

PARTNERS REIT CLASS ACTION

NOTICE OF CERTIFICATION

THIS NOTICE IS IMPORTANT TO YOU.

IT IS PUBLISHED BY ORDER OF THE ONTARIO SUPERIOR COURT OF JUSTICE.

This notice is directed to all persons and entities, wherever they may reside or be domiciled, who held units of Partners Real Estate Investment Trust ("Partners REIT" or the "REIT") as of the close of trading on April 1, 2014, other than Excluded Persons (the "Class" or "Class Members"). Excluded Persons are the defendants, described below, and any entities owned or controlled by the defendants; past or present subsidiaries or affiliates of Partners REIT and Holyrood Holdings Limited ("Holyrood"); and past or present officers, directors, senior employees, partners, legal representatives, heirs, predecessors, successors and assigns of the defendants and their immediate family members.

THE CERTIFICATION ORDERS

On November 8, 2016, the Ontario Superior Court of Justice (the "Court") certified the action *Locking v. McCowan et al.*, Court File No. CV-14-517117-00CP (the "Class Action") as a class proceeding and appointed Daniel Locking as representative plaintiff (the "Representative Plaintiff").

The defendants in the Class Action are Ronald McCowan ("McCowan"), Allen W. Weinberg ("Weinberg"), Joseph Feldman, Marc Charlebois, Laura Philp ("Philp") and Holyrood (collectively, the "Defendants").

The Class Action relates to the circumstances surrounding Partner REIT's decision to enter a transaction, announced on April 2, 2014 (the "Transaction"), for the purchase of certain Ontario properties from Holyrood.

On behalf of Class Members, the plaintiff alleges that the Transaction was contrary to applicable laws, including the REIT's Declaration of Trust and applicable rules of the Toronto Stock Exchange, because the vendor Holyrood was not dealing at arm's length with McCowan, then CEO of the REIT. It is further alleged that McCowan, Philp, Weinberg, and Holyrood conspired to enable McCowan to gain control of Partners REIT without seeking the required approval from unitholders. The action seeks to recover damages allegedly sustained to the Class Members' units of the REIT as a result of the Transaction.

The certification order means that the Class Action may proceed to trial as a class action. Certification is a preliminary procedural matter. The merits of the claims in the Class Action, and the allegations of fact on which the claims are based, have not been finally determined by the Court. The Defendants deny that the claims in the action have merit.

DO NOTHING IF YOU WANT TO PARTICIPATE IN THE CLASS ACTION

Class Members who want to participate in the Class Action are automatically included and need not do anything at this time.

YOU MUST OPT OUT IF YOU DO NOT WANT TO PARTICIPATE IN THE CLASS ACTION

Class Members who do not want to participate in the Class Action must opt out. If you want to opt out of the Class Action, you must complete a signed letter stating that you elect to opt out of

the Partners REIT Class Action and the letter must provide all of the following information:

- (i) The number of units of Partners REIT you held as of the close of trading on April 1, 2014; AND
- (ii) Your name, address, telephone number, and signature. If you are submitting an opt-out request on behalf of a corporation or other entity, you must state your position and authority to bind the corporation or entity.

Your opt-out request must be sent by email, fax or mail to:

Investigation Counsel P.C.
Re: Partners REIT Class Action
350 Bay Street, Suite 300
Toronto ON M5H 2S6
Email:
partnersreitclassaction@investigationcounsel.com
Fax: 416-637-3445

In order for your opt out request to be valid, it must be postmarked or received no later than February 10, 2017 and it must contain all of the required information.

Each Class Member who does not opt out of the Class Action will be bound by the terms of any judgment or settlement, whether favourable or not, and will not be allowed to prosecute an independent action against any of the Defendants for any of the factual matters raised in the Class Action. If the Class Action is successful, you may be entitled to share in the amount of any award or settlement recovered. A Class Member who opts out will not be entitled to participate in the Class Action and will not be entitled to share in the amount of any award or settlement.

A minor or a mentally incapable Class Member cannot be opted out of the Class without permission of the Court. The Children's Lawyer

and/or the Public Guardian and Trustee, as applicable, must receive notice of such an opt-out request.

NO DIRECT COST TO YOU

The Representative Plaintiff has entered into a contingency fee retainer agreement with law firm Investigation Counsel P.C. which provides that counsel will be paid if the Class Action is successful or costs are recovered from the Defendants. If the action is successful, either through judgment on the common issues or by way of an approved settlement, the legal fees will be set by the Court, and the Court may order that these fees be paid out of the settlement proceeds or by the Defendants.

If the class action is not successful, you will NOT be responsible for any legal costs of the Class Action and will NOT have any other financial obligations because of the Class Action.

NOTICE TO BROKERS

Please deliver this notice by email no later than December 12, 2016 to your clients who held units of Partners REIT as of the close of trading on April 1, 2014, for whom you have valid email addresses. If you have affected clients for whom you do not have valid email addresses, please contact Investigation Counsel P.C. to obtain hard copies of this notice for the purpose of mailing the notice to those clients or provide Investigation Counsel P.C. with the mailing addresses of those clients and Investigation Counsel P.C. will mail the notices directly to those clients.

Brokerage firms may collectively request up to \$5,000 in total for the expenses relating to the distribution of this notice to Class Members. If the amounts submitted in aggregate exceed \$5,000, each brokerage firm's claim shall be reduced on a pro rata basis. Brokerage firms must submit an invoice to Investigation Counsel P.C. by January 13, 2017 to be eligible for reimbursement.