

REASONS FOR THE RECOMMENDATION

In evaluating the Arrangement and making its recommendation, each of the Special Committee and the Board carefully considered the Arrangement and consulted with and received advice from its financial, legal and other advisors, as well as senior management of the REIT. The Special Committee and the Board reviewed a significant amount of information and considered a number of factors in making their recommendations to Unitholders to vote their REIT Units in favour of the Arrangement Resolution, including the following:

- **Immediate and Significant Premium to Market Price** – under the Arrangement, Unitholders will receive, for each REIT Unit, the Cash Consideration per Unit of \$19.24 and 0.3186 of a Choice Unit. Based on the closing price of the Choice Units on the TSX on April 15, 2026 (the last trading day prior to the announcement of the Arrangement), the Arrangement Consideration per Unit had an implied value of \$24.40 per REIT Unit, representing a premium of: (a) approximately 17% to the 20-day volume-weighted average price of the REIT Units on the TSX for the period ended April 15, 2026; (b) approximately 11.7% to the closing price of the REIT Units on the TSX on April 15, 2026; (c) approximately 21% to the 90-day volume-weighted average price of the REIT Units on the TSX for the period ended April 15, 2026; and (d) approximately 7% to the REIT's net asset value of \$22.81 per REIT Unit as of March 31, 2026. The actual value of the Arrangement Consideration per Unit will depend on the market price of the Choice Units at the time of closing and such actual value of the Arrangement Consideration per Unit may be more or less than \$24.40 per REIT Unit.
- **Certainty of Value and Participation in Upside of Choice Units** – the cash component of the Arrangement Consideration per Unit, which represents approximately 79% of the Arrangement Consideration per Unit, based on the implied value of the Arrangement Consideration per Unit as at April 15, 2026, provides Unitholders with certainty of value and immediate liquidity for a significant portion of the Arrangement Consideration per Unit, and removes the risks associated with the REIT remaining an independent public entity, including challenges of acquiring and developing assets on an accretive basis as well as external factors such as macroeconomic factors, changes in interest rates, access to and pricing of debt and equity capital, capitalization rates, political conditions and capital markets conditions that are beyond the control of the REIT, the Board and the management team. At the same time, ownership of the Choice Consideration Unit component of the Arrangement Consideration per Unit, which forms part and represents approximately 21% of the Arrangement Consideration per Unit, provides Unitholders with a meaningful opportunity to participate in the near and long-term growth of Choice following the completion of the Arrangement. In particular, upon completion of the Arrangement, Choice will have acquired properties of the REIT representing approximately 55% of the gross asset value of the REIT's properties, significantly enhancing Choice's portfolio and positioning it as one of Canada's preeminent owners of high-quality commercial and residential real estate. The Special Committee and the Board believe that the mixed consideration structure provides Unitholders with immediate liquidity and certainty of value while also providing the opportunity for Unitholders to benefit from Choice's real estate platform going forward.
- **Compelling Value Relative to Alternatives** – the Special Committee and the Board, in consultation with their legal and financial advisors, and based upon the business, operations, financial condition, earnings and prospects of the REIT, as well as their collective knowledge of the current and prospective environment in which the REIT operates (including economic and market conditions in the real estate industry), thoroughly assessed the relative benefits, risks and potential timelines of various alternatives reasonably available to the REIT. In doing so, the Special Committee and the Board had regard to the Board's prior engagement with multiple credible counterparties, none of whose proposals were determined to be actionable from a value and transaction certainty standpoint, as well as the risk-adjusted view of the value that could reasonably be expected to be realized from continued execution of the REIT's existing Three Year Plan. Having considered these alternatives and having regard to, among other things, the premium offered, the mixed cash and unit consideration structure and the credibility and financial capacity of KingSett and Choice, the Special Committee and the Board concluded that entering into the Arrangement Agreement was the most favourable alternative reasonably available to the REIT and its Unitholders.
- **Distributions During the Interim Period** – the REIT is permitted to continue to declare and pay regular monthly distributions to Unitholders through to the closing of the Arrangement, in an amount not exceeding \$0.076 per REIT Unit per month. This will allow Unitholders to continue to receive a regular distribution, and to benefit from the continued operations of the REIT, through to the closing of the Arrangement.

- **Fairness Opinions** – receipt by both the Board and the Special Committee of the Opinions in which RBC Capital Markets and NBCM concluded that, based on and subject to the limitations, qualifications and assumptions set forth therein, the Arrangement Consideration per Unit to be received by Unitholders pursuant to the Arrangement is fair, from a financial point of view, to the Unitholders (other than KingSett and its affiliates). NBCM will receive a fixed fee for the rendering of the NBCM Fairness Opinion which is not contingent on the outcome of the Arrangement.
- **Role and Independence of the Special Committee** – the negotiations leading to the execution of the Arrangement Agreement were supervised by the Special Committee, which is comprised entirely of independent Trustees and was advised by experienced and qualified independent legal and financial advisors. The Special Committee took an active and independent role in evaluating, supervising and overseeing the process and the negotiation of the Arrangement and the Arrangement Agreement. The Special Committee had no obligation to recommend the Arrangement or any other transaction and had retained the authority to reject any proposals made.
- **Arrangement Agreement Terms and Deal Protections** – the Arrangement Agreement is the result of a comprehensive negotiation process that was undertaken at arm's length with the oversight and participation of the Special Committee advised by experienced and qualified legal and financial advisors and resulted in terms and conditions that are reasonable in the judgment of the Special Committee and the Board. In particular, the Arrangement Agreement contains customary "fiduciary out" provisions pursuant to which the Board may, in certain circumstances and prior to the obtaining of the Unitholder Approval, consider, accept and enter into a definitive agreement with respect to a Superior Proposal, subject to the Purchaser's customary right to match. The Voting Support Agreements entered into by each of the Trustees and officers of the REIT automatically terminate upon, among other circumstances, the REIT entering into a definitive agreement with respect to a Superior Proposal. The Special Committee has been advised, and believes, that the Termination Fee of \$187.5 million, payable by the REIT in the event the Arrangement Agreement is terminated in connection with a Superior Proposal or a Change in Recommendation, is reasonable in the circumstances and only payable in customary and limited circumstances. The Arrangement Agreement also contains interim operating covenants that are reasonable in light of the expected time period between signing and closing.
- **No Financing Condition and Reasonable Likelihood of Completion** – the Arrangement is not subject to any due diligence condition or financing condition. The obligations of the Purchaser and Choice to complete the Arrangement are subject to a limited number of conditions that the Special Committee and the Board believe are reasonable in the circumstances and can be achieved within the timeframe contemplated by the Arrangement Agreement, with closing currently expected in the fourth quarter of 2026.
- **Credibility of KingSett Capital, KingSett and Choice** – KingSett Capital, KingSett and Choice have each demonstrated commitment, creditworthiness, and a consistent track record of completing large-scale real estate transactions, which is indicative of the ability of the Purchaser and Choice to complete the transactions contemplated by the Arrangement Agreement.
- **Support for the Arrangement** – members of the Board and the REIT's management, representing approximately 0.5% of the issued and outstanding REIT Units, have entered into their respective Voting Support Agreements pursuant to which they have agreed to vote their REIT Units in favour of the Arrangement Resolution. KingSett, which owns approximately 3.9% of the outstanding REIT Units, has also agreed to vote those REIT Units in favour of the Arrangement.
- **Two-thirds Majority and "Majority of Minority" Approvals** – the fact that the Arrangement, among other things, must be approved by not less than: (a) two-thirds (66⅔%) of votes cast thereon by Unitholders present in person (or virtually) or represented by proxy at the Meeting; and (b) as required by MI 61-101, a simple majority of the votes cast thereon by Unitholders present in person (or virtually) or represented by proxy at the Meeting, excluding REIT Units held by persons described in items (a) through (d) of Section 8.1(2) of MI 61-101.
- **Court Approval** – the Arrangement must be approved by the Court, which will consider whether the Arrangement is fair and reasonable.

- **Dissent Rights** – Registered Unitholders as at the Record Date who oppose the Arrangement may, upon strict compliance with certain conditions, exercise the dissent rights specified in the Interim Order and Plan of Arrangement and, if ultimately successful, be entitled to be paid the fair value of their REIT Units determined as of the day immediately before the Arrangement Resolution is adopted, subject to the provisions of the Plan of Arrangement.

In the course of their deliberations, the Special Committee and the Board also considered a number of potential risks and other factors resulting from the Arrangement, including the risks described under the heading "*RISK FACTORS*" of this Circular and the following:

- the risks to the REIT and the Unitholders if the Arrangement is not completed, including the costs to the REIT in pursuing the Arrangement;
- the potential risk of diverting management attention and resources from the operation of the REIT's business, including other strategic opportunities and operational matters, while working toward the completion of the Arrangement;
- the adverse impact that business uncertainty pending the completion of the Arrangement could have on the REIT's existing and prospective business relationships, including with tenants, joint venture partners, lenders, suppliers and other third parties, who may delay or defer decisions concerning the REIT in response to such uncertainty, and on the ability of the REIT to attract, retain and motivate key management and personnel until the completion of the Arrangement. These disruptions could be exacerbated by a delay in the completion of the Arrangement and could have an adverse effect on the business, operating results or prospects of the REIT, regardless of whether the Arrangement is ultimately completed;
- the risk that the Arrangement may not be completed despite the efforts of the Parties or that completion of the Arrangement may be unduly delayed, even if the Arrangement Resolution is approved by the Unitholders, including as a result of the failure to obtain, or any delay in obtaining, the required approvals under the *Competition Act* (Canada), the failure to obtain, or any delay in obtaining, any required Court approval of the Arrangement, the failure to obtain, or any delay in obtaining, the required consents, or the failure to satisfy other conditions to the Parties' obligations to complete the Arrangement, which approvals or consents may involve processes and timelines that are not entirely within the control of the Parties, and there can be no certainty as to the timing of such approvals or as to the nature of any conditions, undertakings or remedies that may be imposed in connection therewith, as well as the potential resulting negative impact this could have upon the REIT's business;
- the restrictions contained in the Arrangement Agreement on the REIT's ability to solicit additional interest from third parties, given the nature of the deal protections and "fiduciary out" provisions in the Arrangement Agreement, as well as the fact that if the Arrangement Agreement is terminated under certain circumstances, the REIT will be required to pay the Termination Fee to the Purchaser (on behalf of the Purchaser and Choice);
- the restrictions on the conduct of the REIT's business prior to the completion of the Arrangement, including restrictions on the ability of the REIT to pursue acquisitions or dispositions of properties, refinance existing indebtedness, enter into or modify material contracts or take other actions outside the ordinary course without the prior consent of the Purchaser and Choice, which could delay or prevent the REIT from pursuing business opportunities or responding to market conditions that may arise pending completion of the Arrangement and could negatively impact the REIT's business, financial condition or results of operations;
- the fact that the Arrangement Consideration per Unit includes Choice Units, the value of which will fluctuate based on the market price of the Choice Units, and accordingly the actual value of the Arrangement Consideration per Unit received by Unitholders may be greater or less than the implied value at the time the Arrangement was announced;
- the Arrangement will include asset sales and other transactions undertaken by the REIT and the REIT Subsidiaries on a taxable basis. These transactions are expected to result in the REIT realizing or being allocated fully taxable ordinary income in its taxation year ending on the Effective Date (including income arising from the recapture of

previously claimed capital cost allowance) in addition to capital gains income and the amount of the ordinary income may be significant. Any ordinary income and capital gains income that is realized by the REIT as a result of these transactions will be allocated to Unitholders pursuant to the Special REIT Distributions and Unitholders may be required to pay taxes on any income or capital gains that result from the receipt of the amount paid pursuant to the Special REIT Distributions. See "*CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS*" of this Circular; and

- the fact that the REIT has incurred and will continue to incur significant transaction costs and expenses in connection with the Arrangement, regardless of whether the Arrangement is completed.

The Board and Special Committee considered all of these factors as a whole, as well as others, and, on balance, concluded that the potential benefits of the Arrangement to Unitholders outweigh the risks, uncertainties, restrictions, and potentially negative factors associated with the Arrangement.

The Board and Special Committee's reasons contain forward-looking information and are subject to various risks and assumptions. See "*MANAGEMENT INFORMATION CIRCULAR – FORWARD-LOOKING STATEMENTS AND INFORMATION*", "*RISK FACTORS*" and the risk factors described under the heading "*RISK FACTORS*" in Appendix "G" of this Circular for additional information.

The information and factors described above and considered by the Board and Special Committee in reaching the Board Recommendation are not intended to be exhaustive but include the material factors considered by the Board and Special Committee in their review and consideration of the Arrangement. The Board and Special Committee collectively reached the conclusion to approve the Arrangement Agreement in light of the various factors described above and other factors that the members of the Board and Special Committee believed were appropriate. Given the variety of factors considered in connection with their evaluation of the Arrangement, the Board and Special Committee did not find it practicable to, and did not, quantify or otherwise attempt to assign any relative or specific weights to the foregoing factors, and individual trustees may have assigned different weightings to different factors. The Board and Special Committee based their recommendations on the totality of the information available to them, including discussions with the REIT's management team and their legal, financial and other advisors.