 2015.

Registered Unitholders and Non-Registered Holders with questions about notice-and-access may contact the REIT’s transfer agent, TMX Equity Transfer Services, toll-free at 1-866-393-4891 or by email at tmxeinvestorservices@tmx.com.

Registered Unitholders and Non-Registered Holders may obtain paper copies of this Circular by postal delivery at no cost to them. Requests may be made up to one year from the date the Circular was filed on SEDAR at www.sedar.com by calling TMX Equity Transfer Services toll free at 1-866-393-4891 or via e-mail to tmxeinvestorservices@tmx.com. In order to receive the Circular in sufficient time to allow for review and return of the proxy by not later than 4:30 p.m. (Toronto time) on June 18, 2015, a request for paper copies should be sent so that it is received by TMX Equity Transfer Services no later than the end of business on June 8, 2015.

MEANING OF CERTAIN REFERENCES

References to dollars or “\$” are to Canadian currency. Unless the context otherwise requires, all references hereinafter in this Circular to the “REIT” refer to True North Apartment Real Estate Investment Trust and its subsidiary entities, including those limited partnerships (the “Partnerships”) formed from time to time, on a consolidated basis.

References to “management” in this Circular include the persons acting in the capacity of the REIT’s President and Chief Executive Officer (“CEO”), and Chief Financial Officer (“CFO”), who are employed by Starlight Investments Ltd. (“Starlight”). Any statements in this Circular made by or on behalf of management are made in such persons’ capacities as executive officers of the REIT and not in their personal capacities.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Circular constitute forward-looking information within the meaning of Canadian securities laws. Forward-looking information is provided for the purposes of assisting the reader in understanding the REIT's financial performance, financial position and cash flows as at and for the periods ended on certain dates and to present information about management's current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes. Forward-looking information may relate to future results, performance, achievements, events, prospects or opportunities for the REIT or the real estate industry and may include statements regarding: the REIT's financial position; business strategy; budgets; litigation; projected costs; capital expenditures; financial results; occupancy levels; average monthly rents; taxes; the REIT's intention with respect to, and ability to execute, its internal and external growth strategies; the REIT's distribution policy and the distributions to be paid to Unitholders; the distributions to be paid to holders of class B limited partnership units of subsidiary Partnerships of the REIT ("**Class B LP Units**"); the REIT's debt strategy; derivative instruments; plans and policies regarding capital expenditures; the REIT's distributions and payout ratio; the REIT's use of the normal course issuer bid and the short form base shelf prospectus filed with the securities commission of the provinces and territories of Canada; and the ability of the REIT to qualify as a "real estate investment trust and a mutual fund trust", as defined in the *Income Tax Act* (Canada) (the "**Tax Act**"). Particularly, statements regarding future geographic diversification, determinations of investment property fair values, per suite repair and maintenance expenditures, the REIT's abilities to meet its obligations and the REIT's use of Canada Mortgage and Housing Corporation insured debt and forward looking information. In some cases, forward-looking information can be identified by such terms such as "may", "might", "will", "could", "should", "would", "occur", "expect", "plan", "anticipate", "believe", "intend", "seek", "aim", "estimate", "target", "goal", "project", "predict", "forecast", "potential", "continue", "likely", "schedule", or the negative thereof or other similar expressions concerning matters are not historical facts.

Forward-looking information necessarily involves known and unknown risks and uncertainties, which may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved. A variety of factors, many of which are beyond the REIT's control, affect the operations, performance and results of the REIT and its business, and could cause actual results to differ materially from current expectations of estimated or anticipated events or results. These factors include, but are not limited to, the risks discussed in the REIT's materials filed with Canadian securities regulatory authorities from time to time. The reader is cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking information as there can be no assurance actual results will be consistent with such forward-looking information.

Information contained in forward-looking information is based upon certain material assumptions that were applied in drawing a conclusion or making a forecast or projection, including management's perceptions of historical trends, current conditions and expected future developments, as well as other considerations that are believed to be appropriate in the circumstances, including the following: the Canadian economy will remain stable over the next 12 months; inflation will remain relatively low; interest rates will remain stable; conditions within the real estate market, including competition for acquisitions, will be consistent with the current climate; the Canadian capital markets will provide the REIT with access to equity and/or debt at reasonable rates when required; and that the risks referenced above, collectively, will not have a material impact on the REIT. While management considers these assumptions to be reasonable based on currently available information, they may prove to be incorrect.

The forward-looking information included in this Circular relates only to events or information as of the date on which the statements are made. Except as specifically required by applicable Canadian law, the REIT undertakes no obligation to update or revise publicly any forward-looking information, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

PROXY MATTERS

Appointment and Revocation of Proxies

A form of proxy is enclosed and, if it is not your intention to be present in person at the Meeting, you are asked to complete and return the form of proxy in the envelope provided. The form of proxy must be executed by the Registered Unitholder or the attorney of such Unitholder, duly authorized in writing. Proxies to be used at the Meeting must be deposited with the REIT's transfer agent, TMX Equity Transfer Services, in the envelope provided or otherwise by mail to TMX Equity Transfer Services, Suite 300, 200 University Avenue, Toronto, Ontario, M5H 4H1, by hand delivery to TMX Equity Transfer Services, Suite 300, 200 University Avenue, Toronto, Ontario, M5H 4H1, or by facsimile at 416-595-9593, or to the head office of the REIT at 1801-3300 Bloor Street West, West Tower, Toronto, Ontario, M8X 2X2, not later than 4:30 p.m. (Toronto time) on June 18, 2015 or, if the Meeting is adjourned or postponed, no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of such reconvened meeting.

The persons named in the enclosed form of proxy are trustees of the REIT ("**Trustees**") or executive officers of the REIT. **A Unitholder may appoint a proxyholder (who is not required to be a Unitholder), other than any person designated in the form of proxy, to attend and act on such Unitholder's behalf at the Meeting, either by inserting such other desired proxyholder's name in the blank space provided on the form of proxy or by substituting another proper form of proxy. A Registered Unitholder may also appoint a proxyholder online at www.voteproxyonline.com.**

A Registered Unitholder who has given a proxy pursuant to this solicitation may revoke it as to any matter on which a vote has not already been cast pursuant to its authority by an instrument in writing executed by the Unitholder or by the attorney of such Unitholder authorized in writing or, if the Registered Unitholder is a corporation, by a duly authorized officer or attorney thereof, and deposited either at the head office of the REIT not later than 4:30 p.m. (Toronto time) on June 18, 2015 or, if the Meeting is adjourned or postponed, no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of such reconvened meeting at which the form of proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting or any adjournment or postponement thereof, or in any other manner permitted by law.

Registered Unitholders

A Unitholder is a Registered Unitholder if shown on May 7, 2015 (the "**Record Date**") on the list of Unitholders kept by TMX Equity Transfer Services, as registrar and transfer agent of the REIT. Certificates have been issued to Registered Unitholders which indicate such Unitholder's name and the number of securities owned by the Unitholder. Registered Unitholders will receive with this Circular a form of proxy from TMX Equity Transfer Services representing the Units or Special Voting Units (together, "**Voting Units**") held by the Registered Unitholder.

Non-Registered Holders

A holder of Voting Units is a non-registered (or beneficial) Unitholder (a "**Non-Registered Holder**") if the Voting Units are registered either:

- (a) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Holder deals with in respect of the Voting Units, such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered retirement savings plans, registered retirement income funds, registered education savings plans, registered disability savings plans, tax-free savings accounts (as such terms are used in the Tax Act and the regulations thereunder, as amended from time to time) and similar plans; or
- (b) in the name of a clearing agency (such as CDS & Co.) of which the Intermediary is a participant.

In accordance with the requirements of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the REIT has distributed copies of the meeting materials to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward meeting materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Typically, Intermediaries will use a service company (such as Broadridge Financial Solutions, Inc. ("**Broadridge**")) to forward the meeting materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive meeting materials will be

given a voting instruction form which must be completed and signed by the Non-Registered Holder in accordance with the directions on the voting instruction form; voting instruction forms sent by Broadridge permit the completion of the voting instruction form by telephone or through the Internet at www.proxyvote.com.

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Voting Units they beneficially own. Should a Non-Registered Holder who receives a voting instruction form wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should follow the corresponding instructions on the form. Non-Registered Holders should carefully follow the instructions of their Intermediaries and their service companies.

A Non-Registered Holder giving a proxy may revoke the proxy by contacting his or her Intermediary in respect of such proxy and complying with any applicable requirements imposed by such Intermediary. An Intermediary may not be able to revoke a proxy if it receives insufficient notice of revocation.

In respect of any meeting materials sent directly to a Non-Registered Holder by the REIT or their agent, the Non-Registered Holder's name and address and information about the Non-Registered Holder's holdings of Voting Units have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on such Non-Registered Holder's behalf. By choosing to send the meeting materials to the Non-Registered Holder directly, the REIT (and not the Intermediary holding on the Non-Registered Holder's behalf) has assumed responsibility for (a) delivering the meeting materials to the Non-Registered Holder, and (b) executing the Non-Registered Holder's proper voting instructions. Non-Registered Holders are asked to return their voting instructions as specified in the request for voting instructions.

The REIT will pay for an Intermediary to deliver proxy materials to objecting beneficial owners. The meeting materials sent to non-objecting beneficial owners ("NOBOs") and objecting beneficial owners who have not waived the right to receive the meeting materials are accompanied by a voting instruction form. By returning the voting instruction form in accordance with the instructions noted thereon, a NOBO is able to instruct the voting of the Voting Units owned by it. Voting instruction forms, whether provided by the REIT or by an Intermediary, should be completed and returned in accordance with the specific instructions noted thereon. The purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Voting Units that they beneficially own.

Voting of Units

The Voting Units represented by proxies or voting instruction forms will be voted in accordance with the instructions of the Unitholder on any ballot that may be called for and, if the Unitholder specifies a choice with respect to any matter to be acted upon at the Meeting, Voting Units represented by properly executed proxies or voting instruction forms will be voted accordingly.

If no choice is specified by a Unitholder with respect to the appointment of a proxyholder and to any matter to be acted upon at the Meeting, the Voting Units represented by such Unitholder's proxy or voting instruction form will be voted by the persons named in the enclosed form of proxy FOR (a) the election of each of the nominees named herein as Trustees; (b) the re-appointment of KPMG LLP as the auditor of the REIT and the Trustees to fix such auditor's remuneration, (c) the approval, adoption, ratification and confirmation of the deferred unit plan and grants made under the deferred unit plan; and (d) the approval, adoption, ratification and confirmation of the restricted unit rights plan and grants made under the restricted unit rights plan, all as described in this Circular.

The REIT's registrar and transfer agent, TMX Equity Transfer Services, will serve as independent scrutineer at the Meeting, and will tabulate all votes at the Meeting.

Exercise of Discretion by Proxy

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments to matters identified in the Notice and with respect to such other matters as may properly come before the Meeting or any adjournment or postponement thereof. At the date of this Circular, the Trustees and management of the REIT are not aware of any amendments or other matters to come before the Meeting other than the matters referred to in the Notice. With respect to amendments to matters identified in the Notice or other matters that may properly come before the Meeting or any adjournment or postponement thereof, Voting Units represented by properly executed proxies will be voted by the persons so designated in their discretion.

Voting at the Meeting and Quorum

The board of trustees of the REIT (the “**Board**”) has fixed May 7, 2015 as the Record Date for the purpose of determining which Unitholders are entitled to receive the Notice and vote at the Meeting or any adjournment or postponement thereof, either in person or by proxy. No person acquiring Voting Units after that date shall, in respect of such Voting Units, be entitled to receive the Notice and vote at the Meeting or any adjournment or postponement thereof.

As of the Record Date, the REIT had 19,095,458 outstanding Units, each carrying the right to one vote per Unit at the Meeting, and 13,561,599 outstanding Special Voting Units, each carrying the right to one vote per Special Voting Unit at the Meeting. The Units are listed on the Toronto Stock Exchange (“**TSX**”) under the symbol “TN.UN”.

Unless otherwise required by law or the amended and restated declaration of trust of the REIT made as of June 26, 2014 (the “**Declaration of Trust**”), every question coming before the Meeting or any adjournment or postponement thereof shall be decided by the majority of the votes duly cast on the question. The quorum at the Meeting or any adjournment or postponement thereof (other than an adjournment for lack of quorum) shall consist of at least two individuals present in person, each of whom is a Unitholder of the REIT or a proxyholder representing a Unitholder of the REIT, and who hold or represent by proxy not less than 10% of the total number of outstanding Units of the REIT as at the record date.

QUESTIONS AND ANSWERS

Q. What am I voting on?

A. Unitholders are voting on:

- the election of Trustees for the ensuing year;
- the re-appointment of the auditor of the REIT and to authorize the Trustees to fix such auditor’s remuneration;
- the approval, adoption, ratification and confirmation of the deferred unit plan and grants made under the deferred unit plan; and
- the approval, adoption, ratification and confirmation of the restricted unit rights plan and grants made under the restricted unit rights plan.

Q. Who is entitled to vote?

A. You are entitled to vote if you were a Unitholder as at the close of business on May 7, 2015, which is the Record Date. Each Voting Unit entitles the holder to one vote on those items of business identified in the Notice. If you acquired your Voting Units after the Record Date, please refer to the answer to the question “What if ownership of Voting Units has been transferred after the Record Date?”.

Q. How do I vote?

A. There are two ways you can vote your Voting Units if you are a Registered Unitholder. You may vote in person at the Meeting, or you may complete the enclosed form of proxy appointing the named persons or some other person you choose, who need not be a Unitholder, to represent you as proxyholder and vote your Voting Units at the Meeting. Proxies may be voted online at www.voteproxyonline.com or deposited with the REIT’s transfer agent, TMX Equity Transfer Services.

If your Voting Units are held in the name of a nominee, please refer to the answer to the question “If my Voting Units are not registered in my name but are held in the name of a nominee (i.e., a bank, trust company, securities broker, trustee or other), how do I vote my Voting Units?” to determine how you may vote your Voting Units.

Q. If my Voting Units are not registered in my name, but are held in the name of a nominee (i.e., a bank, trust company, securities broker, trustee or other), how do I vote my Voting Units?

A. Generally, Non-Registered Holders who have not waived the right to receive meeting materials will be given a voting instruction form which must be completed and signed by the Non-Registered Holder in accordance with the directions on the voting instruction form. Voting instruction forms sent by Broadridge permit the completion of the voting instruction form by telephone or through the Internet at www.proxyvote.com.

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Voting Units they beneficially own. Should a Non-Registered Holder who receives a voting instruction form wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should follow the corresponding instructions on the form. In either case, Non-Registered Holders should carefully follow the instructions of their Intermediaries and their service companies. Please refer to “Non-Registered Holders”.

Q. What if I plan to attend the Meeting and vote in person?

A. If you are a Registered Unitholder and plan to attend the Meeting and wish to vote your Voting Units in person at the Meeting, do not complete or return the form of proxy. Your vote will be taken and counted at the Meeting. Please register with our transfer agent, TMX Equity Transfer Services, upon arrival at the Meeting. If your Voting Units are held in the name of a nominee and you wish to attend the Meeting, please refer to the answer to the question “If my Voting Units are not registered in my name but are held in the name of a nominee (i.e., a bank, trust company, securities broker, trustee or other), how do I vote my Voting Units?” for voting instructions.

Q. Who is soliciting my proxy?

A. The enclosed form of proxy is being solicited by management of the REIT and the associated costs will be borne by the REIT. It is expected that the solicitation will be primarily by mail, but proxies may also be solicited by telephone or other personal contact by representatives of the REIT. The REIT may also engage a proxy solicitation firm to solicit proxies in favour of the resolutions described herein.

Q. What if I sign the form of proxy?

A. Signing the form of proxy gives authority to Mr. Leslie Veiner, the President, CEO and a Trustee of the REIT or failing him, Mr. Martin Liddell, the CFO of the REIT, or to another person you have appointed, to vote your Voting Units at the Meeting.

Q. Can I appoint someone other than those representatives to vote my Voting Units?

A. Yes. Write the name of this person, who need not be a Unitholder, in the blank space provided in the form of proxy and strike out the names of the management nominees. It is important to ensure that any other person you appoint is attending the Meeting and is aware that they have been appointed to vote your Voting Units. Proxyholders should, upon arrival at the Meeting, present themselves to a representative of our transfer agent, TMX Equity Transfer Services.

Q. What do I do with my completed proxy?

A. For Registered Unitholders, you may complete your proxy online at www.voteproxyonline.com or you may return it to our transfer agent, TMX Equity Transfer Services, in the envelope provided, or otherwise by mail to TMX Equity Transfer Services, Suite 300, 200 University Avenue, Toronto, Ontario, M5H 4H1 or by hand delivery to TMX Equity Transfer Services, Suite 300, 200 University Avenue, Toronto, Ontario, M5H 4H1 or by fax to 416-595-9593 or to the head office of the REIT at 1801-3300 Bloor Street West, West Tower, Toronto, Ontario, M8X 2X2, not later than 4:30 p.m. (Toronto time) on June 18, 2015 or, if the Meeting is adjourned, no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of such reconvened meeting. This will ensure that your vote is recorded. For Non-Registered Holders who receive materials through their broker or other Intermediary, the Unitholder should complete and send the voting instruction form in accordance with the instructions provided by their broker or other Intermediary.

Q. If I change my mind, can I take back my proxy once I have given it?

- A. Yes. If you change your mind and wish to revoke your proxy, prepare a written statement to this effect. The statement must be signed by you or your attorney as authorized in writing or, if Voting Units are held by a corporation, under the corporation's corporate seal or by an officer or attorney of the corporation duly authorized. This statement must be delivered either to the head office of the REIT on or before the last business day preceding the day of the Meeting or any adjournment thereof at which the proxy is to be used or to the Chairman on the day of the Meeting or any adjournment of the Meeting, prior to the time of voting, or in any other manner permitted by law.

Q. How will my Voting Units be voted if I give my proxy?

- A. Voting Units represented by proxies will be voted in accordance with the instructions of the Unitholder. If the Unitholder specifies a choice with respect to any matter to be acted upon at the Meeting, Voting Units represented by properly executed proxies will be voted accordingly.

It is intended that the Voting Units represented by proxies received by management without a specified choice will be voted "FOR" (a) the election of each of the nominees named herein as Trustees; (b) the re-appointment of KPMG LLP as the auditor of the REIT and the Trustees to fix such auditor's remuneration, (c) the approval, adoption, ratification and confirmation of the deferred unit plan and grants made under the deferred unit plan; and (d) the approval, adoption, ratification and confirmation of the restricted unit rights plan and grants made under the restricted unit rights plan.

Q. What if amendments are made to these matters or if other matters are brought before the Meeting?

- A. The form of proxy that relates to this Circular confers discretionary authority upon the persons named therein with respect to amendments to matters identified in the Notice and with respect to such other matters as may properly come before the Meeting or any adjournment or postponement thereof. At the date of this Circular, management of the REIT is not aware of any amendments or other matters to come before the Meeting other than the matters referred to in the Notice. With respect to amendments to matters identified in the Notice or other matters that may come before the Meeting, such Voting Units will be voted by the persons so designated in their discretion.

Q. How many Voting Units are entitled to vote?

- A. The Board has fixed May 7, 2015 as the Record Date for the purpose of determining which Unitholders are entitled to vote at the Meeting. On May 7, 2015, there were 19,095,458 Units and 13,561,599 Special Voting Units outstanding. Each Unit and Special Voting Unit is entitled to one vote on each matter to be voted upon at the Meeting.

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

- A. The Declaration of Trust of the REIT provides that only a holder of Voting Units of record at the close of business on the Record Date is entitled to vote at the applicable Meeting, even where such Unitholder has since that date disposed of his or her Voting Units, and no Unitholder becoming such after the Record Date will be entitled to receive notice of and vote at the applicable Meeting or any adjournment thereof.

Q. How will the votes be counted?

- A. The REIT's registrar and transfer agent, TMX Equity Transfer Services, will serve as independent scrutineer at the Meeting, and will tabulate all votes at the Meeting.

Q. If I need to contact the transfer agent, how do I reach it?

A. You can contact the transfer agent by mail at:

TMX Equity Transfer Services
Suite 300, 200 University Avenue
Toronto, Ontario, M5H 4H1

or by telephone: 416-361-0930 ext. 205
or by toll-free throughout North America: 1-866-393-4891
or by email: tmxeinvestorservices@tmx.com

PRINCIPAL HOLDERS OF VOTING UNITS

To the knowledge of the Trustees and management of the REIT, as of the Record Date, no person or company beneficially owned, or controlled or directed, directly or indirectly, Voting Units carrying 10% or more of the votes attached to the outstanding Voting Units of the REIT, other than entities directly or indirectly beneficially owned or controlled by Mr. Daniel Drimmer, a Trustee and the Chairman of the Board, ("**DD Entities**"), which owned, in aggregate, 1,063,493 Units and 12,388,267 Special Voting Units, representing approximately 41.19% of the outstanding Voting Units (or 5.57% of the outstanding Units and 91.35% of the outstanding Special Voting Units, respectively) as of the Record Date. The REIT understands Mr. Daniel Drimmer exercises voting control over all Voting Units owned by the DD Entities.

Management understands the Voting Units registered in the name of CDS & Co. are beneficially owned through various Intermediaries on behalf of their clients and other parties. The names of the beneficial owners of such Units are not known to the REIT. Except as set out above, the REIT and executive officers of the REIT have no knowledge of any person or company that beneficially owns, or controls or directs, directly or indirectly, 10% or more of the outstanding Voting Units.

MATTERS TO BE ACTED UPON AT THE MEETING

1. Financial Statements

The REIT's audited consolidated annual financial statements as at and for the year ended December 31, 2014, together with the auditor's report thereon (the "**financial statements**") will be tabled before the Unitholders at the Meeting for consideration by the Unitholders. The financial statements have been approved by the Audit Committee and by the Board. Copies of the financial statements may be obtained from the Secretary of the REIT upon request and will be available at the Meeting. The financial statements are also available on the REIT's website at www.truenorthreit.com or under the REIT's SEDAR profile at www.sedar.com.

2. Election of Trustees

The Declaration of Trust provides the REIT must have a minimum of three and a maximum of ten Trustees. The Declaration of Trust further provides that Starlight has the right to appoint certain Trustees (the "**Starlight Appointed Trustees**") based on the size of the Board. Presently, the number of Trustees is set at seven and Starlight is entitled to appoint two of the seven Trustees. Starlight has determined not to exercise such appointment rights in respect of Trustees to be elected at the Meeting, although it may exercise such appointment rights in the future.

The persons noted below have been nominated by management for election as Trustees at the Meeting (the "**Nominees**"). Five of the seven Nominees proposed for election as Trustees by the Unitholders at the Meeting are considered "**Independent Trustees**" (being a Trustee who is "independent" within the meaning of National Instrument 58-101 — *Disclosure of Corporate Governance Practices*) ("**NI 58-101**").


The Board has adopted a policy that entitles each Unitholder to vote for each Nominee on an individual basis rather than for a fixed slate of Nominees. Each Nominee should be elected by the vote of a majority of the Voting Units represented in person or by proxy at the Meeting. If any Nominee receives, from the Voting Units voted at the Meeting in person or by proxy, a greater number of votes “withheld” than votes “for” his election as a Trustee, the Trustee will be required to tender his resignation to the Chairman of the Governance, Compensation and Nominating Committee (“**GC&N Committee**”) for consideration promptly following the Meeting, to take effect upon acceptance by the Board. The GC&N Committee will consider the resignation and provide a recommendation to the Board as to whether or not to accept such resignation. The Board will, in turn, consider the recommendation of the GC&N Committee, among other things, and make a final decision concerning the acceptance of such resignation within 90 days of the Meeting and a news release will be issued by the REIT announcing the decision. A Trustee who tenders his resignation will not participate in any deliberations pertaining to such resignation.

The foregoing process applies only in circumstances involving an “uncontested” election of Trustees. If any Trustee fails to tender his resignation as contemplated above that Trustee will not be re-nominated. Subject to any restrictions in the Declaration of Trust, where the Board accepts the resignation of a Trustee, the Board may exercise its discretion with respect to the resulting vacancy and may, without limitation, leave the resultant vacancy unfilled until the next annual meeting of Unitholders, fill the vacancy through the appointment of a new Trustee whom the Board considers to merit the confidence of the Unitholders, or call a special meeting of Unitholders to elect a new nominee to fill the vacant position.

The Nominees are to be elected by the Unitholders at each annual meeting of Unitholders to hold office for a term expiring at the close of the next annual meeting of Unitholders, or until a successor is appointed. The seven Nominees named below are proposed for election as Trustees of the REIT by the Unitholders at the Meeting. Each such Nominee is currently a Trustee and has demonstrated his eligibility and willingness to serve as a Trustee. If, prior to the Meeting, any of the listed nominees become unable or unwilling to serve, Voting Units represented by properly executed proxies will be voted by the persons so designated in their discretion for a properly qualified substitute.

Unless such authority is withheld, the persons named in the accompanying form of proxy intend to vote FOR the election of the Nominees listed and described in the “Nominees for Election to the Board of Trustees” on pages 12 to 18.

Nominees for Election to the Board of Trustees

Daniel Drimmer				
	Age: 42		Principal Occupation: President and Chief Executive Officer, Starlight Investments Ltd.	
	Toronto, Ontario Canada		Daniel Drimmer is the founder, President and Chief Executive Officer of Starlight Investments Ltd., a Canadian real estate asset management company focused on the acquisition, ownership and management of commercial and residential properties across Canada and the United States, with a portfolio of approximately 30,500 residential rental units and over 2,000,000 square feet in commercial properties. Mr. Drimmer is also a director and Chief Executive Officer of TSXV-listed Starlight U.S. Multi-Family Core Fund, Starlight U.S. Multi-Family (No. 2) Core Fund, Starlight U.S. Multi-Family (No. 3) Core Fund, Starlight U.S. Multi-Family (No. 4) Core Fund and Campar Capital Corporation. In addition to the formation of Starlight Investments Ltd., Mr. Drimmer established and is the Chairman of the Board, President and Chief Executive Officer of TSX-listed True North Commercial REIT. In July 2014, Mr. Drimmer was appointed to the board of directors of the Mortgage Company of Canada Inc. Mr. Drimmer was TSX-listed TransGlobe Apartment REIT's creator and sponsor from May 2010 to August 2011. From November 1996 to August 2011 Mr. Drimmer was the President of TransGlobe Investment Management Ltd. and TransGlobe Property Management Services Ltd. Mr. Drimmer obtained a Bachelor of Arts degree from the University of Western Ontario and a Masters degree in Contemporary Policy Making from European University in Geneva, Switzerland.	
Trustee Since: June 5, 2012				
Board and Committee Membership	2014 Attendance		Directorships (past 5 years)	
Board (Chair) Investment (Chair) ⁽¹⁾	8/8 0/0	100% -	Public Company Directorships <ul style="list-style-type: none"> • TransGlobe Apartment REIT (2010-2011) • True North Commercial REIT (2012-Present) • Starlight U.S. Multi-Family Core Fund (2013-Present) • Starlight U.S. Multi-Family (No. 2) Core Fund (2013-Present) • Starlight U.S. Multi-Family (No. 3) Cord Fund (2014-Present) • Campar Capital Corporation (2014-Present) • Starlight U.S. Multi-Family (No. 4) Core Fund (2015-Present) 	
Securities Held				
Units ⁽²⁾ #	Special Voting Units ⁽²⁾ #	Total Units and Special Voting Units #	Total Market Value of Units and Special Voting Units ⁽³⁾ \$	Unexercised Options #
1,063,493	12,388,267	13,451,760	110,977,020	120,000
Voting Results of 2014 Annual and Special Meeting				
	Votes For		Votes Withheld	
Number of Votes	6,634,347		12,652	
Percentage of Votes	99.81%		0.19%	

(1) No formal Investment Committee meetings were held in 2014; however, the Investment Committee met in conjunction with Board meetings during 2014 and fulfilled its duties as contemplated by the Declaration of Trust.

(2) Collectively comprising the Voting Units of the REIT beneficially owned, or controlled or directed, directly or indirectly by the Trustee.

(3) "Total Market Value of Units and Special Voting Units" is calculated on the closing price of the Units on the TSX on May 1, 2015, which was \$8.25.

J. Michael Knowlton



Age: 64
Whistler,
British Columbia,
Canada

Trustee Since:
May 28, 2013

Independent

Principal Occupation: Corporate Director

Michael Knowlton is a corporate director and has 25 years of experience in real estate. He retired as President and Chief Operating Officer of Dundee REIT in 2011 where he was responsible for the day-to-day operations with a focus on acquisitions and external relationships. Prior to being appointed as President and Chief Operating Officer at Dundee REIT, Mr. Knowlton served as Executive Vice President and Chief Financial Officer, responsible for all financial accounting and reporting, treasury and finance functions. Prior to joining Dundee REIT in 1998, Mr. Knowlton held senior positions with companies including OMERS Realty Corporation, Imperial Oil Limited, Datacrown Limited, American Standard Brands and Citicom (a privately held real estate development company). Mr. Knowlton also serves on the board of Crombie REIT and Tricon Capital Corp. and is a former trustee of TransGlobe Apartment REIT and Northwest Healthcare Properties REIT. Mr. Knowlton holds a Bachelor of Science degree in Engineering, and a Master of Business Administration from Queen's University. Mr. Knowlton is qualified as a Chartered Professional Accountant and holds an ICD.D designation from the Institute of Corporate Directors.

Board and Committee Membership	2014 Attendance		Directorships (past 5 years)	
Board Investment ⁽¹⁾ Special ⁽²⁾ (Chair)	8/8 0/0 9/9	100% - 100%	Public Company Directorships <ul style="list-style-type: none"> • TransGlobe Apartment REIT (2011-2012) • Tricon Capital Group Inc. (2011-Present) • Crombie REIT (2011-Present) • Northwest Healthcare Properties REIT (2011-2014) 	
Securities Held ⁽³⁾				
Units ⁽⁴⁾ #	Special Voting Units ⁽⁴⁾ #	Total Units and Special Voting Units #	Total Market Value of Units and Special Voting Units ⁽⁵⁾ \$	Unexercised Options #
10,202	nil	10,202	84,166	nil
Voting Results of 2014 Annual and Special Meeting				
	Votes For		Votes Withheld	
Number of Votes	6,636,427		10,572	
Percentage of Votes	99.84%		0.16%	

- (1) No formal Investment Committee meetings were held in 2014; however, the Investment Committee met in conjunction with Board meetings during 2014 and fulfilled its duties as contemplated by the Declaration of Trust.
- (2) On April 7, 2014, a special committee of Trustees consisting of Messrs. Knowlton (Chair), Rosenberg and Smith was established for the purposes of supervising the process to be carried out by the REIT and its professional advisors in connection with the acquisition of the June 2014 Properties. See "Arrangements with Starlight".
- (3) Mr. Knowlton elected to receive 1,121 deferred units in lieu of fees for Trustee services for the period ended March 31, 2015, which election is subject to Unitholder approval of the deferred unit plan at the Meeting (see "Special Business – Deferred Unit Plan").
- (4) Collectively comprising the Voting Units of the REIT beneficially owned, or controlled or directed, directly or indirectly by the Trustee.
- (5) "Total Market Value of Units and Special Voting Units" is calculated on the closing price of the Units on the TSX on May 1, 2015, which was \$8.25.

Robert McKee



Age: 52
 Toronto, Ontario
 Canada
 Trustee Since:
 June 5, 2012
Independent

Principal Occupation: President and Chief Executive Officer, Firm Capital Property Trust

Robert McKee has been the President and Chief Executive Officer of Firm Capital Property Trust (an issuer listed on the TSX) and Managing Director at Firm Capital Realty Partners Inc. since August 2012 and October 2008, respectively. Previously, Mr. McKee was the Vice President, Finance and Administration at Firm Capital Mortgage Investment Corporation (an issuer listed on the TSX). Prior to that, Mr. McKee was a member of TD Securities Realty Group specializing in equity and debt underwriting and real estate acquisitions and dispositions. Mr. McKee holds a Master of Business Administration (with Distinction) from the Richard Ivey School of Business.

Board and Committee Membership	2014 Attendance		Directorships (past 5 years)
Board GC&N (Chair) Investment ⁽¹⁾	8/8 2/2 0/0	100% 100% -	Public Company Directorships • Firm Property Capital Trust (2012-Present)

Securities Held⁽²⁾

Units ⁽³⁾ #	Special Voting Units ⁽³⁾ #	Total Units and Special Voting Units #	Total Market Value of Units and Special Voting Units ⁽⁴⁾ \$	Unexercised Options #
15,698	25,000	40,698	335,758	41,500

Voting Results of 2014 Annual and Special Meeting

	Votes For	Votes Withheld
Number of Votes	6,637,227	9,772
Percentage of Votes	99.85%	0.15%

- (1) No formal Investment Committee meetings were held in 2014; however, the Investment Committee met in conjunction with Board meetings during 2014 and fulfilled its duties as contemplated by the Declaration of Trust.
- (2) Mr. McKee elected to receive 1,121 deferred units in lieu of fees for Trustee services for the period ended March 31, 2015, which election is subject to Unitholder approval of the deferred unit plan at the Meeting (see "Special Business – Deferred Unit Plan").
- (3) Collectively comprising the Voting Units of the REIT beneficially owned, or controlled or directed, directly or indirectly by the Trustee.
- (4) "Total Market Value of Units and Special Voting Units" is calculated on the closing price of the Units on the TSX on May 1, 2015, which was \$8.25.

Alon Ossip



Age: 51

Toronto, Ontario
Canada

Trustee Since:
June 5, 2012

Independent

Principal Occupation: Chief Executive Officer, The Stronach Group

Alon Ossip is the Chief Executive Officer of The Stronach Group, a privately-held consortium that owns, operates and manages a number of leading businesses in a wide range of industries, including thoroughbred racing and gaming, real estate, electric vehicle technologies, medical technologies, and agri-business. He is also a trustee of TSX-listed True North Commercial REIT, as well as a director of TSXV-listed Campar Capital Corporation. Mr. Ossip was previously a Partner at Goodman and Carr LLP and Associate Counsel at Miller Thomson LLP. Mr. Ossip was formerly an Executive Vice President of TSX-listed Magna International Inc., and a trustee of TransGlobe Apartment REIT. Previously he was a director, officer and founding shareholder of Workbrain Corporation (a TSX-listed public company that was sold to Infor Global Solutions European Finance, S.a.R.L. in 2007) from June 2003 to June 2007. Mr. Ossip has a Bachelor of Laws from York University (Osgoode Hall) and a Bachelor of Arts from the University of Toronto.

Board and Committee Membership	2014 Attendance		Directorships (past 5 years)	
Board	6/8	75%	Public Company Directorships <ul style="list-style-type: none"> • TransGlobe Apartment REIT (2010-2011) • True North Commercial REIT (2012-Present) • Campar Capital Corporation (2014-Present) 	
GC&N	2/2	100%		
Investment ⁽¹⁾	0/0	-		
Securities Held ⁽²⁾				
Units ⁽³⁾ #	Special Voting Units ⁽³⁾ #	Total Units and Special Voting Units #	Total Market Value of Units and Special Voting Units ⁽⁴⁾ \$	Unexercised Options #
71,473	162,500	233,973	1,930,277	84,000
Voting Results of 2014 Annual and Special Meeting				
	Votes For		Votes Withheld	
Number of Votes	6,635,587		11,412	
Percentage of Votes	99.83%		0.17%	

- (1) No formal Investment Committee meetings were held in 2014; however, the Investment Committee met in conjunction with Board meetings during 2014 and fulfilled its duties as contemplated by the Declaration of Trust.
- (2) Mr. Ossip elected to receive 1,121 deferred units in lieu of fees for Trustee services for the period ended March 31, 2015, which election is subject to Unitholder approval of the deferred unit plan at the Meeting (see "Special Business – Deferred Unit Plan").
- (3) Collectively comprising the Voting Units of the REIT beneficially owned, or controlled or directed, directly or indirectly by the Trustee.
- (4) "Total Market Value of Units and Special Voting Units" is calculated on the closing price of the Units on the TSX on May 1, 2015, which was \$8.25.

Graham Rosenberg



Age: 52
 Toronto, Ontario
 Canada
 Trustee Since:
 October 1, 2012
Independent

Principal Occupation: Co-Chief Executive Officer and President, Dental Corporation of Canada Inc.

Graham Rosenberg is the Co-Chief Executive Officer and President of Dental Corporation of Canada Inc., a company that he founded in 2011 to acquire and partner with dental practices across Canada. Prior to founding Dental Corporation of Canada Inc., Mr. Rosenberg founded and is the President of BCM Bancorp Inc., a boutique merchant bank providing mid-market North American companies with strategic and financial resources to accelerate growth and maximize value. Previously, Mr. Rosenberg was a Managing Director of MDC Partners Inc., a marketing and communications firm listed on the TSX and NASDAQ, from 2003 to 2009, holding various senior executive positions within the firm, and a former trustee of TransGlobe Apartment REIT. Prior to that, Mr. Rosenberg spent eight years as a Managing Partner at Clairvest Group Inc., a TSX-listed merchant bank. Mr. Rosenberg is qualified as a Chartered Professional Accountant.

Board and Committee Membership	2014 Attendance		Directorships (past 5 years)	
Board	8/8	100%	Public Company Directorships • TransGlobe Apartment REIT (2010-2012)	
Audit (Chair)	4/4	100%		
Investment ⁽¹⁾	0/0	-		
Special ⁽²⁾	7/9	78%		
Securities Held⁽³⁾				
Units ⁽⁴⁾ #	Special Voting Units ⁽⁴⁾ #	Total Units and Special Voting Units #	Total Market Value of Units and Special Voting Units ⁽⁵⁾ \$	Unexercised Options #
13,421	nil	13,421	110,723	34,000
Voting Results of 2014 Annual and Special Meeting				
	Votes For	Votes Withheld		
Number of Votes	6,636,427	10,572		
Percentage of Votes	99.84%	0.16%		

- (1) No formal Investment Committee meetings were held in 2014; however, the Investment Committee met in conjunction with Board meetings during 2014 and fulfilled its duties as contemplated by the Declaration of Trust.
- (2) On April 7, 2014, a special committee of Trustees consisting of Messrs. Knowlton (Chair), Rosenberg and Smith was established for the purposes of supervising the process to be carried out by the REIT and its professional advisors in connection with the acquisition of the June 2014 Properties. See "Arrangements with Starlight".
- (3) Mr. Rosenberg elected to receive 1,121 deferred units in lieu of fees for Trustee services for the period ended March 31, 2015, which election is subject to Unitholder approval of the deferred unit plan at the Meeting (see "Special Business – Deferred Unit Plan").
- (4) Collectively comprising the Voting Units of the REIT beneficially owned, or controlled or directed, directly or indirectly by the Trustee.
- (5) "Total Market Value of Units and Special Voting Units" is calculated on the closing price of the Units on the TSX on May 1, 2015, which was \$8.25.

Denim Smith



Age: 38
 Toronto, Ontario
 Canada
 Trustee Since:
 June 5, 2012
Independent

Principal Occupation: Chief Investment Officer, The Nationwide Group of Companies

Denim Smith is the Chief Investment Officer at The Nationwide Group of Companies, a real estate technology company, a partner at SMH Partners Ltd., a real estate consulting company, and Founder and Chief Executive Officer of the Internet startup My Internet Corporation. Mr. Smith was most recently the Vice President of Blackmont Capital Inc.'s real estate investment banking practice where he was involved in over \$300 million of capital markets transactions and over \$3 billion of advisory and valuation mandates. Prior to joining Blackmont Capital Inc., Mr. Smith helped to form KeyBanc Capital Markets Real Estate Group in Boston, Massachusetts which was responsible for over US\$3.5 billion of capital markets transactions and US\$600 million of successful sell-side advisory mandates. Previously, he was a real estate investment banker at RBC Capital Markets in Canada and the United States. Additionally, Mr. Smith served as a trustee for GT Canada Medical Properties REIT and sat on its audit committee. Mr. Smith is a graduate of the University of Western Ontario and has completed the General Securities Representatives Exam and Uniform Securities Agent State Law Exam administered by the United States Financial Industry Regulatory Authority, as well as numerous Canadian Securities Institute courses and the Chartered Financial Analyst Level 2 exam.

Board and Committee Membership	2014 Attendance		Directorships (past 5 years)	
Board	8/8	100%	Public Company Directorships • GT Canada Medical Properties REIT (2010-2012)	
Audit	4/4	100%		
GC&N Committee	2/2	100%		
Special ⁽¹⁾	9/9	100%		
Securities Held ⁽²⁾				
Units ⁽³⁾ #	Special Voting Units ⁽³⁾ #	Total Units and Special Voting Units #	Total Market Value of Units and Special Voting Units ⁽⁴⁾ \$	Unexercised Options #
4,185	25,000	29,185	240,776	41,500
Voting Results of 2014 Annual and Special Meeting				
	Votes For	Votes Withheld		
Number of Votes	6,634,925	12,074		
Percentage of Votes	99.82%	0.18%		

- (1) On April 7, 2014, a special committee of Trustees consisting of Messrs. Knowlton (Chair), Rosenberg and Smith was established for the purposes of supervising the process to be carried out by the REIT and its professional advisors in connection with the acquisition of the June 2014 Properties. See "Arrangements with Starlight".
- (2) Mr. Smith elected to receive 1,121 deferred units in lieu of fees for Trustee services for the period ended March 31, 2015, which election is subject to Unitholder approval of the deferred unit plan at the Meeting (see "Special Business – Deferred Unit Plan").
- (3) Collectively comprising the Voting Units of the REIT beneficially owned, or controlled or directed, directly or indirectly by the Trustee.
- (4) "Total Market Value of Units and Special Voting Units" is calculated on the closing price of the Units on the TSX on May 1, 2015, which was \$8.25.

Leslie Veiner



Age: 48
 Toronto, Ontario
 Canada
 Trustee Since:
 October 1, 2012

Principal Occupation: President and Chief Executive Officer, True North Apartment REIT

Leslie Veiner has been the President and Chief Executive Officer of the True North Apartment REIT since August 2012. Previously, Mr. Veiner has held senior management positions in the Canadian real estate industry and most recently served as the Chief Financial Officer of TransGlobe Apartment REIT. Prior to joining TransGlobe Apartment REIT, Mr. Veiner provided seniors housing advisory services through his consulting company Hippo Capital Corporation. From 2003 to 2008, Mr. Veiner was employed by Chartwell Senior Housing REIT, holding the positions of Senior Vice President Real Estate from 2005 to 2008 and Chief Financial Officer from its inception in 2003 to 2005. From 2000 to 2003, Mr. Veiner was Chief Financial Officer of Alert Care Corporation, which sold its properties in connection with the formation of Chartwell Senior Housing REIT and from 1995 to 2000 he held senior financial positions with a real estate company and a healthcare company. Mr. Veiner is qualified as a Chartered Professional Accountant, and holds a Bachelor of Commerce and Graduate Diploma in Accounting from the University of Cape Town, South Africa.

Board and Committee Membership	2014 Attendance		Directorships (past 5 years)	
Board	8/8	100%	n/a	
Securities Held ⁽¹⁾				
Units ⁽²⁾ #	Special Voting Units ⁽²⁾ #	Total Units and Special Voting Units #	Total Market Value of Units and Special Voting Units ⁽³⁾ \$	Unexercised Options #
18,770	nil	nil	154,852	120,000
Voting Results of 2014 Annual and Special Meeting				
	Votes For		Votes Withheld	
Number of Votes	6,633,187		13,812	
Percentage of Votes	99.79%		0.21%	

- (1) Mr. Veiner was awarded 45,450 restricted unit rights in respect of the 2013 and 2014 financial years, subject to Unitholder approval of the restricted units right plan at the Meeting (see “Special Business – Restricted Unit Rights Plan”).
- (2) Collectively comprising the Voting Units of the REIT beneficially owned, or controlled or directed, directly or indirectly by the Trustee.
- (3) “Total Market Value of Units and Special Voting Units” is calculated on the closing price of the Units on the TSX on May 1, 2015, which was \$8.25.

The Trustees believe the current board size is optimal. Each board member is expected to attend all meetings, with the average rate of attendance for 2014 being 96%, indicating that the current board members are fully committed to the operations and management of the REIT. As set out below, the Trustees believe the skill set currently on the Board meets the operational requirements of the REIT. Much of the Board’s work is done through its committees, and all committee members have significant experience in their respective committee specialties.

The skills matrix below summarizes the expertise possessed by each Nominee:

Area of Expertise	Drimmer	Knowlton	McKee	Ossip	Rosenberg	Smith	Veiner
Executive Management	✓	✓	✓	✓	✓	✓	✓
Strategic Insight/Leading Growth	✓	✓	✓	✓	✓	✓	✓
Real Estate	✓	✓	✓	✓	-	✓	✓
Business Leadership	✓	✓	✓	✓	✓	✓	✓
Corporate Finance and Capital Markets	✓	✓	✓	✓	✓	✓	✓
Finance Accounting and Reporting	-	✓	✓	✓	✓	✓	✓
Mergers and Acquisitions	✓	✓	✓	✓	✓	✓	✓
Corporate Governance	-	✓	✓	✓	✓	✓	-

Corporate Cease Trade Orders or Bankruptcies

No person proposed to be nominated for election as a Trustee at the Meeting is or has been, within the preceding ten years, a director, trustee, chief executive officer or chief financial officer of any company (including a personal holding company of any such persons) that:

- (a) was subject to a cease trade order (or similar order that denied the company access to any exemption under securities legislation) that was issued while the proposed Trustee was acting in the capacity as director, trustee, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade order (or similar order that denied the company access to any exemption under securities legislation) that was issued after the proposed Trustee ceased to be a director, trustee, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, trustee, chief executive officer or chief financial officer.

No person proposed to be nominated for election as a Trustee at the Meeting is or has been, within the preceding ten years, a director, trustee, or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Individual Bankruptcies

No person proposed to be nominated for election as a Trustee at the Meeting is or has, within the preceding ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or has become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such person.

3. Appointment of Auditor

KPMG LLP, Chartered Professional Accountants, located in Toronto, Ontario is currently the auditor of the REIT and has been the auditor of the REIT since its inception in 2012. The Board recommends that KPMG LLP be re-appointed as the auditor of the REIT, to hold office until the close of the next annual meeting of Unitholders or until a successor is appointed, and that the Trustees be authorized to fix KPMG LLP's remuneration as the auditor of the REIT.

To be effective, the resolution approving the re-appointment of KPMG LLP and authorizing the Trustees to fix KPMG LLP's remuneration must be passed at the Meeting. The Board recommends Unitholders vote FOR the re-appointment of KPMG LLP as the auditor of the REIT and to authorize the Trustees to fix the auditor's remuneration. Unless such authority is withheld, persons named in the accompanying form of proxy intend to vote FOR the re-appointment of KPMG LLP as the auditor of the REIT and to authorize the Trustees to fix the auditor's remuneration.

4. Special Business – Deferred Unit Plan

The Unitholders are being asked at the Meeting to approve, adopt, ratify and confirm a deferred unit plan (the “**Deferred Unit Plan**”) of the REIT. The Deferred Unit Plan was approved by the Board on December 10, 2014 and has been conditionally approved by the TSX.

Rationale

The purpose of the Deferred Unit Plan is to promote a greater alignment of Trustees’ interests with those of Unitholders. During 2014, the Board instituted a requirement that Trustees, the CEO and the CFO acquire over a period of up to five years, that number of Units having a value equal to three times their annual compensation. See “Remuneration of Trustees of the REIT – Unit Ownership Guidelines”. The adoption of the Deferred Unit Plan will allow each non-executive Trustee the opportunity to receive a percentage of his or her annual retainer in the form of Deferred Units (as defined below) and will provide the non-executive Trustees with an additional mechanism to satisfy the Unit ownership requirements.

Description of the Plan

The Deferred Unit Plan is administered by the GC&N Committee. A copy of the full text of the Deferred Unit Plan is attached hereto as Schedule “A”. Also see “Maximum Allowable Number of Deferred Unit Grants” and “Previously Granted Deferred Units”.

A person who is, on the applicable election date, a non-executive Trustee (“**Eligible Person**”) is given the right to elect to be a participant (a “**DUP Participant**”) of the Deferred Unit Plan. Participation in the Deferred Unit Plan by each Eligible Person is voluntary.

An Eligible Person who elects to be a DUP Participant may be paid 25%, 50%, 75% or 100% (the “**Elected Percentage**”) of his or her annual retainer payable by the REIT (excluding any Board committee fees, attendance fees, chair fees, or additional fees and retainers (which fees are payable under the non-executive trustee unit issuance plan)) in respect of a calendar year for service on the Board (“**Board Compensation**”) (such amount being herein referred to as the “**Elected Amount**”), subject to an annual maximum Elected Percentage established by the GC&N Committee in its sole discretion, in the form of deferred units (“**Deferred Units**”), in lieu of cash. 50% of the Elected Amount will be matched by the REIT in the form of Deferred Units having a value equal to the Market Value (as defined below) of the Elected Amount on the last business day of each calendar quarter (the “**Award Date**”).

The maximum Elected Percentage has been set at 100% of the Board Compensation in respect of 2015. Board Compensation for each of the Trustees is \$25,000 for the 2015 financial year. As a result, if the Deferred Unit Plan is approved by Unitholders, each DUP Participant in 2015 will be entitled to elect to receive up to 100% of his or her Board Compensation (being \$25,000), in the form of Deferred Units, which Elected Amount shall be matched 50% by the REIT as set out above. “**Market Value**” at any date in respect of the Units means the volume weighted average price of all Units traded on the TSX for the five trading days immediately preceding such date.

Under no circumstances will Deferred Units be considered Units and accordingly will not entitle a DUP Participant to any Unitholder rights, including, without limitation, voting rights, distribution entitlements (other than as set out below) or rights on liquidation. One Deferred Unit is equivalent in value to one Unit.

Each DUP Participant may elect to withdraw up to 20% of the Deferred Units credited to his or her Deferred Unit account (“**Deferred Unit Account**”) by filing a written notice of redemption (a “**Redemption Notice**”) with the CFO. A Redemption Notice may be filed only once in any five-year period. Otherwise, a DUP Participant shall be entitled to settle his or her Deferred Units upon ceasing to be a Trustee. A DUP Participant shall receive: (a) in settlement of all his or her Deferred Units, within five business days after the occurrence of any event causing him to cease to be a Trustee, a whole number of Units equal to the whole number of Deferred Units then recorded in the DUP Participant’s Deferred Unit Account, net of any applicable withholding taxes; or (b) in settlement of the number of Deferred Units specified in his or her Redemption Notice, within five business days after filing such Redemption Notice in accordance with the terms of the Deferred Unit Plan, a whole number of Units from the REIT equal to such number of Deferred Units, net of any applicable withholding taxes.

In lieu of cash distributions paid by the REIT on the Units, additional Deferred Units will be credited to the DUP Participant's Deferred Unit Account. The number of such additional Deferred Units shall be calculated by dividing: (a) the amount determined by multiplying: (i) the number of Deferred Units in such DUP Participant's Deferred Unit Account on the record date for the payment of such distribution by (ii) the distribution paid per Unit; by (b) the Market Value of a Unit on the distribution payment date for such distribution, in each case, with fractions computed to two decimal places.

In the event of any Unit dividend, Unit split, combination or exchange of Units, merger, consolidation, spin-off or other distribution (other than normal cash distributions) of the REIT's assets to the Unitholders, or any other change affecting the Units, the account of each DUP Participant and the Deferred Units outstanding under the Deferred Unit Plan shall be adjusted in such manner, if any, as the GC&N Committee may in its discretion deem appropriate to reflect the event. However, no amount will be paid to, or in respect of, a DUP Participant under the Deferred Unit Plan or pursuant to any other arrangement, and no additional Deferred Units will be granted to such DUP Participant to compensate for a downward fluctuation in the price of the Units, nor will any other form of benefit be conferred upon, or in respect of, a DUP Participant for such purpose.

In no event may the rights or interests of a DUP Participant under the Deferred Unit Plan be assigned, encumbered, pledged, transferred or alienated in any way, except to the extent that certain rights may pass to a beneficiary or legal representative upon death of a DUP Participant, by will or by the laws of succession and distribution.

The administration of the Deferred Unit Plan is subject to and performed in conformity with all applicable laws, regulations, orders of governmental or regulatory authorities and the requirements of any stock exchange on which the Units are listed. Each DUP Participant must comply with all such laws, regulations, rules, orders and requirements, and shall furnish the REIT with any and all information and undertakings, as may be required to ensure compliance therewith. Subject to the above and applicable law (including, without limitation, the rules, regulations and policies of the TSX), the provisions of the Deferred Unit Plan may be amended at any time and from time to time by resolution of the Board, including the following types of amendments:

- (a) minor changes of a "house-keeping nature";
- (b) amended which, in the opinion of the Board, are necessary or desirable to remove conflicts or inconsistencies in the Deferred Unit Plan;
- (c) a change to the termination provision of a Deferred Unit or the Deferred Unit Plan;
- (d) amendments as the Board in its discretion deems necessary or desirable to ensure compliance with applicable laws from time to time; and
- (e) a change to or the addition of any vesting provisions of Deferred Units issued pursuant to the Plan.

Approval of Unitholders will not be required for amendments to the Deferred Unit Plan or amendments to the terms and conditions of Deferred Units issued or rights or interests acquired hereunder, except for the following types of amendments or modifications:

- (a) amendments to increase the number of Units reserved for issuance, including an increase in the fixed maximum number of Units, or a change from a fixed maximum number of Units to a fixed maximum percentage;
- (b) amendments for the purpose of extending eligibility to participate in the Deferred Unit Plan to persons who are not Eligible Persons as defined herein.
- (c) any amendment to the definition of Market Value;
- (d) amendments for the purpose of permitting Deferred Units issued or other rights or interests acquired hereunder to be transferred or assigned other than in accordance with the assignment provisions of the Deferred Unit Plan;
- (e) amendments to increase the insider participation limits;
- (f) amendments to the amendment provision of the Deferred Unit Plan; and

- (g) amendments required to be approved by Unitholders under applicable law (including, without limitation, the rules, regulations and policies of the TSX).

Maximum Allowable Number of Deferred Unit Grants

As at May 1, 2015, the REIT had 32,657,057 Units (including Class B LP Units) outstanding. A maximum of up to 10% or 3,265,705 Units, in aggregate, are permitted to be issued by the REIT under the REIT's existing Unit incentive arrangements (collectively the "**Compensation Plans**"), being the (a) unit option plan of the REIT effective May 28, 2013 ("**Option Plan**"), and (b) the non-executive trustee unit issuance plan (the "**Unit Issuance Plan**") adopted with effect from May 28, 2013 and amended and restated as of January 1, 2014. The current number of Units reserved for issuance by the REIT under the Compensation Plans is 1,770,916. If the Deferred Unit Plan is approved at the Meeting, the REIT proposes to increase the number of Units reserved under the Compensation Plans by 30,000 Units and allocate such Units for issuance under the Deferred Unit Plan.

The following are restrictions on the grants that may be made under the Deferred Unit Plan: (a) at no time shall the number of Units reserved for issuance to insiders of the REIT pursuant to outstanding Deferred Units, together with the number of Units reserved for issuance to such persons pursuant to the other Compensation Plans, exceed 10% of the then outstanding Units (on a non-diluted basis, but including the number of Class B LP Units issued and outstanding), as calculated immediately prior to the grant in question; (b) the number of Units issued to insiders of the REIT pursuant to outstanding Deferred Units together with the number of Units issued to such persons pursuant to the other Compensation Plans, within any one year period, shall not exceed 10% of the then outstanding Units (on a non-diluted basis, but including the number of Class B LP Units issued and outstanding); (c) at no time shall the number of Units issued to any one insider pursuant to outstanding Deferred Units together with the number of Units issued to such Persons pursuant to the other Compensation Plans, exceed 5% of the then outstanding Units (on a non-diluted basis, but including the number of Class B LP Units issued and outstanding) at any time; and (d) no Eligible Person shall at any time be issued Deferred Units which would result in the non-executive Trustees collectively holding an aggregate number of Units granted or issuable pursuant to the other Compensation Plans or pursuant to the exercise of Options granted pursuant to the Unit Option Plan in excess of 0.5% of the aggregate number of Units outstanding from time to time (on a non-diluted basis, but including the number of Class B LP Units issued and outstanding).

Previously Granted Deferred Units

On March 31, 2015, 5,605 Deferred Units were granted under the Deferred Unit Plan to the non-executive Trustees. The Units issuable under such grants constitutes 0.02% of the REIT's currently outstanding Units (including Class B LP Units) as of May 1, 2015. All such grants are subject to Unitholder ratification at the Meeting, failing which all such grants will be cancelled. Furthermore, the Deferred Unit Plan itself is subject to Unitholder approval at the Meeting. Grants of Deferred Units to non-executive Trustees under the Deferred Unit Plan, as at May 1, 2015, are listed below:

<u>Name</u>	<u>Number of Deferred Units Granted</u>	<u>Date of Grant</u>
J. Michael Knowlton	1,121	March 31, 2015
Robert McKee	1,121	March 31, 2015
Alon Ossip	1,121	March 31, 2015
Denim Smith	1,121	March 31, 2015
Graham Rosenberg	<u>1,121</u>	March 31, 2015
TOTAL	5,605	

The TSX has conditionally approved the Deferred Unit Plan and the listing of the Units issued pursuant to the Deferred Unit Plan. Listing is subject to the REIT fulfilling all of the listing requirements of the TSX.

Approval Required

The text of the ordinary resolution approving the Deferred Unit Plan is set forth in Schedule "B" to this Circular. To be effective, the resolution must be passed by the majority of votes cast by Unitholders present or represented by proxy at the Meeting. **Unless such authority is withheld, persons named in the accompanying form of proxy intend to vote FOR the resolution which authorizes, approves, ratifies and confirms the Deferred Unit Plan as well as the grants made on March 31, 2015 under the Deferred Unit Plan.**

5. Special Business – Restricted Unit Rights Plan

The Unitholders are being asked at the Meeting to approve, adopt, ratify and confirm the restricted unit rights plan (the “**RUR Plan**”). The RUR Plan was approved by the Board on December 10, 2014 and has been conditionally approved by the TSX. The purpose of the RUR Plan is to promote a greater alignment of interests between the executive officers and employees of the REIT and Starlight, or executive officers and employees of an affiliate of the REIT (including a partnership or trust controlled by the REIT) (collectively the “**Participants**”) and the Unitholders.

Rationale

After a full review by the GC&N Committee, the Trustees have approved the RUR Plan, which, if approved, adopted, ratified and confirmed by Unitholders, will be the primary plan through which long-term incentive compensation will be awarded. The proposed RUR Plan was determined to be a more appropriate long-term incentive plan for the REIT at this time for the following reasons: (a) providing Participants with rewards and additional incentives in the form of Units; (b) encouraging ownership of Units by Participants, and (c) increasing the ownership interest of Participants in the REIT, through the issuance of restricted unit rights (“**RURs**”) which, upon vesting, in accordance with the RUR Plan, will be settled for Units.

Description of the RUR Plan

The purpose of the proposed RUR Plan is to provide its Participants with additional incentive and to further align the interest of its Participants with Unitholders through the use of RURs which, upon vesting, are exercisable for Units. Settlement of vested RURs and accumulated Distribution RURs (as defined below) will be by issuance of Units from treasury. Participants will be issued RURs which, upon vesting, will entitle the holder to exercise each RUR for one Unit.

The RUR Plan will be administered by the Board or, if delegated by the Board, the GC&N Committee, either of which may delegate administration of the RUR Plan to an administrator. A copy of the full text of the RUR Plan is attached hereto as Schedule “C”.

The RUR Plan provides that the number of RURs credited to Participants, the grant dates and any other terms and conditions of RURs covered by any grant shall be determined in the discretion of the Board or the GC&N Committee, as applicable, in accordance with the REIT’s compensation policy from time to time. Upon and subject to the vesting of RURs, participants will be entitled to receive additional RURs (“**Distribution RURs**”) in respect of each distribution paid on Units commencing from the award date. On each distribution date on Units, the REIT will accumulate and accrue for the benefit of the Participant, such number of Distribution RURs that are economically equivalent to the aggregate value of the distribution that the participant would have received had the participant held Units represented by all such RURs and Distribution RURs at the distribution date. Distribution RURs are not credited to the participant until the underlying RURs upon which such Distribution RURs are earned become vested. Distribution RURs will be held in an accrual account maintained by the REIT until such time. All Distribution RURs vest at the same time as the original grant of RURs upon which the Distribution RURs accumulate. If, and to the extent that, any underlying RURs are forfeited by a Participant, the Distribution RURs accumulated and accrued in respect thereof will also be forfeited by the participant.

Subject to certain exceptions, RURs granted under the RUR Plan (and Distribution RURs accrued thereon) vest in the entirety on December 1 of the third calendar year following the year of each grant date. Unvested RURs (and Distribution RURs accrued thereon) are fully forfeitable unless and until such RURs become vested. If a participant is terminated for cause, unvested RURs and Distribution RURs will be forfeited. If a participant resigns, unvested RURs (and Distribution RURs accrued thereon) are forfeited without further compensation. Notwithstanding the foregoing, the Board or the GC&N Committee, as applicable, have discretion to accelerate vesting of unvested RURs and Distribution RURs.

If a participant ceases to be employed by the REIT by reason of retirement or termination without cause on a date prior to the vesting of any RUR awards, such unvested RURs, and any Distribution RURs credited in respect thereof, shall vest, on a *pro rata* basis, based on the number of years since the original grant. The *pro rata* vesting provisions are subject to the discretion of the Board or the GC&N Committee, as applicable, to accelerate the vesting of any unvested RURs (including Distribution RURs) in the event of the retirement or termination without cause of a participant.

In the event of the death or disability of a Participant, the Participant’s estate, or in the event of disability, the Participant or the Participant’s legal guardian before the last day of any vesting period, all RURs granted in

respect of such vesting period and any Distribution RURs shall vest and Units shall be issued in accordance with the RUR Plan (and such date of death or disability, as applicable, shall constitute the date for the purposes of determining the settlement date). Notwithstanding the foregoing, the Board or the GC&N Committee, as applicable, retains discretion to accelerate vesting of unvested RURs and Distribution RURs accrued thereon.

In the event of a change of control, subject to the terms of any employment agreement, if a Participant who is an executive officer of the REIT is terminated without cause during the two year period following the change of control, vesting of all unvested RURs (and Distribution RURs) is accelerated. In the event of a change of control, if the acquirer does not provide a substituted plan or adopt the RUR Plan, vesting of unvested RURs is accelerated. There is no automatic acceleration of vesting of unvested RURs under the RUR Plan simply arising because of the change of control. A “**change of control**” is broadly defined to contemplate the circumstances where a person or group of persons acting jointly or in concert acquire beneficial ownership or control of more than fifty percent (50%) of the outstanding Units or votes attaching thereto or of all or substantially all of the assets of the Trust or its subsidiaries, and includes a takeover.

Other than as provided in the RUR Plan, the rights or interests of a Participant under the RUR Plan may not be assigned or transferred in any way, except to the extent that certain rights may pass to a beneficiary or legal representative upon the death of such participant, by will or by the laws of succession and distribution or otherwise required by law.

The Board may, from time to time, subject to applicable securities laws, rules of the TSX and requisite regulatory or other approvals, amend, suspend or terminate the RUR Plan, in whole or in part, without Unitholder or participant approval. The Board may, from time to time, amend the terms of grants of RURs without Unitholder approval, but subject to any required regulatory or other approvals and, if any such amendment materially adversely affects the rights of a Participant with respect to a grant of RURs, that Participant’s written consent is required. Further, the Board may not amend provisions relating to the grants of RURs in the event of a change of control, as described above, on or after the date of such change of control. The Board or the GC&N Committee, as applicable, may, subject to receipt of any requisite regulatory and TSX approval, make all other amendments to the RUR Plan without Unitholder approval, including but not limited to the following:

- (a) minor changes of a house-keeping nature;
- (b) amendments which, in the opinion of the Board, are necessary or desirable to remove conflicts or inconsistencies in the RUR Plan;
- (c) a change to the termination provisions of a RUR or the RUR Plan;
- (d) amendments as the Board in its discretion deems necessary or desirable to ensure compliance with applicable laws from time to time; and
- (e) a change to or the addition of any vesting provisions of RURs issued pursuant to the RUR Plan.

Notwithstanding the foregoing, certain amendments to the RUR Plan require Unitholder approval, including, but not limited to, the following:

- (a) any increase in the number of Units available for issuance, including an increase in the fixed maximum number of Units, or a change from a fixed maximum number of Units to a fixed maximum percentage;
- (b) amendments for the purpose of extending eligibility to participate in the RUR to persons who are not Participants;
- (c) any amendment to the definition of Market Value, being the volume weighted average price of all Units traded on the TSX for the five trading days immediately preceding the relevant date (as defined in the RUR Plan);
- (d) amendments for the purpose of permitting RURs issued or other rights or interests acquired hereunder to be transferred or assigned other than in accordance with the RUR Plan;
- (e) amendments to increase the insider participation limits; and

- (f) amendments required to be approved by Unitholders under applicable law (including, without limitation, the rules, regulations and policies of the TSX).

As at May 1, 2015, the REIT had 32,657,057 Units (including Class B LP Units) outstanding. A maximum of up to 10% or 3,265,705 Units, in aggregate, are permitted to be issued by the REIT under the REIT's Compensation Plans. The current number of Units reserved for issuance by the REIT under the Compensation Plans is 1,770,916. If the RUR Plan is approved at the Meeting, the REIT proposes to increase the number of Units reserved under the Compensation Plans by 145,000 Units and allocate such Units for issuance under the RUR Plan. The maximum number of Units issuable to Insiders (as such term is defined in the RUR Plan) under the RUR Plan, or when combined with any other Compensation Plan, may not exceed ten percent (10%) of the Units (on a non-diluted basis, but including the number of Class B LP Units) issued and outstanding. The maximum number of Units which may be issued to Insiders under the RUR Plan, or when combined with any other previously-established or proposed Compensation Plan, within any one (1) year period, may not exceed ten percent (10%) of the Units (on a non-diluted basis, but including the number of Class B LP Units) issued and outstanding. At no time shall the number of Units issued to any one insider pursuant to outstanding RURs together with the number of Units issued to such persons pursuant to any other Compensation Plan exceed 5% of the then outstanding Units (on a non-diluted basis, but including the number of Class B LP Units issued and outstanding) at any time. **RURs are not Units and Participants in the RUR Plan have no right to vote or receive cash distributions paid to Unitholders.**

As at May 1, 2015, 75,950 RURs have been granted under the RUR Plan to employees and executive officers of the REIT; the Units issuable under such grants constitute 0.23% of the REIT's currently outstanding Units (including Class B LP Units). All such grants are subject to Unitholder approval of the RUR Plan and the grants at the Meeting, failing which the RUR grants will be cancelled. Individual grants of RURs to executive officers of the REIT under the RUR Plan, as at May 1, 2015, are listed below:

<u>Officer</u>	<u>Number of RURs Granted</u>	<u>Date of Grant</u>
Leslie Veiner, President and Chief Executive Officer	45,450	February 24, 2015
Martin Liddell, Chief Financial Officer	<u>30,500</u>	February 24, 2015
TOTAL	75,950	

Approval Required

The text of the ordinary resolution approving the RUR Plan is set forth in Schedule "D" to this Circular. To be effective, the resolution must be passed by a majority of the votes cast by Unitholders, present or represented by proxy, at the Meeting. **The persons named in the enclosed form of proxy intend to vote at the Meeting "FOR" the resolution which authorizes, approves, ratifies and confirms the RUR Plan as well as the grants on February 24, 2015 under the RUR Plan.**

CORPORATE GOVERNANCE

The Board believes that sound governance practices are essential to achieve the best long-term interests of the REIT and the enhancement of value for all of its Unitholders.

Board Mandate

The mandate of the Board, which it discharges directly or through the three committees of the Board, is one of stewardship and oversight of the REIT and its business and includes responsibility for strategic planning, review of operations, disclosure and communication policies, oversight of financial and other internal controls, corporate governance, Trustee orientation and education, executive compensation and oversight, and Trustee compensation and assessment. The text of the Board's written mandate is attached to this Circular as Schedule "E".

Trustee Independence

The term “**Independent Trustee**” is defined in the Declaration of Trust as a Trustee who, in relation to the REIT, is “independent” within the meaning of NI 58-101, as replaced or amended from time to time (including any successor rule or policy thereto). Pursuant to the Declaration of Trust, a majority of the Trustees are required to be Independent Trustees. Currently, five of the seven Trustees are independent.

The mandate of the Board provides the Independent Trustees shall hold regularly scheduled meetings, or portions of regularly scheduled meetings, at which non-Independent Trustees and members of management are not present.

In Camera Meetings

On matters in which a particular Trustee may have a conflict of interest, the Board and its committees may conduct “in camera” sessions at which the particular non-independent Trustee is not present. During fiscal 2014, time was set aside at each quarterly meeting of the Board to meet without the attendance of the non-independent Trustee and/or management of the REIT. In addition, in camera sessions were held in connection with non-arm’s length transactions and/or other potential conflicts of interest.

Conflict of Interest

The Declaration of Trust contains “conflict of interest” provisions to protect Unitholders without creating undue limitations on the REIT. As the Trustees engage in a wide range of real estate and other activities, the Declaration of Trust contains provisions, similar to those contained in the *Canada Business Corporations Act*, that require each Trustee to disclose to the REIT, at the first meeting of the Board or committee of the Board at which a proposed contract or transaction is considered, any interest in a material contract or transaction or proposed material contract or transaction with the REIT (including a material contract or transaction involving the making or disposition of any investment in real property or a joint venture agreement) or the fact that such person is a director or executive officer of, or otherwise has a material interest in, any person who is a party to a material contract or transaction or proposed material contract or transaction with the REIT. If a material contract or transaction or proposed material contract or transaction is one that in the ordinary course would not require approval by the Board, a Trustee is required to disclose in writing to the REIT, or request to have entered into the minutes of meetings of the Board or a committee thereof, the nature and extent of his interest immediately after the Trustee becomes aware of the contract or transaction or proposed contract or transaction. In any case, a Trustee who has made disclosure to the foregoing effect is not entitled to vote on any resolution to approve the contract or transaction unless the contract or transaction primarily relates to his remuneration or is for indemnity under the provisions of the Declaration of Trust or the purchase or maintenance of liability insurance.

Further, each of the following matters require the approval of a majority of the Independent Trustees:

- (a) an acquisition of a property or an investment in a property, whether by co-investment or otherwise, in which Starlight or any related party of the REIT has any direct or indirect interest, whether as owner, operator or manager;
- (b) a material change to any agreement with Starlight or a related party of the REIT or any renewal, extension or termination thereof or any increase in any fees (including any transaction fees) or distributions payable thereunder;
- (c) the entering into of, or the waiver, exercise or enforcement of any rights or remedies under, any agreement entered into by the REIT, or the making, directly or indirectly, of any co-investment, in each case with (i) any Trustee, (ii) any entity directly or indirectly controlled by any Trustee or in which any Trustee holds a significant interest, or (iii) any entity for which any Trustee acts as a director or other similar capacity;
- (d) the refinancing, increase or renewal of any indebtedness owed by or to (i) any Trustee, (ii) any entity directly or indirectly controlled by any Trustee or in which any Trustee holds a significant interest, or (iii) any entity for which any Trustee acts as a director or other similar capacity; and
- (e) decisions relating to any claims by or against one or more parties to any agreement with Starlight or any related party of the REIT.

Term Limits and Gender Diversity

Trustee Term Limits and Other Mechanisms of Board Renewal

The REIT has not adopted term limits for the Trustees on its Board as it believes, given the REIT's size, that Board renewal is better achieved through other means. The Board constantly evaluates and compares the core competencies required to oversee the business and its strategy against the competencies residing with its Trustees. The Board has annual processes in place to evaluate Board and committee effectiveness and uses this insight in guiding Board renewal decisions. See also "Governance, Compensation & Nominating Committee".

Policies Regarding the Representation of Women on the Board

The REIT has not adopted a written policy relating to the identification and nomination of women Trustees to the Board. The REIT has not adopted such a policy, written or otherwise, because the Board does not consider diversity of race, ethnicity, gender, age and cultural background as requirements to be a Trustee of the REIT. When vacancies on the Board arise, the REIT will focus on nominating Trustees with highly developed and specialized skill sets in real estate, finance, mortgage underwriting analysis and accounting, among other criteria, regardless of their race, ethnicity, gender, age and cultural background. These requirements are necessary to ensure that the REIT continues to deliver consistent returns to Unitholders.

In identifying and nominating candidates for election or re-election to the Board, the Trustees do not consider the level of representation of women on the Board. The REIT does not consider the level of representation of women on the Board because in considering individuals as potential Trustees, the REIT at all times seeks the most qualified persons, regardless of their race, ethnicity, gender, age and cultural background. The REIT believes that this approach enables it to make decisions regarding the composition of the Board and senior executive team based on what is in the best interests of the REIT and its Unitholders.

Consideration of the Representation of Women in Executive Officer Appointments

In appointing executive officers to the management team, the REIT does not consider the level of representation of women in executive officer positions. The REIT does not consider the level of representation of women in executive officer positions because in considering individuals as members of senior management, the REIT at all times seeks the most qualified persons, regardless of their race, ethnicity, gender, age and cultural background. The REIT believes that this approach enables it to make decisions regarding the compositions of the Board and senior executive team based on what is in the best interests of the REIT and its Unitholders.

Targets Regarding the Representation of Women in Executive Officer Positions or on the Board

The REIT has not adopted a target regarding women in senior executive positions or on the Board. The REIT has not adopted a target for women in senior executive positions or on the Board because the REIT does not believe that any senior executive position or Trustee nominee should be chosen nor excluded solely because of their race, ethnicity, gender, age and cultural background.

Number of Women in Executive Officer Positions and on the Board

As of the date of this Circular, there are currently no women in a senior executive position at the REIT or on the Board.

Position Descriptions

The position descriptions are reviewed annually by the GC&N Committee and any amendments are recommended to the Board.

Chairman of the Board

Mr. Daniel Drimmer, the Chairman of the Board is not an Independent Trustee. The Board has adopted a written position description for the Chairman which sets out the Chairman's key responsibilities, including duties relating to setting Board meeting agendas, chairing Board and Unitholder meetings, Trustee development and communicating with securityholders and regulators.

Lead Trustee

Mr. Graham Rosenberg, an Independent Trustee, acts as Lead Trustee. The Board has adopted a written position description for the Lead Trustee which sets out the Lead Trustee's key responsibilities, including duties relating to ensuring appropriate structures and procedures are in place to allow the Board to function independently of management, and leading the process by which the Independent Trustees seek to ensure the Board represents and protects the interest of all securityholders.

Chief Executive Officer

The primary functions of the CEO are to lead the management of the REIT's business and affairs and to lead the implementation of the resolutions and policies of the Board. The Board has developed a written position description for the CEO which sets out the CEO's key responsibilities, including duties relating to strategic planning, operational direction, Board interaction, succession planning, and communication with securityholders and regulators.

Committees of the Board

Pursuant to the Declaration of Trust, the Board has established three committees: the Audit Committee; the GC&N Committee; and the Investment Committee. The committee descriptions are reviewed annually by the GC&N Committee and amendments are recommended to the Board.

Audit Committee

The Audit Committee must consist of at least three Trustees, all of whom must be independent and financially literate, as those terms are defined in National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"). The Audit Committee assists the Board in fulfilling their oversight responsibilities in respect of the REIT's accounting and reporting practices and pre-approves the non-audit services provided by the REIT's auditor.

Pursuant to its charter, a copy of which is attached hereto as Schedule "F", the Audit Committee is responsible for the review of the consolidated financial statements and the accounting policies and reporting procedures of the REIT. In addition, the Audit Committee is responsible for reviewing, on an annual basis, the principal risks that the REIT is faced with, and consider whether adequate systems are in place to manage such risks and that such systems appear effective.

The Audit Committee reviews the REIT's quarterly and annual consolidated financial statements, managements' discussion and analysis and related press releases and other required financial documents or documents that contain financial disclosure, reviews with management and the external auditor the state of internal controls, and makes appropriate reports thereon to the Board. The Audit Committee has unrestricted access to the senior management of the REIT and to the REIT's external auditor, who regularly attends the Audit Committee meetings.

Currently, the Audit Committee consists of the following members: Robert McKee, Graham Rosenberg and Denim Smith. Graham Rosenberg serves as Chairman of the Audit Committee. All members of the Audit Committee are independent and financially literate, as those terms are defined in NI 52-110. Starlight Appointed Trustees are not permitted to be members of the Audit Committee. Starlight Appointed Trustees are not permitted to be members of the Audit Committee.

The following is a brief summary of the education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as a member of the Audit Committee, including any education or experience that has provided the member with an understanding of the accounting principles used by the REIT to prepare its annual and quarterly consolidated financial statements.

Name of the Audit Committee Member	Relevant Education and Experience
Robert McKee	<ul style="list-style-type: none"> • President and Chief Executive Officer of Firm Capital Property Trust • Managing Director at Firm Capital Realty Partners Inc. • Former Vice President, Finance and Administration at Firm Capital Mortgage Investment Corporation • Former Investment Banker, TD Securities • Masters of Business Administration
Graham Rosenberg	<ul style="list-style-type: none"> • CPA, CA • Co-Chief Executive Officer and President of Dental Corporation • President, BCM Bancorp Inc. • Former Audit Committee member, TransGlobe Apartment REIT • Former Managing Director of MDC Partners Inc. • Former Managing Director of Clairvest Group Inc.
Denim Smith	<ul style="list-style-type: none"> • Chief Investment Officer at The Nationwide Group of Companies • Former Vice President of Blackmont Capital Inc. • Former Real Estate Banker at KeyBanc Capital Markets Real Estate Group • Former Real Estate Investment Banker at RBC Capital Markets • Former Audit Committee member, GT Canada Medical Properties REIT • CFA, Level 2

Details regarding external auditor service fees are set out in the REIT's annual information form dated March 31, 2015 under "Committees of the Board – Audit Committee" which can be found on SEDAR at www.sedar.com.

Governance, Compensation and Nominating Committee

The GC&N Committee currently consists of Messrs. Robert McKee, Alon Ossip and Denim Smith, each of whom are Independent Trustees. Robert McKee serves as Chairman of the GC&N Committee. The GC&N Committee is charged with reviewing, overseeing and evaluating the governance and nominating policies and the compensation policies of the REIT. In addition, the GC&N Committee is responsible for: (i) assessing the effectiveness of the Board and each of its committees; (ii) overseeing the recruitment and selection of candidates as Trustees; (iii) organizing an orientation and education program for new Trustees and coordinating continuing Trustee development programs; (iv) considering and approving proposals by the Trustees to engage outside advisers on behalf of the Board as a whole or on behalf of the Independent Trustees; (v) reviewing and making recommendations to the Board concerning any change in the number of Trustees composing the Board; (vi) administering the Option Plan or any Unit purchase plan of the REIT or any other compensation incentive programs; (vii) assessing the performance of the executive officers and other members of the executive management team of the REIT; (viii) reviewing and approving the compensation paid by the REIT to the executive officers and consultants of the REIT; and (ix) reviewing and making recommendations to the Board concerning the level and nature of the compensation payable to the Trustees and executive officers of the REIT.

Orientation and Continuing Education

The GC&N Committee has put in place an orientation program for new Trustees under which a new Trustee will meet with the Chairman and members of the executive management team of the REIT, and be provided with a comprehensive orientation and education as to the nature and operations of the REIT and its business, as to the role of the Board, its committees and its members, and as to the contribution an individual Trustee is expected to make. As part of the new Trustee's orientation and education of the REIT, he or she will be provided with the REIT's governing documents, including the Declaration of Trust, Board and committee mandates and charters, code of business conduct and ethics (the "**Code**"), whistleblower policy, insider trading policy, disclosure policy, financial information for the REIT's most recently completed annual and interim financial periods, and the REIT's current year business plan.

The GC&N Committee is also responsible for coordinating continuing Trustee development programs to enable the Trustees to maintain or enhance their skills and abilities as Trustees as well as ensuring their knowledge and understanding of the REIT and its business remains current. As new laws, issues or other material or significant developments that are relevant to the REIT arise, the GC&N Committee will seek to ensure such matter is the subject of presentations to, or discussions with, the Board so the Board is aware of such matter.

The continuing Trustee development programs involve the ongoing evaluation by the GC&N Committee of the skills, diversity and competencies of existing Trustees. The Board is currently comprised of seasoned business executives, directors and professionals who collectively possess a complimentary skill set, diverse knowledge base and considerable experience, including as board members of other significant public companies. The GC&N Committee continually monitors the composition of the Board and will recommend the adoption of other Trustee development program components should it determine other components to be necessary.

Nomination and Assessment of Trustees

The GC&N Committee is responsible for, subject to the right of Starlight to appoint the Starlight Appointed Trustees, overseeing the recruitment and selection of candidates as Trustees of the REIT. The recruitment and selection of candidates involves an identification of the qualifications for Trustees are required to fulfill Board responsibilities and an evaluation of the qualifications existing Trustees possess, while considering developments in governance and applicable laws. Such qualifications may include the competencies, skills, business and financial experience, real estate expertise, leadership roles and level of commitment required of a Trustee to fulfill Board responsibilities. This process takes into account the GC&N Committee's views regarding the appropriate size of the Board, with a view to facilitating effective decision-making.

The GC&N Committee is also responsible for regularly assessing the effectiveness of the Board and each of its committees. The Trustees are surveyed at least annually to form the basis of such assessment and a survey summary is independently prepared for and reviewed by the Chairman of the GC&N Committee. The assessment process involves confidential questionnaires, to be approved periodically by the GC&N Committee, which include a review of the performance and effectiveness of the Board and each Board committee, covering such matters as the operation of the Board and its committees, the adequacy and timeliness of the information provided to Trustees, agenda planning for Board meetings, contributions of Board and committee members, and consideration of whether any changes to the composition, structure or charter of the Board or its committees is appropriate.

Investment Committee

Pursuant to the Declaration of Trust, a majority of the members of the Investment Committee must be Independent Trustees and must have at least five years of substantial experience in the real estate industry. The Investment Committee consists of Messrs. Daniel Drimmer (Chair), Michael Knowlton, Alon Ossip and Graham Rosenberg, each of whom are Independent Trustees, other than Mr. Drimmer. Daniel Drimmer may not vote on Investment Committee decisions in instances where he is considered to be a "related party" to such transaction within the meaning of National Instrument 61-101 – *Take-Over Bids and Special Transactions* ("**MI 61-101**") and otherwise in compliance with the Declaration of Trust.

The Investment Committee may: (a) consider and authorize, without Board approval, proposed transactions, dispositions or borrowings where the acquisition, disposition or borrowing, including the assumption or granting of any mortgage, where the value of such transaction does not exceed \$25 million; and (b) recommend to the Board whether to approve or reject proposed transactions, including where the value of such

transaction exceeds \$25 million. In the event that the Investment Committee approves any matter referred to in (a), it shall at all times ensure that such transaction is completed in compliance with the requirements of MI 61-101 (if applicable), applicable policies of the TSX (or such other exchange on which the REIT's securities are listed) and other applicable laws.

Ethical Business Conduct

Code of Business Conduct and Ethics

The Board has adopted a written code of business conduct and ethics, which is applicable to the Trustees, executive officers and employees of the REIT and its subsidiaries, as well as to those directors, executive officers and employees of Starlight who have involvement with the REIT. The Code sets out the Board's expectations for the conduct of such persons in their dealings on behalf of the REIT. Those who violate the Code may face disciplinary actions, including dismissal.

The Board has established confidential reporting procedures in order to encourage individuals to raise concerns regarding matters addressed by the Code on a confidential basis free from discrimination, retaliation or harassment. If a person subject to the Code should learn of a potential or suspected violation of the Code or of any applicable laws or regulations, they are required to promptly report the violation orally or in writing and, if preferred, anonymously, as the case may be, as follows: (a) in the case of a situation that does not involve management of the REIT, to the CFO of the REIT; (b) in the case of a situation that involves management of the REIT and does not involve any member of the Audit Committee of the REIT, to the chairperson or any member of the Audit Committee; or (c) in the case of a situation that involves management of the REIT and any member of the Audit Committee, to any Independent Trustee. If the issue or concern is related to the internal accounting controls of the REIT or any accounting or auditing matter, a person subject to the Code may report it anonymously to the Audit Committee.

In addition to the "conflict of interest" provisions contained in the Declaration of Trust as noted in the Circular, the Code provides that persons subject to the Code should not engage in any activity, practice or act which conflicts with the interests of the REIT. Trustees, executive officers and employees must not place themselves or remain in a position in which their private interests conflict with the interests of the REIT. If the REIT determines that an employee's outside work interferes with performance or the ability to meet the requirements of the REIT, the employee may be asked to terminate the outside employment if he or she wishes to remain employed by the REIT. To protect the interests of both the employees and the REIT, any such outside work or other activity that involves potential or apparent conflict of interest may be undertaken only after disclosure to the REIT by the employee and review and approval by management. Notwithstanding the foregoing, the REIT recognizes the business relationship between the REIT and Starlight and the involvement of certain executive officers of the REIT with both the REIT and Starlight, and accordingly, the foregoing is subject to, and should be interpreted after having given effect to, such arrangements.

Pursuant to the charter of the GC&N Committee, the committee is responsible for reporting to the Board, when determined necessary by the committee, on investigations and any resolutions of complaints received under the Code, and at least annually, reports to the Board on compliance with, or material deficiencies from, the Code and recommends amendments to the Code, if any, to the Board. Each person subject to the Code is required to acknowledge they have read and understand its contents. A copy of the Code can be found on the REIT's website at www.truenorthreit.com and on SEDAR at www.sedar.com.

Whistleblower Policy

The REIT has also adopted a whistleblower policy (the "**Whistleblower Policy**") to enable any person to raise concerns regarding accounting, internal accounting controls or auditing matters on a confidential basis, free from discrimination, retaliation or harassment, anonymously or otherwise. The Audit Committee is responsible for administering the whistleblower policy. Mr. Graham Rosenberg, as Chair of the Audit Committee, is the primary contact under the Whistleblower Policy. A copy of the Whistleblower Policy can be found on the REIT's website at www.truenorthreit.com.

Disclosure Policy

The Board has adopted a disclosure policy (the “**Disclosure Policy**”) to seek to ensure communications to the public regarding the REIT are timely, factual, accurate, complete and broadly disseminated and, where necessary, filed with the regulators in accordance with applicable securities laws.

The Disclosure Policy applies to all Trustees, directors, executive officers and employees of the REIT and its subsidiaries and all directors, executive officers and employees of Starlight who have involvement with the REIT. The Disclosure Policy covers disclosure documents filed with the Canadian securities regulators and written statements made in the REIT’s annual and quarterly reports, press releases, letters to Unitholders, presentations by executives and information contained on the REIT’s website and other electronic communications. The Disclosure Policy also applies to oral statements made in group and individual meetings and telephone conversations with members of the investment community (which includes analysts, investors, investment dealers, brokers, investment advisers and investment managers), or with employees, interviews with the media as well as speeches, industry conferences, news conferences and conference calls and dealings with the public generally.

The REIT’s disclosure committee, which is comprised of the REIT’s CEO and CFO, is responsible for overseeing the REIT’s disclosure controls, procedures and practices. The REIT’s disclosure committee is responsible for overseeing a reasonable investigation of the REIT’s information and developments is conducted on an ongoing basis for disclosure purposes, assessing such information and developments for materiality and determining if and when such material information requires public disclosure, subject to applicable law, periodic disclosure matters (such as quarterly results) and any development determined by the Board as requiring immediate public disclosure. The REIT’s disclosure committee reports to the Audit Committee on a regular basis.

The Disclosure Policy has been circulated to all persons subject to such policy and the disclosure committee endeavours to ensure all such persons are aware of the existence of the Disclosure Policy, its importance and the REIT’s expectation that such persons will comply with the Disclosure Policy. The Disclosure Policy is reviewed periodically by the GC&N Committee.

This Circular includes a summary description of certain material agreements of the REIT. The summary description discloses all attributes material to an investor in securities of the REIT, but is not complete and is qualified by reference to the terms of the material agreements, which have been filed with the Canadian securities regulatory authorities and are available on SEDAR at www.sedar.com. Investors are encouraged to read the full text of such material agreements.

REMUNERATION OF TRUSTEES OF THE REIT

Remuneration of Trustees

For the 2014 financial year, each Trustee received from the REIT an annual base retainer in the amount of \$25,000, plus a fee of \$1,500 for each day on which the Trustee attended a meeting of the Board in person, and \$750 for attendance by telephone, except that any Trustee who is an executive officer of, or is otherwise employed by the REIT or Starlight, was not entitled to any remuneration from the REIT for serving as a Trustee (including as Chairman, or as the chairman or a member of a committee). Accordingly, Messrs. Daniel Drimmer and Leslie Veiner did not receive any annual retainers or attendance fees for 2014. Members of the Audit Committee, the GC&N Committee and the Investment Committee each received a fee of \$1,500 for each committee meeting attended in person and \$750 for attendance by telephone. The Chairman of the Audit Committee received an additional annual retainer of \$15,000 and the Chairman of each of the GC&N Committee and the Investment Committee (if an Independent Trustee) received an additional annual retainer of \$5,000. The Lead Trustee received an additional annual retainer of \$15,000. Each Trustee was also entitled to reimbursement for reasonable travel and other expenses properly incurred by in attending meetings of the Board or any committee meeting.

For 2015, Trustee remuneration is expected to remain unchanged.

Unit Ownership Guidelines

Upon the recommendation of the GC&N Committee, the Board instituted a requirement in 2014 that the Trustees, CEO and CFO own or acquire such number of Units having a value equal to three times their annual compensation. The Trustees, CEO and CFO have five years to achieve the ownership requirement.

The following table summarizes the number of Units owned by each Trustee, CEO and CFO at May 1, 2015 and whether each Trustee, the CEO and CFO have met the ownership guidelines established by the Board:

Name	Number of Voting Units Beneficially	Number of Deferred Units Beneficially	Number of RURs Beneficially	Dollar Value of Voting Units, Deferred Units and RURs Beneficially	Currently Meets or Exceeds Ownership Guidelines (Yes or No)
	Owned	Owned ⁽¹⁾	Owned ⁽²⁾	Owned ⁽³⁾	
Daniel Drimmer, Trustee	13,451,760	nil	nil	110,977,020	Yes
J. Michael Knowlton, Trustee	10,202	1,121	nil	93,414	Yes
Robert McKee, Trustee	40,698	1,121	nil	345,006	Yes
Alon Ossip, Trustee	233,973	1,121	nil	1,939,525	Yes
Graham Rosenberg, Trustee	13,421	1,121	nil	119,971	Yes
Denim Smith, Trustee	29,185	1,121	nil	250,024	Yes
Leslie Veiner, Trustee and CEO	18,770	nil	45,450	529,815	No
Martin Liddell, CFO	62,129	nil	30,500	764,189	No

- (1) Each non-executive Trustee elected to receive 1,121 Deferred Units in lieu of fees for Trustee services for the period ended March 31, 2015, which election is subject to Unitholder approval of the Deferred Unit Plan at the Meeting (see "Special Business – Deferred Unit Plan").
- (2) Messrs. Veiner and Liddell each received 45,450 RURs and 30,500 RURs, respectively, on February 24, 2015, which grants are subject to Unitholder approval of the RUR Plan at the Meeting (see "Special Business – Restricted Unit Rights Plan").
- (3) Dollar amounts represent the estimated market value of Units, Deferred Units and/or RURs beneficially owned by each Trustee or executive officer, as determined by multiplying the number of Units, Deferred Units and/or RURs beneficially owned by such Trustee or executive officer as of May 1, 2015 by the closing price of the Units on the TSX on such date, which was \$8.25.

Trustee Compensation Table

The following table sets out information concerning the 2014 compensation earned by, paid to, or awarded to each Trustee who is not a Named Executive Officer.

Name	Fee Earned (\$)	Option-Based Awards (\$)	All Other Compensation (\$)	Total Compensation (\$)
J. Michael Knowlton	51,000	nil	nil	51,000
Robert McKee	44,750	nil	nil	44,750
Alon Ossip	31,000	nil	nil	31,000
Denim Smith	56,750	nil	nil	56,750
Graham Rosenberg	81,750	nil	nil	81,750

Non-Executive Trustee Unit Issuance Plan

The REIT established the non-executive trustee unit issuance plan (the "Unit Issuance Plan") adopted with effect from May 28, 2013 and amended and restated as of January 1, 2014, to allow non-executive Trustees to elect to receive Units in lieu of cash compensation, other than that portion of compensation paid through the Deferred Unit Plan.

Pursuant to the Unit Issuance Plan, up to 100% of the fees payable to each non-executive Trustee in a fiscal year of the REIT for serving on the Board or any committee of the Board, but excluding any expense reimbursement or retainer for serving as a member of any special committee constituted by the Board from time to time (the "Amount") will be payable (after deducting applicable withholding taxes, if any) in Units issued from the REIT's treasury on the last Business Day (as defined in the Unit Issuance Plan) of March, June, September and December of each fiscal year of the REIT, or such other date recommended by the GC&N Committee and confirmed by the Board from time to time. An Eligible Person (as defined in the Unit Issuance Plan) may elect to receive his or her Amount entirely in cash, or to receive any proportion of his or her Amount in cash and Units at his or her discretion (an "Election"). Any Election may only be made once annually for the full duration of a year by giving written notice five Business Days prior to December 31 for the upcoming year, provided such election may not be made while the REIT is observing a trading blackout.

The aggregate number of Units reserved for issuance under the Unit Issuance Plan, subject to adjustment or increase pursuant to the terms contained therein, may not exceed 170,000 Units (the “**Plan Maximum**”). The Unit Issuance Plan contains customary provisions providing for the adjustment of the Plan Maximum in the event of a Unit split, consolidation or recapitalization. As at May 1, 2015, 35,825 Units had been issued under the Unit Issuance Plan.

The Board has full and exclusive discretionary power to: (a) interpret and construe the Unit Issuance Plan; (b) establish policies and to adopt rules and regulations for carrying out the purposes, provisions and administration of the Unit Issuance Plan; (c) determine the qualification of any person to participate in the Unit Issuance Plan; (d) determine the number of Units to be issued pursuant to each issuance; (e) approve the forms of documents for use under the Unit Issuance Plan; (f) amend the Unit Issuance Plan, subject to the terms contained therein; and (g) take such other action, not inconsistent with the terms of the Unit Issuance Plan, as the Board deems appropriate. Notwithstanding the foregoing, the Board may not without approval by a majority of the votes cast by Unitholders: (a) increase the number of Units issuable pursuant to the Unit Issuance Plan; (b) expand the authority of the Board to permit assignability of Units issued pursuant to the Unit Issuance Plan beyond that contemplated by the terms of the Unit Issuance Plan; (c) amend the definition of “Eligible Persons” in the Unit Issuance Plan to add categories of eligible participants; and (d) amend the Unit Issuance Plan to provide for other types of compensation through equity issuance.

The Board may delegate to its GC&N Committee or any other committee of the Board or to any executive officer or employee of the REIT, as specified by the Board, such administrative duties or powers as the Board may deem advisable in connection with the Unit Issuance Plan.

Incentive Plan Awards — Outstanding Option-Based Awards

The following table sets forth for each Trustee who is not a Named Executive Officer information regarding Options outstanding as at May 1, 2015:

Name	Number of Units Underlying Unexercised Options (#)		Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options⁽¹⁾ (\$)	
	Vested	Unvested			Vested	Unvested
Daniel Drimmer	80,000	40,000	9.83	July 18, 2017	nil	nil
Robert McKee	7,500	nil	2.00	March 8, 2017	46,875	nil
	22,666	11,334	9.83	July 18, 2017	nil	nil
Alon Ossip	50,000	nil	2.00	March 8, 2017	312,500	nil
	22,666	11,334	9.83	July 18, 2017	nil	nil
Denim Smith.....	7,500	nil	2.00	March 8, 2017	46,875	nil
	22,666	11,334	9.83	July 18, 2017	nil	nil
Graham L. Rosenberg	22,666	11,334	10.00	February 20, 2018	nil	nil

(1) Calculated based on the May 1, 2015 closing price on the TSX of \$8.25 per Unit.

Incentive Plan Awards — Value Vested or Earned During the Year

Name	Options-Based Awards – Value Vested During the Year (\$)
Daniel Drimmer	226,743 ⁽¹⁾

(1) 37,917 Options were exercised at the exercise price of \$2.00 per Option on March 10, 2014.

REMUNERATION OF MANAGEMENT OF THE REIT

Overview

As at the date hereof, the REIT does not directly employ any persons who would be considered an executive officer of the REIT. The services of Messrs. Leslie Veiner and Martin Liddell, as CEO and CFO, respectively, are provided to the REIT by Starlight. Other than equity incentive compensation, no compensation is paid by the REIT or its subsidiaries to those persons provided by Starlight as executive officers of the REIT (including Messrs. Veiner and Liddell), and the compensation received by such persons from Starlight is not within or subject to the discretion of the Board although the Board may make recommendations to Starlight. The compensation paid by the REIT to Starlight for services rendered is calculated in accordance with the Asset Management Agreement.

Compensation Discussion and Analysis

The executive officers of the REIT named in the “Summary Compensation Table” below, namely Messrs. Veiner and Liddell, are employees of Starlight. The REIT is obligated to pay Starlight certain amounts pursuant to terms of the Asset Management Agreement, as discussed in “Arrangements with Starlight – Asset Management Agreement”. As such, any variability in compensation paid by Starlight to persons determined to be named executive officers of the REIT pursuant to applicable securities laws (the “**Named Executive Officers**”) will not impact the REIT’s financial obligations.

The REIT is under no obligation to retain the services of the management provided by Starlight. The Board has the sole discretion to hire executive officers and employees, but such hiring, if not of Starlight employees, would be at the sole expense of the REIT. Further, any executive officer that is an employee of the REIT provided by Starlight may be removed from such position at the discretion of the Board.

The following discussion is intended to describe the compensation of the Named Executive Officers and supplements the more detailed information concerning executive compensation that appears in the tables and the accompanying narrative that follows.

Principal Elements of Compensation

The compensation of the Named Executive Officers includes three principal elements: (i) base salary, (ii) an annual cash bonus, (iii) long-term equity incentives, consisting of options to acquire Units (“**Options**”) granted by the REIT under the Option Plan, and (iv) RURs under the RUR plan, subject to Unitholder approval, at the Meeting (see “Special Business – Adoption of Restricted Unit Rights Plan”). As a private company, Starlight’s process for determining executive compensation is straightforward, with no specific formula for determining the amount of each element, and no formal approach applied by Starlight for determining how one element of compensation fits into the overall compensation objectives in respect of the activities of the REIT. Notwithstanding the foregoing, Starlight has implemented an executive compensation program to attract, retain and motivate highly qualified executive officers. Objectives and performance measures may vary from year to year as determined to be appropriate by Starlight. Accordingly, the Board has not considered the implications of the risks associated with the compensation of the Named Executive Officers.

The Named Executive Officers do not benefit from medium term incentives or pension plan participation. Perquisites and personal benefits are not a significant element of compensation of the Named Executive Officers.

The three principal elements of compensation are described below.

Base salaries. Base salaries are intended to provide an appropriate level of fixed compensation that will assist in employee retention and recruitment. Base salaries are determined on an individual basis, taking into consideration the past, current and potential contribution to the success of the REIT, the position and responsibilities of the Named Executive Officers and competitive industry pay practices for other real estate investment trusts and corporations of comparable size. Starlight has not to date engaged compensation consultants for the purposes of performing benchmarking or applying specific criteria for the selection of comparable real estate businesses. Increases in base salary are at the sole discretion of Starlight but it considers the goals of the executive compensation program described above. The Board may review the compensation payable to its executive officers by Starlight, and is entitled to provide recommendations to Starlight, which must be considered in good faith by Starlight but are not binding upon Starlight.

Annual cash bonuses. Annual cash bonuses are discretionary and are not awarded pursuant to a formal incentive plan. Annual cash bonuses are awarded based on qualitative and quantitative performance standards, and reward performance of the REIT or the Named Executive Officer individually. The determination of the performance of the REIT may vary from year to year depending on economic conditions and conditions in the real estate industry, and may be based on measures such as Unit trading performance, the meeting of financial targets against budget, the meeting of acquisition objectives and balance sheet management. The Board may review the bonuses payable to its executive officers by Starlight, and is entitled to provide recommendations to Starlight, which must be considered in good faith by Starlight but are not binding upon Starlight.

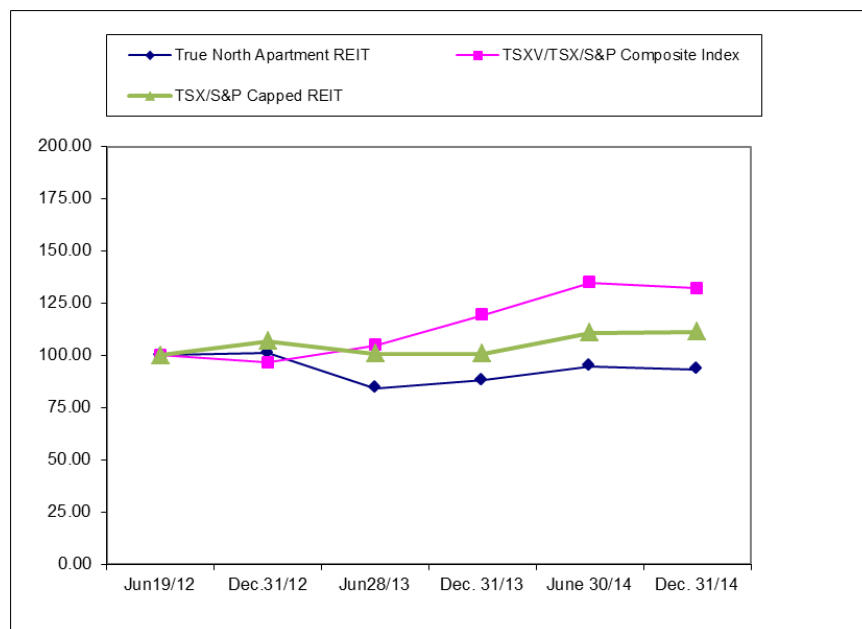
Individual performance factors vary, and may include completion of specific projects or transactions and the execution of day to day management responsibilities.

Options. Grants of Options by the REIT under the Option Plan align the interests of the Named Executive Officers more closely with the interests of Unitholders because they are tied to the REIT’s financial and Unit trading performance and vest over a number of years. The Board, acting on the recommendation of the GC&N Committee of the REIT, may designate individuals eligible to receive grants of Options. In determining grants of Options, an individual’s performance and contributions to the REIT’s success, relative position, tenure and past grants are taken into consideration. For a description of the material terms of the Option Plan, see “Equity Compensation Plan Information – Unit Option Plan.”

Named Executive Officers and Trustees are not permitted to purchase financial instruments including prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by such Named Executive Officers and Trustees.

Performance Graph

The following graph compares the total cumulative Unitholder return, as at December 31, 2014 for \$100 invested in Units with the cumulative total return of the TSX Composite Index and the TSX Canadian REIT Index since June 19, 2012.



The compensation paid to the NEOs by Starlight is not based upon the market price of Units or the total return to Unitholders. See “Remuneration of Management of the REIT – Compensation Discussion and Analysis”.

Summary Compensation Table

The following table sets out information concerning compensation to be earned by and paid to, the persons determined to be Named Executive Officers.

<u>Name and Principal Position</u>	<u>Year</u>	<u>Salary</u> <u>(\$)</u>	<u>Option- Based Awards⁽¹⁾</u> <u>(\$)</u>	<u>Annual Incentive Plans⁽²⁾</u> <u>(\$)</u>	<u>All Other Compensation⁽³⁾</u> <u>(\$)</u>	<u>Total Compensation</u> <u>(\$)</u>
Leslie Veiner ⁽⁴⁾⁽⁵⁾⁽⁷⁾ <i>President and CEO</i>	2014	385,000	nil	192,500	nil	577,500
	2013	375,000	nil	187,500	nil	562,500
	2012	132,211 ⁽⁶⁾	84,000	85,000	nil	301,211
Martin Liddell ⁽⁵⁾⁽⁷⁾ <i>CFO</i>	2014	260,000	nil	135,000	nil	395,000
	2013	250,000	nil	130,000	nil	380,000
	2012	229,166 ⁽⁶⁾	46,938	130,000	nil	406,104

(1) The amount is the estimated fair value of each Option grant on the grant date. This fair value was calculated using the Black-Scholes option pricing model, as this is a widely used methodology that satisfies Canadian generally accepted accounting principles for publicly accountable enterprises (as defined by the International Accounting Standards Board and as adopted by the Chartered Professional Accountants Canada, as amended from time to time) and corresponds to the compensation value intended to be provided to each Named Executive Officer, within the REIT's total compensation policy, and the fair value determined for accounting purposes. The following weighted average assumptions were used: expected distribution yield is 6.9%; expected volatility is 20%; risk free interest rate is 1.22%; and expected Option life is 3.5 years. For a description of the material terms of the Option Plan, see "Equity Compensation Plan Information — Unit Option Plan".

(2) All annual incentive plan awards relating to services performed during a fiscal year are paid by Starlight in the first quarter of the following year.

(3) None of the Named Executive Officers are entitled to perquisites or other personal benefits which, in the aggregate, are worth over \$50,000 or over 10% of their annual base salary.

(4) Compensation of Messrs. Veiner and Liddell is paid by Starlight (with the exception of Option-based awards granted by the REIT under the Option Plan) and there is no charge back to the REIT for such compensation.

(5) Mr. Veiner, being an executive officer of the REIT, is not entitled to any remuneration from the REIT for serving as a Trustee. Mr. Veiner has been the CEO of the REIT since August 27, 2012.

(6) On an annualized basis, salaries paid or allocated to the Named Executive Officers for the year ended December 31, 2012 would have been as follows: Mr. Veiner, \$375,000; and Mr. Liddell, \$250,000. See also Note 4.

(7) Messrs. Veiner and Liddell were each granted 45,450 and 30,500 RURs, respectively, subject to Unitholder approval of the RUR Plan at the Meeting (see "Special Business – Restricted Unit Rights Plan").

Incentive Plan Awards — Outstanding Option-Based Awards

The following table sets forth for each Named Executive Officer information concerning Options outstanding as at April 15, 2015:

<u>Name</u>	<u>Number of Units Underlying Unexercised Options (#)</u>		<u>Option Exercise Price (\$)</u>	<u>Option Expiration Date</u>	<u>Value of Unexercised In-The-Money Options⁽¹⁾ (\$)</u>	
	<u>Vested</u>	<u>Unvested</u>			<u>Vested</u>	<u>Unvested</u>
Leslie Veiner.....	80,000	40,000	11.60	October 1, 2017	nil	nil
Martin Liddell.....	53,333	26,667	9.83	July 18, 2017	nil	nil

(1) Calculated based on May 1, 2015 closing price of the Units on the TSX of \$8.25 per Unit.

Incentive Plan Awards — Value Vested or Earned During the Year

<u>Name</u>	<u>Options-Based Awards – Value Vested During the Year (\$)</u>
Leslie Veiner	nil
Martin Liddell.....	24,918 ⁽¹⁾

(1) 4,167 Options were exercised at the exercise price of \$2.00 per Option on March 10, 2014.

Pension Plan Benefits

The REIT does not sponsor any pension plan for its executive officers.

Employment Agreements

Pursuant to the terms of an employment agreement with Starlight, made as of July 25, 2012, and amended as of March 16, 2015, Mr. Veiner serves as the REIT's CEO for an indefinite term. The agreement provides for an annual base salary of \$400,000 and an annual incentive of up to 65% of annual base salary or as adjusted by the Board (but subject to Starlight's approval). Mr. Veiner's employment agreement also provides for certain restrictive covenants that continue to apply following the termination of Mr. Veiner's employment, including a 12-month non-solicit with respect to the REIT's customers or employees. Mr. Veiner may terminate his employment at any time with 90 days' written notice, which Starlight may waive. Pursuant to his employment agreement, if Mr. Veiner's employment is terminated without "cause" by providing him with a written notice, Mr. Veiner will be entitled to receive from Starlight (a) 24 months' of base salary, less applicable statutory deductions; (b) (i) an amount equal to two times the average of the annual incentive paid to Mr. Veiner for each of the previous three completed fiscal years of the REIT to a maximum of 65% (or as adjusted by the Board) of base salary, less applicable statutory deductions; or (ii) if Mr. Veiner has not been employed for three completed fiscal years of the REIT, an amount equal to two times the average of the annual incentive paid to Mr. Veiner during his term of employment to a maximum of 65% (or as adjusted by the Board) of base salary, less applicable statutory deductions; (c) vacation owing at the time of termination; and (d) benefits for 24 months. If Mr. Veiner's employment is terminated with "cause", there will be no obligation to make any further payments other than compensation owing at the time of termination. On a change of control of the REIT, if within 12 months of such change in control, Mr. Veiner's employment is terminated for any reason other than just cause, or certain changes occur in Mr. Veiner's employment and he resigns, Mr. Veiner will be entitled to receive from Starlight (a) 24 months' base salary; (b) (i) an amount equal to two times the average of the annual incentive paid to Mr. Veiner for each of the previous three completed fiscal years of the REIT to a maximum of 65% (or as adjusted by the Board) of base salary, less applicable statutory deductions; or (ii) if Mr. Veiner has not been employed for three completed fiscal years of the REIT, an amount equal to two times the average of the annual incentive paid to Mr. Veiner during his term of employment to a maximum of 65% (or as adjusted by the Board) of base salary, less applicable statutory deductions; (c) vacation owing at the time of termination; and (d) benefits for 24 months.

Pursuant to the terms of an employment agreement with Starlight dated June 5, 2012, Mr. Liddell serves as the REIT's CFO for an indefinite term. The agreement provides for an annual base salary of \$270,000 and an annual incentive of up to 50% of annual base salary or as adjusted by the Board (but subject to Starlight's approval). Mr. Liddell's employment agreement also provides for certain restrictive covenants that continue to apply following the termination of Mr. Liddell's employment, including a 12-month non-solicit with respect to the REIT's customers or employees. Mr. Liddell may terminate his employment at any time with 90 days' written notice, which Starlight may waive. Pursuant to his employment agreement, if Mr. Liddell's employment is terminated without "cause" by providing him with a written notice, Mr. Liddell will be entitled to base salary and vacation owing at the time of termination and an amount equal to the aggregate of 18 months' base salary and an amount equal to the average of his discretionary bonus paid in each of the previous three years to a maximum of 50% or as adjusted by the Board (but subject to Starlight's approval), and benefits for 18 months. If Mr. Liddell's employment is terminated with "cause", there will be no obligation to make any further payments other than compensation owing at the time of termination. On a change of control of the REIT, if within 12 months of such change in control, Mr. Liddell's employment is terminated for any reason other than just cause, or certain changes occur in Mr. Liddell's employment and he resigns, Mr. Liddell will be entitled to receive from Starlight 18 months' base salary, an amount equal to the average of his discretionary bonus paid in each of the previous three years to a maximum of 50% or as adjusted by the Board (but subject to Starlight's approval), and benefits for 18 months. The Board may review the compensation payable to its executive officers, and is entitled to provide recommendations to Starlight, which must be considered in good faith but are not binding upon Starlight.

EQUITY COMPENSATION PLAN INFORMATION

Overview

The following table sets out as at December 31, 2014 the number of Units to be issued upon exercise of outstanding Options, the weighted average price of outstanding Options and the number of Units remaining available for future issuance under the REIT's Unit Option Plan:

<u>Plan Category</u>	<u>Number of Units to be Issued Upon Exercise of Outstanding Options</u>	<u>Weighted-Average Exercise Price of Outstanding Options</u>	<u>Number of Units Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Units Reflected in the First Column)</u>
Unit Option Plan (approved by Unitholders)	669,707	8.58	1,037,035
Total	669,707	8.58	1,037,035

Option Plan

The REIT has established the Option Plan for the benefit of Trustees, executive officers, employees and directors of the REIT and its subsidiaries, as well as certain eligible service providers.

The Options granted under the Option Plan permit optionees to purchase Units on payment of the exercise price. The exercise price is established by the Board and is not less than the market price of Units on the date of the grant. The Board determines the number of Units to be covered by each Option and determines, subject to the Option Plan, the terms of each such option. The Options are granted for a period of not more than five years, although a shorter option period may be established by the Board. Generally, Options granted vest on the basis of: (a) as to the first third, one year from the date of grant; (b) as to the next third, two years from the date of grant; and (c) as to the remaining third, three years from the date of grant.

The Options granted under the Option Plan will also be exercisable on a cashless basis by receipt, without payment by the optionee, of the Growth Amount (as defined in the Option Plan). The Growth Amount is payable by issuance by the REIT to the optionee of that number of whole Units calculated by dividing this Growth Amount by the fair market value of the Units, rounded down to the nearest whole Unit (without payment in Units or cash for any fractional interest). The fair market value of the Units is equal to the volume weighted average trading price of the Units on the TSX for the five business days preceding the date on which the granting of an option is approved by the Board. In the event that Units are not listed and posted for trading on any stock exchange or marketplace, the fair market value shall be determined by the Board in its sole discretion.

Unless the Board determines otherwise, an optionee's Options granted under the Option Plan will terminate and may not be exercised after the earliest of: (a) one year after the optionee's termination of employment with the REIT by reason of death, permanent disability or retirement; (b) the optionee's termination of employment with the REIT for "cause"; (c) 90 days after the optionee's termination of employment with the REIT, in any manner or for any reason, other than death, permanent disability, retirement or termination of employment for "cause"; and (d) the expiry date of the optionee's Option; provided that, subject to the foregoing, unvested Options will continue to vest according to their terms of grant.

The number of Units issuable at any time under the Options issued and outstanding pursuant to the Option Plan and under any other security-based compensation arrangements of the REIT may not exceed in the aggregate 10% of the REIT's total issued and outstanding Units (on a non-diluted basis, but including the number of Class B LP Units issued and outstanding). The number of Units issuable to insiders at any time under Options issued and outstanding pursuant to the Option Plan and under any other security-based compensation arrangements of the REIT may not exceed in the aggregate 10% of the REIT's total issued and outstanding Units (on a non-diluted basis, but including the number of Class B LP Units issued and outstanding), and the number of Units issued to insiders within any one year period under Options issued and outstanding pursuant to the Option Plan and under any other security-based compensation arrangements of the REIT may not exceed in the aggregate 10% of the REIT's total issued and outstanding Units (on a non-diluted basis, but including the number of Class B LP Units issued and outstanding). The number of Units covered by Options held by any one optionee may not exceed 5% of the outstanding Units (on a non-diluted basis, but including the number of Class B LP Units issued and outstanding) at any time.

If Options granted under the Option Plan would otherwise expire during a Blackout Period (as defined in the Option Plan) or within ten business days of the end of such period, the expiry date of the Option will be extended to the tenth business day following the end of the Blackout Period.

The Board may delegate to any committee of the Board as specified by the Board or to any executive officer or employee of the REIT such administrative duties or powers as it may deem advisable.

For purposes of the Option Plan, "executive officer" includes, for greater certainty, any individual performing a policy-making function in respect of the REIT pursuant to an arrangement with Starlight or any other person, and "Service Provider" means, among others, Starlight for so long as it is providing specified services under the Asset Management Agreement and its successors and permitted assigns, as well as its respective employees, executive officers, or directors, provided that in each case such person spends or will spend a significant amount of time and attention on the affairs and business of the REIT or an affiliate of the REIT.

As at May 1, 2015, 809,706 Options had been issued under the Option Plan.

INDEBTEDNESS OF TRUSTEES AND EXECUTIVE OFFICERS

As at May 1, 2015, there was no indebtedness owing to the REIT or any of its subsidiaries by any trustee, executive officer or Nominee (or any associates thereof).

ARRANGEMENTS WITH STARLIGHT

Starlight is responsible for the day-to-day administration and operation of the REIT's properties and for providing strategic advisory and other services to the REIT pursuant to the Asset Management Agreement.

Starlight's head office is located at 1801-3300 Bloor Street West, West Tower, Toronto, Ontario, M8X 2X2. Mr. Daniel Drimmer, the Chairman of the Board, is Starlight's sole beneficial shareholder and sole director as at the date hereof. To the best of the REIT's knowledge, the following persons act as executive officers of Starlight: (a) Mr. Daniel Drimmer, a resident of Toronto, Ontario, is the President and Chief Executive Officer of Starlight; (b) Ms. Tamara Lawson, a resident of Toronto, Ontario, is the Chief Financial Officer of Starlight; (c) Mr. David Chalmers, a resident of Toronto, Ontario, is the Vice President, Asset Management of Starlight; and (d) Mr. David Hanick, a resident of Toronto, Ontario, is the Vice President, Corporate Development and General Counsel of Starlight.

On June 27, 2014 the REIT indirectly acquired a portfolio of properties (the "June 2014 Properties") which were previously controlled by DD Entities. The purchase price of the June 2014 Properties and the installment note of approximately \$286.0 million (inclusive of an issue price premium of approximately \$6.1 million on the issuance 8,890,467 Class B LP Units of the Partnerships issued to the vendors, but exclusive of transaction costs) was satisfied by a combination of: (a) approximately \$12.9 million in cash; (b) the assumption of approximately \$65.6 million aggregate principal amount of existing mortgage debt; (c) approximately \$127.5 million aggregate principal amount of new mortgage debt, including a \$0.75 million vendor take-back mortgage from the vendors; and (d) the issuance to the vendors of approximately \$80.0 million in Class B LP Units at a price of \$9.00 per Class B LP Unit and accompanying Special Voting Units. The purchase price for the June 2014 Properties was established by negotiation between the Special Committee and Daniel Drimmer. See the REIT's annual information form dated March 31, 2015 under "The REIT – Development of the REIT – 2014 – June 2014 Acquisition" which can be found on SEDAR at www.sedar.com.

Neither Starlight nor any director or executive officer of Starlight, nor any of their respective affiliates or associates, is, or has at any time since January 1, 2014, been indebted to the REIT or its subsidiaries or been engaged in any significant transaction or arrangement with the REIT, except otherwise disclosed in this Circular.

Asset Management Agreement

Starlight provides certain services to the REIT and its subsidiary entities pursuant to the Asset Management Agreement. Starlight is entitled to the following fees pursuant to the Asset Management Agreement:

- (a) A base annual management fee calculated and payable on a monthly basis, equal to the sum of (i) 0.35% of the historical purchase price of the properties owned by the REIT; and (ii) the cost of any capital expenditures incurred by the REIT or any of its affiliates in respect of the properties from the effective date.

- (b) From and after January 1, 2013, an incentive fee payable by the REIT for the year ended December 31, 2013, equal to 15% of the REIT's FFO per Unit in excess of the REIT's FFO per Unit determined by the Trustees by June 30, 2013, with reference to such parameters and information as the Trustees deem prudent, including without limitation, the 2013 business plan of the REIT, and from and after January 1, 2014, an amount equal to 15% of the excess of the REIT's FFO per Unit for fiscal 2013 (the "**Hurdle Amount**"), plus 50% of the increase in the weighted average consumer price index (or other similar metric as determined by the Trustees) ("**CPI Adjustment**") in the jurisdictions in which the properties are located, and the Hurdle Amount thereafter increasing annually by the CPI Adjustment. The FFO per Unit is equal to the quotient obtained by dividing: (i) the sum of: (A) the gain on the dispositions of any properties at fiscal year (calculated as the difference between the total sale price set out in any agreement entered into by the REIT with respect to the disposition of the property net of costs incurred and the historical purchase price of such property inclusive of costs incurred), and (B) FFO; by (ii) the total number of issued and outstanding Units as at the end of such fiscal year;
- (c) A capital expenditures fee equal to five percent of all hard construction costs incurred on each capital project with costs in excess of \$1.0 million excluding work done on behalf of tenants or any maintenance capital expenditures; and
- (d) An acquisition fee equal to: (i) 1.0% of the purchase price of a property, on the first \$100 million of properties announced to be acquired by the REIT in each fiscal year; (ii) 0.75% of the purchase price of a property announced to be acquired by the REIT on the next \$100 million of properties acquired in each fiscal year; and (iii) 0.50% of the purchase price on properties announced to be acquired by the REIT in excess of \$200 million in each fiscal year.

Starlight earned asset management fees of \$2,291,000 pursuant to the Asset Management Agreement for the year ended December 31, 2014 and \$nil in incentive fees, capital expenditure fees, acquisition fees and reimbursements for out-of-pocket costs and expenses during the same period. Notwithstanding the terms of the Asset Management Agreement, Starlight has agreed to waive its acquisition fee in connection with the June 2014 Properties.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as noted in the following paragraphs or otherwise disclosed in this Circular, there are no material interests, direct or indirect, of any Trustee, executive officer of the REIT or Nominee, any Unitholder that beneficially owns, or controls or directs, (directly or indirectly) more than 10% of the Units or Special Voting Units of the REIT, or any associate or affiliate of any of the foregoing persons, in any completed transaction since the commencement of the REIT's most recently completed financial year or proposed transaction of the REIT that has materially affected or would materially affect the REIT or any of its subsidiaries.

Daniel Drimmer (a Trustee and the Chairman of the Board) has an ongoing relationship with Starlight. See "Arrangements with Starlight".

As of the Record Date, Mr. Drimmer, through the DD Entities, holds an approximate 41.19% effective interest in the REIT through his ownership of Units, Class B LP Units and Special Voting Units. Each Class B LP Unit is exchangeable at the option of the holder for one Unit (subject to customary anti-dilution adjustments), is accompanied by one Special Voting Unit (which provides for the same voting rights in the REIT as a Unit) and is entitled to receive distributions of cash from such Partnership equal to the distributions that the holder of the Class B LP Unit would have received if it was holding one Unit (subject to customary anti-dilution adjustments) instead of the Class B LP Unit.

In addition, Starlight is entitled to certain pre-emptive rights to maintain its pro rata ownership interest in the REIT and its subsidiaries, “demand” and “piggyback” registration rights with respect to public offerings by the REIT, and “drag” and “tag” rights with respect to purchases of securities of subsidiaries of the REIT, pursuant to an exchange agreement dated June 5, 2012, among, *inter alia*, Starlight and the REIT which can be found on SEDAR at www.sedar.com.

ADDITIONAL INFORMATION

Additional information relating to the REIT can be found on SEDAR at www.sedar.com. Additional financial information is provided in the REIT’s audited consolidated financial statements and management’s discussion and analysis for the REIT’s most recently completed financial year. Copies of this Circular and audited consolidated annual financial statements of the REIT as at and for the year ended December 31, 2014, and related management’s discussion and analysis may be obtained without charge by writing to the CFO at 1801-3300 Bloor Street West, West Tower, Toronto, Ontario, M8X 2X2.

APPROVAL OF THE TRUSTEES

The contents and the sending of this Circular have been approved by the Board of the REIT.

DATED as of May 11, 2015.

BY ORDER OF THE TRUSTEES OF TRUE NORTH
APARTMENT REAL ESTATE INVESTMENT TRUST

(signed) LESLIE VEINER
President and Chief Executive Officer

SCHEDULE "A"
DEFERRED UNIT PLAN

January 1, 2015

ARTICLE 1
INTERPRETATION

1.1 Purpose

The purpose of the True North Apartment Real Estate Investment Trust Deferred Unit Plan (the "**Plan**") is to promote a greater alignment of interests between the non-executive trustees of True North Apartment Real Estate Investment Trust (the "**REIT**") and the unitholders of the REIT.

1.2 Definitions

The following terms used in this Plan have the meanings set out below:

- (a) "**Applicable Withholding Taxes**" means any and all taxes and other source deductions or other amounts which the REIT is required by law to withhold from any amounts to be paid under the Plan;
- (b) "**Award Date**" means a date on which any Board Compensation is payable, being the last Business Day of each calendar quarter;
- (c) "**Board**" means the board of Trustees of the REIT;
- (d) "**Board Compensation**" means the annual retainer payable by the REIT to a Trustee in respect of a calendar year for service on the Board (excluding any Board committee fees, attendance fees, chair fees, or additional fees and retainers), payable in equal quarterly instalments on the last Business Day of each calendar quarter;
- (e) "**Business Day**" means a day on which there is trading on the TSX or such other stock exchange on which the Units are then listed and posted for trading, and if the Units are not so listed, a day that is not a Saturday or Sunday or a national legal holiday in Canada;
- (f) "**Class B LP Units**" means Class B limited partnership units in the capital of limited partnerships controlled by the REIT from time to time;
- (g) "**Declaration of Trust**" means the third amended and restated declaration of trust of the REIT amended and restated as of June 26, 2014, as it may be further amended, supplemented or amended and restated from time to time;
- (h) "**Deferred Unit**" means a bookkeeping entry, equivalent in value to a Unit (determined in accordance with the provisions hereof), credited to a Participant's Deferred Unit Account in accordance with the terms and conditions of the Plan;
- (i) "**Deferred Unit Account**" has the meaning ascribed thereto in Section 7.2;
- (j) "**Elected Amount**" has the meaning ascribed thereto in Section 5.1;
- (k) "**Elected Percentage**" has the meaning ascribed thereto in Section 5.1;
- (l) "**Election Date**" means the date on which an Eligible Person files an Election Notice in accordance with Section 5.2;
- (m) "**Election Notice**" has the meaning ascribed thereto in Section 5.2;

- (n) “**Eligible Person**” means a person who is, on the applicable Election Date, a non-executive Trustee;
- (o) “**GC&N Committee**” means the Governance, Compensation and Nominating Committee of the Board;
- (p) “**Market Value**” at any date in respect of the Units means the volume weighted average price of all Units traded on the TSX for the five trading days immediately preceding such date (or, if such Units are not listed and posted for trading on the TSX, on such stock exchange on which such Units are listed and posted for trading as may be selected for such purpose by the Board). In the event that such Units are not listed and posted for trading on any stock exchange, the Market Value shall be the fair market value of such Units as determined by the Board in its sole discretion;
- (q) “**Option Plan**” means the amended and restated 2013 unit option plan of the REIT adopted with effect from May 28, 2013;
- (r) “**Participant**” means an Eligible Person who elects to become a Participant under the Plan in accordance with Article 5;
- (s) “**Person**” means, without limitation, an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, trustee, executor, administrator, or other legal representative;
- (t) “**Plan**” has the meaning ascribed to such term in Section 1.1 hereof;
- (u) “**Redemption Notice**” has the meaning ascribed thereto in Section 9.2;
- (v) “**REIT**” has the meaning ascribed to such term in Section 1.1 hereof;
- (w) “**Spouse**” means an individual who is either: (i) married to a Participant; or (ii) a common-law partner (within the meaning of the *Income Tax Act* (Canada), as amended from time to time) to a Participant;
- (x) “**Trustee**” means a trustee of the REIT;
- (y) “**TSX**” means the Toronto Stock Exchange;
- (z) “**Unit**” means a Unit of the REIT and such other Units as may be added thereto or substituted therefor as a result of amendments to the Declaration of Trust, reorganization or otherwise;
- (aa) “**Unitholder**” means a holder of Units; and
- (bb) “**Voting Securities**” means the Units and the special voting units of the REIT.

ARTICLE 2 CONSTRUCTION AND INTERPRETATION

- 2.1 The effective date of the Plan is January 1, 2015, subject to the approval of the Plan by the holders of Voting Securities and the TSX.
- 2.2 All references in the Plan to currency refer to lawful currency of Canada.2.3 The Plan shall be governed and interpreted in accordance with the laws of Ontario and the federal laws of Canada applicable therein.
- 2.4 If any provision of the Plan is determined to be void or unenforceable in whole or in part, such determination shall not affect the validity or enforcement of any other provision thereof.

- 2.5 In the Plan, references to the masculine shall include the feminine, and references to the singular shall include the plural and vice versa, as the context requires.
- 2.6 Headings wherever used herein are for reference purposes only and do not limit or extend the meaning of the provisions herein contained.

ARTICLE 3 GENERAL

- 3.1 The Plan shall be administered by the GC&N Committee.
- 3.2 The GC&N Committee is authorized, subject to the provisions of the Plan, to establish such rules and regulations as it deems necessary for the proper administration of the Plan, and to make such determinations and take such other actions in connection with or in relation to the Plan as it deems necessary or advisable. Each determination or action made or taken pursuant to the Plan, including interpretation of the Plan, shall be final and conclusive for all purposes and binding on all parties, provided that, notwithstanding any determination or action made or taken by the GC&N Committee, the Board has the authority to make all determinations and take all other actions in connection with or in relation to the Plan as it may deem necessary or advisable.
- 3.3 The REIT shall be responsible for all costs relating to the administration of the Plan.
- 3.4 The Plan shall remain an unfunded obligation of the REIT and the rights of Participants under the Plan shall be general unsecured obligations of the REIT.
- 3.5 The REIT may deduct from any amount to be paid under the Plan any Applicable Withholding Taxes in such manner as the REIT determines, including the sale, on behalf of a Participant, of such number of Units otherwise deliverable to the Participant as will produce an amount sufficient to pay Applicable Withholding Taxes.

ARTICLE 4 ELIGIBILITY

- 4.1 Participation in the Plan by each Eligible Person is voluntary.
- 4.2 Nothing herein contained shall be deemed to give any Person the right to be retained as a Trustee.

ARTICLE 5 ELECTION

- 5.1 Each Eligible Person may, subject to the conditions stated herein, elect in accordance with Section 5.2 to be a Participant in the Plan. A Participant may elect to be paid 25%, 50%, 75% or 100% (the "**Elected Percentage**") of his or her annual Board Compensation (such amount being herein referred to as the "**Elected Amount**"), subject to an annual maximum Elected Percentage established by the GC&N Committee and approved by the Board, in the form of Deferred Units, in lieu of cash, provided that the REIT shall match 50% of the Elected Amount for each Participant annually in the form of Deferred Units having a value on each Award Date equal to the Market Value on such date. Notwithstanding the foregoing, the maximum Elected Percentage shall be 100% of the Participant's Board Compensation in respect of 2015, and thereafter, the maximum Elected Percentage shall be established annually by the GC&N Committee in its sole discretion and approved by the Board.
- 5.2 Each Eligible Person who wishes to be a Participant shall file a notice of election in the form of Appendix A-1 hereto (the "**Election Notice**") with the Chief Financial Officer of the REIT: (i) in the case of an existing Trustee, by December 31 in the year immediately preceding the calendar year in respect of which such election is to apply and (ii) in the case of a newly-appointed Trustee, within thirty days of such appointment. If no election is made within the foregoing time frames, the Eligible Person shall be deemed to have elected to be paid his Board Compensation for the applicable calendar year in cash.

- 5.3 The election of an Eligible Person to participate in the Plan shall be deemed to apply to all Board Compensation up to the Elected Amount payable subsequent to the filing of the Election Notice and in respect of the calendar year to which such notice is applicable. Each Eligible Person shall file an Election Notice in respect of each year the Eligible Person wishes to be a Participant.
- 5.4 Participants may not change their Elected Amount or terminate their Plan participation during a calendar year.
- 5.5 All Deferred Units credited under the Plan shall remain in Deferred Unit Accounts and shall be settled or forfeited, as applicable, only in accordance with the terms of the Plan.
- 5.6 Participants may, in their sole discretion, elect to have some or all of any Deferred Units credited or transferred to their Spouse, a corporation controlled by such Participant (a "**Personal Holding Company**"), or to a family trust, of which the sole trustee is the Participant and the beneficiary or beneficiaries are any one or a combination of such Participant and/or the Spouse, children and/or grandchildren of such Participant (a "**Family Trust**"). Such election must be evidenced in the Election Notice of a Participant in respect of the Deferred Units to which such notice is applicable. For the purposes of this Plan, Deferred Units held by a Spouse, Personal Holding Company or Family Trust of a Participant shall be considered to be held by that Participant. Any Deferred Units held by the Personal Holding Company of a Participant or a beneficiary of a Family Trust shall terminate immediately upon that Participant ceasing to control that corporation.

For the purposes of this Plan, "**control**" means a company shall be deemed to be controlled by a Participant if all of the issued and outstanding voting shares of such company are, and will continue to be, beneficially owned, directly or indirectly, by such Participant and/or the Spouse, children and/or grandchildren of such Participant, and "**controlled**" shall have a corresponding meaning.

ARTICLE 6 DEFERRED UNITS

- 6.1 Subject to Section 7.3, under no circumstances shall Deferred Units be considered Units or entitle a Participant to any Unitholder rights, including, without limitation, voting rights, distribution entitlements or rights on liquidation.
- 6.2 One Deferred Unit shall be equivalent in value to one Unit. Fractional Deferred Units are permitted up to two decimal places, but shall be rounded down to the nearest whole number of Units at the time of settlement.

ARTICLE 7 DEFERRED UNIT ACCOUNTS

- 7.1 The number of Deferred Units (including fractional Deferred Units) to be credited to a Participant as of any particular Award Date pursuant to this Plan will be calculated by dividing: (i) the amount calculated by multiplying the dollar amount of the Participant's Elected Amount by one and one-half and dividing that product by four; by (ii) the Market Value of a Unit on the Award Date.
- 7.2 An account, to be known as a "**Deferred Unit Account**", shall be maintained by the REIT for each Participant and will be credited with Deferred Units awarded to the Participant in respect of each Award Date on which such Participant has an Election Notice on file with the REIT.
- 7.3 Whenever cash distributions are paid on the Units, additional Deferred Units will be credited to a Participant's Deferred Unit Account. The number of such additional Deferred Units shall be calculated by dividing: (i) the amount determined by multiplying: (a) the number of Deferred Units in such Participant's Deferred Unit Account on the record date for the payment of such distribution by (b) the distribution paid per Unit; by (ii) the Market Value of a Unit on the distribution payment date for such distribution, in each case, with fractions computed to two decimal places.

ARTICLE 8 ADJUSTMENTS

- 8.1 In the event of any Unit dividend, Unit split, combination or exchange of Units, merger, consolidation, spin-off or other distribution (other than normal cash distributions) of the REIT's assets to the Unitholders, or any other change affecting the Units, the account of each Participant and the Deferred Units outstanding under the Plan shall be adjusted in such manner, if any, as the GC&N Committee may in its discretion deem appropriate to reflect the event. However, no amount will be paid to, or in respect of, a Participant under the Plan or pursuant to any other arrangement, and no additional Deferred Units will be granted to such Participant to compensate for a downward fluctuation in the price of the Units, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.

For the purposes of this Section 8.1, the exchange of Class B LP Units for Units shall not be, and shall not be deemed to be, a change in the number of outstanding Units requiring an adjustment under this Section 8.1.

ARTICLE 9 SETTLEMENT OF DEFERRED UNITS

- 9.1 A Participant's Deferred Unit Account shall be settled pursuant to a partial redemption as described in Section 9.2 or upon a Participant ceasing to be a Trustee as described in Section 9.3.
- 9.2 Each Participant may elect to withdraw up to 20% of the Deferred Units credited to his or her Deferred Unit Account and redeem such Deferred Units for Units issued from treasury by filing a written notice of redemption (a "**Redemption Notice**") in the form of Appendix A-2 hereto with the Chief Financial Officer of the REIT. A Redemption Notice may be filed only once in any five-year period. In the event that the REIT receives a Redemption Notice during a black-out period, such redemption of Deferred Units shall occur upon the expiry of such black-out period.
- 9.3 Subject to the receipt by CDS Clearing and Depository Services Inc. of the Participant's brokerage account information from the Participant or his or her investment advisor, the Participant shall receive: (i) in settlement of all of his or her Deferred Units, within five Business Days after the occurrence of any event causing him to cease to be a Trustee, a whole number of Units from the REIT equal to the whole number of Deferred Units then recorded in the Participant's Deferred Unit Account, net of any Applicable Withholding Taxes; or (ii) in settlement of the number of Deferred Units specified in his Redemption Notice, within five Business Days after filing such Redemption Notice in accordance with Section 9.2, a whole number of Units from the REIT equal to such number of Deferred Units, net of any Applicable Withholding Taxes.
- 9.4 Upon issuance of Units in settlement of any Deferred Units, such Deferred Units shall be cancelled.

ARTICLE 10 NUMBER OF UNITS

A maximum of 10% of the issued and outstanding Units at the time of any grant of Deferred Units shall be issuable and reserved for issuance by the REIT under all equity incentive plans of the REIT (including Units authorized for issuance upon the settlement of the Deferred Units granted under this Plan), provided, however, that: (i) at no time shall the number of Units reserved for issuance to insiders of the REIT pursuant to outstanding Deferred Units, together with the number of Units reserved for issuance to such Persons pursuant to any other equity incentive plans of the REIT, exceed 10% of the then outstanding Units (on a non-diluted basis, but including the number of Class B LP Units issued and outstanding), as calculated immediately prior to the grant in question; (ii) the number of Units issued to insiders of the REIT pursuant to outstanding Deferred Units together with the number of Units issued to such Persons pursuant to any other equity incentive plans of the REIT, within any one year period, shall not exceed 10% of the then outstanding Units (on a non-diluted basis, but including the number of Class B LP Units issued and outstanding); (iii) at no time shall the number of Units issued to any one insider pursuant to outstanding Deferred Units together with the number of Units issued to such Persons pursuant to any other equity incentive plans of the REIT, exceed 5% of the then outstanding Units (on a

non-diluted basis, but including the number of Class B LP Units issued and outstanding) at any time; and (iv) no Eligible Person shall at any time be issued Deferred Units under this Plan which would result in the non-executive trustees of the REIT collectively holding an aggregate number of Units granted or issuable pursuant to any equity incentive plans of the REIT or pursuant to the exercise of options granted pursuant to the Option Plan in excess of 0.5% of the aggregate number of Units outstanding from time to time (on a non-diluted basis, but including the number of Class B LP Units issued and outstanding).

ARTICLE 11 AMENDMENTS TO THE PLAN

11.1 Subject to Section 11.2 and applicable law (including, without limitation, the rules, regulations and policies of the TSX), the provisions of the Plan may be amended at any time and from time to time by resolution of the Board. Such amendments to the Plan include, without limitation:

- (a) minor changes of a “house-keeping nature”;
- (b) amendments which, in the opinion of the Board, are necessary or desirable to remove conflicts or inconsistencies in the Plan;
- (c) a change to the termination provisions of a Deferred Unit or the Plan;
- (d) amendments as the Board in its discretion deems necessary or desirable to ensure compliance with applicable laws from time to time; and
- (e) a change to or the addition of any vesting provisions of Deferred Units issued pursuant to the Plan.

11.2 Approval of the holders of Voting Securities will not be required for amendments to the Plan or amendments to the terms and conditions of Deferred Units issued or rights or interests acquired hereunder, except for the following types of amendments or modifications:

- (a) amendments to Article 10 hereof to increase the number of Units reserved for issuance, including an increase in the fixed maximum number of Units, or a change from a fixed maximum number of Units to a fixed maximum percentage;
- (b) amendments for the purpose of extending eligibility to participate in the Plan to Persons who are not Eligible Persons as defined herein;
- (c) any amendment to the definition of Market Value;
- (d) amendments for the purpose of permitting Deferred Units issued or other rights or interests acquired hereunder to be transferred or assigned other than in accordance with Article 13 hereof;
- (e) amendments to Article 10 hereof to increase the insider participation limits;
- (f) amendments to this Article 11; and
- (g) amendments required to be approved by holders of Voting Securities under applicable law (including, without limitation, the rules, regulations and policies of the TSX).

ARTICLE 12 SUSPENSION AND TERMINATION

12.1 The Board may, in its sole discretion and without the consent of any Participant (acting in his or her capacity as a Participant in the Plan), suspend or terminate the Plan or any provision hereof at any time by giving written notice thereof to each Participant, provided, however that such suspension or

termination may not materially adversely affect the rights already accrued under the Plan by a Participant, without the consent of the Participant.

- 12.2 Following termination of the Plan, Deferred Units previously credited to Participants shall remain outstanding and in effect and be settled subject to and in accordance with the applicable terms and conditions of the Plan in effect immediately prior to the termination.

ARTICLE 13 ASSIGNMENT

- 13.1 Other than as contemplated by Section 5.6, in no event may the rights or interests of a Participant under the Plan be assigned, encumbered, pledged, transferred or alienated in any way, except to the extent that certain rights may pass to a beneficiary or legal representative upon death of a Participant, by will or by the laws of succession and distribution.
- 13.2 Rights and obligations under the Plan may be assigned by the REIT to a successor of the business of the REIT.

ARTICLE 14 COMPLIANCE WITH APPLICABLE LAWS

- 14.1 The administration of the Plan shall be subject to and performed in conformity with all applicable laws, regulations, orders of governmental or regulatory authorities and the requirements of any stock exchange on which the Units are listed. Each Participant shall comply with all such laws, regulations, rules, orders and requirements, and shall furnish the REIT with any and all information and undertakings, as may be required to ensure compliance therewith.

ARTICLE 15 LANGUAGE

- 15.1 Les Participants et la Fiducie ont exigé que le présent Régime ainsi que tous les documents et avis qui s'y rattachent et/ou qui en découleront soient rédigés en anglais. The Participants and the REIT have required that this Plan and all documents and notices resulting herefrom be drawn up in English.

APPENDIX A - 1

**TRUE NORTH APARTMENT REAL ESTATE INVESTMENT TRUST
DEFERRED UNIT PLAN (THE "PLAN")**

ELECTION NOTICE

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

The GC&N Committee has determined that the maximum Elected Percentage in respect of the _____ calendar year shall be _____% of the Participant's Board Compensation.

Pursuant to the Plan, I hereby elect to participate in the Plan in respect of the _____ calendar year and to receive the following percentage of my Board Compensation in the form of Deferred Units in lieu of cash:

- 25%
- 50%
- 75%
- 100%

I hereby elect to have the following percentage of my Deferred Units credited to _____ [name of Spouse, Personal Holding Company or Family Trust]:

- 0%
- 25%
- 50%
- 75%
- 100%

with the remainder, if any, credited to my account.

I confirm that:

- (a) I have received and reviewed a copy of the terms of the Plan and agreed to be bound by them.
- (b) I recognize that when Deferred Units credited pursuant to this election are settled in accordance with the terms of the Plan, income tax and other withholdings as required will arise at that time. Upon settlement of the Deferred Units, the REIT will make all appropriate withholdings as required by law at that time.
- (c) The value of Deferred Units is based on the value of the Units and therefore is not guaranteed.

The foregoing is only a brief outline of certain key provisions of the Plan. For more complete information, reference should be made to the text of the Plan.

Date: _____

(Name of Participant)

(Signature of Participant)

APPENDIX A - 2

**TRUE NORTH APARTMENT REAL ESTATE INVESTMENT TRUST
DEFERRED UNIT PLAN (THE "PLAN")**

REDEMPTION NOTICE

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

I hereby advise the REIT that I wish to redeem _____ of the Deferred Units credited to my Deferred Unit Account in accordance with Section 9.2 of the Plan.

Date: _____

(Name of Participant)

(Signature of Participant)

Notes:

- (a) If the Redemption Notice is signed by a beneficiary or legal representative, documents providing the authority of such signature should accompany this notice.
- (b) No more than 20% of the Deferred Units credited to a Deferred Unit Account may be redeemed at one time in any five-year period.
- (c) In the event that the REIT receives a Redemption Notice during a black-out period, such redemption of Deferred Units shall occur upon the expiry of such black-out period.

SCHEDULE "B"
RESOLUTION OF THE UNITHOLDERS OF
TRUE NORTH APARTMENT REAL ESTATE INVESTMENT TRUST
APPROVAL OF DEFERRED UNIT PLAN

RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. The deferred unit plan substantially as described in the Management Information Circular dated May 11, 2015 of the REIT which accompanied the Notice of Meeting dated May 11, 2015, be and is hereby, authorized, approved, ratified and confirmed.
2. The issuance of 5,605 Deferred Units under the Deferred Units Plan to non-executive Trustees of the REIT as at March 31, 2015, be and are hereby authorized, approved, ratified and confirmed:

<u>Non-Executive Trustee</u>	<u>Number of Deferred Units Issued</u>
J. Michael Knowlton	1,121
Robert McKee	1,121
Alon Ossip	1,121
Denim Smith	1,121
Graham Rosenberg	1,121

3. All actions previously or hereafter taken, for and on behalf of, the REIT or any of its subsidiaries in connection with the approval, adoption, ratification and confirmation of the deferred unit plan are hereby ratified, confirmed, adopted and approved in all respects.
4. Any trustee or officer of the REIT be and is hereby authorized to take all such further actions and to execute and deliver all such further instruments and documents, in the name and on behalf of the REIT as may be necessary, proper or advisable in order to carry out and give full effect to the foregoing.

* * * * *

SCHEDULE "C"
RESTRICTED UNIT RIGHTS PLAN

January 1, 2015

1. PURPOSE OF THE PLAN

The purpose of the True North Apartment Real Estate Investment Trust Restricted Unit Rights Plan (the "**Plan**") is to promote the long term success of True North Apartment Real Estate Investment Trust (the "**REIT**") by (i) providing Participants (as defined herein) with rewards and additional incentives in the form of units of the REIT ("**Units**"), (ii) encouraging ownership of Units by Participants, and (iii) increasing the ownership interest of Participants in the REIT, through the issuance of RURs (as defined herein) which, upon vesting, in accordance with the terms of the Plan, will be settled for Units.

2. DEFINITIONS

The following terms used in this Plan shall have the following meanings.

"**Administrator**" means such administrator as may be appointed by the Committee from time to time under the Plan.

"**Affiliate**" has the meaning ascribed to such term in the *Securities Act* (Ontario), as amended from time to time.

"**Asset Manager**" means Starlight Investments Ltd., the asset manager of the REIT.

"**Board**" means the Board of Trustees of the REIT.

"**Business Day**" means a day, on which there is trading on the TSX or such other stock exchange on which the Units are then listed and posted for trading, and if the Units are not so listed, a day that is not a Saturday or Sunday or a national legal holiday in Canada.

"**Change in Control**" means: (a) a takeover, merger, consolidation or amalgamation of or involving the REIT or its subsidiaries representing, collectively, 50% or more of the value of the assets of the REIT; (b) an offer to acquire all of the outstanding Units of the REIT; (c) an acquisition by any third party (either alone, or acting jointly or in concert with another party, directly or indirectly) of over 50% of the outstanding Units or votes attaching thereto; or (d) an acquisition by any third party (either alone, or acting jointly or in concert with another party, directly or indirectly) of all or substantially all of the assets of the REIT or its subsidiaries.

"**CIC Date**" means the date of any Change in Control.

"**Class B LP Units**" means Class B limited partnership units in the capital of limited partnerships controlled by the REIT from time to time.

"**Committee**" means the Board or, if the Board so determines, the Governance, Compensation and Nominating Committee of the Board.

"**Designated Affiliate**" means: (a) any Affiliate of the REIT (including a partnership or trust controlled by the REIT) designated by the Board for the purposes of the Plan from time to time; and (b) the Asset Manager.

"**Designated Person**" means, subject to the Regulations and to all applicable laws, an: (i) officer or employee of the REIT; or (ii) an officer or employee of a Designated Affiliate, in each case provided that such person is actively engaged in activities related to the REIT. In this Plan, unless otherwise specified, references to "employment" shall, in the case of officers that are not employees of the REIT, be deemed to be references to their service to the REIT or Designated Affiliate, as applicable.

“Disability” means the mental or physical state of a Participant such that the Participant has been unable as a result of illness, disease, mental or physical disability or similar cause to fulfill the material and substantial duties and obligations of such Participant to the REIT or a Designated Affiliate, as the case may be, either for any consecutive six month period or for any period of twelve months (whether or not consecutive) in any consecutive twenty-four month period.

“Distribution RURs” has the meaning ascribed to such term in Section 8(a) hereof.

“First Vesting Date” has the meaning ascribed to such term in Section 6(b) hereof.

“Grant” means the grant of RURs to a Designated Person at any time in accordance with Section 5.

“Grant Agreement” means the written agreement entered into by the REIT and the Participant in accordance with Section 5, in a form substantially similar to that attached as Appendix “A”.

“Grant Date” means the date on which the Committee or the Board grants RURs or such later date which the Committee or the Board determines will be the date on which a Grant shall take effect.

“Insider” shall have the meaning ascribed thereto in the TSX Company Manual.

“Market Value” at any date in respect of the Units means the volume weighted average price of all Units traded on the TSX for the five trading days immediately preceding such date (or, if such Units are not listed and posted for trading on the TSX, on such stock exchange on which such Units are listed and posted for trading as may be selected for such purpose by the Board). In the event that such Units are not listed and posted for trading on any stock exchange, the Market Value shall be the fair market value of such Units as determined by the Board in its sole discretion.

“Participant” means a Designated Person to whom a Grant has been made in accordance with Section 5.

“Person” means, without limitation, an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, trustee, executor, administrator, or other legal representative.

“Plan” has the meaning ascribed to such term in Section 1 hereof.

“Regulations” means the regulations, if any, made pursuant to the Plan, as the same may be amended from time to time.

“REIT” has the meaning ascribed to such term in Section 1 hereof.

“Retirement” means the retirement of a Participant from his/her position at the REIT or any Designated Affiliate, or as determined by the Committee in its sole discretion.

“RUR” means a restricted unit right credited to a Participant pursuant to a Grant in accordance with Section 5 or, in the case of a Distribution RUR, pursuant to Section 8, and which shall, following the last day of the Vesting Period, in accordance with and subject to the provisions of the Plan and relevant Grant Agreement, entitle the holder thereof to receive one newly-issued Unit.

“Second Vesting Date” has the meaning ascribed to such term in Section 6(b) hereof.

“Settlement Date” means: (i) for all Participants that are not officers of the REIT or directly employed by the REIT, the date which is ten Business Days following the vesting of any RURs in accordance with Section 6(b) hereof, provided that the Settlement Date following the vesting of any RURs on the last day of the Vesting Period shall be prior to December 31 of the calendar year in which the Vesting Period ends; and (ii) for Participants that are officers of the REIT or directly employed by the REIT, such date as determined by the Committee as of the Grant Date.

“Termination Date” has the meaning ascribed to such term in Section 6(b) hereof.

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

“**Unitholder**” means a holder of Units.

“**Units**” has the meaning ascribed to such term in Section 1 hereof.

“**Vesting Period**” means, in respect of each Grant, the period of time commencing on the Grant Date and ending on December 1 of the third calendar year following the year in which the Participant rendered the services giving rise to the applicable Grant. For Participants that are officers of the REIT or directly employed by the REIT, the Committee may determine a different Vesting Period and it may extend the Vesting Period in accordance with Section 6(c) hereof.

3. ADMINISTRATION

The Committee shall be responsible for the administration of the Plan. The Committee may, subject to the terms of the Plan, delegate to the Administrator (if one is appointed), the whole or any part of the administration of the Plan and determine the scope of such delegation. Any decision made by the Committee in carrying out its responsibilities with respect to the administration of the Plan shall be final and binding on the Participants.

All of the powers exercisable hereunder by the Board may, to the extent permitted by applicable law and as determined by resolution of the Board, be exercised by the Committee.

In addition to the other powers granted under the Plan and subject to the terms of the Plan, the Committee shall have the authority to interpret the Plan. The Committee may from time to time, subject to and in accordance with the rules of the TSX, prescribe such rules and Regulations and make all determinations necessary or desirable for the administration of the Plan. Any such interpretation, rule, determination or other act of the Committee shall be conclusively binding upon all Persons, including the Participants and their legal representatives and beneficiaries, provided that, notwithstanding any determination or act made or taken by the Committee, the Board shall have the authority to make a determination and take any other action in connection with or in relation to the Plan as it may deem necessary or advisable.

Notwithstanding Section 6(b), or any other provision of the Plan, the Committee shall have the discretion in connection with a Grant to a Participant who is an officer of the REIT or directly employed by the REIT, subject to such Participant’s prior consent, to extend the Settlement Date, Vesting Period or otherwise facilitate the continued holding of RURs by such Participant for purposes of further aligning the long-term interests of Participants and Unitholders. In connection therewith, the Committee shall also have the discretion to grant such Participant such additional consideration, provided that no such additional consideration shall be granted without such Participant’s prior written consent where the grant of such additional consideration could adversely affect the tax treatment of any RURs granted to such Participant.

All costs of the Plan, including any administration fees, shall be paid by the REIT.

4. UNITS SUBJECT TO THE PLAN

The REIT shall not be required to issue Units or to deliver Unit certificates pursuant to the Plan unless and until such issuance and delivery is in compliance with all applicable laws, regulations, rules, orders of governmental or regulatory authorities and the requirements of the TSX and any other stock exchange upon which Units are listed. Each Participant shall comply with all such laws, regulations, rules, orders or requirements, and shall furnish the REIT with any and all information and undertakings as may be required to ensure compliance therewith.

A maximum of 10% of the issued and outstanding Units at the time of any grant of RURs shall be issuable and reserved for issuance by the REIT under all equity incentive plans of the REIT (including Units authorized for issuance upon the settlement of the RURs granted under this Plan), provided, however, that: (i) at no time shall the number of Units reserved for issuance to Insiders of the REIT pursuant to outstanding RURs, together with the number of Units reserved for issuance to such Persons pursuant to any other equity incentive plans of the REIT, exceed 10% of the then

outstanding Units (on a non-diluted basis, but including the number of Class B LP Units issued and outstanding), as calculated immediately prior to the Grant in question; (ii) the number of Units issued to Insiders of the REIT pursuant to outstanding RURs together with the number of Units issued to such Persons pursuant to any other equity incentive plans of the REIT, within any one year period, shall not exceed 10% of the then outstanding Units (on a non-diluted basis, but including the number of Class B LP Units issued and outstanding); and (iii) at no time shall the number of Units issued to any one Insider pursuant to outstanding RURs together with the number of Units issued to such Persons pursuant to any other equity incentive plans of the REIT, exceed 5% of the then outstanding Units (on a non-diluted basis, but including the number of Class B LP Units issued and outstanding) at any time.

Subject to the foregoing, the Board shall authorize from time to time the treasury issuance by the REIT of Units in settlement of the vested RURs.

5. GRANTS

The Committee shall determine from time to time the Designated Persons to whom a Grant may be made. The Committee shall also determine in connection with each Grant:

- (a) the number of RURs to be credited to each such Designated Person;
- (b) the Grant Date; and
- (c) any other terms and conditions (which need not be identical and which, without limitation, may include non-competition provisions) of the RURs covered by any Grant.

The foregoing shall be determined in the discretion of the Committee in accordance with the REIT's compensation policy from time to time.

Each Grant shall be evidenced by a Grant Agreement between the REIT and the Participant, which shall contain the terms and conditions specified by this Section 5 and such other terms and conditions as the Committee specifies.

6. TERMS AND CONDITIONS OF RESTRICTED UNIT RIGHTS

(a) Certificates and Records

Certificates need not be issued with respect to RURs. The REIT and/or the Administrator shall maintain records showing the number of RURs accrued in respect of and/or credited to each Participant under the Plan.

(b) Vesting

(i) General

As of the Grant Date, the RURs shall be unvested and fully forfeitable. Subject to the provisions of this Section 6(b), RURs shall vest on the last day of the applicable Vesting Period.

(ii) Retirement and Termination without Cause

Subject to the provisions of any Change in Control or employment agreement between the Participant and the REIT or any Designated Affiliate and the terms and conditions upon which the Grant was made, in the event of the Retirement or termination without cause of a Participant from the REIT or any Designated Affiliate before the first anniversary of any Grant Date, any RURs granted on such Grant Date shall remain unvested and forfeited as of such Termination Date and such Participant shall not be entitled to any compensation for loss of any benefit under the Plan.

In the event of the Retirement or termination without cause of a Participant from the REIT or any Designated Affiliate on or after the first anniversary of any Grant Date but before the second anniversary of any Grant Date, one-third of the RURs granted on such Grant Date shall vest as of such Termination Date (“**First Vesting Date**”) and the remainder of the RURs granted on such Grant Date shall remain unvested and forfeited as of such Termination Date and such Participant shall not be entitled to any compensation for loss of any benefit under the Plan.

In the event of the Retirement or termination without cause of a Participant from the REIT or any Designated Affiliate on or after the second anniversary of any Grant Date but before the last day of the Vesting Period, two-thirds of the RURs granted on such Grant Date shall vest as of such Termination Date (“**Second Vesting Date**”) and the remainder of the RURs granted on such Grant Date shall remain unvested and forfeited as of such Termination Date and such Participant shall not be entitled to any compensation for loss of any benefit under the Plan.

For greater certainty, in the event of the Retirement or termination without cause of a Participant from the REIT or any Designated Affiliate on the last day of any Vesting Period, all RURs granted in respect of such Vesting Period shall vest in accordance with this Section 6(b)(ii).

Notwithstanding the foregoing or the provisions of Section 8, the Committee may, in its sole discretion, determine that in the event of the Retirement or termination without cause of a Participant from the REIT or any Designated Affiliate, vesting of unvested RURs (including for greater certainty any Distribution RURs credited pursuant to Section 8) may be accelerated in whole or in part with effect on the date preceding the date of the Participant’s death, Disability, Retirement or termination without cause and Units issued to the Participant in accordance with the Plan (and such date shall constitute the date for the purposes of determining the Settlement Date).

For purposes of the Plan, a Participant’s employment shall be deemed to have terminated on the Participant’s last date of actual and active employment or the effective date of Retirement, as applicable, whether that date is selected unilaterally by the REIT or Designated Affiliate or by mutual agreement (the “**Termination Date**”). No period of notice that is given or ought to be given, whether under statute or otherwise, shall be taken into account in determining entitlement under the Plan for purposes of this or any other Plan provision.

(iii) Death or Disability

In the event of the death or Disability of a Participant while in the employment of the REIT or any of its Designated Affiliates before the last day of any Vesting Period, all RURs granted in respect of such Vesting Period (including for any greater certainty Distribution RURs credited pursuant to Section 8) shall vest and Units shall be issued in accordance with the Plan (and such date of death or Disability, as applicable, shall constitute the date for the purposes of determining the Settlement Date).

Notwithstanding the foregoing or the provisions of Section 8, the Committee may, in its sole discretion, determine that in the event of the death or Disability of a Participant, vesting of unvested RURs (including for greater certainty any Distribution RURs credited pursuant to Section 8) may be accelerated in whole or in part with effect on the date preceding the date of the Participant’s death, Disability, Retirement or termination without cause and Units issued to the Participant in accordance with the Plan (and such date shall constitute the date for the purposes of determining the Settlement Date).

(iv) Termination with Cause

Subject to the provisions of any Change in Control or employment agreement between the Participant and the REIT or any Designated Affiliate and the terms and conditions upon which the Grant was made, in the event a Participant's employment is terminated for cause before the last day of any Vesting Period, all RURs granted in respect of such Vesting Period (including for greater certainty any Distribution RURs credited pursuant to Section 8) shall remain unvested and forfeited as of such Termination Date and such Participant shall not be entitled to any compensation for loss of any benefit under the Plan.

(v) Resignation

In the event of the resignation of a Participant as a Designated Person before the last day of any Vesting Period, all RURs granted in respect of such Vesting Period (including for greater certainty all Distribution RURs credited pursuant to Section 8) will remain unvested and forfeited as of such resignation date and such Participant shall not be entitled to any compensation for loss of any benefit under the Plan. Notwithstanding the foregoing or the provisions of Section 8, the Committee may, in its sole discretion, determine that in the event a Participant resigns as a Designated Person before the last day of any Vesting Period, vesting of unvested RURs (including for greater certainty any Distribution RURs credited pursuant to Section 8) may be accelerated in whole or in part with effect on the date preceding the date of the Participant's resignation and Units issued to the Participant in accordance with the Plan (and such date shall constitute the date for the purposes of determining the Settlement Date).

(c) Settlement - Fully Paid Units Issued to the Participant

Subject to Sections 4, 6(d), 6(e) and 10(c) and the Participant's satisfaction of any conditions, restrictions or limitations imposed under the Plan or Grant Agreement or as otherwise reasonably required by the Committee at the Grant Date, on the Settlement Date the REIT shall settle all vested RURs (including any Distribution RURs credited pursuant to Section 8) by the issuance of fully-paid Units from treasury. Subject to the receipt by CDS Clearing and Depository Services Inc. of the Participant's brokerage account information from the Participant or his or her investment advisor, the Administrator shall transfer to the Participant full legal title and beneficial ownership of the applicable number of Units upon the Settlement Date.

(d) Right to Units in the Event of Death, Disability, Retirement or Termination of Employment

For greater certainty, in the event of the Retirement, termination without cause, death or Disability, resignation or termination with cause of a Participant on or after the vesting of any RURs but prior to the Settlement Date for such vested RURs, the number of such Units that would otherwise be issued to such Participant, or in the case of death or Disability, the Participant's estate or the Participant's legal guardian, as applicable, shall be so issued and delivered to the Participant in accordance with and subject to Section 6(c), as if the Participant had continued in the active employment of the REIT or a Designated Affiliate until the Settlement Date.

(e) Right to RURs in the Event of a Change in Control

- (i) If a Participant is terminated without cause within two years of a Change in Control, then notwithstanding any other provision of the Plan, and subject to Section 10(c), with respect to all RURs that are unvested on the Participant's Termination Date, the Participant shall receive, in full settlement of each unvested RUR, on the Termination Date, the number of Units that would have been issued to the Participant on the expiry of the Vesting Period

(including Units for any Distribution RURs credited pursuant to Section 8). The Participant shall have no further entitlement under the Plan.

Notwithstanding the foregoing provisions of this Section 6(e)(i) and subject to Section 10(c), a Participant, in his or her sole discretion, may elect that with respect to all RURs that are unvested on the Termination Date, to receive, in full settlement of each unvested RUR (including any Distribution RURs credited pursuant to Section 8), on the Termination Date, a lump sum payment in cash equal to the number of RURs recorded in the Participant's account on the Termination Date multiplied by: (i) the per Unit consideration received by Unitholders pursuant to the Change in Control; or (ii) where no consideration was received by Unitholders upon the Change in Control, the Market Value of a Unit on the CIC Date. The Participant shall have no further entitlement under the Plan.

- (ii) In the event of a Change in Control, with respect to all unvested RURs on the CIC Date, if the acquiror does not adopt the Plan or otherwise compensate Participants by way of a substituted plan involving equivalent marketable securities or other forms of compensation of a value at least equivalent to the value of a Participant's vested or unvested RURs, then notwithstanding any other provision of the Plan, but subject to Section 10(c), the Participant shall receive, in full settlement of each unvested RUR on the CIC Date (including any Distribution RURs credited pursuant to Section 8), on or immediately before the CIC Date, the number of Units that would have been issued to a Participant on the expiry of the Vesting Period. The Participant shall have no further entitlement under the Plan.

Notwithstanding the foregoing provisions of this Section 6(e)(ii) and subject to Section 10(c), if the acquiror does not adopt the Plan or otherwise compensate Participants by way of a substituted plan involving equivalent marketable securities or other forms of compensation of a value at least equivalent to the value of a Participant's vested or unvested RURs, then notwithstanding any other provision of the Plan, but subject to Section 10(c), the Participant, in his or her sole discretion, may elect that with respect to all RURs that are unvested on the CIC Date, to receive in full settlement of each unvested RUR (including any Distribution RURs credited pursuant to Section 8) on the CIC Date, a lump sum payment in cash equal to the number of RURs recorded in the Participant's account on the CIC Date multiplied by: (i) the per Unit consideration to be received by Unitholders pursuant to the Change in Control; or (ii) where no consideration is to be received by Unitholders upon the Change in Control, the Market Value of a Unit on the CIC Date. The Participant shall have no further entitlement under the Plan.

- (iii) Notwithstanding any other provision of this Plan, if the Board deems it advisable to do so in connection with a proposed Change in Control, the Board may (without the consent of Participants) take such steps with respect to outstanding RURs and make such amendments to this Plan (subject to the limitations contained in Section 9) as it deems necessary or advisable in connection with the Change in Control.

(f) RURs Not Units

Under no circumstances shall RURs be considered Units, nor entitle any Participant to the exercise of voting rights, the receipt of distributions or the exercise of any other rights attaching to ownership of Units.

7. EFFECTS OF ALTERATION OF UNIT CAPITAL

If there is any change in the outstanding Units by reason of a distribution payable to Unitholders in Units or a subdivision, recapitalization, consolidation, combination or exchange of outstanding Units, or other change affecting the capital structure of the REIT, the Board, subject to the rules and approval of the TSX and any prior approval required of any applicable regulatory authority, may make an appropriate substitution or adjustment in:

- (i) the number or kind of Units or other securities reserved for issuance pursuant to this Plan; and
- (ii) the number and kind of RURs previously granted under this Plan,

provided, however, that no substitution or adjustment will obligate the REIT to issue or sell fractional RURs or Units. In the event of a reorganization of the REIT or an amalgamation or consolidation of the REIT with another corporate entity or trust, the Board may make any provision for the protection of the rights of Designated Persons and Participants as the Board in its discretion deems appropriate (subject to the limitations contained in Section 9). The determination of the Board, as to any adjustment or as to there being no need for adjustment, will be final and binding on all Participants.

For the purposes of this Section 7, the exchange of Class B LP Units for Units shall not be, and shall not be deemed to be, a change in the number of outstanding Units requiring an adjustment under this Section 7.

No amount will be paid to, or in respect of, a Participant under the Plan or pursuant to any other arrangement, and no additional RURs will be granted to such Participant to compensate for a downward fluctuation in the price of Units, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.

8. DISTRIBUTIONS

- (a) Whenever a distribution is paid on the Units, additional RURs (the “**Distribution RURs**”), the number of which will be computed pursuant to Section 8(b), shall accrue in respect of each Participant. Distribution RURs will be credited to the Participant and vest on the same terms and times (and subject to vesting) of the underlying RURs in respect of which the Distribution RURs were accrued.
- (b) The number of Distribution RURs which shall accrue in respect of each Participant under Section 8(a) shall be calculated by dividing: (i) the amount determined by multiplying: (x) the number of RURs credited to the Participant on the record date for the payment of such distribution plus, for greater certainty, the number of accrued Distribution RURs; by (y) the distribution paid per Unit; by (ii) the Market Value of a Unit on the distribution payment date for such distribution, in each case, with fractions computed to two decimal places.

9. AMENDMENT AND TERMINATION

The Board may from time to time amend, suspend or terminate the Plan in whole or in part, without Unitholder or Participant approval. Subject to applicable securities laws and the rules of the TSX, the Board may from time to time amend the terms of Grants made under the Plan without Unitholder approval but subject to any required regulatory or other approvals and, if any such amendment will materially adversely affect the rights of a Participant with respect to a Grant, the written consent of such Participant to such amendment. Notwithstanding the foregoing: (i) the written consent of any Participant to an amendment which materially adversely affects the rights of such Participant with respect to a Grant shall not be required if such amendment is necessary to comply with applicable laws, regulations, rules, orders of governmental or regulatory authorities or the requirements of any stock exchange on which Units are listed; and (ii) no amendment may be made to Section 6(e) of the Plan or to the defined terms referred to in such Section 6(e) on or after the CIC Date.

The Committee may, subject to receipt of any requisite regulatory and TSX approval, in its sole discretion make all other amendments to the Plan without Unitholder approval, including but not limited to:

- (i) minor changes of a “house-keeping nature”;
- (ii) amendments which, in the opinion of the Board, are necessary or desirable to remove conflicts or inconsistencies in the Plan;
- (iii) a change to the termination provisions of a RUR or the Plan;
- (iv) amendments as the Board in its discretion deems necessary or desirable to ensure compliance with applicable laws from time to time; and
- (v) a change to or the addition of any vesting provisions of RURs issued pursuant to the Plan.

Notwithstanding the foregoing, the following amendments to the Plan shall require Unitholder approval:

- (i) amendments to Section 4 hereof to increase the number of Units available for issuance, including an increase in the fixed maximum number of Units, or a change from a fixed maximum number of Units to a fixed maximum percentage;
- (ii) amendments for the purpose of extending eligibility to participate in the Plan to Persons who are not Participants as defined herein;
- (iii) any amendment to the definition of Market Value;
- (iv) amendments for the purpose of permitting RURs issued or other rights or interests acquired hereunder to be transferred or assigned other than in accordance with Section 10(l) hereof;
- (v) amendments to Section 4 hereof to increase the Insider participation limits;
- (vi) any amendment to this Section 9; and
- (vii) amendments required to be approved by Unitholders under applicable law (including, without limitation, the rules, regulations and policies of the TSX).

If this Plan is terminated, the provisions of this Plan, the Grant Agreement, the Regulations and any applicable administrative guidelines and other rules which are in force at the time of termination, shall continue in effect as long as any RURs, or any right pursuant thereto, remain outstanding. However, notwithstanding the termination of this Plan, the Committee may make any amendments to this Plan, or to the Grant Agreement or any RUR (in accordance, in each case, with the terms of the Grant Agreement) that it would be entitled to make if this Plan were still in effect.

10. MISCELLANEOUS PROVISIONS

(a) Participation Voluntary

Participation in the Plan by a Designated Person is voluntary.

(b) No Right to Continued Employment

No Designated Person shall have any claim or right to receive Grants under the Plan, and the Grant of RURs and issuance of Units under the Plan shall not be construed

as giving a Participant any right to continue in the employment of the REIT or its Designated Affiliates or affect the right of the REIT or its Designated Affiliates to terminate the employment of any Participant. Unless the Board determines otherwise, no notice of termination or payment in lieu thereof will extend the period of employment for purposes of this Plan.

Nothing herein contained shall be deemed to give any Person the right to be retained, or to continue to be retained, as a trustee or director of the REIT, a Designated Person or of any Designated Affiliate.

(c) Source Deductions

The Committee may adopt and apply rules that in its opinion will ensure that the REIT and its Designated Affiliates will be able to comply with applicable provisions of any federal, provincial, state or local law relating to the withholding of tax, including on the amount, if any, included in income of a Participant. The REIT or any Designated Affiliate or the Administrator may withhold from any amount payable to a Participant, either under this Plan or otherwise, such amount as may be necessary so as to ensure that the REIT or any Designated Affiliate will be able to comply with applicable provisions of any federal, provincial, state or local law relating to withholding of tax or other required deductions, including on the amount, if any, includable in the income of a Participant. The REIT or a Designated Affiliate or the Administrator shall, in this connection, have the right in its discretion to satisfy any such liability by: (i) withholding from any amount otherwise payable to a Participant; or (ii) at the election of the Participant, adjusting the number of any Units which would otherwise be issued to a Participant hereunder and, in lieu of issuing all of the Units to which the Participant is otherwise entitled, settling such obligation by the payment of a lump-sum amount in cash from which the REIT, or the Designated Affiliate or the Administrator shall have the right in its discretion to withhold in order to satisfy any such liability. The REIT or any Designated Affiliate or the Administrator shall also have the right to withhold the delivery of any Units to a Participant and instead deliver such Units to an agent who shall liquidate such Units in order to satisfy such liability unless and until such Participant pays to the REIT or a Designated Affiliate a sum sufficient to indemnify the REIT or such Designated Affiliate for any liability to withhold tax in respect of the amounts included in the income of such Participant as a result of the settlement of RURs under this Plan, to the extent that such tax is not otherwise being withheld from payments to such Participant by the REIT or such Designated Affiliate or the Administrator.

(d) No Liability

The parties acknowledge and agree that the obligations of the REIT and the Designated Affiliates hereunder are not personally binding upon any trustee or director of the REIT or a Designated Affiliate, any registered or beneficial Unitholder or shareholder, any annuitant under a plan of which a Unitholder acts as trustee or carrier, or agents of the REIT or a Designated Person or a Designated Affiliate, and resort shall not be had to, nor shall recourse or satisfaction be sought from any of the foregoing or the private property of the foregoing, but the property of the REIT and the Designated Affiliates only shall be bound by such obligations. Any obligation of the REIT set out in this Plan shall, to the extent necessary to give effect to such obligation, be deemed to constitute, subject to the provisions of the previous sentence, an obligation of the Board only in their capacity as trustees of the REIT.

(e) Acceptance of Terms by Participant

Participation in the Plan by any Participant shall be construed as acceptance of the terms and conditions of the Plan by the Participant and as to the Participant's agreement to be bound thereby.

(f) Governing Law

The Plan shall be construed in accordance with and governed by the laws of Ontario and the federal laws of Canada applicable therein.

(g) Number, etc.

In this Plan, whenever the context so requires, the masculine gender includes the feminine gender and a singular number includes the plural number, and vice versa.

(h) Headings

Headings wherever used herein are for reference purposes only and do not limit or extend the meaning of the provisions herein contained.

(i) No Representation or Warranty

The REIT makes no representation or warranty as to the future market value of any Units issued in accordance with the Plan.

(j) Necessary Approvals

The Plan is subject to acceptance by the TSX and/or any regulatory authority having jurisdiction over the securities of the REIT.

(k) Unfunded Plan

The Plan shall remain an unfunded obligation of the REIT and the Designated Affiliates, as applicable, and the rights of Participants under the Plan shall be general unsecured obligations of the REIT and the Designated Affiliates, as applicable.

(l) Assignment

Except as expressly provided herein, in no event may the rights or interests of a Participant under the Plan be assigned, encumbered, pledged, transferred or alienated in any way, except to the extent that certain rights may pass to a beneficiary or legal representative upon death of a Participant, by will or by the laws of succession and distribution or otherwise as required by law.

Rights and obligations under the Plan may be assigned by the REIT to a successor in the business of the REIT.

(m) Successors and Permitted Assigns

The rights and obligations under the Plan and the Grant Agreement are binding and enure to the benefit of the REIT or the relevant Designated Affiliate, as applicable, and its successors and assigns and the Participants and their respective heirs, attorneys, guardians, estate trustees, executors, trustees and permitted assigns.

(n) Severability

If any provision of the Plan is determined to be void or unenforceable in whole or in part, such determination shall not affect the validity or enforcement of any other provision thereof.

(o) Language

Les Participants et la Fiducie ont exigé que le présent Régime ainsi que tous les documents et avis qui s'y rattachent et/ou qui en découleront soient rédigés en anglais. The Participants and the REIT have required that this Plan and all documents and notices resulting herefrom be drawn up in English.

11. EFFECTIVE DATE

The Plan shall become effective upon its adoption by the Board and receipt of required regulatory approval.

Appendix "A"
GRANT AGREEMENT

[Date]

[Name & Address]

Dear [Name]:

This is to advise you that in recognition of your contribution to our endeavours, you have been selected to participate in the Restricted Unit Rights Plan (the "**Plan**") of True North Apartment Real Estate Investment REIT (the "**REIT**").

Any capitalized terms not defined herein have the meanings ascribed thereto in the Plan.

On ●, you were granted (the "**Grant**") ● restricted unit rights ("**RURs**"). Your Grant is subject to the provisions of the Plan (as it may be amended from time to time), a copy of which is appended hereto, and the terms and conditions outlined below. The last day of the Vesting Period applicable to the Grant is ●. [For Participants who are officers of the REIT or directly employed by the REIT] The Settlement Date will be ●.

Subject to the terms and conditions of the Plan, the RURs subject to such Grant and any associated Distribution RURs will be redeemed by the REIT, and Units shall be issued to you on the Settlement Date following the last day of the relevant Vesting Period.

Please note that the Grant described above is strictly confidential, and the information concerning the number of RURs granted under this Grant Agreement should not be disclosed to anyone, other than as otherwise required by applicable securities legislation or the rules of the TSX.

By signing below, you represent to the REIT that: (i) your participation in the Plan is voluntary, and has not been induced by the expectation of employment or continued employment with the REIT or a Designated Affiliate of the REIT; and (ii) you agree to be bound by the terms of the Plan, a copy of which you acknowledge receiving.

Yours sincerely,

Acknowledgement: I confirm my acceptance of this Grant of RURs under the terms and conditions described above.

Accepted, this ____ day of _____, 20__

Name

SCHEDULE "D"
RESOLUTION OF THE UNITHOLDERS OF
TRUE NORTH APARTMENT REAL ESTATE INVESTMENT TRUST
APPROVAL OF RESTRICTED UNIT RIGHTS PLAN

RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. The Restricted Unit Rights Plan, substantially as described in the Management Information Circular dated May 11, 2015 of the REIT which accompanied the Notice of Meeting dated May 11, 2015, be and is hereby approved, ratified and confirmed.
2. The grants of 75,950 Restricted Units Rights under the Restricted Units Rights Plan to officers of the REIT as at May 1, 2015, including the below individual grants of Restricted Rights to officers of the REIT, as at May 1, 2015, be and hereby, authorized, approved, ratified and confirmed.

<u>Officer</u>	<u>Number of RURs Granted</u>
Leslie Veiner, President and Chief Executive Officer	45,450
Martin Liddell, Chief Financial Officer	30,500

3. All actions previously or hereafter taken, for and on behalf of, the REIT or any of its subsidiaries in connection with the approval, adoption, ratification and confirmation of the restricted unit rights plan are hereby ratified, confirmed, adopted and approved in all respects.
4. Any trustee or officer of the REIT be and is hereby authorized to take all such further actions and to execute and deliver all such further instruments and documents, in the name and on behalf of the REIT as may be necessary, proper or advisable in order to carry out and give full effect to the foregoing.

* * * * *

**SCHEDULE “E”
BOARD OF TRUSTEES MANDATE**

Trustees’ Responsibilities

The trustees (the “**Trustees**”) of True North Apartment Real Estate Investment Trust (the “**REIT**”) are explicitly responsible for the stewardship of the REIT. To discharge this obligation, the Trustees shall:

Strategic Planning Process

- Provide input to management on emerging trends and issues.
- Review and approve management’s strategic plans.
- Review and approve the REIT’s financial objectives, plans and actions, including significant capital allocations and expenditures.

Monitoring Tactical Progress

- Monitor the REIT’s performance against the strategic and business plans, including assessing operating results to evaluate whether the business is being properly managed.

Risk Assessment

- Identify the principal risks of the REIT’s businesses and ensure that appropriate systems are in place to manage these risks.

Senior Level Staffing

- Select, monitor and evaluate the Chief Executive Officer (“**CEO**”) and other senior executives, and ensure management succession.
- Approve a position description for the CEO including limits to management’s responsibilities and corporate objectives which the CEO is responsible for meeting, all upon recommendation from the Governance, Compensation & Nominating Committee of the REIT.

Integrity

- Ensure the integrity of the REIT’s internal control and management information systems.
- Ensure ethical behaviour and compliance with laws and regulations, audit and accounting principles, and the REIT’s own governing documents.

Material Transactions

- Review and approve material transactions not in the ordinary course of business.

Monitoring Trustees’ Effectiveness

- Assess its own effectiveness in fulfilling the above and Trustees’ responsibilities, including monitoring the effectiveness of individual Trustees.

Other

- Perform such other functions as prescribed by law or assigned to the Trustees in the REIT’s Declaration of Trust.

**SCEDHULE “F”
AUDIT COMMITTEE MANDATE**

1. PURPOSE

The overall purpose of the Audit Committee (the “**Committee**”) of the REIT is to monitor the REIT’s system of internal financial controls, to evaluate and report on the integrity of the financial statements of the REIT, to enhance the independence of the REIT’s external auditors and to oversee the financial reporting process of the REIT.

2. COMPOSITION, PROCEDURES AND ORGANIZATION

- 2.1 The Committee shall consist of at least three members of the Board of the REIT (the “**Board**”), each of whom shall be, in the determination of the Board, “independent” as that term is defined by Multilateral Instrument 52-110 – *Audit Committees* (“**MI 52-110**”), as amended from time to time, and the majority of whom shall be resident Canadians. Each member shall complete and return to the REIT annually a questionnaire regarding the member’s independence.
- 2.2 All members of the Committee shall be, in the determination of the Board, “financially literate” as that term is defined by MI 52-110, and at least one member of the Committee must have, in the determination of the Board, “accounting or related financial expertise”.
- 2.3 The Board, at its organizational meeting held in conjunction with each annual meeting of unitholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee. Any member of the Committee ceasing to be a trustee of the REIT shall cease to be a member of the Committee.
- 2.4 Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair from among their number.
- 2.5 The Committee shall have access to such officers and employees of the REIT and to the REIT’s external auditors and its legal counsel, and to such information respecting the REIT as it considers to be necessary or advisable in order to perform its duties.
- 2.6 Notice of every meeting shall be given to the external auditors, who shall, at the expense of the REIT, be entitled to attend and to be heard thereat.
- 2.7 Meetings of the Committee shall be conducted as follows:
- (a) the Committee shall meet on a regular basis, at such times and at such locations as the chair of the Committee shall determine;
 - (b) the external auditors or any member of the Committee may call a meeting of the Committee;
 - (c) any trustee of the REIT may request the chair of the Committee to call a meeting of the Committee and may attend such meeting to inform the Committee of a specific matter of concern to such trustee, and may participate in such meeting to the extent permitted by the chair of the Committee; and

- (d) the external auditors and management employees shall, when required by the Committee, attend any meeting of the Committee.
- 2.8 The external auditors shall be entitled to communicate directly with the chair of the Committee and may meet separately with the Committee. The Committee, through its chair, may contact directly any employee in the REIT as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper practices or transactions.
- 2.9 Compensation to members of the Committee shall be limited to trustee's fees, either in the form of cash or equity, and members shall not accept consulting, advisory or other compensatory fees from the REIT (other than as members of the Board and Board committee members).
- 2.10 The Committee is authorized, at the REIT's expense, to retain independent counsel and other advisors as it determines necessary to carry out its duties and to set their compensation.

3. DUTIES

- 3.1 The overall duties of the Committee shall be to:
 - (a) assist the Board in the discharge of its duties relating to the REIT's accounting policies and practices, reporting practices and internal controls;
 - (b) establish and maintain a direct line of communication with the REIT's external auditors and assess their performance;
 - (c) oversee the co-ordination of the activities of the external auditors;
 - (d) ensure that the management of the REIT has designed, implemented and is maintaining an effective system of internal controls;
 - (e) monitor the credibility and objectivity of the REIT's financial reports;
 - (f) report regularly to the Board on the fulfillment of the Committee's duties;
 - (g) assist the Board in the discharge of its duties relating to the REIT's compliance with legal and regulatory requirements; and
 - (h) assist the Board in the discharge of its duties relating to risk assessment and risk management.
- 3.2 The Committee shall be directly responsible for overseeing the work of the external auditors engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the REIT, including the resolution of disagreements between management and the external auditors regarding financial reporting, and in carrying out such oversight the Committee's duties shall include:
 - (a) recommending to the Board a firm of external auditors to be nominated for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the REIT;

- (b) reviewing, where there is to be a change of external auditors, all issues related to the change, including the information to be included in the notice of change of auditor called for under National Instrument 51-102 – *Continuous Disclosure Obligations* or any successor legislation (“**NI 51-102**”), and the planned steps for an orderly transition;
- (c) reviewing all “reportable events”, as defined in NI 51-102, on a routine basis, whether or not there is to be a change of external auditor;
- (d) reviewing the engagement letters of the external auditors, both for audit and non-audit services;
- (e) reviewing the performance, including the fee, scope and timing of the audit and other related services and any non-audit services provided by the external auditors; and
- (f) reviewing and approving the nature of and fees for any non-audit services performed for the REIT by the external auditors and consider whether the nature and extent of such services could detract from the firm’s independence in carrying out the audit function.

3.3 The duties of the Committee as they relate to audits and financial reporting shall be to:

- (a) review the audit plan with the external auditor and management;
- (b) review with the external auditor and management any proposed changes in accounting policies, the presentation of the impact of significant risks and uncertainties, and key estimates and judgments of management that may in any such case be material to financial reporting;
- (c) review the contents of the audit report;
- (d) question the external auditor and management regarding significant financial reporting issues discussed during the fiscal period and the method of resolution;
- (e) review the scope and quality of the audit work performed;
- (f) review the adequacy of the REIT’s financial and auditing personnel;
- (g) review the co-operation received by the external auditor from the REIT’s personnel during the audit, any problems encountered by the external auditors and any restrictions on the external auditor’s work;
- (h) review the internal resources used;
- (i) review the evaluation of internal controls by the internal auditor (or persons performing the internal audit function) and the external auditors, together with management’s response to the recommendations, including subsequent follow-up of any identified weaknesses;
- (j) review the appointments of the chief financial officer, internal auditor (or persons performing the internal audit function) and any key financial executives involved in the financial reporting process;

- (k) review and approve the REIT's annual audited financial statements and those of its subsidiaries in conjunction with the report of the external auditors thereon, and obtain an explanation from management of all significant variances between comparative reporting periods before release to the public;
- (l) review and approve the REIT's interim unaudited financial statements, and obtain an explanation from management of all significant variances between comparative reporting periods before release to the public;
- (m) establish a procedure for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters and employees' confidential anonymous submission of concerns regarding accounting and auditing matters; and
- (n) review the terms of reference for an internal auditor or internal audit function.

3.4 The duties of the Committee as they relate to accounting and disclosure policies and practices shall be to:

- (a) review changes to accounting principles of the Canadian Institute of Chartered Accountants which would have a significant impact on the REIT's financial reporting as reported to the Committee by management and the external auditors;
- (b) review the appropriateness of the accounting policies used in the preparation of the REIT's financial statements and consider recommendations for any material change to such policies;
- (c) review the status of material contingent liabilities as reported to the Committee by management;
- (d) review the status of income tax returns and potentially significant tax problems as reported to the Committee by management;
- (e) review any errors or omissions in the current or prior year's financial statements;
- (f) review and approve before their release all public disclosure documents containing audited or unaudited financial information, including all earnings, press releases, MD&A, prospectuses, annual reports to unitholders, annual information forms and management's discussion and analysis; and
- (g) oversee and review all financial information and earnings guidance provided to analysts and rating agencies.

3.5 The other duties of the Committee shall include:

- (a) reviewing any inquiries, investigations or audits of a financial nature by governmental, regulatory or taxing authorities;
- (b) formulating clear hiring policies for employees or former employees of the REIT's external auditors;
- (c) reviewing annual operating and capital budgets;

- (d) reviewing the funding and administration of the REIT's compensation and pension plans;
- (e) reviewing and reporting to the Board on difficulties and problems with regulatory agencies which are likely to have a significant financial impact;
- (f) inquiring of management and the external auditors as to any activities that may be or may appear to be illegal or unethical;
- (g) ensuring procedures are in place for the receipt, retention and treatment of complaints and employee concerns received regarding accounting or auditing matters and the confidential, anonymous submission by employees of the REIT of concerns regarding such; and
- (h) any other questions or matters referred to it by the Board.