

AGELLAN COMMERCIAL REAL ESTATE INVESTMENT TRUST

Distribution Reinvestment Plan

Purpose

The Distribution Reinvestment Plan (the “**Plan**”) provides eligible holders (“ **Holders**”) of trust units (“**Trust Units**”) of Agellan Commercial Real Estate Investment Trust (the “**REIT**”) the opportunity to accumulate additional Trust Units without incurring any commissions, service charges or brokerage fees. The Plan provides an efficient and cost-effective way for the REIT to issue additional equity to existing Holders.

The REIT will determine for each Distribution Payment Date the amount of new equity, if any, that will be made available under the Plan on that date. No assurances can be made that new Trust Units will be made available under the Plan on a regular basis, or at all.

The REIT may increase the number of Trust Units available to be issued under the Plan at any time, subject to the approval of the stock exchange upon which the Trust Units trade.

Definitions

“**Authorization Form**” means the Reinvestment Enrolment – Participant Declaration Form.

“**Average Market Price**” means the weighted average of the daily closing prices of the Trust Units on the Toronto Stock Exchange for the five trading days immediately preceding the applicable Distribution Payment Date, appropriately adjusted for certain capital changes (including Trust Unit subdivisions, Trust Unit consolidations, certain rights offerings and certain distributions).

“**Business Day**” means any day in which the Plan Agent’s offices are generally open for the transaction of commercial business but does not in any event include a Saturday, Sunday, civic or statutory holiday in the Province of Ontario or a day on which on which the Toronto Stock Exchange does not publicly trade.

“**CDS**” means CDS Clearing and Depository Services Inc., which acts as a nominee for many Canadian investment dealers, brokerage firms, or its nominee or successor, as applicable.

“**CDS Participants**” refers to brokers, investment dealers, financial institutions or other nominees in their capacity as participants in the CDS depository service who hold Trust Units registered in the name of CDS on behalf of eligible beneficial Holders and who are acting on behalf of such eligible beneficial Holders.

“**Distribution**” means the cash distribution declared payable by the REIT for any particular period.

“**Distribution Record Date**” means any date as designated by the REIT for determining the Holders entitled to receive a Distribution.

“**Distribution Payment Date**” means a specified day following the applicable Distribution Record Date, on which the REIT pays a Distribution to respective Holders.

“**LP Units**” means Class B limited partnership units of the Partnership.

“**Participants**” means registered Holders of at least one Trust Unit, as applicable, who, on the applicable Distribution Record Date for a Distribution, are eligible to participate in the Plan.

“**Partnership**” means Agellan Commercial REIT U.S. L.P.

“**Plan Agent**” means Computershare Trust Company of Canada, its successors or assigns or such other company as is appointed by the REIT from time to time to act as Plan Agent under the Plan.

Administration

Computershare Trust Company of Canada currently acts as Plan Agent under the Plan. If Computershare Trust Company of Canada ceases to act as Plan Agent for any reason, another company will be designated by the REIT to act as Plan Agent and Participants will be promptly notified of the change.

The Plan Agent acts for and on behalf of the Participants. On each Distribution Payment Date, the REIT will pay to the Plan Agent all Distributions in respect of Trust Units registered in the name of, or held under the Plan for the account of, Participants who have enrolled in the Plan that are to be reinvested in the Plan. The Plan Agent will use such funds to purchase additional Trust Units directly from the REIT. Additional Trust Units purchased under the Plan will be registered in the name of the Plan Agent, as agent for the Participants, and credited to the Participants' accounts.

Under the Plan, the Plan Agent will purchase, on each Distribution Payment Date, for each Participant's account, that number of Trust Units (including fractions computed to six decimal places) equal to the amount invested under the Plan for such Participant's account divided by the Average Market Price.

All funds received by the Plan Agent under the Plan, including cash Distributions received from the REIT, will be applied to the purchase of new Trust Units directly from the REIT. Cash undistributed by the REIT upon the issuance of additional Trust Units under the Plan will be invested in the REIT to be used for future property acquisitions, capital improvements and working capital. **In no event will interest be paid to Participants on any funds held for investment under the Plan.**

Non-Residents of Canada

Persons resident outside of Canada are not permitted to participate in the Plan. Upon ceasing to be a resident of Canada, a Holder of Trust Units must terminate such Holder's participation in the Plan.

The REIT, the Plan Agent and CDS Participants reserve the right to deny participation in the Plan to, and to not accept an Authorization Form from, any person or agent of such person who

appears to be, or who the REIT, the Plan Agent or such CDS Participant has reason to believe is, a non-resident of Canada.

Participation

Registered Holders:

Registered Holders of at least one Trust Unit are eligible for enrolment in the Plan. A registered Holder may enrol in the Plan by enrolling online through Computershare's self-service web portal at www.investorcentre.com or by downloading an Authorization Form and duly completing and delivering such form to the Plan Agent no later than five Business Days prior to a Distribution Record Date for it to be effective for the applicable Distribution Payment Date. Any Authorization Forms received after this date will only be considered for subsequent Distributions. An Authorization Form may be obtained from the Plan Agent at any time by contacting the Plan Agent directly. By enrolling in the Plan, a Participant is deemed to have directed the REIT to forward to the Plan Agent Distributions in respect of Trust Units held on behalf of the Participant that are to be reinvested under the Plan, and to have directed the Plan Agent to reinvest such Distributions in additional Trust Units in accordance with the Plan.

Subject to all applicable laws and the provision by such holder of such certificates, agreements or other documents required by the REIT, holders of LP Units will be entitled under a distribution reinvestment plan to be established by the Partnership to elect to have all cash distributions of the Partnership on such holder's LP Units automatically reinvested in additional LP Units or Trust Units on the same terms available to Holders.

Beneficial Holders:

Beneficial Holders who hold their Trust Units with a CDS Participant may not directly enrol in the Plan via the Plan Agent, but may participate in the Plan through their CDS Participant. Beneficial Holders may only participate in the Plan if they arrange for their CDS Participant to enrol in the Plan on their behalf.

Beneficial Holders should consult their CDS Participant to determine the procedures for participation in the Plan. The administrative practices of CDS Participants may vary and, accordingly, the various dates by which actions must be taken and the required documentation may not be the same.

CDS Participants, on behalf of beneficial Holders, must notify the Plan Agent via CDS no later than a time decided upon by the Plan Agent and CDS in order for the Distribution to which such Distribution Record Date relates to be reinvested under the Plan. Otherwise, reinvestment will not occur for such period. **Beneficial Holders who wish to participate in the Plan will need their CDS Participant to elect to participate on their behalf every Distribution period. A failure to elect will result in withdrawal of participation in respect of such Distribution. Some CDS Participants will automatically continue a beneficial Holder's participation in the Plan unless otherwise instructed by the beneficial Holder. A beneficial Holder should confirm with its CDS Participant regarding its particular practice.**

Subject to the foregoing, once a Participant has enrolled in the Plan, participation continues automatically until terminated. Beneficial Holders should consult their CDS Participant to determine the procedure for terminating participation in the Plan. The time at which a termination of Plan participation becomes effective is described under “**Termination of Participation**” below. The effect of these provisions is that if a Participant terminates participation in the Plan after 5:00 p.m. (E.S.T.) on the fifth Business Day immediately preceding a Distribution Record Date, participation will not be effectively terminated until after the Distribution in respect of such Distribution Record Date.

The REIT reserves the right to determine, from time to time, a minimum number of Trust Units that a Participant must hold in order to qualify for or continue enrolment in the Plan and reserves the right to refuse participation to, or cancel participation of, any person who, in the sole opinion of the REIT, is either participating in the Plan primarily with a view to arbitrage trading or participating or attempting to participate in the Plan in more than one capacity or as more than one Participant.

No Purchases of Trust Units in Certain Events

The REIT will determine on or before each Distribution Record Date the amount of equity, if any, that will be made available under the Plan on the Distribution Payment Date to which such Distribution Record Date relates.

If, in respect of any Distribution Payment Date, fulfilling all of the Participants’ entitlements under the Plan would result in the REIT exceeding the limit on new equity set by the REIT, then purchases of Trust Units on the applicable Distribution Payment Date will not occur and Participants will receive from the REIT the Distributions to which they would otherwise be entitled in cash on such date and which are not reinvested as a result of such determination.

Price of New Trust Units

On each Distribution Payment Date, the REIT will, on behalf of the Participants, pay to the Plan Agent all funds that are eligible for investment in new Trust Units on such date. The subscription price of new Trust Units purchased under the Plan will be the Average Market Price. The REIT will advise the Plan Agent of such Average Market Price on the Business Day immediately preceding the Distribution Payment Date.

Costs

No commission, service charges or brokerage fees are payable by Participants in connection with the purchase of additional Trust Units under the Plan. All administrative costs of the Plan, including the fees and expenses of the Plan Agent, will be paid by the REIT.

Accounts and Reports to Participants

An account will be maintained by the Plan Agent for each Participant that is a registered Holder, and unaudited statements of that account will be mailed to each Participant in respect of each Distribution period on a monthly basis. Statements and reports, if any, to beneficial Holders with respect to purchases of Trust Units under the Plan will be provided to Participants that are

beneficial Holders by their CDS Participant. These account statements and reports are a Participant's continuing record of purchases of Trust Units made for such Participant's account under the Plan and should be retained for income tax purposes. The Plan Agent or the CDS Participant, as applicable, will also send annually to each Participant certain tax forms for tax reporting purposes. The calculation and monitoring of each Participant's adjusted cost base in Trust Units for income tax purposes will be the responsibility of each Participant, as certain averaging rules may apply and such calculations may depend on the cost of other Trust Units held by the Participant.

Trust Units held under the Plan

Registered Holders:

Accounts under the Plan are maintained by the Plan Agent in the name in which Trust Units are registered at the time of enrolling in the Plan.

Trust Units held by the Plan Agent for the account of a Participant may not be sold, pledged or otherwise disposed of by the Participant while so held.

Beneficial Holders:

As Trust Units held by beneficial Holders are held in the non-certificated inventory system of CDS, no certificates representing Trust Units issued pursuant to the Plan will be provided to Participants.

Participants that are beneficial Holders should contact their CDS Participant with respect to the treatment of fractional Trust Units that could notionally exist from the reinvestment of a Participant's Distribution, as some CDS Participants will facilitate the accumulation of fractional Trust Units in a Participant's account while others may not.

Certificates for Trust Units

Unless and until the REIT terminates its arrangement with CDS under which Trust Units are to be issued in electronic form, Participants will not be entitled to receive from the Plan Agent or any other person a certificate evidencing ownership of Trust Units. Beneficial Holders should consult their CDS Participant to determine the procedure for withdrawals from the Plan. The administrative practices of CDS Participants may vary and, accordingly, the various dates by which actions must be taken and required documentation may not be the same.

Withdrawal of Trust Units

Registered Holders who are enrolled in the Plan may withdraw some or all of their whole Trust Units at any time without terminating participation in the Plan by completing the withdrawal portion of the voucher located on the reverse of the registered Holder's periodic statement of account and sending such completed voucher to the Plan Agent. Alternatively, the registered Holder may follow the instructions at Computershare's Investor Centre web portal at www.investorcentre.com. The Plan Agent will confirm such withdrawal in the next statement of

account mailed to the registered Holder following receipt of such request. The Plan Agent will deliver a certificate or a Direct Registration System Advice (“**DRS Advice**”) for the whole Trust Units withdrawn from the Plan to the registered Holder as soon as practicable. Plan participation will continue in the Plan as per the enrolment instructions.

Beneficial Holders who have enrolled in the Plan should contact their CDS Participant to determine the procedures for withdrawing Trust Units from the Plan.

Termination of Participation

Registered Holders may terminate their participation in the Plan by completing the termination portion of the voucher located on the reverse of the registered Holder’s periodic statement of account and sending such completed voucher to the Plan Agent. Alternatively, the registered Holder may follow the instructions at Computershare’s web portal at www.investorcentre.com. The Plan Agent must receive notice of termination no later than 5:00 p.m (E.S.T.) on the fifth business day prior to the applicable Distribution Record date for the termination to be effective for the applicable Distribution Payment Date. Termination requests received after this date will be processed after the Distribution Payment Date.

The Plan Agent will issue a certificate or a DRS Advice for the number of whole Trust Units held in such registered Holder’s account and a cash payment for any fraction of a Trust Unit remaining in the participant’s account. The amount of the payment for any such fraction will be determined by the prevailing Market Price received at the time of sale by the Plan Agent or the closing market price as applicable.

Beneficial Holders should consult their CDS Participant to determine the procedures for terminating participation in the Plan. The administrative practices of CDS Participants may vary and, accordingly, the various dates by which actions must be taken and required documentation may not be the same.

No terminations will be processed between a Distribution Record Date and up to and including a Distribution Payment Date.

Rights Offering

In the event that the REIT makes available to the Holders rights to subscribe for additional Trust Units or other securities, rights will be issued by the REIT in respect of whole Trust Units held in a Participant’s account under the Plan on the record date for such rights issue. No rights will be issuable on a fraction of a Trust Unit held in a Participant’s account.

Subdivisions

If Trust Units are distributed pursuant to a subdivision of Trust Units, the additional Trust Units received in respect of Trust Units held under the Plan will be credited to the accounts of Participants.

Unitholder Voting

Whole Trust Units of a Participant enrolled in the Plan on the Distribution Record Date for a vote of Holders will be voted in the same manner and in accordance with the same instructions of the Participant as any other Trust Units. No voting rights will attach to any fraction of a Trust Unit held in a Participant's account.

Responsibilities of the REIT and the Plan Agent

Neither the REIT nor the Plan Agent shall be liable to any Holder for any act or for any omission to act in connection with the operation of the Plan including, without limitation, any claims for liability:

- (a) arising out of the failure to terminate, or of a CDS Participant's failure to terminate, a Participant's participation in the Plan upon such Participant's death;
- (b) with respect to the prices and times at which Trust Units are purchased or sold on behalf of a Participant;
- (c) with respect to decisions by the REIT to raise or not raise equity through the Plan in any given distribution period, or the amount of equity raised, if any; and
- (d) arising out of any actions or responsibilities of CDS or any CDS Participant in relation to the Plan, or otherwise, including, without limitation: (i) any aspect of the records relating to, or payments made on account of, beneficial ownership interests of the Trust Units held by and registered in the name of CDS or any CDS Participant; (ii) any authority, advice, or representation made or given by CDS or any CDS Participant to the Plan Agent or otherwise, including representations with respect to rules of CDS and any action taken or to be taken by CDS or any CDS Participant, (iii) the allocation of Trust Units by CDS Participants to beneficial Holders, or (iv) the allocation of proceeds of the sale of Trust Units by CDS Participants to beneficial Holders.

Participants should recognize that neither the REIT nor the Plan Agent can assure a profit or protect them against a loss on the Trust Units purchased under the Plan.

Tax Considerations

The REIT, the Plan Agent nor CDS assumes or accepts any responsibility for the income or other tax consequences to a Participant of enrolling in and acquiring beneficial ownership of Trust Units issued pursuant to the Plan. Holders interested in enrolling in the Plan are advised to consult with their own tax advisors as to the consequences of doing so in their particular circumstances.

Amendment, Suspension or Termination of the Plan

The REIT may terminate the Plan in its sole discretion, upon not less than thirty (30) days' written notice to: (i) the Participants, either directly, in the case of registered Holders, or via the CDS Participants through which the Participants hold their Trust Units in the case of beneficial

Holder, (ii) the Plan Agent, (iii) CDS and (iv) the Toronto Stock Exchange. The REIT may also amend, modify or suspend the Plan at any time, provided it complies with certain requirements of the Plan Agent, if any, and such action shall have no retroactive effect that would prejudice the interests of Participants. All amendments to the Plan will be subject to the prior approval of the Toronto Stock Exchange. The REIT will notify Holders of any amendment, suspension or termination of the Plan in accordance with the Plan and any applicable securities law requirements. If the REIT suspends or terminates the Plan, no investment will be made for the Plan Agent on the Distribution Payment Date immediately following the effective date of such suspension or termination, and any Distributions paid after the effective date of such suspension or termination will be remitted by the REIT to the Participants in cash only, in the usual manner. Upon termination, the registered Holder will receive a certificate or DRS Advice for the whole Trust Units. Any fractional interest will be paid as outlined in Termination of Participation.

Interpretation

Any issues of interpretation arising in connection with the Plan or its application shall be conclusively determined by the REIT.

Governing Law

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

Notices

All notices or other documents required to be given to Participants under the Plan shall be publicly announced by the REIT and the REIT will notify Participants in accordance with applicable securities law requirements.

Notices to the Plan Agent shall be sent to:

Computershare Trust Company of Canada
100 University Avenue, 9th Floor, North Tower
Toronto, Ontario M5J 2Y1
Attention: Dividend Reinvestment Department
E-mail: www.investorcentre.com/service
Telephone: 1-800-564-6253

Notices to the REIT shall be sent to:

Agellan Commercial Real Estate Investment Trust
156 Front Street West
Toronto, ON M5J 2L6
Attention: Chief Financial Officer
Facsimile No.: (416) 593-6700

Effective Date of the Plan

The effective date of the Plan is April 6, 2016.