

FORM 45-106F2
OFFERING MEMORANDUM FOR NON-QUALIFYING ISSUERS

Date: October 15th, 2016



The Issuer

Name: Skyline Apartment Real Estate Investment Trust
("Skyline Apartment REIT")

Head office: Address: 5 Douglas Street, Suite 301
Guelph, Ontario N1H 2S8

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Currently listed or quoted? **These securities do not trade on any exchange or market.**

Reporting issuer? No

SEDAR filer? Yes

The Offering

Securities offered: Units (the "REIT Units")

Price per security: **\$14.25** per REIT Unit

Minimum/Maximum offering: The maximum offering (the "**Offering**") of REIT Units is \$45,000,075 (3,157,900 REIT Units). **There is no minimum. You may be the only purchaser. Funds available under the Offering may not be sufficient to accomplish our proposed objectives.**

Minimum subscription amount: \$50,000

Payment terms: Cheque, bank draft or wire

Proposed closing date(s): Closing of sales of REIT Units will occur in stages as REIT Units are subscribed for until January 31, 2017.

Income tax consequences: There are important tax consequences to these securities. See Item 6 – Income Tax Consequences and RRSP Eligibility.

Selling agent? Yes. Skyline Wealth Management Inc. will act as selling agent in connection with this Offering. See Item 7 – Compensation Paid to Sellers and Finders.

Some directors and officers of Skyline Wealth Management Inc. are also Trustees of Skyline Apartment REIT. These persons (as well as other shareholders of Skyline Wealth Management Inc.) are also directors, officers and shareholders of Skyline Asset Management Inc. Skyline Wealth Management Inc. and Skyline Asset Management Inc. provide services to and receive fees from Skyline Apartment REIT. **Under applicable securities legislation, Skyline Apartment REIT may be considered to be a connected issuer of Skyline Wealth Management Inc.** See Item 2.2 – Our Business - Management of Skyline Apartment REIT – The Wealth Manager.

Resale restrictions

You will be restricted from selling your securities for an indefinite period. See Item 10 – Resale Restrictions.

Purchaser's rights

You have 2 business days to cancel your agreement to purchase these securities. If there is a misrepresentation in this offering memorandum, you have the right to sue either for damages or to cancel the agreement. See Item 11 – Purchasers' Rights.

No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this offering memorandum. Any representation to the contrary is an offence. This is a risky investment. See Item 8 – Risk Factors.

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GLOSSARY

“Acquisition and Operating Facility” means a revolving credit facility in the amount of \$34,000,000 arranged for the purpose of funding working capital and mortgage principal repayments.

“Adjusted Gross Revenues” means all gross revenues received from the operations of the Properties, not including any non-recurring items (including without limitation refinancing proceeds, sale proceeds, lease buy-outs or similar payments).

“Adjusted Unitholders’ Equity” means, at any time, the aggregate of: (i) the amount of Unitholders’ equity; and (ii) the amount of accumulated depreciation and amortization recorded on the books and records of each of Skyline Apartment REIT and its Subsidiaries in respect of their properties, in each case calculated in accordance with IFRS.

“Asset Management Agreement” means an asset management agreement dated June 1, 2006 between the Asset Manager and Skyline Apartment REIT.

“Asset Manager” means the asset manager engaged by Skyline Apartment REIT for the purpose of managing the day-to-day operations of Skyline Apartment REIT pursuant to the Asset Management Agreement, which is currently Skyline Asset Management Inc., a corporation governed by the laws of the Province of Ontario.

“Base Rental Income” means the base or minimum rent payable pursuant to a lease and excludes any additional rent.

“Business Day” means a day, other than a Saturday or Sunday, on which Schedule I chartered banks are open for business in Toronto, Ontario.

“Class A LP Units” means Class A limited partnership units of Skyline LP.

“Class B Exchange Agreement” means the exchange agreement dated May 28, 2012 entered into among Skyline Apartment REIT, the Operating Trust, Skyline LP and such persons who from time to time hold Class B LP Units which agreement provides for, among other things, the issuance of REIT Units in exchange for Class B LP Units.

“Class B LP Units” means Class B limited partnership units of Skyline LP.

“Class C Exchange Agreement” means the agreement dated December 15, 2015 among Skyline Apartment REIT, the Operating Trust, Skyline LP and such persons who from time to time hold Class C LP Units which agreement provides for, among other things, the issuance of REIT Units in exchange for Class C LP Units.

“Class C LP Units” means Class C limited partnership units of Skyline LP issued in one or more series.

“Class D Exchange Agreement” means the agreement dated December 15, 2015 among Skyline Apartment REIT, the Operating Trust, Skyline LP and such persons who from time to time hold Class D LP Units which agreement provides for, among other things, the issuance of REIT Units in exchange for Class D LP Units.

“Class D LP Units” means Class D limited partnership units of Skyline LP issued in one or more series.

“Closing” means closings of sales of REIT Units pursuant to the Offering.

“Declaration of Trust” means the declaration of trust made as of June 1, 2006, amended as of October 17, 2006 and amended and restated as of May 25, 2012, November 5, 2014 and December 15, 2015, governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein, pursuant to which Skyline Apartment REIT was created, as further amended, supplemented or amended and restated from time to time.

“Distributable Income” means, for any period, the taxable net income of Skyline Apartment REIT, including taxable income earned from its applicable consolidated Subsidiaries for such period set out in its consolidated financial statements as determined in accordance with IFRS, subject to certain adjustments, including: (a) adding back the following items: depreciation, amortization (except for amortization of deferred financing costs, future income tax expense, losses on dispositions of assets and amortization of any net discount on long-term debt assumed from vendors of properties at rates of interest less than fair value); and (b) deducting the following items: future income tax credits, interest on convertible debentures to the extent not already deducted in computing net income, gains on dispositions of assets and amortization of any net premium on long-term debt assumed from vendors of properties at rates of interest greater than fair value and any other adjustments determined by the Trustees in their discretion.

“Distribution Date” means, with respect to a distribution by Skyline Apartment REIT, a Business Day determined by the Trustees for any calendar month to be on or about the 15th day of the following month.

“Equity Under Management” means the market value of the total investor equity of Skyline Apartment REIT, calculated as the product of the outstanding REIT Units multiplied by the then market value of one REIT Unit.

“Exchangeable LP Units” means Class B LP Units, Class C LP Units and Class D LP Units.

“Exchange Agreements” means the Class B Exchange Agreement, the Class C Exchange Agreement and the Class D Exchange Agreement.

“Existing Properties” means the 181 multi-unit residential buildings and 7 commercial buildings located in the Provinces of Ontario, Saskatchewan, Newfoundland and Labrador, Quebec, Alberta and British Columbia, consisting of 16,304 units and 674,006 square feet of commercial space.

“Final Closing” means January 31, 2017.

“Finance Committee” means the finance committee created pursuant to the Declaration of Trust.

“Focus Activity” means the acquisition, holding, maintaining, improving, leasing or managing of multi-unit residential revenue producing properties and ancillary real estate ventures in Canada.

“General Partner” means Skyline Incorporated, a corporation incorporated under the laws of the Province of Ontario to be the general partner of Skyline LP, or any successor general partner of Skyline LP.

“Governance and Compensation Committee” means the Governance and Compensation Committee created pursuant to the Declaration of Trust.

“Gross Book Value” means, at any time, the book value of the assets of Skyline Apartment REIT, as shown on its most recent balance sheet plus the amount of accumulated depreciation and amortization thereon.

“Highstreet Portfolio” means the portfolio of 3 Properties located in the provinces of Alberta and acquired by Skyline Apartment REIT on December 18, 2015, August 15, 2016 and September 20, 2016.

"IFRS" means International Financial Reporting Standards issued by the International Accounting Standards Board, and as adopted by the Canadian Institute of Chartered Accountants, as amended from time to time.

"Independent Trustee" means a Trustee who has no direct or indirect relationship with Skyline Apartment REIT which could, in the view of the board of trustees, reasonably interfere with a Trustee's independent judgement.

"Initial Unit" means a unit of beneficial interest in Skyline Apartment REIT issued to Skyline Incorporated which was automatically redeemed by Skyline Apartment REIT upon the issuance of the first REIT Unit.

"Investment Committee" means the investment committee created pursuant to the Declaration of Trust.

"Marketing Materials" means a written communication, other than an "OM standard term sheet" (as defined in NI 45-106), intended for prospective purchasers regarding a distribution of securities under an offering memorandum delivered under section 2.9 [Offering memorandum] of NI 45-106 that contains material facts relating to an issuer, securities or an offering, related to each distribution under the offering memorandum and delivered or made reasonably available to a prospective purchaser before the termination of the distribution.

"Monthly Limit" has the meaning ascribed thereto in Item 5.1 - Terms of Securities - Redemption of REIT Units.

"NI 45-106" means National Instrument 45-106 *Prospectus and Registration Exemptions*.

"Non-resident Beneficiary" means Persons who are non-residents of Canada for the purposes of the Tax Act.

"Offering" means the offering of a maximum of 4,985,000 REIT Units pursuant to this Offering Memorandum.

"Offering Memorandum" means this confidential offering memorandum.

"Operating Trust" means Skyline Operating Trust, the trust created under the laws of the Province of Ontario by declaration of trust dated June 1, 2006, as it may be further amended, supplemented or restated from time to time.

"Operating Trust Notes" means the Series 1 Notes and the Series 2 Notes issued by the Operating Trust.

"Operating Trust Unit" means a unit of interest in the Operating Trust.

"OSC" means the Ontario Securities Commission.

"Person" means an individual, partnership, limited partnership, corporation, unlimited liability company, trust, unincorporated organization, association, government, or any department or agency thereof and the successors and assigns thereof or the heirs, executors, administrators or other legal representatives of an individual, or any other entity recognized by law.

"Properties" means collectively, the Existing Properties, Recent Property Acquisitions, Property Under Contract, Properties Under Due Diligence and Properties that may be acquired in the future.

“Property Under Contract” means the Property that currently has an executed Purchase Agreement and conditions to closing have been waived.

“Purchase Agreement” means an agreement of purchase and sale entered into by Skyline Apartment REIT to acquire the Property Under Contract.

“Recent Property Acquisitions” means the 11 multi-unit residential Properties located in the Provinces of Ontario, Alberta and Quebec, consisting of 1,153 units.

“Redemption Price” has the meaning ascribed thereto in Item 5.1 – Terms of Securities – Redemption of REIT Units.

“REIT Unit” means a unit of beneficial interest in Skyline Apartment REIT (other than a Special Voting Unit and the Initial Unit) authorized and issued under the Declaration of Trust as such and for the time being outstanding and includes a fraction of a unit and any other classes of units authorized by the Trustees as such.

“Related Party” means, with respect to any Person, a Person who is a “related party” as that term is defined in Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*, as amended from time to time (including any successor rule or policy thereto).

“Settlement Agreement” means the agreement dated March 15, 2011 between Skyline Apartment REIT, the Asset Manager, Skyline Incorporated and staff of the OSC.

“Skyline Appointees” means the Trustees that Skyline Incorporated is entitled to appoint.

“Skyline LP” means Skyline Real Estate Limited Partnership, a limited partnership governed by the laws of the Province of Ontario.

“Skyline Apartment REIT” means Skyline Apartment Real Estate Investment Trust.

“Special Voting Unit” means a unit of interest in Skyline Apartment REIT issued only in connection with an Exchange Agreement to a holder of Class B LP Units, Class C LP Units or Class D LP Units.

“Subscriber” means a Person purchasing REIT Units pursuant to this Offering.

“Subscription Agreements” means collectively, the subscription agreements entered into between Skyline Apartment REIT and one or more Subscribers setting out the contractual relationship between Skyline Apartment REIT and the Subscribers of REIT Units pursuant to the Offering.

“Subsidiary” means, with respect to any Person (other than an individual), any other Person (other than an individual) the financial results of which would be required to be consolidated with those of the first Person’s in the preparation of the first Person’s consolidated financial statements if prepared in accordance with IFRS.

“Tax Act” means the *Income Tax Act*, R.S.C. 1985 (5th Supp.), c.1, as amended.

“Trustees” means the trustees of Skyline Apartment REIT.

“Units” means, collectively, the REIT Units and the Special Voting Units.

“Unitholder” means a holder of one or more Units.

“Wealth Manager” means Skyline Wealth Management Inc., a corporation governed by the laws of the Province of Ontario that is responsible for acting as exempt market dealer on all offerings of REIT Units and providing other services to Skyline Apartment REIT, as described in Item 2.2 – Our Business - Management of Skyline Apartment REIT – The Wealth Manager.

“Wealth Management Agreement” means the agreement dated January 1, 2012 between the Wealth Manager and Skyline Apartment REIT.

FORWARD-LOOKING STATEMENTS

Certain information contained in this Offering Memorandum constitutes “forward-looking information” within the meaning of applicable securities laws, including, among other things, statements concerning future financial position, results of operations and forecasted future cash flows, statements concerning objectives and strategies to achieve those objectives, statements with respect to management’s beliefs, plans, estimates and intentions and statements concerning anticipated future events, circumstances, expectations, results, operations or performance that are not statements of historical facts. Forward-looking statements can be identified generally by the use of forward-looking terminology, such as “indicators”, “outlook”, “objective”, “may”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “should”, “plan”, “continue”, “aim”, “would”, “forecast”, “project”, “seek” or similar expressions suggesting future outcomes or events. In particular, certain statements in Item 1 – Use of Available Funds and Item 2 – Business of Skyline Apartment REIT constitute forward looking information.

Actual results may vary from the forward-looking information contained in this Offering Memorandum as such information is subject to a variety of risks, uncertainties and other factors that could cause actual results to differ materially from expectations. Such forward-looking statements reflect management’s current beliefs and are based on information currently available to management. The forward-looking statements in this Offering Memorandum are not guarantees of future results, operations or performance and are based on estimates and assumptions that are subject to risks and uncertainties, including those described below under “Item 8 - Risks Factors”, which could cause actual results, operations or performance to differ materially from the forward-looking statements expressed or implied in this Offering Memorandum.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, risks associated with: real property ownership; general economic conditions; local real estate markets; future property acquisitions; competition for real property investments; revenue-producing properties; significant property expenditures; fluctuating liquidity in relation to demand for and the perceived desirability of investments; ability to vary portfolio promptly in response to changing economic or investment conditions; debt financing, including the risk that existing mortgage indebtedness secured by the properties will not be able to be refinanced or that the terms of such refinancing; tenant terminations and financial stability; competition for tenants; ability to lease space; ability to complete future property acquisitions; interest rates; general uninsured losses; availability of cash flow; environmental matters; government regulation; Unitholder liability; dependence on key personnel; potential conflicts of interest; tax related risks; dilution; restrictions on potential growth and reliance on credit facilities; debt financing, including the risk that Skyline Apartment REIT may be unable to make interest or principal payments or meet loan covenants, the risk of defaults and cross defaults, and the risk that existing indebtedness may not be able to be refinanced or that the terms of such refinancing may not be as favourable as the terms of existing indebtedness; cost of borrowing; and risks associated with holding units rather than shares.

The forward-looking statements in this Offering Memorandum are based on numerous assumptions regarding Skyline Apartment REIT’s present and future business strategies and the environment in which Skyline Apartment REIT will operate in the future, including assumptions regarding the stability of target markets, that acquisition capitalization rates remain reasonably constant, that the equity and debt markets continue to provide us with access to capital at a reasonable cost to fund our future growth and to refinance our mortgage debt as it matures and our ability to operate on a profitable basis.

Although the forward-looking statements contained in this Offering Memorandum are based on what management believes are reasonable assumptions, there can be no assurance that actual results, operations or performance will be consistent with these statements.

All forward-looking statements in this Offering Memorandum are qualified in their entirety by this forward-looking disclaimer. Without limiting the generality of the foregoing, the discussion in Item 1 – Use of Available Funds and Item 2 – Business of Skyline Apartment REIT is qualified in its entirety by this forward-looking disclaimer. These statements are made as of the date of this Offering Memorandum, and, except as required by applicable law, we undertake no obligation to update publicly or revise any such statements to reflect new information or the occurrence of future events or circumstances.

The following section of this Offering Memorandum contains forward-looking information, particularly statements related to amounts to be raised by this Offering and the intended uses of available funds, but not limited to those statements. The discussion in this section is qualified in its entirety by the cautionary language under the heading “Forward-Looking Statements” in this Offering Memorandum.

DOCUMENTS INCORPORATED BY REFERENCE

In Alberta, New Brunswick, Nova Scotia, Ontario and Saskatchewan, any Marketing Materials related to a distribution of Units under this Offering Memorandum and section 2.9 [Offering memorandum] of NI 45-106 delivered or made reasonable available to a prospective purchaser before the termination of the distribution are specifically incorporated by reference into this Offering Memorandum.

ITEM 1 USE OF AVAILABLE FUNDS

1.1 Funds

The following table sets forth the funds available as a result of the Offering.

		Assuming min. offering ⁽¹⁾	Assuming max. offering
A	Amount to be raised by this offering	\$0	\$45,000,075
B	Selling commissions and fees ⁽²⁾	\$0	\$450,000
C	Estimated offering costs (e.g., legal, accounting, audit.)	\$0	\$25,000
D	Available funds: $D = A - (B+C)$	\$0	\$44,525,075
E	Additional sources of funding required	\$0	\$0
F	Working capital deficiency	\$0	\$0
G	Total: $G = (D+E) - F$	\$0	\$44,525,075

Notes:

- (1) There is no minimum amount of funds to be raised pursuant to this Offering.
- (2) Assumes the maximum equity fee raise equal to 1% of the gross proceeds of this Offering may be paid to the Wealth Manager. See Item 7 – Compensation Paid to Sellers and Finders.

1.2 Use of Available Funds

The following table sets forth a breakdown of how Skyline Apartment REIT will use the available funds.

Description of intended use of available funds listed in order of priority	Assuming min. offering ⁽¹⁾	Assuming max. offering
Closing of acquisition of Property Under Contract ⁽²⁾	\$0	\$3,000,000
Capital expenditures ⁽³⁾	\$0	\$16,833,096
Repayment of Acquisition and Operating Facility ⁽⁴⁾	\$0	\$24,691,979
Total:	\$0	\$44,525,075

Notes:

- (1) There is no minimum amount of funds to be raised pursuant to this Offering.
- (2) Skyline Apartment REIT expects that a portion of the purchase price of the Property Under Contract will be paid with the proceeds of this Offering. See Item 2.2 – Our Business – Property Under Contract.
- (3) Skyline Apartment REIT continues to invest in structural improvements, common area improvements, and Portfolio Efficiency Programs. These capital expenditures are completed with the intention of increasing revenues, reducing expenses, maintaining occupancy levels, and increasing overall tenant satisfaction.
- (4) The Acquisition and Operating Facility has facilitated acquisitions by Skyline Apartment REIT by enabling it to enter negotiations for the purchase of properties without the need for an equity financing condition. As at the date hereof, there is currently \$32,815,918 outstanding under the Acquisition and Operating Facility. These funds were borrowed and secured against eight Existing Properties.

1.3 Reallocation

We intend to spend the available funds as stated. We will reallocate funds only for sound business reasons.

The following section of this Offering Memorandum contains forward-looking information, particularly statements related to the management and investment strategy of Skyline Apartment REIT, the objectives of Skyline Apartment REIT and the achievement of those objectives, but not limited to those statements. The discussion in this section is qualified in its entirety by the cautionary language under the heading “Forward-Looking Statements” in this Offering Memorandum.

ITEM 2 BUSINESS OF SKYLINE APARTMENT REIT

2.1 Structure

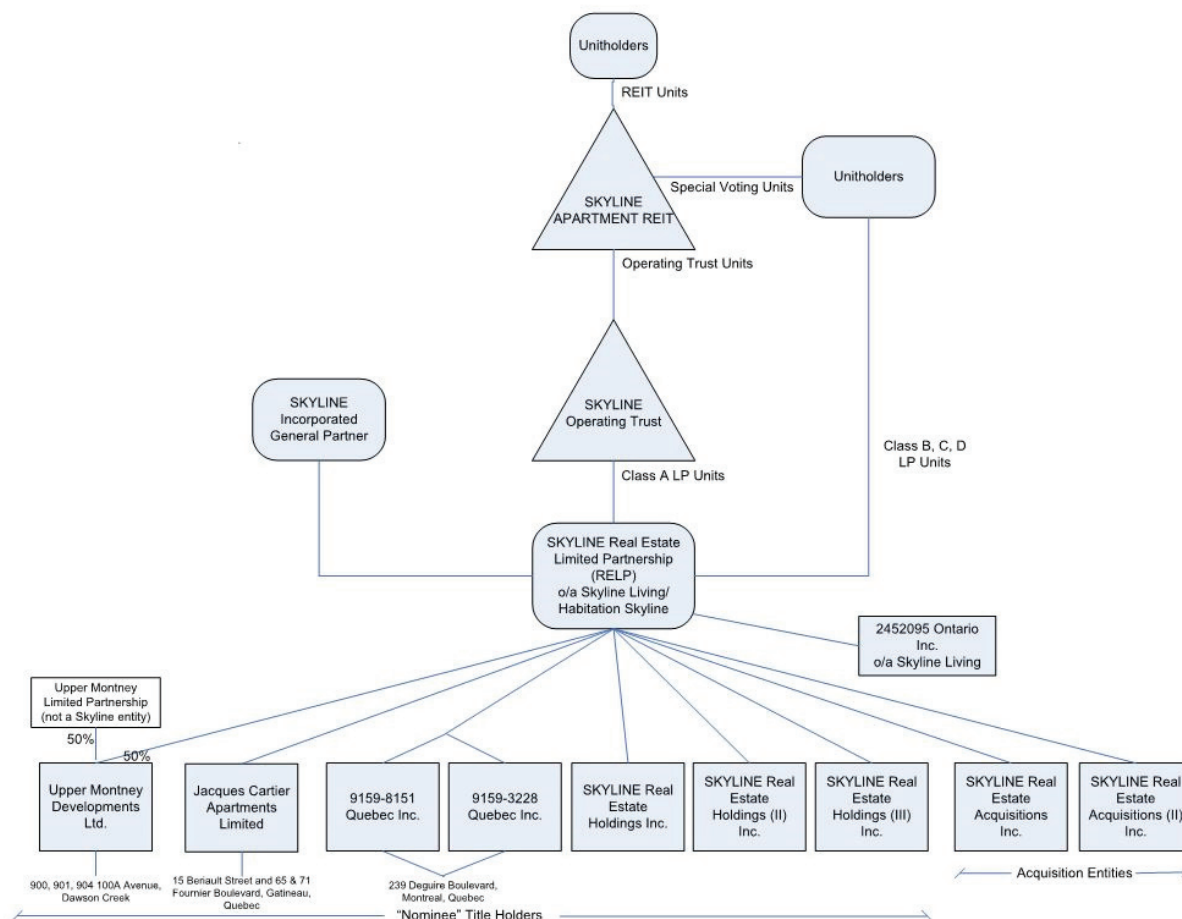
Skyline Apartment Real Estate Investment Trust (“**Skyline Apartment REIT**”) is an unincorporated open-end investment trust created by a declaration of trust made as of June 1, 2006, amended as of October 17, 2006 and amended and restated as of May 25, 2012, November 5, 2014 and December 15, 2015 (the “**Declaration of Trust**”) and governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein. See Item 2.7 – Material Agreements – Declaration of Trust.

The objectives of Skyline Apartment REIT are: (i) to provide Unitholders with stable and growing cash distributions, payable monthly and, to the extent reasonably possible, tax deferred, from investments in a diversified portfolio of income-producing multi-unit residential and commercial properties located in Canada; (ii) to maximize REIT Unit value through the ongoing management of Skyline Apartment REIT’s assets, through the future acquisition, repositioning and disposition of properties; and (iii) to maintain a REIT that satisfies the REIT exception under the Specified Investment Flow Through (“SIFT”) legislation in order to provide certainty to Unitholders with respect to taxation of distributions.

The trustees of Skyline Apartment REIT (the “**Trustees**”) are responsible for the general control and direction of Skyline Apartment REIT. The day-to-day management of Skyline Apartment REIT is carried out by the Asset Manager, the Properties will be managed internally under the direction of the Asset Manager and offerings of REIT Units will be conducted by the Wealth Manager.

The Existing Properties currently consist of 181 properties located in 48 communities across 6 Canadian provinces containing an aggregate 16,304 suites and approximately 674,006 square feet of commercial space. See Item 2.2 – Our Business - Properties. Future acquisitions will be subject to specific investment restrictions and the operation of Skyline Apartment REIT will be subject to specific operating policies. See Item 2.7 – Material Agreements – Declaration of Trust - Investment Restrictions and Operating Policies. The head office of Skyline Apartment REIT is located at: 5 Douglas Street, Suite 301, Guelph, Ontario, N1H 2S8.

The following sets forth the principal operating structure of Skyline Apartment REIT:



Skyline Apartment REIT will hold all of its interest in the Existing Properties, Recent Property Acquisitions and all future acquisitions in the name of Skyline Real Estate Holdings Inc., Skyline Real Estate Holdings (II) Inc., Skyline Real Estate Holdings (III) Inc., or in the name of other nominee corporations, on behalf of Skyline Real Estate Limited Partnership ("**Skyline LP**"), all of the shares of which nominee corporations are owned, directly or indirectly, by Skyline Apartment REIT.

Skyline Apartment REIT owns, indirectly through Skyline Operating Trust (the "**Operating Trust**"), all of the Class A LP Units of Skyline LP. In connection with the internalization of the property management function in January 2014 by way of a purchase of the assets of Skyline Management Inc. (the "**Assets**"), Class B LP Units of Skyline LP and a corresponding number of Special Voting Units of Skyline Apartment REIT were issued to Skyline Management Inc. in partial payment of the purchase price of the Assets. See Item 2.3 - Development of the Business - Internalization of Property Management Function. As a result of the acquisition of the Highstreet Portfolio in December 2015, August 2016 and September 2016, Class C LP Units and Class D LP Units of Skyline LP and a corresponding number of Special Voting Units of Skyline Apartment REIT were issued to certain vendors in partial payment of the purchase price. See Item 2.2 - Our Business - Properties - Existing Properties and Recent Property Acquisitions. Class B LP Units, Class C LP Units and Class D LP Units (the "**Exchangeable LP Units**") shall be exchangeable for REIT Units on a one to one basis pursuant to the respective Exchange Agreement, on the terms and subject to the Declaration of Trust, the respective Exchange Agreement and the limited partnership agreement governing Skyline LP. As Exchangeable LP Units are exchanged for REIT Units in accordance with the respective Exchange Agreement, the corresponding Special Voting Units, if any, shall automatically be cancelled for no consideration and shall no longer be outstanding.

Pursuant to the agreement governing Skyline LP, in the event that a holder of Class C LP Units or Class D LP Units wishes to exchange its Exchangeable LP Units and redeem REIT Units received on exchange of such units, such redeeming unitholder shall provide written notice to Skyline Apartment REIT of such intended exchange and redemption (an “**Advance Redemption Notice**”). Notwithstanding the foregoing, Skyline Apartment REIT shall not be obligated to accept an Advance Redemption Notice sent (i) in respect of any Class C LP Unit, at any time prior to the first anniversary following issuance of the Class C LP Unit to which such Advance Redemption Notice relates; or (ii) in respect of any Class D LP Unit, at any time prior to the second anniversary following issuance of the Class D LP Unit to which such Advance Redemption Notice relates. The agreement governing Skyline LP also contains certain restrictions on the aggregate value on redemption of the Class C LP Units and Class D LP Units of each series subsequent to such anniversary dates. In addition, notwithstanding any provision of the agreement governing Skyline LP or the respective Exchange Agreements, in no event shall a holder of Class C LP Units or Class D LP Units be entitled to exchange such units if the Trustees of Skyline Apartment REIT, acting reasonably and in good faith, determine that the redemption of the REIT Units issuable upon such exchange would have a material adverse effect on the business and operations of Skyline Apartment REIT.

Skyline Apartment REIT generally provides guarantees of indebtedness of subsidiary entities. The guarantee is intended to ensure that lenders are treated equally in the event of significant default by various subsidiary entities.

2.2 Our Business

Properties

Existing Properties

From inception through October 2016, Skyline Apartment REIT acquired 181 multi-unit residential properties and 7 commercial properties (the “**Existing Properties**”) in the Provinces of Ontario, Saskatchewan, Newfoundland and Labrador, Quebec, Alberta and British Columbia consisting of 16,304 suites and 674,006 square feet of commercial space.

Property Under Contract

Skyline Apartment REIT has entered into an agreement to purchase an additional Property Under Contract for an approximate purchase price of \$33,000,000. The acquisition is expected to close in mid-February 2017. Skyline Apartment REIT expects that the purchase price will be paid with the proceeds from this Offering, proceeds from refinancing maturing debt on existing properties and through the assumption of or placement by Skyline Apartment REIT of a first mortgage on closing. Skyline Apartment REIT has waived all conditions to closing of the Property Under Contract.

Additional details regarding the Existing Properties, and the Property Under Contract are set out below. The Properties represent a source of stable and secure cash flow and may provide opportunities for capital appreciation. The Properties represent a well-diversified portfolio of multi-unit residential and commercial properties located in strategic locations that meet the investment strategy. The Properties are currently well-maintained and many of the Properties currently have rents below the legally permitted maximum rents, the Asset Manager believes that the Properties represent an opportunity for enhanced value through capital improvements which will lead to increased net rental income as vacancies are filled and tenant creditworthiness is upgraded. As well, the purchase price attributable to each of the Properties is below its respective replacement cost. The following table summarizes certain aspects of the Properties:

Property	Bachelor	One Bedroom	Two Bedroom	Three or More Bedroom	Total	Commercial Square Feet	Average Monthly Rent/Unit
Existing Properties							
20 Kingsland Close SE Airdrie, AB		3	189		192		1,379
95, 97 & 99 Sidney Street Belleville, ON	2	186	143	2	333		1,117
149 Henry Street Brantford, ON	1	17	53	15	86		895
47 Memorial Drive Brantford, ON	8	55	56		119		920
575 Park Road Brantford, ON		39	5		44		718
15 & 17 Sympatica Crescent Brantford, ON		99	81		180		941
235 Bishop Street South Cambridge, ON		17	12	3	32		880
310 Clyde Road Cambridge, ON		11	22	6	39		939
392 Dolph Street South Cambridge, ON	1	4	24		29		912
1510 Queenston Road Cambridge, ON		6	12		18		953
343 Grand Avenue West Chatham, ON		31	45		76		841
795 & 805 Grand Avenue West Chatham, ON		137	30	15	182		695
150 Mary Street Chatham, ON		67	14	10	91		887
100 McFarlane Avenue Chatham, ON	4	34	67		105		817
50 Merritt Avenue Chatham, ON		11	46		57		788
89 Riverview Drive Chatham, ON			56	19	75		1,226
455 Sandys Street Chatham, ON	1	36	21		58		703
130 Sheldon Avenue Chatham, ON		21	24		45		694
45 Timmins Crescent Chatham, ON	2	19	29		50		673
65 Timmins Crescent Chatham, ON	2	19	29		50		682
528 Tenth Street Collingwood, ON		18	16	3	37		1,009
610 Tenth Street Collingwood, ON		14	26		40		990
625 & 645 Glengarry Boulevard Cornwall, ON			134	16	150		1,000
746, 750 & 754 Laflin Avenue Cornwall, ON	9	72	37		118		730
805 Marlborough Street North Cornwall, ON	16	12	12		40		679

Property	Bachelor	One Bedroom	Two Bedroom	Three or More Bedroom	Total	Commercial Square Feet	Average Monthly Rent/Unit
Existing Properties							
900, 901 & 904 - 100A Avenue Dawson Creek, BC		35	125		160		1,247
16 Helen Street Dundas, ON		25	42	35	102		1,008
16255, 16265 & 16275 51st Street NW Edmonton, AB		11	149		160		1,395
110 Oriole Parkway, 31 & 35 Flamingo Drive Elmira, ON		34	74		108		854
15 Snyder Avenue North Elmira, ON		10	13	6	29		857
255, 275, 325, 345 & 375 Belsyde Avenue East Fergus, ON		62	118		180		897
380 Forfar Street East Fergus, ON	6	17	15	7	45		923
400 & 405 Boulevard des Grives Gatineau, QC		8	90		98		1,015
32 Dawson Road Guelph, ON	2	17	20		39		864
38 Dawson Road Guelph, ON	4	11	24	3	42		871
5 Douglas Street Guelph, ON		3	11	4	18	42,617	1,612
70 Fountain Street East, 75 Farquhar Street Guelph, ON					0	21,378	
98 Macdonell Street Guelph, ON					0	36,431	
128 - 130 Macdonell Street Guelph, ON					0	137,071	
649 Scottsdale Drive Guelph, ON					0	81,531	
260, 268 & 270 Waterloo Avenue Guelph, ON		15	15	1	31	6,942	1,052
26 Willow Road Guelph, ON		48	22		70		858
85 Willow Road Guelph, ON		22	45	1	68		910
524 Woolwich Street Guelph, ON		14	52		66		1,060
55 Yarmouth Street Guelph, ON		10	9		19		1,026
367 Sutherland Way Haileybury, ON		24	24		48	8,115	1,280
334 East 14th Street Hamilton, ON		36	69		105		892
255 Bold Street Hamilton, ON	22	48	12		82		890
222 Gage Road Hamilton, ON	2	33	68		103		900
99 Herkimer Street Hamilton, ON		48			48		895

Property	Bachelor	One Bedroom	Two Bedroom	Three or More Bedroom	Total	Commercial Square Feet	Average Monthly Rent/Unit
Existing Properties							
1854 & 1856 Main Street West Hamilton, ON	2	83	69		154		870
1868 Main Street West Hamilton, ON	3	50	69	10	132		1,114
200 Park Street South Hamilton, ON		20	40		60		974
145 & 165 Queen Street Hamilton, ON	26	166	56	2	250		799
511 7th Avenue Hanover, ON		11	46		57		886
158, 160, 162 & 164 11th Avenue Hanover, ON		34	80		114		792
271 Thames Street North Ingersoll, ON		7	27		34		784
271 Thames Street North (Townhouses) Ingersoll, ON				1	1		815
285 Thames Street North Ingersoll, ON		37	66	27	130		773
7 & 25 Briceland Street Kingston, ON			70		70		936
810 & 820 Castell Road Kingston, ON	3	80	1		84		827
87, 93 & 107 Compton Street Kingston, ON		70	197		267		885
722, 730 & 766 John Counter Boulevard Kingston, ON		44	169		213	3,000	1,062
47 & 67 Village Drive Kingston, ON		78	141		219	4,000	1,072
234 Erie Street South Leamington, ON		34	24	13	71		907
238 Erie Street South Leamington, ON	11	55		16	82		802
300 & 304 Sherk Street Leamington, ON		25	58	3	86		870
55, 67, 87 & 99 Cartier Road London, ON	8	40	48		96		795
120 Grand Avenue London ON		18	11	18	47		802
1203, 1205, 1207, 1209 1211 & 1223 Huron Street London, ON		39	106		145		760
1420, 1422, 1424 & 1426 Huron Street London, ON		33	83		116		767
1223 Richmond Street London, ON	1	33	26		60		933
625, 635 & 645 Village Green Avenue London, ON	11	24	52		87		775
239 Boulevard Deguire Montreal, QC		29	156		185		849
156 Egremont Street North Mount Forest, ON	9	9	22	5	45		796

Property	Bachelor	One Bedroom	Two Bedroom	Three or More Bedroom	Total	Commercial Square Feet	Average Monthly Rent/Unit
Existing Properties							
108, 116, 124, 132, 140 & 148 Hincks Street New Hamburg, ON	8	63	30	59	160		817
6515 McLeod Road Niagara Falls, ON		2	56	6	64		1434
3915 Portage Road Niagara Falls, ON	1	26	30		57		927
4613, 4615, 4617 & 4619 Portage Road Niagara Falls, ON	1	28	55		84		955
105 Giroux Street & 2690 Trout Lake Road North Bay, ON	1	24	29		54	5,680	1,016
295 Lakeshore Road North Bay, ON	6	44	48		98		904
2755 5th Avenue West Owen Sound, ON	6	13	12	12	43		746
2760 5th Avenue West Owen Sound, ON	5	14	11	13	43		735
2855 6 th Avenue West Owen Sound, ON		7	11	2	20		737
2860 6 th Avenue West Owen Sound, ON	12	19	32	23	86		751
955 10th Street East Owen Sound, ON		16	10		26		772
995 16 th Street East Owen Sound, ON	3	4	29	49	85		887
450 28th Street West Owen Sound, ON	3	18	21	14	56		722
575 28th Street West Owen Sound, ON		15	18	10	43		762
17 & 19 Barker Street Paris, ON		32	48		80		889
380 Armour Road Peterborough, ON					0	93,015	
201 & 211 Hunter Street East Peterborough, ON	17	92	41	2	152		823
536, 550 & 554 Ivings Drive Port Elgin, ON		9	77	12	98		899
764, 780 & 794 Waterloo Street Port Elgin, ON		18	51	27	96		833
1920 College Avenue Regina, SK					0	153,241	
10 James Lane Ridgetown, ON		18	17		35		697
16 Marsh Street Ridgetown, ON		6	31		37		665
45 Victoria Avenue Ridgetown, ON		7	30		37		733
620 Berkshire Road Sarnia, ON	5	31	25	1	62		749
875 Colborne Road Sarnia, ON	1	15	33		49		808

Property	Bachelor	One Bedroom	Two Bedroom	Three or More Bedroom	Total	Commercial Square Feet	Average Monthly Rent/Unit
Existing Properties							
880 Colborne Road Sarnia, ON	2	26	33	15	76		835
200 London Street Sarnia, ON		22	23	4	49		847
1100 Wellington Street Sarnia, ON		11	17	1	29		731
325 Willowdale Crescent Sarnia, ON		12	42	3	57		893
122 & 142 Allard Street Sault Ste. Marie, ON		12	8	2	22		645
130 Allard Street Sault Ste. Marie ON		9	36		45		860
352A & 352B Dacey Road Sault Ste. Marie ON		50	46		96		832
365-379 Lake Street Sault Ste. Marie, ON	16	56	64		136		793
621, 627 & 631 MacDonald Avenue Sault Ste. Marie, ON		105	162	4	271		905
23, 26, 27 Terry Fox Place Sault Ste. Marie ON		75	69		144		831
351 Geneva Street St. Catharines, ON	1	16	66	23	106		1,041
363 Geneva Street St. Catharines, ON	6	36	68	3	113		932
221 Glenridge Avenue St. Catharines, ON	2	40	93	3	138		1,045
242 Linwell Road St. Catharines, ON		16	27	6	49		940
568 Ontario Street St. Catharines, ON		3	21		24		950
570 Ontario Street St. Catharines, ON		6	18	3	27		948
576 Ontario Street St. Catharines, ON	4		44		48		949
382 Queenston Street St. Catharines, ON		29	48		77		1,004
64 Roehampton Avenue St. Catharines, ON		69	61		130		964
76 Roehampton Avenue St. Catharines, ON		1	63	31	95		1,395
273 Vine Street St. Catharines, ON	5	24	51	27	107		998
380 & 382 Vine Street St. Catharines, ON	12	62	87	24	185		1,105
383 & 385 Vine Street St. Catharines, ON	1	90	77	4	172		975
398 & 400 Vine Street St. Catharines, ON	4	41	88	39	172		1,115
19 Crosbie Place St. John's, NL					0	10,594	

Property	Bachelor	One Bedroom	Two Bedroom	Three or More Bedroom	Total	Commercial Square Feet	Average Monthly Rent/Unit
Existing Properties							
294, 300 & 330 Talbot Street St.Thomas, ON		102	156		258	42,092	869
42 Campbell Court Stratford, ON		7	51	20	78		958
136 Ontario Street Stratford, ON		17	36		53	11,047	1,252
191 & 193 Hull Road Strathroy, ON		15	25		40		719
11873 Tecumseh Road East Tecumseh, ON		48	95	6	149		932
11886 Tecumseh Road Tecumseh, ON		20	31		51	7,695	843
11917 Tecumseh Road East Tecumseh, ON	1	26	72		99		941
335 Adelaide Street Thunder Bay, ON		33	94		127		894
355 Adelaide Street Thunder Bay, ON		8	78		86		876
777 Kingsway Avenue Thunder Bay, ON		41	47		88		816
65 Fort Street Tilbury, ON			32	18	50		771
182, 192 & 204 Lisgar Avenue Tillsonburg, ON	6	35	58		99		768
641 Cedar Street Timmins, ON	3	28	17		48		967
1214 Riverside Drive Timmins, ON	1	11	37		49		847
820 Suzanne Street Timmins, ON	1	20		1	22		819
860 Suzanne Street Timmins, ON		21	38	10	69		1,028
100 Lancaster Drive Welland, ON		40	66	6	112		970
255 & 265 Willson Road Welland, ON	2	18	56	36	112		916
275 Askin Avenue Windsor, ON	1	28	31		60		922
211 Buckingham Drive Windsor, ON	2	1	29	2	34		995
360 Caron Avenue Windsor, ON	1	15	30	1	47		831
666 Chippawa Street Windsor, ON		31	27		58		720
5407-5411 Empress Street Windsor, ON		24	16		40		797
3400 Erskine Street Windsor, ON		58	38		96		784
274 Giles Boulevard West Windsor, ON	21	27	7		55		655

Property	Bachelor	One Bedroom	Two Bedroom	Three or More Bedroom	Total	Commercial Square Feet	Average Monthly Rent/Unit
Existing Properties							
1330 Lauzon Road Windsor, ON		64	120		184		883
1071 McDougall Street Windsor, ON	2	10	22		34		787
737 Ouellette Avenue Windsor, ON	32	135	33		200	1,035	817
1519-1547 Ouellette Avenue Windsor, ON	16	74	32	11	133	5,574	845
3160 Peter Street Windsor, ON	1	31	15		47		764
3410 Peter Street Windsor, ON	2	24	15		41		711
3461 Peter Street Windsor, ON	6	51	9		66		655
3540 Peter Street Windsor, ON		25	28		53		734
3576 Peter Street Windsor, ON		11	22		33		774
3590 Peter Street Windsor, ON	1	25	15		41		720
260-262 Randolph Place Windsor, ON	8	31	8		47		760
8325 Riverside Drive East & 8312-8332 Clairview Windsor, ON	37	82	24	9	152		856
3165 Russell Street Windsor, ON		31	37		68		812
3262 Sandwich Street Windsor, ON		18	17		35		735
2255 University Avenue West Windsor, ON		31	17	2	50		890
2930 Wildwood Drive Windsor, ON		30	103	2	135		857
2932-2992 Wildwood Drive Windsor, ON				31	31		1,102
6600 Wyandotte Street East Windsor, ON		74	1		75		784
202 Hespeler Road Cambridge, ON		23	36	3	62		1,054
5000-5600 Clover Bar Road Edmonton, AB		76	132		208		1,423
65-71 Boulevard Fournier & 15 Rue Beriault Gatineau, QC		33	144	71	248		862
2,4,6,8 & 10 Rue Radison Gatineau, QC	29	251	308	35	623	2,948	815
555 Park Road Brantford, ON		68	85		153		1,321
5552 Heritage Drive Niagara Falls, ON		15	43	11	69		1,005
125 College Avenue South Sarnia, ON		31	32		63		816

Property	Bachelor	One Bedroom	Two Bedroom	Three or More Bedroom	Total	Commercial Square Feet	Average Monthly Rent/Unit
Existing Properties							
225 & 233 Capel Street Sarnia, ON		42	28		70		767
811 & 817 Devine Street Sarnia, ON		24	34	2	60		726
835 Devine Street Sarnia, ON	1	38	54	1	94		758
849 Devine Street Sarnia, ON		21	38		59		770
99 Thomas Street Kingston, ON		3	32		35		922
104 Confederation Drive St. Thomas, ON	4	38	76		118		842
39 Van Slyke Way Red Deer, AB		77	155		232		1,235
2703, 2707, 2711 & 2715 James Mowatt Trail SW Edmonton, AB		51	149		200		1,340
Sub-total (Recent Property Acquisitions)	456	6,022	8,885	941	16,304	674,006	897
Property Under Contract							
335 Dunsden Road Brantford, ON			63	89	152		1,321
Sub-total (Property Under Contract)	0	0	63	89	152	0	1,321
TOTAL	456	6,022	8,948	1,030	16,456	674,006	899

Description of the Existing Properties

The following is a detailed description of the Existing Properties:

Airdrie, Alberta

20 Kingsland Close SE, Airdrie, Alberta

20 Kingsland Close SE is a mid-rise apartment complex located in south-east Airdrie, just north of Calgary and is in close proximity to entertainment, schools, shopping, parks, public transportation and all basic amenities. The three building, four storey complex was built circa 2012-2013 of wood and concrete. It is situated on approximately 5.30 acres of land and is comprised of 192 apartment suites consisting of one and two bedroom suites. The complex includes three elevators and an on-site rental office.

Belleville, Ontario

95, 97 & 99 Sidney Street, Belleville, Ontario

95, 97 & 99 Sidney Street is a mid-rise apartment complex located in the south west end of Belleville and is in close proximity to schools, shopping, public transportation and all basic amenities. The three building; two ten storey and one eight storey buildings were built circa 1983 of poured concrete

construction with steel cladding and brick veneer exterior. It is situated on approximately 5.66 acres of land and is comprised of 333 apartment suites consisting of bachelor, one, two and three bedroom suites. The complex includes six elevators, laundry facilities, an on-site rental office, social rooms and surface parking.

Brantford, Ontario

149 Henry Street, Brantford, Ontario

149 Henry Street is a mid-rise apartment complex located in the east end of Brantford and is in close proximity to schools, shopping, public transportation, parks and all basic amenities. The five storey building was built in the late 1960's of poured concrete construction with a brick veneer exterior. It is situated on approximately 3.16 acres of land and is comprised of 86 apartment suites consisting of bachelor, one, two and three bedroom suites. The complex includes two elevators, laundry facilities, an on-site rental office and surface parking.

47 Memorial Drive, Brantford, Ontario

47 Memorial Drive is a mid-rise apartment building located in the north end of Brantford and is in close proximity to schools, shopping, public transportation and all basic amenities. The ten storey building was built circa 1977 of poured concrete construction with steel cladding and brick veneer exterior. It is situated on approximately 2.43 acres of land and is comprised of 119 apartment suites consisting of bachelor, one and two bedroom suites. The building includes two elevators, laundry facilities, an on-site rental office and both covered and surface parking.

555 Park Road, Brantford, Ontario

555 Park Road is a mid-rise, purpose built apartment complex located adjacent to our property at 575 Park Road. The property is located just north of Lynden Park Mall, the city's only enclosed shopping centre. The property is in close proximity to Highway 403 and Brant Road (Highway 24), to schools, shopping, parks, public transportation and all basic amenities. The single building, seven storey complex was built in 2015/2016 of concrete and brick. It is situated on approximately 6.80 acres of land and is comprised of 153 luxury apartment suites consisting of one and two bedroom suites.

575 Park Road, Brantford, Ontario

575 Park Road is a mid-rise apartment complex located in the north end of Brantford and is in close proximity to schools, shopping, parks and all basic amenities. The four storey building was built circa 2012 of poured concrete construction with a stone and stucco exterior. It is situated on approximately 3.17 acres of land and is comprised of 44 apartment suites consisting of one and two bedroom suites. The complex includes one elevator, an on-site rental office and surface parking.

15 & 17 Sympatica Crescent, Brantford, Ontario

15 & 17 Sympatica Crescent is a mid-rise apartment complex located in the north east end of the City of Brantford and is in close proximity to schools, shopping, public transportation and all basic amenities. The two building, six storey complex was built circa 1980 of poured concrete construction with brick veneer exterior. It is situated on approximately 3.81 acres of land and is comprised of an aggregate of 180 apartment suites consisting of one and two bedroom suites. The complex includes two elevators, laundry facilities, an on-site rental office and both surface and covered parking.

Cambridge, Ontario

235 Bishop Street South, Cambridge, Ontario

235 Bishop Street South is a low rise apartment building located in the Preston area of the City of Cambridge and is in close proximity to schools, shopping, public transportation and all basic amenities. The 2½ storey building was built in the early 1970s of poured concrete construction with an asphalt mansard and brick exterior. It is situated on approximately 0.85 acres of land and is comprised of 32 apartment suites consisting of one, two and three bedroom suites. The building includes laundry facilities and surface parking.

310 Clyde Road, Cambridge, Ontario

310 Clyde Road is a low rise apartment building located in the east end of Cambridge and is in close proximity to schools, shopping, public transportation and all basic amenities. The three storey building was built circa 1967 of poured concrete construction with vinyl and brick veneer exterior. It is situated on approximately 1.48 acres of land and is comprised of 39 apartment suites consisting of one, two and three bedroom suites. The building includes laundry facilities, an on-site rental office and both surface and covered parking.

392 Dolph Street South, Cambridge, Ontario

392 Dolph Street South is a mid-rise apartment complex located in the Preston area of the City of Cambridge and is in close proximity to schools, shopping, public transportation and all basic amenities. The four storey building was built circa 1955 of poured concrete construction with steel cladding and brick veneer exterior. It is situated on approximately 0.75 acres of land and is comprised of 29 apartment suites consisting of bachelor, one and two bedroom suites. The building includes one elevator, laundry facilities and surface parking.

202 Hespeler Road, Cambridge, Ontario

202 Hespeler Road is a mid-rise, single building apartment complex, comprised of 62 units. The building is referred to as Somerset Place and is strategically located along Hespeler Road (Highway 24), one of the city's busiest thoroughfares, in close proximity to Highway 401 and Highway 8. Built circa 1969, the Property is geared towards seniors and benefits from an efficient mix of one bedroom, two bedroom and three bedroom apartments. Apartments provide residents with well-designed and functional accommodations. The suites are spacious and benefit from large windows providing ample natural light along with large balconies for private amenity space.

1510 Queenston Road, Cambridge, Ontario

1510 Queenston Road is a low rise apartment building located in the Preston area of the City of Cambridge and is in close proximity to schools, shopping, public transportation and all basic amenities. The 2½ storey building was built circa 1968 of poured concrete construction with brick and stone veneer exterior. It is situated on approximately 0.51 acres of land and is comprised of 18 apartment suites consisting of one and two bedroom suites. The building includes laundry facilities, an on-site rental office and surface parking.

Chatham, Ontario

343 Grand Avenue West, Chatham, Ontario

343 Grand Avenue West is a mid-rise apartment complex located in the west end of Chatham and is in close proximity to schools, shopping, public transportation, parks and all basic amenities. The six storey complex was built circa 1980 of pre-cast concrete. It is situated on approximately 1.80 acres of land

and is comprised of 76 apartment suites consisting of one and two bedroom suites. The complex includes two elevators, games/social room, an on-site rental office and surface parking.

795 & 805 Grand Avenue West, Chatham, Ontario

795 & 805 Grand Avenue West is a low and mid-rise apartment complex located in the west end of Chatham and is in close proximity to schools, shopping, public transportation, parks and all basic amenities. The two building, three and 11 storey buildings were built in the late 1970's of pre-cast concrete with a brick veneer exterior. It is situated on approximately 4.30 acres of land and is comprised of 182 apartment suites consisting of one, two and three bedroom suites. The complex includes three elevators, games/social room, fitness facilities, an on-site rental office and surface parking.

150 Mary Street, Chatham, Ontario

150 Mary Street is a mid-rise apartment complex located in central Chatham and is in close proximity to schools, shopping, public transportation, parks and all basic amenities. The ten storey complex was built circa 1980 of pre-cast concrete with a brick veneer exterior. It is situated on approximately 2.26 acres of land and is comprised of 91 apartment suites consisting of one, two and three bedroom suites. The complex includes two elevators, games/social room, an on-site rental office and both surface and underground parking.

100 McFarlane Avenue, Chatham, Ontario

100 McFarlane Avenue is a mid-rise apartment complex located in the west end of Chatham and is in close proximity to schools, shopping, public transportation, parks and all basic amenities. The seven storey complex was built circa 1976 of pre-cast concrete with a brick veneer exterior. It is situated on approximately 2.40 acres of land and is comprised of 105 apartment suites consisting of bachelor, one and two bedroom suites. The complex includes two elevators, games/social room, an on-site rental office and surface parking.

50 Merritt Avenue, Chatham, Ontario

50 Merritt Avenue is a mid-rise apartment complex located in the west end of Chatham and is in close proximity to schools, shopping, public transportation, parks and all basic amenities. The six storey complex was built circa 1978 of pre-cast concrete and steel cladding with a brick veneer exterior. It is situated on approximately 1.45 acres of land and is comprised of 57 apartment suites consisting of one and two bedroom suites. The complex includes one elevator, an on-site rental office and surface parking.

89 Riverview Drive, Chatham, Ontario

89 Riverview Drive is a mid-rise apartment complex located in the west end of Chatham and is in close proximity to schools, shopping, public transportation, parks and all basic amenities. The ten storey complex was built circa 1980 of pre-cast concrete with a brick veneer exterior. It is situated on approximately 2.05 acres of land and is comprised of 75 apartment suites consisting of two and three bedroom suites. The complex includes two elevators, games/social room, storage space, an on-site rental office and both surface and underground parking.

455 Sandys Street, Chatham, Ontario

455 Sandys Street is a mid-rise apartment complex located in the north end of Chatham and is in close proximity to schools, shopping, parks and all basic amenities. The six storey building was built circa 1972 of concrete construction with brick veneer and steel cladding exterior. It is situated on approximately 1.41 acres of land and is comprised of 58 apartment suites consisting of bachelor, one and two bedroom suites. The building includes one elevator, laundry facilities, an on-site rental office and surface parking

130 Sheldon Avenue, Chatham, Ontario

130 Sheldon Avenue is a low rise apartment complex located in the north end of Chatham and is in close proximity to schools, shopping, parks and all basic amenities. The three storey building was built mid-1970s of pre-cast concrete and block shear wall construction with brick veneer exterior. It is situated on approximately 1.15 acres of land and is comprised of 45 apartment suites consisting of one and two bedroom suites. The building includes laundry facilities and surface parking.

45 Timmins Crescent, Chatham, Ontario

45 Timmins Crescent is a low rise apartment complex located in the north end of Chatham and is in close proximity to schools, shopping, parks and all basic amenities. The three storey building was built circa 1976 of pre-cast concrete and block shear wall construction with brick veneer exterior. It is situated on approximately 1.19 acres of land and is comprised of 50 apartment suites consisting of bachelor, one and two bedroom suites. The building includes laundry facilities and surface parking.

65 Timmins Crescent, Chatham, Ontario

65 Timmins Crescent is a low rise apartment complex located in the north end of Chatham and is in close proximity to schools, shopping, parks and all basic amenities. The three storey building was built circa 1975 of pre-cast concrete and block shear wall construction with brick veneer exterior. It is situated on approximately 1.22 acres of land and is comprised of 50 apartment suites consisting of bachelor, one and two bedroom suites. The building includes laundry facilities and surface parking.

Collingwood, Ontario

528 Tenth Street, Collingwood, Ontario

528 Tenth Street is a mid-rise apartment building located in the west end of Collingwood and is in close proximity to schools, shopping and all basic amenities. The four storey building was built circa 1975 of core slab and block shear wall construction with brick veneer exterior. It is situated on approximately 0.99 acres of land and is comprised of 37 apartment suites consisting of one and two bedroom suites. The building includes one elevator, laundry facilities, an on-site rental office and surface parking.

610 Tenth Street, Collingwood, Ontario

610 Tenth Street is a mid-rise apartment building located in the west end of Collingwood and is in close proximity to schools, shopping and all basic amenities. The four storey building was built circa 1983 of pre-cast concrete and block shear wall construction with brick veneer exterior. It is situated on approximately 1.20 acres of land and is comprised of 40 apartment suites consisting of one and two bedroom suites. The building includes one elevator, laundry facilities, an on-site rental office and surface parking.

Cornwall, Ontario

625 & 645 Glengarry Boulevard, Cornwall, Ontario

625 & 645 Glengarry Boulevard is a mid-rise apartment complex located in the east end of Cornwall and is in close proximity to schools, shopping, public transportation and all basic amenities. The two building, four storey complex was built circa 1983 to 1984 of pre-cast concrete and block shear wall construction with steel cladding and brick veneer exterior. It is situated on approximately 5.09 acres of land and is comprised of 150 apartment suites consisting of two and three bedroom suites. The complex includes two elevators, laundry facilities, an on-site rental office and surface parking.

746, 750 & 754 Laflin Avenue, Cornwall, Ontario

746, 750 & 754 Laflin Avenue is a low rise apartment complex located in the west end of the City of Cornwall and is in close proximity to schools, shopping, public transportation and all basic amenities. The three building, three storey complex was built circa 1976 to 1978 of pre-cast concrete and block shear wall construction with brick veneer exterior. It is situated on approximately 4.25 acres of land and is comprised of an aggregate of 118 apartment suites consisting of bachelor, one and two bedroom suites. The complex includes laundry facilities, an on-site rental office and surface parking.

805 Marlborough Street North, Cornwall, Ontario

805 Marlborough Street North is a low rise apartment building located in the east end of the City of Cornwall and is in close proximity to schools, shopping, public transportation and all basic amenities. The 2½ storey building was built circa 1973 of pre-cast concrete and block shear wall construction with brick veneer exterior. It is situated on approximately 1.03 acres of land and is comprised of 40 apartment suites consisting of bachelor, one and two bedroom suites. The building includes laundry facilities and surface parking.

Dawson Creek, British Columbia

900, 901 & 904 – 100A Avenue, Dawson Creek, British Columbia

900, 901 & 904 – 100A Avenue is a mid-rise apartment complex located in central Dawson Creek and is in close proximity to entertainment, schools, shopping, parks, public transportation and all basic amenities. The three building, four storey complex was built circa 2010-2014 of wood and concrete. It is situated on approximately 4.10 acres of land and is comprised of 160 apartment suites consisting of one and two bedroom suites, some fully furnished. The complex includes three elevators and an on-site rental office.

Dundas, Ontario

16 Helen Street, Dundas, Ontario

16 Helen Street is a mid-rise apartment building located in the north end of Dundas and is in close proximity to schools, shopping, public transportation and all basic amenities. The four storey building was built circa 1961 of poured concrete construction with brick veneer exterior. It is situated on approximately 4.34 acres of land and is comprised of 102 apartment suites consisting of one, two and three bedroom suites. The building includes one elevator, laundry facilities, an on-site rental office and surface parking.

Edmonton, Alberta

2703, 2707, 2711 & 2715 James Mowatt Trail SW, Edmonton, Alberta

2703, 2707, 2711 & 2715 James Mowatt Trail SW is a mid-rise apartment complex located in the southwest end of Edmonton and is in close proximity to schools, shopping, public transportation and all basic amenities. The newly constructed three building, four storey complex was built circa 2014-2015 of wood frame and concrete construction. It is situated on approximately 4.05 acres of land and is comprised of 200 apartment suites consisting of one and two bedroom suites. The complex includes three elevators, an on-site rental office, fitness facilities and both surface and underground parking.

5000, 5100, 5400, 5500 & 5600 Clover Bar Road, Sherwood Park (Edmonton), Alberta

5000, 5100, 5400, 5500 & 5600 Clover Bar Road is a mid-rise apartment complex, containing four 4-storey buildings. The property is comprised of 208 units, located in Sherwood Park, within the west end of the Edmonton Capital Region and is in close proximity to schools, shopping, parks and all basic amenities. The neighbourhood is well-developed and contains a mixture of residential and commercial uses. The property is located within a short drive to Skyline's other Edmonton owned asset. The acquisition involved a 50% share purchase of the current corporate owner. The property has been constructed with concrete & wood frame construction and is a premier rental accommodation in the community. The new construction and high-end finishes that come standard with the complex should allow for a competitive edge over Skyline's competitors currently positioned in the marketplace.

16255, 16265 & 16275 51st Street NW, Edmonton, Alberta

16255, 16265 & 16275 51st Street NW is a mid-rise apartment complex located in north-eastern Edmonton and is in close proximity to entertainment, schools, shopping, parks, public transportation and all basic amenities. The three building, four storey complex was built circa 2013-2014 of wood and concrete. It is situated on approximately 3.25 acres of land and is comprised of 160 apartment suites consisting of one and two bedroom suites. The complex includes three elevators and an on-site rental office.

Elmira, Ontario

110 Oriole Parkway, 31 & 35 Flamingo Drive, Elmira, Ontario

110 Oriole Parkway, 31 & 35 Flamingo Drive is a low rise apartment complex located in the south end of Elmira and is in close proximity to schools, shopping, parks and all basic amenities. The three building, 2½ storey complex was built circa 1975 of poured concrete construction with stucco, wood and brick veneer exterior. It is situated on approximately 4.10 acres of land and is comprised of an aggregate of 108 apartment suites consisting of one and two bedroom suites. The complex includes laundry facilities and surface parking.

15 Snyder Avenue North, Elmira, Ontario

15 Snyder Avenue North is a low rise apartment building located in north end of Elmira and is in close proximity to schools, shopping, parks and all basic amenities. The 2½ storey building was built circa 1975 of poured concrete construction with an asphalt mansard, vinyl siding and brick veneer exterior. It is situated on approximately 1.50 acres of land and is comprised of 29 apartment suites consisting of one, two and three bedroom suites. The building includes laundry facilities and surface parking.

Fergus, Ontario

255, 275, 325, 345 & 375 Belsyde Avenue East, Fergus, Ontario

255, 275, 325, 345 & 375 Belsyde Avenue East is a low rise apartment complex located in the south end of Fergus and is in close proximity to schools, shopping, parks and all basic amenities. The five building, 2½ storey complex was built circa 1975 of poured concrete construction with stucco, steel cladding and brick veneer exterior. It is situated on approximately 5.50 acres of land and is comprised of an aggregate of 180 apartment suites consisting of one and two bedroom suites. The complex includes laundry facilities and surface parking.

380 Forfar Street East, Fergus, Ontario

380 Forfar Street East is a low rise apartment building located in central Fergus and is in close proximity to schools, shopping, parks and all basic amenities. The three storey building was built circa

1975 of poured concrete construction with an asphalt mansard, vinyl siding and brick veneer exterior. It is situated on approximately 1.04 acres of land and is comprised of 45 apartment suites consisting of bachelor, one, two and three bedroom suites. The building includes laundry facilities and surface parking.

Gatineau, Québec

65-71 Boulevard Fournier & 15 Rue Beriault, Gatineau, Quebec

65-71 Boulevard Fournier & 15 Rue Beriault is a mid-rise apartment complex located in a mature residential node close to downtown Ottawa, downtown Hull and Parc Lac Leamy and is in close proximity to Autoroute de la Gatineau (Highway 5), schools, shopping, parks, public transportation and all basic amenities. The three building, six storey complex was built circa 1973 of concrete and brick. It is situated on approximately 5.60 acres of land and is comprised of 248 apartment suites consisting of one, two and three bedroom suites. The complex includes three elevators, an on-site rental office and storage locker space.

400 & 405 Boulevard des Grives, Gatineau, Québec

400 & 405 Boulevard des Grives is a mid-rise apartment complex located in the du Plateau neighbourhood of Gatineau (Hull) and is in close proximity to schools, shopping, parks, public transportation and all basic amenities. The two building, five storey complex was built circa 2003 of concrete, brick & stucco. It is situated on approximately 2.57 acres of land and is comprised of 98 apartment suites consisting of one and two bedroom suites. The complex includes two elevators, an on-site rental office, storage locker space and a games/social room.

2, 4, 6, 8 & 10 Rue Radison, Gatineau, Quebec

2, 4, 6, 8, & 10 Rue Radison is a mid-rise apartment complex located in a well established rental node close to the Universite du Quebec en Outaouais and areas of employment and is in close proximity to schools, shopping, parks, public transportation and all basic amenities. The six building (includes community centre), eight storey complex was built circa 1973 of concrete and brick. It is situated on approximately 11.70 acres of land and is comprised of 623 apartment suites consisting of bachelor, one, two and three bedroom suites and 2,948 sq. ft. of commercial space. The complex includes ten elevators, two on-site rental offices, emergency generator, swimming pool, air conditioning, games/social room and fitness facilities.

Guelph, Ontario

32 Dawson Road, Guelph, Ontario

32 Dawson Road is a mid-rise apartment building located in the west end of the City of Guelph and is in close proximity to schools, shopping, public transportation, parks and all basic amenities. The five storey building was built circa 1957 of poured concrete construction with brick veneer exterior. It is situated on approximately 0.97 acres of land and is comprised of 39 apartment suites consisting of bachelor, one and two bedroom suites. The building includes one elevator, laundry facilities and surface parking.

38 Dawson Road, Guelph, Ontario

38 Dawson Road is a mid-rise apartment building located in the west end of the City of Guelph and is in close proximity to schools, shopping, public transportation, parks and all basic amenities. The four storey building was built circa 1969 of poured concrete construction with brick veneer exterior. It is situated on approximately 1.78 acres of land and is comprised of 42 apartment suites consisting of

bachelor, one, two and three bedroom. The building includes one elevator, laundry facilities and surface parking.

5 Douglas Street, Guelph, Ontario

5 Douglas Street is a mixed-use building consisting of multi-residential and commercial office/retail space. It is located in the downtown core of the City of Guelph and is in close proximity to schools, shopping, public transportation and all basic amenities. The six storey building was rebuilt circa 2012 of pre-cast concrete and steel construction with brick and stone veneer exterior. It is situated on approximately 0.45 acres of land and is comprised of 18 apartment suites consisting of one, two and three bedroom suites and 42,617 sq. ft. of commercial office/retail space. The complex includes two elevators, exercise facilities, on-site storage facilities and surface parking

70 Fountain Street East, 75 Farquhar Street, Guelph, Ontario

70 Fountain Street East, 75 Farquhar Street is a commercial office building located in the downtown core of the City of Guelph and is in close proximity to a mix of commercial/retail businesses, restaurants, cafés and shops. The three storey building was built circa 1959 of concrete construction with concrete and marble exterior. It is situated on approximately 0.52 acres of land and is comprised of 21,378 sq. ft. of commercial rentable space.

98 Macdonell Street, Guelph, Ontario

98 Macdonell Street is a Class 'A' commercial office building located in the downtown core of the City of Guelph and is in close proximity to a mix of commercial/retail businesses, restaurants, cafés and shops. The four storey building was built circa 1993 of concrete construction with steel cladding, stone and brick veneer exterior. It is situated on approximately 0.24 acres of land and is comprised of 36,431 sq. ft. of commercial rentable space. The property is fully leased to The Co-operators General Insurance Company.

128-130 Macdonell Street, Guelph, Ontario

128-130 Macdonell Street is a Class 'A' commercial office building located in the downtown core of the City of Guelph and is in close proximity to a mix of commercial/retail businesses, restaurants, cafés and shops. The eight storey building was constructed in two stages, but was originally built circa 1966 of poured concrete and cut stone exterior. The building underwent an expansion in 1977 and is situated on approximately 0.65 acres of land. The property is comprised of an aggregate of 137,071 sq. ft. of commercial rentable space and is fully leased to The Co-operators General Insurance Company.

649 Scottsdale Drive, Guelph, Ontario

649 Scottsdale Drive is a Class 'A' commercial office/retail building located in the south west end of the City of Guelph and is in close proximity to a mix of commercial/retail businesses, restaurants, cafés and shops. The five storey building was constructed circa 1991 of poured concrete with glass curtain walls and cut stone exterior. It is situated on approximately 2.14 acres of land and is comprised of 81,531 sq. ft. of commercial rentable space. The complex's anchor tenant is The Co-operators General Insurance Company.

260, 268 & 270 Waterloo Avenue, Guelph, Ontario

260, 268 & 270 Waterloo Avenue is a mixed-use mid-rise building consisting of multi-residential and commercial/warehouse space. It is located west of downtown in the City of Guelph and is in close proximity to schools, shopping, public transportation, Highway 6 and all basic amenities. The six storey building was built circa 1970 of poured concrete construction with steel cladding and brick veneer exterior. It is situated on approximately 0.80 acres of land and is comprised of 31 apartment suites

consisting of one, two and four bedroom suites and 6,942 sq. ft. of commercial/warehouse space. The complex includes one elevator, laundry facilities, an on-site rental office and surface parking.

26 Willow Road, Guelph, Ontario

26 Willow Road is a mid-rise apartment building located in central Guelph and is in close proximity to schools, shopping, public transportation, parks and all basic amenities. The six storey building was built circa 1971 of poured concrete construction with brick veneer exterior. It is situated on approximately 2.13 acres of land and is comprised of 70 apartment suites consisting of one and two bedroom suites. The building includes one elevator, laundry facilities, an on-site rental office and surface parking.

85 Willow Road, Guelph, Ontario

85 Willow Road is a mid-rise apartment building located in the west end of the City of Guelph and is in close proximity to schools, shopping, public transportation, parks and all basic amenities. The 5½ storey building was built circa 1967 of poured concrete construction with brick veneer exterior. It is situated on approximately 1.62 acres of land and is comprised of 68 apartment suites consisting of one, two and three bedroom suites. The building includes one elevator, laundry facilities and surface parking.

524 Woolwich Street, Guelph, Ontario

524 Woolwich Street is a mid-rise apartment building located in central Guelph and is in close proximity to schools, shopping, public transportation, parks and all basic amenities. The seven storey building was built circa 1971 of poured concrete construction with steel cladding and brick veneer exterior. It is situated on approximately 1.87 acres of land and is comprised of 66 apartment suites consisting of one and two bedroom suites. The building includes one elevator, laundry facilities and surface parking.

55 Yarmouth Street, Guelph, Ontario

55 Yarmouth Street is a mixed-use mid-rise building consisting of multi-residential and commercial space. It is located in the high density downtown core of the City of Guelph and is in close proximity to schools, shopping, public transportation and all basic amenities. The nine storey building was built circa 1980 of poured concrete construction with stucco, concrete and brick veneer exterior. It is situated on approximately 0.53 acres of land and has been substantially renovated and converted to 72 condominium units and approximately 70% sold (51 units sold). The complex includes two elevators, laundry facilities, an on-site rental office and both surface and underground parking. The Asset Manager will continue to sell units as tenants vacate and ensuing units are renovated and marketed.

Haileybury, Ontario

367 Sutherland Way, Haileybury, Ontario

367 Sutherland Way is a mixed-use mid-rise building consisting of multi-residential and commercial space. It is located west of Lake Timiskaming in central Haileybury and is in close proximity to the lake, schools, shopping, parks and all basic amenities. The five storey building was built in three stages from 1927 to 1958 of concrete and steel construction with brick veneer exterior. It is situated on approximately 1.30 acres of land and is comprised of 48 apartment suites consisting of one and two bedroom suites and 8,115 sq. ft. of commercial office space. The complex includes two elevators, laundry facilities, an on-site rental office and surface parking. The building conversion was completed in late 2010 with occupancy beginning in August of 2010. The development project was nominated and awarded the 2010 FRPO Mac Award for the category, Rental Development of the Year.

Hamilton, Ontario

334 East 14th Street, Hamilton, Ontario

334 East 14th Street is a mid-rise apartment building located on Hamilton Mountain in the City of Hamilton and is in close proximity to entertainment, schools, shopping, parks, public transportation and all basic amenities. The single building, six storey complex was built circa 1959 of concrete and brick. It is situated on approximately 2.61 acres of land and is comprised of 105 apartment suites consisting of one and two bedroom suites. The complex includes two elevators, a games/social room and storage lockers.

255 Bold Street, Hamilton, Ontario

255 Bold Street is a high rise apartment building located in downtown Hamilton and is in close proximity to schools, shopping, public transportation and all basic amenities. The 13 storey building was built circa 1968 of poured concrete construction with steel cladding and brick veneer exterior. It is situated on approximately 0.81 acres of land and is comprised of 82 apartment suites consisting of bachelor, one and two bedroom suites. The building includes two elevators, laundry facilities, a social room, an on-site rental office and both surface and underground surface parking.

222 Gage Avenue South, Hamilton, Ontario

222 Gage Avenue South is a mid-rise apartment building located east of downtown Hamilton and is in close proximity to schools, shopping, public transportation and all basic amenities. The eight storey building was built circa 1978 of poured concrete construction with brick and stucco veneer exterior. It is situated on approximately 0.99 acres of land and is comprised of 103 apartment suites consisting of bachelor, one and two bedroom suites. The building includes two elevators, laundry facilities, a social room and both surface and underground parking.

99 Herkimer Street, Hamilton, Ontario

99 Herkimer Street is a mid-rise apartment building located in the west end of the City of Hamilton and is in a medium density residential area in close proximity to the downtown core, St. Joseph's Healthcare, shopping, public transportation and all basic amenities. The nine storey building was built circa 1967 of poured concrete construction with brick veneer exterior. It is situated on approximately 0.47 acres of land and is comprised of 48 apartment suites consisting of one bedroom suites. The building includes one elevator, laundry facilities, an on-site rental office and both surface and covered parking.

1854 & 1856 Main Street West, Hamilton, Ontario

1854 & 1856 Main Street West is a mid-rise apartment complex located in the west end of the City of Hamilton and is in close proximity to schools, shopping, parks, public transportation and all basic amenities. The two building, six and seven storey complex was built circa early 1960's of concrete, brick & steel cladding. It is situated on approximately 2.70 acres of land and is comprised of 154 apartment suites consisting of bachelor, one and two bedroom suites. The complex includes three elevators, an on-site rental office and storage locker space.

1868 Main Street West, Hamilton, Ontario

1868 Main Street West is a mid-rise apartment building located in the west end of the City of Hamilton and is in close proximity to McMaster University, shopping, public transportation, parks and all basic amenities. The ten storey building was built circa 1965 of poured concrete construction with steel cladding and brick veneer exterior. It is situated on approximately 2.20 acres of land and is comprised of 132 apartment suites consisting of bachelor, one, two and three bedroom suites. The building includes two elevators, laundry facilities, an on-site rental office and both surface and covered parking.

200 Park Street South, Hamilton, Ontario

200 Park Street South is a mid-rise apartment building located in the west end of the City of Hamilton and is in a medium density residential area in close proximity to the downtown core, St. Joseph's Healthcare, shopping, public transportation and all basic amenities. The 11 storey building was built circa 1964 of poured concrete construction with brick veneer exterior. It is situated on approximately 0.55 acres of land and is comprised of 60 apartment suites consisting of one and two bedroom suites. The building includes one elevator, laundry facilities, an on-site rental office and both surface and covered parking.

145 & 165 Queen Street, Hamilton, Ontario

145 & 165 Queen Street is a high-rise apartment complex located in the downtown core of Hamilton and is in close proximity to schools, shopping, public transportation and all basic amenities. The two building, 12 and 17 storey complex was built circa 1972 and 1973 of pre-cast concrete and brick. It is situated on approximately 1.18 acres of land and is comprised of 250 apartment suites consisting of bachelor, one, two and three bedroom suites. The complex includes four elevators, laundry facilities, an on-site rental office and both surface and underground parking.

Hanover, Ontario

511 7th Avenue, Hanover, Ontario

511 7th Avenue is a mid-rise apartment complex located in the west end of Hanover and is in close proximity to schools, shopping, public transportation, parks and all basic amenities. The six storey complex was built circa 1979 of pre-cast concrete and steel cladding with a brick veneer exterior. It is situated on approximately 1.43 acres of land and is comprised of 57 apartment suites consisting of one and two bedroom suites. The complex includes one elevator, an on-site rental office and surface parking.

158, 160, 162 & 164 11th Avenue, Hanover, Ontario

158, 160, 162 & 164 11th Avenue is a low rise apartment complex located in the south end of Hanover and is in close proximity to the Hanover & District Hospital, schools, shopping, parks and all basic amenities. The four building, 2½ storey complex was built circa 1975 of poured concrete construction with stucco and vinyl exterior. It is situated on approximately 5.23 acres of land and is comprised of an aggregate of 114 apartment suites consisting of one and two bedroom suites. The complex includes laundry facilities and surface parking.

Ingersoll, Ontario

271 Thames Street North, Ingersoll, Ontario

271 Thames Street North is a low rise apartment building located in the north end of Ingersoll and is in close proximity to schools, shopping and all basic amenities. The three storey building was built circa 1977 of poured concrete construction with brick veneer exterior. It is situated on approximately 1.77 acres of land and is comprised of 34 apartment suites consisting of one and two bedroom suites. The building includes laundry facilities and surface parking.

271 Thames Street North (Townhouses), Ingersoll, Ontario

271 Thames Street North is a townhouse complex located in the north end of Ingersoll and is in close proximity to schools, shopping and all basic amenities. The three building, two storey complex was built circa 1977 of wood frame construction with steel cladding and brick veneer exterior. It is situated on

approximately 0.98 acres of land. This property was converted to condominiums in 2011 and is being sold off individually. As at September 30, 2014, only 1 of the original 21 townhouse units remain unsold.

285 Thames Street North, Ingersoll, Ontario

285 Thames Street North is a low rise apartment building and townhouse complex located in the north end of Ingersoll and is in close proximity to schools, shopping and all basic amenities. The two building, three storey apartments were built circa 1973 of poured concrete construction with brick veneer exterior, while the four building two storey townhouses were built circa 1973 of wood frame construction with steel cladding and brick veneer exterior. It is situated on approximately 4.99 acres of land and is comprised of 102 apartment suites consisting of one and two bedroom suites, along with 27 three bedroom townhouse units. The complex includes laundry facilities and surface parking.

Kingston, Ontario

7 & 25 Briceland Street, Kingston, Ontario

7 & 25 Briceland Street is a low rise apartment complex located in the north east end of the City of Kingston and is in close proximity to schools, shopping, public transportation and all basic amenities. The two building, three storey complex was built circa 1978 of poured concrete construction with steel cladding and brick veneer exterior. It is situated on approximately 2.24 acres of land and is comprised of an aggregate of 70 apartment suites consisting of two bedroom suites. The complex includes laundry facilities, an on-site rental office and surface parking.

810 & 820 Castell Road, Kingston, Ontario

810 & 820 Castell Road is a low rise apartment complex located in the south west end of the City of Kingston and is in close proximity to schools, shopping, public transportation and all basic amenities. The two building, three storey complex was built circa 1973 of poured concrete construction with steel cladding and brick veneer exterior. It is situated on approximately 1.64 acres of land and is comprised of an aggregate of 84 apartment suites consisting of bachelor, one and two bedroom suites. The complex includes laundry facilities and surface parking.

87, 93 & 107 Compton Street, Kingston, Ontario

87, 93 & 107 Compton Street is a mid-rise apartment complex located in the north east end of the City of Kingston and is in close proximity to schools, shopping, public transportation and all basic amenities. The three building, six storey complex was built circa 1977 of poured concrete construction with brick veneer exterior. It is situated on approximately 9.54 acres of land and is comprised of an aggregate of 267 apartment suites consisting of one and two bedroom suites. The complex includes six elevators, laundry facilities, an on-site rental office and surface parking.

722, 730 & 766 John Counter Boulevard, Kingston, Ontario

722, 730 & 766 John Counter Boulevard is a mixed-use property consisting of two multi-residential buildings and one commercial building. It is located in the north east end of the City of Kingston and is in close proximity to schools, shopping, public transportation and all basic amenities. The 11 storey apartment buildings were built circa 1987 to 1988 of poured concrete construction with steel cladding and concrete exterior, while the one storey commercial building was originally built circa 1840. It is situated on approximately 6.53 acres of land and is comprised of an aggregate of 213 apartment suites consisting of one and two bedroom suites and 3,000 sq. ft. of commercial space. The complex includes four elevators, laundry facilities, an on-site rental office, a swimming pool and surface parking.

99 Thomas Street, Kingston, Ontario

99 Thomas Street is a low rise apartment building located in the east end of Kingston and is in close proximity to schools, shopping, public transportation and all basic amenities. The three storey building was built circa 1974 of poured concrete construction with brick veneer exterior. It is situated on approximately 1.20 acres of land and is comprised of 35 apartment suites consisting of one and two bedroom suites. The building includes laundry facilities and surface parking.

47 & 67 Village Drive, Kingston, Ontario

47 & 67 Village Drive is a mixed-use property consisting of two multi-residential buildings and one commercial/warehouse building. It is located in the north east end of the City of Kingston and is in close proximity to schools, shopping, public transportation and all basic amenities. The property includes one 9 storey building and one 9.5 storey building built in the mid-1980s of poured concrete construction with steel cladding and concrete exterior, while the one storey commercial/warehouse building was built in the mid-1980's of steel cladding exterior. It is situated on approximately 7.23 acres of land and is comprised of an aggregate of 219 apartment suites consisting of one and two bedroom suites and 4,000 sq. ft. of commercial/warehouse space. The complex includes four elevators, laundry facilities, an on-site rental office, a swimming pool and surface parking.

Leamington, Ontario

234 Erie Street South, Leamington, Ontario

234 Erie Street South is a high rise apartment building located in central Leamington and is in close proximity to schools, shopping, public transportation and all basic amenities. The 13 storey building was built circa 1974 of poured concrete construction with brick veneer exterior. It is situated on approximately 1.45 acres of land and is comprised of 71 apartment suites consisting of one, two and three bedroom suites. The building includes two elevators, laundry facilities, an on-site rental office and both surface and underground parking.

238 Erie Street South, Leamington, Ontario

238 Erie Street South is a high rise apartment building located in central Leamington and is in close proximity to schools, shopping, public transportation and all basic amenities. The 15 storey building was built circa 1977 of poured concrete construction with brick veneer exterior. It is situated on approximately 1.48 acres of land and is comprised of 82 apartment suites consisting of bachelor, one, two and three bedroom suites. The building includes two elevators, laundry facilities, an on-site rental office, a swimming pool and both surface and underground parking.

300 & 304 Sherk Street, Leamington, Ontario

300 & 304 Sherk Street is a low and mid-rise apartment complex located in central Leamington and is in close proximity to schools, shopping, public transportation and all basic amenities. The two building, 3 and 10 storey complex was built circa 1974 and 1976 of pre-cast concrete and brick. It is situated on approximately 3.09 acres of land and is comprised of 86 apartment suites consisting of one, two and three bedroom suites. The complex includes two elevators, a pool, laundry facilities, an on-site rental office and surface parking.

London, Ontario

55, 67, 87 & 99 Cartier Road, London, Ontario

55, 67, 87 & 99 Cartier Road is a low rise apartment complex located in the east end of the City of London and is in close proximity to the London International Airport, schools, shopping, public transportation and all basic amenities. The four building, three storey complex was built circa 1971 of poured concrete construction with steel cladding and brick veneer exterior. It is situated on approximately 3.75 acres of land and is comprised of an aggregate of 96 apartment suites consisting of bachelor, one and two bedroom suites. The building includes laundry facilities, an on-site rental office and surface parking.

120 Grand Avenue, London, Ontario

120 Grand Avenue is a mid-rise apartment building located in the south end of the City of London and is in close proximity to schools, shopping, public transportation and all basic amenities. The six storey building was built circa 1961 of poured concrete construction with brick veneer exterior. It is situated on approximately 0.90 acres of land and is comprised of 47 apartment suites consisting of one, two and three bedroom suites. The building includes one elevator, laundry facilities, an on-site rental office and surface parking.

1203, 1205, 1207, 1209, 1211 & 1223 Huron Street, London, Ontario

1203, 1205, 1207, 1209, 1211 & 1223 Huron Street is a low rise apartment complex located in the north east end of the City of London and is in close proximity to schools, shopping, public transportation and all basic amenities. The five building, three storey complex was built circa 1964 of poured concrete construction with brick veneer exterior. It is situated on approximately 6.19 acres of land and is comprised of an aggregate of 145 apartment suites consisting of two and three bedroom suites. The building includes laundry facilities, an on-site rental office and surface parking.

1420, 1422, 1424 & 1426 Huron Street, London, Ontario

1420, 1422, 1424 & 1426 Huron Street is a low rise apartment complex located in the north east end of the City of London and is in close proximity to schools, shopping, public transportation and all basic amenities. The four building, three storey complex was built circa 1965 of poured concrete construction with steel cladding and brick veneer exterior. It is situated on approximately 4.76 acres of land and is comprised of an aggregate of 116 apartment suites consisting of two and three bedroom suites. The building includes laundry facilities, an on-site rental office and surface parking.

1223 Richmond Street, London, Ontario

1223 Richmond Street is a mid-rise apartment building located in the north end of the City of London and is in close proximity to the University of Western Ontario, shopping, public transportation and all basic amenities. The five storey building was built circa 1975 of poured concrete construction with brick veneer exterior. It is situated on approximately 1.36 acres of land and is comprised of 60 apartment suites consisting of bachelor, one and two bedroom suites. The building includes one elevator, laundry facilities, an on-site rental office and surface parking.

625, 635 & 645 Village Green Avenue, London, Ontario

625, 635 & 645 Village Green Avenue is a low and mid-rise apartment complex located in the west end of the City of London and is in close proximity to schools, shopping, public transportation and all basic amenities. The three building, three and four storey complex was built circa 1971 of poured concrete construction with brick veneer exterior. It is situated on approximately three acres of land and is

comprised of an aggregate of 87 apartment suites consisting of bachelor, one and two bedroom suites. The building includes laundry facilities, an on-site rental office and surface parking.

Montréal, Québec

239 Boulevard Deguire, Montréal, Québec

239 Boulevard Deguire is a mid-rise apartment complex located in Saint-Laurent and is in close proximity to the Montpellier commuter train station, Highways 15 & 40, schools, shopping, parks and all basic amenities. The single building, seven storey complex was built circa 1966 of concrete and brick. It is situated on approximately 3.00 acres of land and is comprised of 185 apartment suites consisting of one and two bedroom suites. The complex includes three elevators, an on-site rental office, swimming pool and emergency generator.

Mount Forest, Ontario

156 Egremont Street North, Mount Forest, Ontario

156 Egremont Street North is a low rise apartment building located in central Mount Forest and is in close proximity to schools, shopping and all basic amenities. The three storey building was built in the mid-1960s of poured concrete construction with an asphalt mansard, vinyl siding and brick veneer exterior. It is situated on approximately 1.26 acres of land and is comprised of 45 apartment suites consisting of bachelor, one, two and three bedroom suites. The building includes one elevator, laundry facilities and surface parking.

New Hamburg, Ontario

108, 116, 124, 132, 140 & 148 Hincks Street, New Hamburg, Ontario

108, 116, 124, 132, 140 & 148 Hincks Street is a low rise apartment complex located in the north west end of New Hamburg and is in close proximity to all basic amenities. The six building, three storey complex was built circa 1972 of poured concrete construction with an asphalt mansard, vinyl siding and brick veneer exterior. It is situated on approximately 5.21 acres of land and is comprised of an aggregate of 160 apartment suites consisting of bachelor, one, two and three bedroom suites. The building includes laundry facilities, an on-site rental office and surface parking.

Niagara Falls, Ontario

5552 Heritage Drive, Niagara Falls, Ontario

5552 Heritage Drive is a mid-rise apartment building located in north central Niagara Falls and is in close proximity to schools, shopping, public transportation and all basic amenities. The five storey building was built circa 1972 of poured concrete construction with brick veneer exterior. It is situated on approximately 2.19 acres of land and is comprised of 69 apartment suites consisting of one, two and three bedroom suites. The building includes one elevator, laundry facilities, an on-site rental office, fitness facilities and surface parking.

6515 McLeod Road, Niagara Falls, Ontario

6515 McLeod Road is a mid-rise apartment complex located in central Niagara Falls and is in close proximity to schools, shopping, public transportation, parks and all basic amenities. The five storey complex was built circa 2009 of pre-cast concrete, brick and stucco. It is situated on approximately 1.60

acres of land and is comprised of 64 apartment suites consisting of one, two and three bedroom suites. The complex includes one elevator, fitness facilities, an on-site rental office and both surface and underground parking.

3915 Portage Road, Niagara Falls, Ontario

3915 Portage Road is a mid-rise apartment building located in central Niagara Falls and is in close proximity to schools, shopping, public transportation and all basic amenities. The six storey building was built circa 1977 of poured concrete construction with brick veneer exterior. It is situated on approximately 1.42 acres of land and is comprised of 57 apartment suites consisting of bachelor, one and two bedroom suites. The building includes two elevators, laundry facilities, a social room and both surface and underground parking.

4613, 4615, 4617 & 4619 Portage Road, Niagara Falls, Ontario

4613, 4615, 4617 & 4619 Portage Road is a low rise apartment complex located in central Niagara Falls and is in close proximity to the downtown core, shopping and all basic amenities. The four building, 2½ storey complex was built in multiple stages from 1970 to 1985 of poured concrete construction with stone and brick veneer exterior. It is situated on approximately 3.30 acres of land and is comprised of an aggregate of 84 apartment suites consisting of bachelor, one and two bedroom suites. The building includes laundry facilities, an on-site rental office and surface parking.

North Bay, Ontario

105 Giroux Street & 2690 Trout Lake Road, North Bay, Ontario

105 Giroux Street & 2690 Trout Lake Road is a mixed-use mid-rise building consisting of multi-residential and commercial space. It is located in the north eastern area of the City of North Bay and is in close proximity to schools, shopping, public transportation and all basic amenities. The seven storey building was built circa 1974 of poured concrete construction with brick veneer exterior. It is situated on approximately 1.19 acres of land and is comprised of 54 apartment suites consisting of bachelor, one and two bedroom suites and 5,680 sq. ft. of commercial space. The complex includes one elevator, laundry facilities, an on-site rental office and surface parking.

295 Lakeshore Road, North Bay, Ontario

295 Lakeshore Road is a mid-rise apartment building located in the south end of North Bay and is in close proximity to schools, shopping, public transportation and all basic amenities. The seven storey building was built circa 1976 of pre-cast concrete and block shear wall construction with steel cladding and brick veneer exterior. It is situated on approximately 1.19 acres of land and is comprised of 97 apartment suites consisting of bachelor, one and two bedroom suites. The building includes two elevators, laundry facilities, a social room, an on-site rental office and surface parking.

Owen Sound, Ontario

2755 5th Avenue West, Owen Sound, Ontario

2755 5th Avenue West is a low rise apartment building located in the west end of the City of Owen Sound and is in close proximity to schools, shopping, public transportation and all basic amenities. The three storey building was built circa 1974 of poured concrete construction with an asphalt mansard and brick veneer exterior. It is situated on approximately 1.52 acres of land and is comprised of 43 apartment suites consisting of bachelor, one, two and three bedroom suites. The building includes laundry facilities and surface parking.

2760 5th Avenue West, Owen Sound, Ontario

2760 5th Avenue West is a low rise apartment building located in the west end of the City of Owen Sound and is in close proximity to schools, shopping, public transportation and all basic amenities. The three storey building was built circa 1974 of poured concrete construction with an asphalt mansard and brick veneer exterior. It is situated on approximately 1.50 acres of land and is comprised of 43 apartment suites consisting of bachelor, one, two and three bedroom suites. The building includes laundry facilities and surface parking.

2855 6th Avenue West, Owen Sound, Ontario

2855 6th Avenue West is a low rise apartment building located in the west end of the City of Owen Sound and is in close proximity to schools, shopping, public transportation and all basic amenities. The three storey building was built in the early 1970s of poured concrete construction with brick veneer exterior. It is situated on approximately 0.75 acres of land and is comprised of 20 apartment suites consisting of one, two and three bedroom suites. The building includes laundry facilities and surface parking.

2860 6th Avenue West, Owen Sound, Ontario

2855 6th Avenue West is a low rise apartment building located in the west end of the City of Owen Sound and is in close proximity to schools, shopping, public transportation and all basic amenities. The three storey building was built circa 1974 of poured concrete construction with an asphalt mansard and brick veneer exterior. It is situated on approximately 1.50 acres of land and is comprised of 86 apartment suites consisting of bachelor, one, two and three bedroom suites. The building includes laundry facilities, an on-site rental office and surface parking.

955 10th Street East, Owen Sound, Ontario

955 10th Street East is a low rise apartment building located in the east end of the City of Owen Sound and is in close proximity to schools, shopping, public transportation and all basic amenities. The 2½ storey building was built in the early 1970s of poured concrete construction with brick veneer exterior. It is situated on approximately 1.09 acres of land and is comprised of 26 apartment suites consisting of one, two and three bedroom suites. The building includes laundry facilities and surface parking.

995 16th Street East, Owen Sound, Ontario

995 16th Street East is a low rise apartment building located in the east end of the City of Owen Sound and is in close proximity to schools, shopping, public transportation and all basic amenities. The three storey building was built circa 1974 of poured concrete construction with an asphalt mansard, vinyl and brick veneer exterior. It is situated on approximately 2.86 acres of land and is comprised of 85 apartment suites consisting of bachelor, one, two and three bedroom suites. The building includes one elevator, laundry facilities, an on-site rental office and surface parking.

450 28th Street West, Owen Sound, Ontario

450 28th Street West is a low rise apartment building located in the west end of the City of Owen Sound and is in close proximity to schools, shopping, public transportation and all basic amenities. The three storey building was built in the early 1970s of poured concrete construction with an asphalt mansard and brick veneer exterior. It is situated on approximately two acres of land and is comprised of 56 apartment suites consisting of bachelor, one, two and three bedroom suites. The building includes laundry facilities, an on-site rental office and surface parking.

575 28th Street West, Owen Sound, Ontario

575 28th Street West is a low rise apartment building located in the west end of the City of Owen Sound and is in close proximity to schools, shopping, public transportation and all basic amenities. The three storey building was built in the early 1970s of poured concrete construction with an asphalt mansard and brick veneer exterior. It is situated on approximately 1.51 acres of land and is comprised of 43 apartment suites consisting of bachelor, one, two and three bedroom suites. The building includes laundry facilities and surface parking.

Paris, Ontario

17 & 19 Barker Street, Paris, Ontario

17 & 19 Barker Street is a low rise apartment complex located in the west end of Paris and is in close proximity to schools, shopping, public transportation and all basic amenities. The two building, three storey complex was built circa 1976 of poured concrete construction with brick veneer exterior. It is situated on approximately 4.97 acres of land and is comprised of 80 apartment suites consisting of one and two bedroom suites. The complex includes laundry facilities, an on-site rental office and surface parking.

Peterborough, Ontario

380 Armour Road, 201 & 211 Hunter Street East, Peterborough, Ontario

380 Armour Road, 201 & 211 Hunter Street East is a mixed-use mid-rise complex consisting of multi-residential and commercial space. It is located in the east end of the City of Peterborough and is in close proximity to shopping, public transportation and all basic amenities. The two, four and seven storey complex was constructed in multiple stages, but was originally built circa 1922 of poured concrete construction with brick veneer exterior. The complex underwent major renovations in the mid-1980s and is situated on approximately 9.94 acres of land. 380 Armour Road is comprised of 93,015 sq. ft. of commercial space, while 201 & 211 Hunter Street East are comprised of an aggregate of 152 apartment suites consisting of bachelor, one, two and three bedroom suites. The complex includes four elevators, laundry facilities, an on-site rental office and surface parking.

Port Elgin, Ontario

536, 550 & 554 Ivings Drive, Port Elgin, Ontario

536, 550 & 554 Ivings Drive is a low rise apartment complex located in the west end of Port Elgin and is in close proximity to schools, shopping, public transportation and all basic amenities. The three building, three storey complex was built in the late 1970s of poured concrete construction with vinyl and brick veneer exterior. It is situated on approximately 3.36 acres of land and is comprised of an aggregate of 98 apartment suites consisting of one, two and three bedroom suites. The complex includes two elevators, laundry facilities and surface parking

764, 780 & 794 Waterloo Street, Port Elgin, Ontario

764, 780 & 794 Waterloo Street is a low rise apartment building located in central Port Elgin and is in close proximity to schools, shopping, public transportation and all basic amenities. The three building, 2½ storey complex was built in the early 1970s of poured concrete construction with brick veneer exterior. It is situated on approximately 3.24 acres of land and is comprised of an aggregate of 96 apartment suites consisting of one, two and three bedroom suites. The building includes one elevator, laundry facilities, an on-site rental office and surface parking.

Red Deer, Alberta

39 Van Slyke Way, Red Deer, Alberta

39 Van Slyke Way is a mid-rise apartment complex located in the southeast end of Red Deer and is in close proximity to schools, shopping, public transportation and all basic amenities. The newly constructed four building, four storey complex was built circa 2014-2015 of wood frame and concrete construction. It is situated on approximately 4.87 acres of land and is comprised of 232 apartment suites consisting of one and two bedroom suites. The complex includes four elevators, an on-site rental office, fitness facilities and both surface and underground parking.

Regina, Saskatchewan

1920 College Avenue, Regina, Saskatchewan

1920 College Avenue is a Class 'B' commercial office building located south of the downtown core of the City of Regina and is in close proximity to a mix of commercial and residential buildings. The five storey building was built circa 1962 of concrete construction with concrete, marble and brick veneer exterior. The building underwent major renovations in 1971 and 1977 and is situated on approximately 2.31 acres of land. It is comprised of 153,241 sq. ft. of commercial rentable space and is fully leased to The Co-operators Life Insurance Company.

Ridgetown, Ontario

10 James Lane, Ridgetown, Ontario

10 James Lane is a low rise apartment building located in Ridgetown and is in close proximity to Ridgetown College, an affiliate of the University of Guelph Agricultural School, as well as all basic amenities. The two storey building was built in the mid-1970s of pre-cast concrete and block shear wall construction with an asphalt mansard and brick veneer exterior. It is situated on approximately 1.21 acres of land and is comprised of 35 apartment suites consisting of one and two bedroom suites. The building includes laundry facilities and surface parking.

16 Marsh Street, Ridgetown, Ontario

16 Marsh Street is a mid-rise apartment building located in Ridgetown and is in close proximity to Ridgetown College, an affiliate of the University of Guelph Agricultural School, as well as all basic amenities. The five storey building was constructed in two stages, but was originally built circa 1976 of poured concrete construction with steel cladding and brick veneer exterior. The building underwent an expansion in 1991 and is situated on approximately 1.01 acres of land. It is comprised of 37 apartment suites consisting of one and two bedroom suites. The building includes one elevator, laundry facilities and surface parking.

45 Victoria Avenue, Ridgetown, Ontario

45 Victoria Avenue is a mid-rise apartment building located in Ridgetown and is in close proximity to Ridgetown College, an affiliate of the University of Guelph Agricultural School, as well as all basic amenities. The four storey building was built in the late 1960s of poured concrete construction with brick veneer exterior. It is situated on approximately 1.39 acres of land and is comprised of 37 apartment suites consisting of one and two bedroom suites. The building includes one elevator, laundry facilities, an on-site rental office and surface parking.

Sarnia, Ontario

620 Berkshire Road, Sarnia, Ontario

620 Berkshire Road is a mid-rise apartment complex located in the west end of Sarnia and is in close proximity to schools, shopping, public transportation, parks and all basic amenities. The four storey complex was built in the early 1960's of concrete, brick and steel cladding. It is situated on approximately 1.50 acres of land and is comprised of 62 apartment suites consisting of bachelor, one, two and three bedroom suites. The complex includes one elevator, an on-site rental office and surface parking.

875 Colborne Road, Sarnia, Ontario

875 Colborne Road is a mid-rise apartment complex located in the west end of Sarnia and is in close proximity to schools, shopping, public transportation, parks and all basic amenities. The seven storey complex was built in the early 1960's of concrete, brick and steel cladding. It is situated on approximately 1.00 acres of land and is comprised of 49 apartment suites consisting of bachelor, one and two bedroom suites. The complex includes one elevator, an on-site rental office and surface parking.

880 Colborne Road, Sarnia, Ontario

880 Colborne Road is a mid-rise apartment complex located in the west end of Sarnia and is in close proximity to schools, shopping, public transportation, parks and all basic amenities. The nine storey complex was built circa 1964 of concrete and steel cladding. It is situated on approximately 1.50 acres of land and is comprised of 76 apartment suites consisting of bachelor, one, two and three bedroom suites. The complex includes two elevators, an on-site rental office and surface parking.

200 London Road, Sarnia, Ontario

200 London Road is a mid-rise apartment complex located in the west end of Sarnia and is in close proximity to schools, shopping, public transportation, parks and all basic amenities. The seven storey complex was built circa 1976 of concrete, brick and steel cladding. It is situated on approximately 0.72 acres of land and is comprised of 49 apartment suites consisting of one, two and three bedroom suites. The complex includes one elevator, storage lockers and both surface and covered parking.

1100 Wellington Street, Sarnia, Ontario

1100 Wellington Street is a mid-rise apartment complex located in the east end of Sarnia and is in close proximity to schools, shopping, public transportation, parks and all basic amenities. The 2.5 storey complex was built circa 1965 of concrete and brick. It is situated on approximately 0.79 acres of land and is comprised of 29 apartment suites consisting of one, two and three bedroom suites. The complex includes surface parking.

325 Willowdale Crescent, Sarnia, Ontario

325 Willowdale Crescent is a mid-rise apartment complex located in the west end of Sarnia and is in close proximity to schools, shopping, public transportation, parks and all basic amenities. The six storey complex was built circa 1975 of concrete, brick and steel cladding. It is situated on approximately 1.30 acres of land and is comprised of 57 apartment suites consisting of one, two and three bedroom suites. The complex includes one elevator, fitness/social room, an on-site rental office and surface parking.

125 College Avenue South, Sarnia, Ontario

125 College Avenue South is a mid-rise apartment building located in the west end of Sarnia and is in close proximity to schools, shopping, public transportation and all basic amenities. The eight storey building was built circa 1972 of poured concrete construction with steel cladding and brick veneer.

exterior. It is situated on approximately 0.98 acres of land and is comprised of 63 apartment suites consisting of one and two bedroom suites. The building includes two elevators, laundry facilities, an on-site rental office, fitness facilities, social room and surface parking.

225 & 233 Capel Street, Sarnia, Ontario

225 & 233 Capel Street is a low rise apartment complex located in the west end of Sarnia and is in close proximity to schools, shopping, public transportation and all basic amenities. The two building, three storey complex was built circa 1968 of poured concrete construction with brick veneer exterior. It is situated on approximately 1.50 acres of land and is comprised of 70 apartment suites consisting of one and two bedroom suites. The complex includes laundry facilities, an on-site rental office, fitness facilities, social room and surface parking.

811 & 817 Devine Street, Sarnia, Ontario

811 & 817 Devine Street is a low rise apartment complex located in the south end of Sarnia and is in close proximity to schools, shopping, public transportation and all basic amenities. The two building, three storey complex was built circa 1970 of poured concrete construction with brick veneer exterior. It is situated on approximately 1.86 acres of land and is comprised of 60 apartment suites consisting of one, two and three bedroom suites. The complex includes laundry facilities and surface parking.

835 Devine Street, Sarnia, Ontario

835 Devine Street is a low rise apartment building located in the south end of Sarnia and is in close proximity to schools, shopping, public transportation and all basic amenities. The three storey building was built circa 1970 of poured concrete construction with brick veneer exterior. It is situated on approximately 2.40 acres of land and is comprised of 94 apartment suites consisting of bachelor, one, two and three bedroom suites. The building includes laundry facilities, an on-site rental office, fitness facilities, social room and surface parking.

849 Devine Street, Sarnia, Ontario

849 Devine Street is a low rise apartment building located in the south end of Sarnia and is in close proximity to schools, shopping, public transportation and all basic amenities. The three storey building was built circa 1976 of poured concrete construction with brick veneer exterior. It is situated on approximately 2.0 acres of land and is comprised of 59 apartment suites consisting of one and two bedroom suites. The building includes laundry facilities and surface parking.

Sault Ste. Marie, Ontario

122 & 142 Allard Street, Sault Ste. Marie, Ontario

122 & 142 Allard Street is a low rise apartment complex located in central Sault Ste. Marie and is in close proximity to schools, shopping, public transportation and all basic amenities. The two building, three storey complex was built circa 1967 & 1968 of poured concrete construction with brick veneer exterior. It is situated on approximately 0.85 acres of land and is comprised of 22 apartment suites consisting of one, two and three bedroom suites. The complex includes laundry facilities and surface parking.

130 Allard Street, Sault Ste. Marie, Ontario

130 Allard Street is a mid-rise apartment building located in central Sault Ste. Marie and is in close proximity to schools, shopping, public transportation and all basic amenities. The four storey building was built circa 1969 of poured concrete construction with brick veneer exterior. It is situated on

approximately 1.40 acres of land and is comprised of 45 apartment suites consisting of one and two bedroom suites. The building includes one elevator, laundry facilities, a social room and surface parking.

352A and 352B Dacey Road, Sault Ste. Marie, Ontario

352A and 352B Dacey Road is a low rise apartment complex located in the east end of Sault Ste. Marie and is in close proximity to schools, shopping, public transportation and all basic amenities. The two building, three storey complex was built circa 1979 of poured concrete construction with brick veneer exterior. It is situated on approximately 3.16 acres of land and is comprised of 96 apartment suites consisting of one and two bedroom suites. The complex includes laundry facilities, a social room and surface parking.

365-379 Lake Street, Sault Ste. Marie, Ontario

365-379 Lake Street is a mid-rise apartment complex located in central Sault Ste. Marie and is in close proximity to schools, shopping, parks and all basic amenities. The two building, four storey complex was built circa 1964 & 1962 of concrete and brick. It is situated on approximately 3.2 acres of land and is comprised of 136 apartment suites consisting of bachelor, one and two bedroom suites. The complex includes two elevators.

621, 627 & 631 MacDonald Avenue, Sault Ste. Marie, Ontario

621, 627 & 631 MacDonald Avenue is a mid-rise apartment complex located in central Sault Ste. Marie and is in close proximity to schools, shopping, parks, public transportation and all basic amenities. The complex, comprised of two ten storey buildings and one nine storey building, was built circa 1985 of concrete and brick. It is situated on approximately 4.15 acres of land and is comprised of 271 apartment suites consisting of one, two and three bedroom suites. The complex includes six elevators, a games/social room, a fitness facility and storage lockers.

23, 26 & 27 Terry Fox Place, Sault Ste. Marie, Ontario

23, 26 & 27 Terry Fox Place is a low rise apartment complex located in the east end of Sault Ste. Marie and is in close proximity to schools, shopping, public transportation and all basic amenities. The three building, three storey complex was built circa 1981 of poured concrete construction with brick veneer exterior. It is situated on approximately 4.69 acres of land and is comprised of 144 apartment suites consisting of one and two bedroom suites. The complex includes laundry facilities, a social room and surface parking.

St. Catharines, Ontario

351 Geneva Street, St. Catharines, Ontario

351 Geneva Street is a mid-rise apartment complex located in central St. Catharines and is in close proximity to schools, shopping, public transportation, parks and all basic amenities. The ten storey complex was built circa 1976 of concrete and brick. It is situated on approximately 2.42 acres of land and is comprised of 106 apartment suites consisting of bachelor, one, two and three bedroom suites. The complex includes one elevator, pool, games/social room, an on-site rental office and both surface and underground parking.

363 Geneva Street, St. Catharines, Ontario

363 Geneva Street is a mid-rise apartment complex located in central St. Catharines and is in close proximity to schools, shopping, public transportation, parks and all basic amenities. The ten storey complex was built in the mid-1970's of concrete and brick. It is situated on approximately 1.70 acres of

land and is comprised of 113 apartment suites consisting of bachelor, one, two and three bedroom suites. The complex includes two elevators, an on-site rental office and both surface and covered parking.

221 Glenridge Avenue, St. Catharines, Ontario

221 Glenridge Avenue is a high-rise apartment complex located in central St. Catharines and is in close proximity to schools, shopping, public transportation, parks, Brock University and all basic amenities. The fourteen storey complex was built circa 1976 of concrete and brick. It is situated on approximately 2.50 acres of land and is comprised of 138 apartment suites consisting of bachelor, one, two and three bedroom suites. The complex includes two elevators, laundry, an on-site rental office and both surface and underground parking.

242 Linwell Road, St. Catharines, Ontario

242 Linwell Road is a low rise apartment building located in the west end of the City of St. Catharines and is in close proximity to schools, shopping, public transportation and all basic amenities. The 2½ storey building was built circa 1972 of poured concrete construction with brick veneer exterior. It is situated on approximately 1.78 acres of land and is comprised of 49 apartment suites consisting of one, two and three bedroom suites. The building includes laundry facilities, an on-site rental office and surface parking.

568 Ontario Street, St. Catharines, Ontario

568 Ontario Street is a low rise apartment building located in the west end of the City of St. Catharines and is in close proximity to schools, shopping, public transportation and all basic amenities. The 2½ storey building was built circa 1970 of poured concrete construction with brick veneer exterior. It is situated on approximately 0.73 acres of land and is comprised of 24 apartment suites consisting of one and two bedroom suites. The building includes laundry facilities, an on-site rental office and surface parking.

570 Ontario Street, St. Catharines, Ontario

570 Ontario Street is a low rise apartment building located in the west end of the City of St. Catharines and is in close proximity to schools, shopping, public transportation and all basic amenities. The 2½ storey building was built circa 1970 of poured concrete construction with brick veneer exterior. It is situated on approximately 0.73 acres of land and is comprised of 27 apartment suites consisting of one, two and three bedroom suites. The building includes laundry facilities and surface parking.

576 Ontario Street, St. Catharines, Ontario

576 Ontario Street is a low rise apartment complex located in the west end of the City of St. Catharines and is in close proximity to schools, shopping, public transportation and all basic amenities. The four building, three storey complex was built circa 1970 of poured concrete construction with brick veneer exterior. It is situated on approximately 1.83 acres of land and is comprised of 48 apartment suites consisting of bachelor and two bedroom suites. The building includes laundry facilities and surface parking.

382 Queenston Street, St. Catharines, Ontario

382 Queenston Street is a mid-rise apartment complex located in central St. Catharines and is in close proximity to schools, shopping, public transportation, parks, and all basic amenities. The five storey complex was built circa 1982 of concrete, brick and steel cladding. It is situated on approximately 2.76 acres of land and is comprised of 77 apartment suites consisting of one and two bedroom suites. The complex includes two elevators, laundry, an on-site rental office and surface parking.

64 Roehampton Avenue, St. Catharines, Ontario

64 Roehampton Avenue is a mid-rise apartment complex located in central St. Catharines and is in close proximity to schools, shopping, public transportation, parks, and all basic amenities. The eight storey complex was built circa 1978 of concrete and brick. It is situated on approximately 3.14 acres of land and is comprised of 130 apartment suites consisting of one and two bedroom suites. The complex includes two elevators, laundry, games/social room, fitness facilities, an on-site rental office and both surface and covered parking.

76 Roehampton Avenue, St. Catharines, Ontario

76 Roehampton Avenue is a mid-rise apartment complex located in central St. Catharines and is in close proximity to schools, shopping, public transportation, parks, and all basic amenities. The nine storey complex was built circa 1988 of concrete and brick. It is situated on approximately 2.30 acres of land and is comprised of 95 apartment suites consisting of one, two and three bedroom suites. The complex includes two elevators, games/social room, fitness facilities, pool, storage area, an on-site rental office and both surface and underground parking.

273 Vine Street, St. Catharines, Ontario

273 Vine Street is a mid-rise apartment complex located in central St. Catharines and is in close proximity to schools, shopping, public transportation, parks, and all basic amenities. The nine storey complex was built circa 1978 of concrete and brick. It is situated on approximately 2.34 acres of land and is comprised of 107 apartment suites consisting of bachelor, one, two and three bedroom suites. The complex includes two elevators, storage area, an on-site rental office and both surface and underground parking.

380 & 382 Vine Street, St. Catharines, Ontario

380 & 382 Vine Street is a mid-rise apartment complex located in central St. Catharines and is in close proximity to schools, shopping, public transportation and all basic amenities. The two building, seven storey complex was built circa 1964 and 1966 of poured concrete construction with steel cladding brick veneer exterior. From 2007 to 2009, the complex underwent major renovations and is situated on approximately 4.19 acres of land. It is comprised of an aggregate of 185 apartment suites consisting of bachelor, one, two and three bedroom suites. The building includes four elevators, laundry facilities, two on-site rental offices and both surface and covered parking

383 & 385 Vine Street, St. Catharines, Ontario

383 & 385 Vine Street is a low and mid-rise apartment complex located in central St. Catharines and is in close proximity to schools, shopping, public transportation and all basic amenities. The two building, three and seven storey complex was built circa 1974 of poured concrete construction with brick veneer exterior. It is situated on approximately 4.63 acres of land and is comprised of an aggregate of 172 apartment suites consisting of bachelor, one, two and three bedroom suites. The building includes two elevators, laundry facilities, an on-site rental office and both surface and covered parking.

398 & 400 Vine Street, St. Catharines, Ontario

398 & 400 Vine Street is a mid-rise apartment complex located in central St. Catharines and is in close proximity to schools, shopping, parks, public transportation and all basic amenities. The two building, seven storey complex was built circa 1963 and 1964 of poured concrete construction & stucco. In 2007, the complex underwent major renovations and is situated on approximately 4.11 acres of land. It is comprised of an aggregate of 171 apartment suites consisting of bachelor, one, two and three bedroom suites. The building includes four elevators, games/social room, laundry facilities, two on-site rental offices and surface parking.

St. John's, Newfoundland

19 Crosbie Place, St. John's, Newfoundland

19 Crosbie Place is a Class 'B' commercial office building located in St. John's and is in close proximity to a mixture of office and retail properties. The two storey building was built circa 1982 of concrete construction with brick veneer exterior. It is situated on approximately 1.40 acres of land and is comprised of 10,594 sq. ft. of commercial rentable space. The building is fully leased to The Co-operators General Insurance Company.

St. Thomas, Ontario

294, 300 & 330 Talbot Street, St. Thomas, Ontario

294, 300 & 330 Talbot Street is a mixed-use high rise complex consisting of multi-residential and commercial space. It is located in the City of St. Thomas and is in close proximity to the downtown core, shopping, public transportation and all basic amenities. The 12 storey complex was built circa 1983 and 1989 of poured concrete construction with brick veneer exterior. It is situated on approximately 1.02 acres of land and includes two residential towers comprised of an aggregate of 258 apartment suites consisting of one and two bedroom suites and 42,092 sq. ft. of commercial space in the basement and on the main floor. The complex includes three elevators, laundry facilities, an on-site rental office and both surface and covered parking.

Stratford, Ontario

42 Campbell Court, Stratford, Ontario

42 Campbell Court is a mid-rise apartment complex located in north central Stratford and is in close proximity to schools, shopping, parks and all basic amenities. The five storey complex was built circa 1975 of concrete, brick and steel cladding. It is situated on approximately 2.30 acres of land and is comprised of 78 apartment suites consisting of one, two and three bedroom suites. The complex includes two elevators, an on-site rental office and both surface and underground parking.

136 Ontario Street, Stratford, Ontario

136 Ontario Street is a mixed-use mid-rise apartment complex with 11,046 square feet of commercial space, located in downtown Stratford and is in close proximity to schools, shopping, parks, public transportation and all basic amenities. The five storey complex was built circa 1998 of brick, stone and stucco. It is situated on approximately 0.58 acres of land and is comprised of 53 apartment suites consisting of one and two bedroom suites and 11,047 square feet of commercial space. The complex includes two elevators and underground parking.

Strathroy, Ontario

191 & 193 Hull Road, Strathroy, Ontario

191 & 193 Hull Road is a low rise apartment complex located in Strathroy and is in close proximity to schools, shopping and all basic amenities. The two building, three storey complex was built circa 1973 of poured concrete construction with steel cladding and brick veneer exterior. It is situated on approximately 1.36 acres of land and is comprised of 40 apartment suites consisting of one and two bedroom suites. The complex includes laundry facilities and surface parking.

Tecumseh, Ontario

11873 Tecumseh Road East, Tecumseh, Ontario

11873 Tecumseh Road East is a mid-rise apartment complex located in the Town of Tecumseh and is in close proximity to schools, shopping and all basic amenities. The six storey complex was built circa 1979 of poured concrete construction with concrete and steel cladding exterior. It is situated on approximately 5.90 acres of land and is comprised of 149 apartment suites consisting of one, two and three bedroom suites. The complex includes laundry facilities, an on-site rental office and surface parking.

11886 Tecumseh Road East, Tecumseh, Ontario

11886 Tecumseh Road East is a mixed-use mid-rise building consisting of multi-residential and commercial space. It is located in the town of Tecumseh and is in close proximity to schools, shopping and all basic amenities. The six storey complex was built circa 1977 of pre-cast concrete and block shear wall construction with brick veneer exterior. It is situated on approximately 2.47 acres of land and is comprised of 50 apartment suites consisting of one and two bedroom suites and 7,695 sq. ft. of commercial space. The complex includes one elevator, laundry facilities, a social room and both surface and covered parking.

11917 Tecumseh Road East, Tecumseh, Ontario

11917 Tecumseh Road East is a mid-rise apartment building located in the Town of Tecumseh and is in close proximity to schools, shopping, parks, public transportation and all basic amenities. The single building, seven storey complex was built circa 1980 of concrete and brick. It is situated on approximately 4.98 acres of land and is comprised of 98 apartment suites consisting of bachelor, one and two bedroom suites. The complex includes two elevators, a swimming pool, a games/social room and a fitness facility.

Thunder Bay, Ontario

335 Adelaide Street, Thunder Bay, Ontario

335 Adelaide Street is a mid-rise apartment building located in the City of Thunder Bay and is in close proximity to schools, shopping, public transportation and all basic amenities. The seven storey building was built circa 1978 of poured concrete construction with steel cladding, stucco and concrete exterior. It is situated on approximately 3.33 acres of land and is comprised of 127 apartment suites consisting of one and two bedroom suites. The building includes two elevators, laundry facilities, an on-site rental office and both surface and covered parking.

355 Adelaide Street, Thunder Bay, Ontario

355 Adelaide Street is a mid-rise apartment building located in the City of Thunder Bay and is in close proximity to schools, shopping, public transportation and all basic amenities. The seven storey building was built circa 1984 of poured concrete construction with steel cladding, stucco and concrete exterior. It is situated on approximately 4.09 acres of land and is comprised of 86 apartment suites consisting of one and two bedroom suites. The building includes two elevators, laundry facilities, an on-site rental office and surface parking.

777 Kingsway Avenue, Thunder Bay, Ontario

777 Kingsway Avenue is a low rise apartment building located in the City of Thunder Bay and is in close proximity to schools, shopping, public transportation and all basic amenities. The three storey building was built circa 1982 of poured concrete construction with concrete exterior. It is situated on

approximately 2.41 acres of land and is comprised of 88 apartment suites consisting of one and two bedroom suites. The building includes laundry facilities, an on-site rental office and surface parking.

Tilbury, Ontario

65 Fort Street, Tilbury, Ontario

65 Fort Street is a townhouse complex located in the east end of Tilbury and is in close proximity to schools, shopping and all basic amenities. The nine building, two storey complex was built circa 1987 of wood frame construction with vinyl and brick veneer exterior. It is situated on approximately 4.53 acres of land and is comprised of 50 townhouse suites consisting of two, three and four three bedroom suites.

Tillsonburg, Ontario

182, 192 & 204 Lisgar Avenue, Tillsonburg, Ontario

182, 192 & 204 Lisgar Avenue is a low rise apartment complex located in the north end of Tillsonburg and is in close proximity to schools, shopping, parks and all basic amenities. The three building, three storey complex was built in multiple stages from 1973 to 1976 of concrete construction with an asphalt mansard and brick veneer exterior. It is situated on approximately 2.63 acres of land and is comprised of 99 apartment suites consisting of bachelor, one and two bedroom suites. The building includes laundry facilities, an on-site rental office and surface parking.

Timmins, Ontario

641 Cedar Street, Timmins, Ontario

641 Cedar Street is a mid-rise apartment building located in the north end of the City of Timmins and is in close proximity to schools, shopping, parks and all basic amenities. The four storey building was built circa 1976 of pre-cast concrete and block shear wall construction with steel cladding and brick veneer exterior. It is situated on approximately 1.69 acres of land and is comprised of 48 apartment suites consisting of bachelor, one and two bedroom suites. The building includes one elevator, laundry facilities and surface parking.

1214 Riverside Drive, Timmins, Ontario

1214 Riverside Drive is a low rise apartment building located in the west end of the City of Timmins and is in close proximity to schools, shopping, parks and all basic amenities. The three storey building was built circa 1980 of poured concrete construction with vinyl and brick veneer exterior. It is situated on approximately 1.90 acres of land and is comprised of 49 apartment suites consisting of bachelor, one and two bedroom suites. The building includes laundry facilities and surface parking.

820 Suzanne Street, Timmins, Ontario

820 Suzanne Street is a low rise apartment building located in the north east end of the City of Timmins and is in close proximity to schools, shopping, parks and all basic amenities. The two storey building was built circa 1983 of wood frame construction with brick veneer exterior. It is situated on approximately 0.94 acres of land and is comprised of 22 apartment suites consisting of bachelor, one and three bedroom suites. The building includes laundry facilities and surface parking.

860 Suzanne Street, Timmins, Ontario

860 Suzanne Street is a low rise apartment building located in the north east end of the City of Timmins and is in close proximity to schools, shopping, parks and all basic amenities. The three storey building was built circa 1983 of poured concrete construction with brick veneer exterior. It is situated on approximately 2.85 acres of land and is comprised of 69 apartment suites consisting of one, two and three bedroom suites. The building includes one elevator, laundry facilities, an on-site rental office and surface parking.

Welland, Ontario

100 Lancaster Drive, Welland, Ontario

100 Lancaster Drive is a mid-rise apartment complex located in north-west Welland and is in close proximity to schools, shopping, parks, public transportation and all basic amenities. The ten storey complex was built circa 1979 of concrete and brick. It is situated on approximately 3.39 acres of land and is comprised of 112 apartment suites consisting of one, two and three bedroom suites. The complex includes two elevators, an on-site rental office and surface parking.

255 & 265 Willson Road, Welland, Ontario

255 & 265 Willson Road is a mid-rise apartment complex located in north-west Welland and is in close proximity to schools, shopping, parks, public transportation and all basic amenities. The two building, five storey complex was built circa 1973 of poured concrete and brick. The complex is situated on approximately 3.34 acres of land. It is comprised of an aggregate of 112 apartment suites consisting of bachelor, one, two and three bedroom suites. The building includes two elevators, two on-site rental offices and surface parking.

Windsor, Ontario

275 Askin Avenue, Windsor, Ontario

275 Askin Avenue is a mid-rise apartment building located in the west end of the City of Windsor and is in close proximity to the University of Windsor, schools, shopping, parks, public transportation and all basic amenities. The single building, eight storey complex was built circa 1976 of concrete and brick. It is situated on approximately 0.53 acres of land and is comprised of 60 apartment suites consisting of bachelor, one and two bedroom suites. The complex includes one elevator, an on-site rental office and underground parking.

211 Buckingham Drive, Windsor, Ontario

211 Buckingham Drive is a mid-rise apartment building located in the east end of the City of Windsor and is in close proximity to schools, shopping, parks, public transportation and all basic amenities. The single building, eight storey complex was built circa 1960 of concrete and brick. It is situated on approximately 0.61 acres of land and is comprised of 34 apartment suites consisting of bachelor, one, two and three bedroom suites. The complex includes one elevator and storage locker space.

360 Caron Avenue, Windsor, Ontario

360 Caron Avenue is a mid-rise apartment building centrally located in the City of Windsor and is in close proximity to schools, shopping, parks, public transportation and all basic amenities. The one building, nine storey complex was built circa 1977 of concrete and brick. It is situated on approximately 0.52 acres of land and is comprised of 47 apartment suites consisting of bachelor, one, two and three bedroom suites. The complex includes two elevators, an on-site rental office and an emergency generator.

666 Chippawa Street, Windsor, Ontario

666 Chippawa Street is a mid-rise apartment building located in the west end of the City of Windsor and is in close proximity to schools, shopping, parks, public transportation and all basic amenities. The single building, seven storey complex was built circa 1976 of concrete and brick. It is situated on approximately 1.0 acres of land and is comprised of 58 apartment suites consisting of one and two bedroom suites. The complex includes two elevators and an on-site rental office.

5407-5411 Empress Street, Windsor, Ontario

5407-5411 Empress Street is a low-rise apartment complex located in the east end of the City of Windsor and is in close proximity to schools, shopping, parks, public transportation and all basic amenities. The two building, two storey complex was built circa 1979 of concrete and brick. It is situated on approximately 1.50 acres of land and is comprised of 40 apartment suites consisting of one and two bedroom suites.

3400 Erskine Street, Windsor, Ontario

3400 Erskine Street is a mid-rise apartment building located in the east end of the City of Windsor and is in close proximity to schools, shopping, parks, public transportation and all basic amenities. The single building, nine storey complex was built circa 1976 of concrete and brick. It is situated on approximately 1.59 acres of land and is comprised of 96 apartment suites consisting of one and two bedroom suites. The complex includes two elevators, an on-site rental office and a games/social room.

274 Giles Boulevard West, Windsor, Ontario

274 Giles Boulevard West is a mid-rise apartment complex located in the downtown core of Windsor and is in close proximity to entertainment, schools, shopping, parks, public transportation and all basic amenities. The 4.5 storey complex was built circa 1928 of concrete and brick. It is situated on approximately 0.30 acres of land and is comprised of 56 apartment suites consisting of bachelor, one and two bedroom suites. The complex includes one elevator, an on-site rental office.

1330 Lauzon Road, Windsor, Ontario

1330 Lauzon Road is a mid-rise apartment building located in the east end of the City of Windsor and is in close proximity to schools, shopping, parks, public transportation and all basic amenities. The single building, eleven storey complex was built circa 1978 of concrete and brick. It is situated on approximately 3.89 acres of land and is comprised of 184 apartment suites consisting of one and two bedroom suites. The complex includes three elevators, an on-site rental office, a game/social room and a fitness facility.

1071 McDougall Street, Windsor, Ontario

1071 McDougall Street is a mid-rise apartment building located in downtown Windsor and is in close proximity to schools, shopping, public transportation and all basic amenities. The six storey building was built circa 1978 of pre-cast concrete and block shear wall construction with brick veneer exterior. It is situated on approximately 0.64 acres of land and is comprised of 34 apartment suites consisting of bachelor, one and two bedroom suites. The building includes one elevator, laundry facilities and surface parking.

737 Ouellette Avenue, Windsor, Ontario

737 Ouellette Avenue is a mixed-use high rise complex consisting of multi-residential and commercial space. It is located in downtown Windsor and is in close proximity to schools, shopping and all basic amenities. The 20 storey complex was built circa 1973 of poured concrete construction with brick veneer exterior. It is situated on approximately 0.50 acres of land and is comprised of 200 apartment

suites consisting of bachelor, one, two and three bedroom suites and 1,035 sq. ft. of commercial space. The complex includes three elevators, laundry facilities, an on-site rental office, a social room and both covered and underground parking.

1519-1547 Ouellette Avenue, Windsor, Ontario

1519-1547 Ouellette Avenue is a high-rise apartment complex located centrally in the City of Windsor and is in close proximity to schools, shopping, parks, public transportation and all basic amenities. The single building, thirteen storey complex was built circa 1968 of concrete, brick & steel cladding. It is situated on approximately 1.03 acres of land and is comprised of 133 apartment suites consisting of bachelor, one, two and three bedroom suites and 5,574 sq. ft. of commercial space. The complex includes three elevators, an on-site rental office, swimming pool, a games/social room and storage locker space.

3160 Peter Street, Windsor, Ontario

3160 Peter Street is a mid-rise apartment building located in the west-end of the City of Windsor and is in close proximity to schools, shopping, parks, public transportation and all basic amenities. The single building, eight storey complex was built circa 1973 of concrete and brick. It is situated on approximately 0.52 acres of land and is comprised of 47 apartment suites consisting of bachelor, one and two bedroom suites. The complex includes one elevator, an on-site rental office and storage locker space.

3410 Peter Street, Windsor, Ontario

3410 Peter Street is a mid-rise apartment building located in the west end of the City of Windsor and is in close proximity to schools, shopping, parks, public transportation and all basic amenities. The single building, seven storey complex was built circa 1973 of concrete and brick. It is situated on approximately 0.62 acres of land and is comprised of 41 apartment suites consisting of bachelor, one and two bedroom suites. The complex includes one elevator.

3461 Peter Street, Windsor, Ontario

3461 Peter Street is a mid-rise apartment building located in the west end of the City of Windsor and is in close proximity to schools, shopping, parks, public transportation and all basic amenities. The single building, seven storey complex was built circa 1971 of concrete and brick. It is situated on approximately 0.75 acres of land and is comprised of 66 apartment suites consisting of bachelor, one and two bedroom suites. The complex includes two elevators, an on-site rental office and storage locker space.

3540 Peter Street, Windsor, Ontario

3540 Peter Street is a mid-rise apartment building located in the west end of the City of Windsor and is in close proximity to schools, shopping, parks, public transportation and all basic amenities. The single building, seven storey complex was built circa 1976 of concrete and brick. It is situated on approximately 0.80 acres of land and is comprised of 53 apartment suites consisting of one and two bedroom suites. The complex includes one elevator and an on-site rental office.

3576 Peter Street, Windsor, Ontario

3576 Peter Street is a mid-rise apartment building located in the west end of the City of Windsor and is in close proximity to schools, shopping, parks, public transportation and all basic amenities. The single building, six storey complex was built circa 1978 of concrete and brick. It is situated on approximately 0.42 acres of land and is comprised of 33 apartment suites consisting of one and two bedroom suites. The complex includes one elevator and an on-site rental office.

3590 Peter Street, Windsor, Ontario

3590 Peter Street is a mid-rise apartment building located in the west end of the City of Windsor and is in close proximity to schools, shopping, parks, public transportation and all basic amenities. The single building, seven storey complex was built circa 1973 of concrete and brick. It is situated on approximately 0.42 acres of land and is comprised of 41 apartment suites consisting of bachelor, one and two bedroom suites. The complex includes one elevator and storage locker space.

260-262 Randolph Place, Windsor, Ontario

260-262 Randolph Place is a mid-rise apartment building located in the west end of the City of Windsor and is in close proximity to the University of Windsor, schools, shopping, parks, public transportation and all basic amenities. The single building, four storey complex was built circa 1969 of concrete and brick. It is situated on approximately 0.98 acres of land and is comprised of 47 apartment suites consisting of bachelor, one and two bedroom suites. The complex includes one elevator.

8325 Riverside Drive East & 8312-8332 Clairview Avenue, Windsor, Ontario

8325 Riverside Drive East & 8312-8332 Clairview Avenue is a mid-rise apartment complex located in the east end of the City of Windsor and is in close proximity to schools, shopping, parks, public transportation and all basic amenities. The two building, twelve and two storey complex was built circa 1964 of concrete, brick & wood. It is situated on approximately 2.94 acres of land and is comprised of 152 apartment suites consisting of bachelor, one, two and three bedroom suites. The complex includes two elevators, an on-site rental office and storage locker space.

3165 Russell Street, Windsor, Ontario

3165 Russell Street is a mid-rise apartment building located in the west end of the City of Windsor and is in close proximity to schools, shopping, parks, public transportation and all basic amenities. The single building, nine storey complex was built circa 1975 of concrete and brick. It is situated on approximately 1.04 acres of land and is comprised of 68 apartment suites consisting of one and two bedroom suites. The complex includes two elevators, emergency generators and an on-site rental office.

3262 Sandwich Street, Windsor, Ontario

3262 Sandwich Street is a low rise apartment building located west of downtown Windsor and is in close proximity to schools, shopping, public transportation and all basic amenities. The three storey building was built in the late 1970s pre-cast concrete and block shear wall construction with brick veneer exterior. It is situated on approximately 0.82 acres of land and is comprised of 35 apartment suites consisting of one and two bedroom suites. The building includes laundry facilities and surface parking.

2255 University Avenue West, Windsor, Ontario

2255 University Avenue West is a mid-rise apartment building located in the west end of the City of Windsor and is in close proximity to the University of Windsor, schools, shopping, parks, public transportation and all basic amenities. The single building, nine storey complex was built circa 1972 of concrete and brick. It is situated on approximately 0.43 acres of land and is comprised of 50 apartment suites consisting of one, two and three bedroom suites. The complex includes one elevator, an on-site rental office and storage locker space.

2930 Wildwood Drive, Windsor, Ontario

2930 Wildwood Drive is a mid-rise apartment building located in the east end of the City of Windsor and is in close proximity to schools, shopping, parks, public transportation and all basic amenities. The single building, eleven storey complex was built circa 1976 of concrete and brick. It is

situated on approximately 1.87 acres of land and is comprised of 135 apartment suites consisting of one, two and three bedroom suites. The complex includes two elevators, an on-site rental office, emergency generator, underground parking and a games/social room.

2932-2992 Wildwood Drive, Windsor, Ontario

2932-2992 Wildwood Drive is a townhouse complex located in the east end of the City of Windsor and is in close proximity to schools, shopping, parks, public transportation and all basic amenities. The four building, two storey townhouse complex was built circa 1976 of wood frame and brick. It is situated on approximately 2.25 acres of land and is comprised of 31 townhouse units consisting of three bedroom suites.

6600 Wyandotte Street East, Windsor, Ontario

6600 Wyandotte Street East is a mid-rise apartment building located in the east-end of the City of Windsor is in close proximity to schools, shopping, parks, public transportation and all basic amenities. The single building, seven storey complex was built circa 1977 of concrete and brick. It is situated on approximately 1.13 acres of land and is comprised of 75 apartment suites consisting of one and two bedroom suites. The complex includes two elevators, an on-site rental office, emergency generator, games/social room and a fitness facility.

Description of the Property Under Contract

The following is a detailed description of the Property Under Contract:

335 Dunsden Road, Brantford, Ontario

335 Dunsden Road is a mid-rise, purpose built apartment complex located adjacent to our properties at 555 & 575 Park Road North. The property is located just north of Lynden Park Mall, the city's only enclosed shopping centre. The property is in close proximity to Highway 403 and Brant Road (Highway 24), to schools, shopping, parks, public transportation and all basic amenities. The single building, seven storey complex was built in 2016/2017 of concrete and steel. It is situated on approximately 6.80 acres of land and is comprised of 152 luxury apartment suites consisting of one and two bedroom suites.

Financing

Prior to any mortgage maturities scheduled to take place during the remainder of 2016, the weighted average interest rate on outstanding indebtedness will be 3.74%. The following table summarizes certain aspects of debt maturities of such indebtedness (in thousands).

Debt Maturities	Total Mortgages	% Total Mortgages	Weighted Average Interest Rate
2016	46,478,893	4.18%	4.04%
2017	126,094,256	11.33%	4.14%
2018	178,861,273	16.07%	4.43%
2019	88,075,193	7.91%	3.42%
2020	145,645,775	13.09%	3.72%
2021	130,792,948	11.75%	3.61%
2022	154,071,909	13.84%	3.52%
2023	46,358,015	4.17%	3.62%
2024	19,733,364	1.77%	4.08%
2025	99,127,307	8.91%	3.24%
2026	<u>77,727,810</u>	<u>6.98%</u>	<u>3.05%</u>
Total	<u>1,112,966,743</u>	<u>100%</u>	<u>3.74%</u>
Estimated Weighted Average Interest Rate	3.74%		
Estimated Weighted Years to Maturity	4.35		

Acquisition and Operating Facility

Skyline Apartment REIT has arranged an Acquisition and Operating Facility (the “**Acquisition and Operating Facility**”) to fund working capital and mortgage principal repayments in an amount of up to \$34,000,000. The Acquisition and Operating Facility is a revolving credit facility and amounts drawn thereunder will not, after giving effect to the incurring of such indebtedness, cause the total amount of indebtedness of Skyline Apartment REIT and the amount then advanced under the Acquisition and Operating Facility, to exceed 70% of the Gross Book Value, unless a majority of the Trustees, in their discretion, determine that the maximum amount of indebtedness will be based on the appraised value of the real properties of Skyline Apartment REIT. Skyline Apartment REIT intends to use the net proceeds of the Offering to pay down the Acquisition and Operating Facility. Set Item 2.5 – Short Term Objectives and How We Intend to Achieve Them. The Acquisition and Operating Facility facilitates acquisitions by Skyline Apartment REIT by enabling it to enter into negotiations for the purchase of properties without the need for an equity financing condition. As at the date hereof, there is currently \$32,815,918 outstanding under the Acquisition and Operating Facility.

The following table summarizes the Acquisition and Operating Facility (in thousands).

Property	Secured Operating Facility \$ (000's)	LOC Rate %
201-211 Hunter St. East Peterborough, ON	14,742	4.20%
271 Thames St. North Ingersoll, ON	1,643	4.20%
285 Thames St. North Ingersoll, ON	6,150	4.20%
75 Farquhar Street Guelph, ON	2,010	4.20%
3262 Sandwich St. Windsor, ON	2,000	4.20%
2855 6th Avenue Owen Sound, ON	956	4.20%
16 Helen St. Dundas, ON	5,375	4.20%
511 7th St. Hanover, ON	1,500	4.20%
Total	34,376	4.20%

Multi-Unit Residential Real Estate Market

The real estate industry is divided into two segments: (i) residential – where people live, and (ii) commercial – where people work. Skyline Apartment REIT's focus is on multi-residential properties where large numbers of individuals live in either apartment buildings or townhouses. However, Skyline Apartment REIT may invest in commercial properties where attractive opportunities are presented, provided that after giving effect to such proposed investment, the aggregate value of all investments in multi-unit residential properties are still the primary focus. This approach offers Skyline Apartment REIT the ability to diversify the income generated by the portfolio, but, in addition, allows Skyline Apartment REIT the opportunity to acquire properties that are neither exclusively residential nor exclusively commercial. Often these properties are overlooked because of their mixed use, but because of that they are often available at attractive prices.

With the portfolio consisting primarily of multi-residential real estate, Skyline Apartment REIT's portfolio consists primarily of a large number of individual tenants. This is even more evident when property is purchased in communities where the price per unit is much lower than in urban areas. For example:

- a 50-unit building in a large city may cost the same to purchase as a 100-unit building similar to buildings in Skyline Apartment REIT's portfolio;
- the same gross income generated by both properties is further diversified across more tenants in the 100-unit building; and
- economies of scale for items such as repairs and maintenance for common areas are much less per unit on the 100-unit building.

This is due to the fact that a larger number of units on one property allow for a larger budget to be spread across common area maintenance and repairs. Budgets are based on a per door allowance therefore, a 100-unit building will have more room in its budget than a 50-unit building although both have parking lots, hallways, lawns and common rooms to be maintained as part of that per door budget allowance.

The aforementioned characteristics tend to mitigate cyclical swings in the real estate market, but the market is not immune to supply and demand imbalances. This is another reason that Skyline Apartment REIT acquires properties in areas that have a lower cost per unit than in metropolitan areas driven by tighter markets that justify new construction to compete for tenant market share. Income generating properties are traded based upon their net incomes therefore a lower income producing asset, will be bought at a lower price (e.g., 50-unit in metropolis versus 100-unit in secondary market). The advantage is that when these buildings are purchased at a fraction of the cost of building new properties, there is less likely to be new competitive construction. If there is new construction, it is an indicator that there is a market for more expensive units which translates into rental rate increases in Skyline Apartment REIT's buildings within that community.

Based on the growing population statistics in various Canadian markets, and the lack of new construction of multi-residential buildings in the secondary and tertiary markets, tenant demand for these properties has increased over the years. According to Canada Mortgage and Housing Corporation ("CMHC") reports released in Fall 2015, the vacancy rate in Canada was 3.3%, while presently the vacancy rate across the Skyline Apartment REIT portfolio is at 4.97%. While CMHC does not track and report statistics for the smaller markets that Skyline Apartment REIT invests in, the Asset Manager does monitor CMHC statistical data and forecasts as a benchmark tool when developing its investment objectives for Skyline Apartment REIT. As the population in various markets continues to grow and the declining relative costs of renting versus owning increases overall rental demand, the Asset Manager has experienced a demand for multi-residential buildings as a result of new immigrants seeking long-term rental properties and an aging population moving from both rural and overpopulated urban centers. It is the experience of the Asset Manager that by purchasing or repositioning properties to be the 'best in class' in a community that they will attract a higher class of tenant that is respectful and will take pride living in the buildings held by Skyline Apartment REIT.

The Asset Manager believes that its smaller market strategy provides REIT Unitholders with accretive property acquisitions in a value-added approach. The smaller market focus has the Asset Manager focusing on communities that show consistent low vacancy levels and strong population demographics that align with the class of properties that are acquired by Skyline Apartment REIT. Many properties that the Asset Manager is identifying as potential acquisitions are under-managed in terms of rental revenues, operating expenses and capital improvements. Previous or existing private owners may have had less leverage with vendors and utility companies for paring expenses and/or bulk purchasing, which typically results in an under-managed building below market rental rates from an income perspective. Many of these properties rely upon the cash flow of the building's operations to fund necessary capital improvements and expenditures. This under-management becomes a difficult loop to break without a larger, more stable base of income-producing properties and a strong infrastructure to improve an underperforming building. Skyline Apartment REIT provides this critical mass for economies of scale and the supportive infrastructure to drive added value from its properties.

The Asset Manager views these smaller market buildings as accretive opportunities to bring these niche markets into a stable and expanding Skyline Apartment REIT portfolio with the resulting benefit of collective competitive advantage for the Asset Manager to improve REIT Unitholder returns. Skyline Apartment REIT Unitholders will benefit from the Asset Manager purchasing these buildings at higher cap rates than traditionally would be seen in larger urban centres.

Management of Skyline Apartment REIT

Trustees

The investment policies and operations of Skyline Apartment REIT are subject to the control and direction of the Trustees, a majority of whom must be resident Canadians and a majority of whom must be Independent Trustees. The Declaration of Trust provides for a minimum of seven (7) and a maximum of eleven (11) Trustees. During the term of the Asset Management Agreement (and any renewal thereof) and as long as Skyline Incorporated or any affiliate thereof continues to be the Asset Manager, Skyline Incorporated is entitled to appoint three (3) Trustees, provided that following such appointment a majority of the Trustees are Independent Trustees. The balance of the Trustees are to be elected annually by resolution passed by a majority of the votes cast at a meeting of the Unitholders. Certain decisions respecting the affairs of Skyline Apartment REIT must be made by the Trustees (whether or not Independent Trustees) who have no interest in the subject matter of the approval. The Declaration of Trust provides for the appointment by the Trustees of a Finance Committee and an Investment Committee; the majority of the members of each committee must be Independent Trustees. See Item 2.7 – Material Agreements – Declaration of Trust and Item 3.2 – Management Experience.

The Asset Manager

Skyline Asset Management Inc. (the “**Asset Manager**”) is a corporation governed by the laws of the Province of Ontario. The Asset Manager is responsible for managing Skyline Apartment REIT and providing advice with respect to Skyline Apartment REIT’s real property investment portfolio, subject to the control and direction of the Trustees. Senior management of the Asset Manager includes individuals who collectively have over thirty-five years of experience in all aspects of the real estate industry.

The Asset Manager manages the day-to-day operations of Skyline Apartment REIT (other than property management) and receives fees pursuant to the Asset Management Agreement for a term of five years expiring in May 2016. The Asset Management Agreement will automatically renew for successive five year terms unless terminated by Skyline Apartment REIT or the Asset Manager. Among other duties, the Asset Manager is responsible for: (i) identifying multi-unit residential property investment opportunities that meet the investment criteria of Skyline Apartment REIT, within the restrictions set out in the Declaration of Trust; (ii) providing the Trustees with information and advice relating to proposed acquisitions, dispositions and financings; (iii) establishing, at least on an annual basis, investment and operating plans for the ensuing period; (iv) supervising the due diligence required in connection with proposed acquisitions and supervising the completion of any resulting transactions; (v) maintaining the books and financial records of Skyline Apartment REIT; (vi) advising as to designations, elections and determinations to be made for tax and accounting purposes; and (vii) providing office space and equipment and the necessary clerical and secretarial personnel for the administration of the day-to-day affairs of Skyline Apartment REIT. See Item 2.7 – Material Agreements – Asset Management Agreement.

Management of the Properties

The Property Management function was internalized on January 1, 2014. See Item 2.3 – Development of the Business – Internalization of Property Management Function. Skyline Apartment REIT now manages the Properties and supervises third-party property managers where the Asset Manager believes it is in the best interest of Skyline Apartment REIT to retain property managers with respect to certain properties.

Additional properties which may be acquired from time to time by Skyline Apartment REIT may, at Skyline Apartment REIT’s option, be managed internally or by such other manager as Skyline Apartment REIT, in its discretion, may determine.

The Wealth Manager

Skyline Wealth Management Inc. (the “**Wealth Manager**”) is a corporation governed by the laws of the Province of Ontario. Pursuant to the Wealth Management Agreement, the Wealth Manager is responsible for acting as exempt market dealer on all offerings of REIT Units and providing other services to Skyline Apartment REIT, and receives fees pursuant to the Wealth Management Agreement for an initial term expiring in January 2017. The Wealth Management Agreement will automatically renew for successive five year terms unless terminated by Skyline Apartment REIT or the Wealth Manager. All of the directors and senior officers of the Wealth Manager have been involved in a broad range of real estate activities over the past ten years. See Item 2.7 – Material Agreements – Wealth Management Agreement.

Among other duties, the Wealth Manager is responsible for: (subject to the provisions of the Wealth Management Agreement), (i) acting as exempt market dealer in each of the provinces of Canada where the Wealth Manager is registered as an exempt market dealer on each equity raise undertaken by Skyline Apartment REIT, and in connection therewith, coordinating, managing and documenting (other than preparation of an offering memorandum) all aspects of each equity raise, including managing third-party service providers retained by the Wealth Manager in connection therewith; (ii) assuming responsibility for the distribution of REIT Units on behalf of Skyline Apartment REIT in each of the provinces of Canada where the Wealth Manager is registered as an exempt market dealer; (iii) assisting Skyline Apartment REIT in processing distributions to Unitholders; (iv) maintaining all books and financial records with respect to equity under management; (v) calculating equity under management from time to time; (vi) preparing such reports and other disclosure documents for Trustees and Unitholders as required by Skyline Apartment REIT from time to time; (vii) providing advice and assistance in connection with Skyline Apartment REIT’s raising of capital and issuance of securities, including representing Skyline Apartment REIT in its dealings with banks and other lenders, investment dealers, brokers, underwriters, institutions and investors; (viii) managing Skyline Apartment REIT’s investor relations activities including, without limitation, managing communications with Unitholders; (ix) assisting Skyline Apartment REIT in making all required filings under applicable law; and (x) managing all aspects of any employee purchase plans with respect to REIT Units.

Securities legislation requires certain information to be disclosed concerning the relationship between Skyline Apartment REIT and the Wealth Manager. A “connected” issuer is an issuer that has a relationship with a person that, in connection with a distribution of securities of the issuer, may lead a reasonable investor to question if the issuer and the person are independent.

A “connected issuer” means, in respect of the Wealth Manager, an issuer that has, or any related issuer of which has, any indebtedness to, or other relationship with: (i) the Wealth Manager; (ii) a related issuer of the Wealth Manager; (iii) a director or officer of the Wealth Manager; or (iv) a director, officer or partner of a related issuer of the Wealth Manager, that, in connection with a distribution of securities of the issuer, is material to a prospective purchaser of the securities. Accordingly, an issuer is “connected” to the Wealth Manager if, due to indebtedness or other relationships, a reasonable prospective purchaser of securities of the connected issuer might question the Wealth Manager’s independence from the issuer.

Some directors and officers of the Wealth Manager are also Trustees of Skyline Apartment REIT. These persons (as well as other shareholders of the Wealth Manager) are also directors, officers and shareholders of the Asset Manager. The Wealth Manager and the Asset Manager provide services to and receive fees from Skyline Apartment REIT. Under applicable securities legislation, Skyline Apartment REIT may be considered to be a connected issuer of the Wealth Manager.

The decision of Skyline Apartment REIT to distribute the REIT Units and the determination of the terms of the Offering were made independently of the Wealth Manager and the Asset Manager. The Asset Manager will not receive any benefit in connection with the Offering. The Wealth Manager

will not receive any benefit in connection with this Offering other than the fees payable by Skyline Apartment REIT. See Item 2.7 – Material Agreements – Wealth Management Agreement – Wealth Manager’s Fees.

Management and Investment Strategy

The personnel of the Asset Manager have significant experience in all aspects of the rental housing business, including acquisitions and dispositions, finance and administration, property management, construction and renovation, and marketing and sales. These skills will permit Skyline Apartment REIT to capitalize upon many multi-unit residential real estate opportunities which may be unavailable to other real estate investors who lack the requisite diversity of real estate experience.

The Asset Manager maintains and enhances the value of Skyline Apartment REIT’s properties through a number of distinct and well-executed strategies, including: a commitment to customer satisfaction; maintenance and repair programs; quality on-site building staff; detailed financial reporting; strategic debt management; enhancement of Skyline Apartment REIT’s portfolio; and timely communications and disclosure. The Asset Manager focuses on smaller markets where currently the cost of new construction for this housing category is not justified. These properties are also not usually owned by institutional investors and therefore offer a better opportunity to be improved upon both on the revenue side and from reduced expenses. The Asset Manager also uses the strength of the portfolio to obtain more competitive financing and pricing on commodities and contracted expense items. The Asset Manager believes that the whole is greater than the sum of the parts and by amalgamating the best properties in prospering smaller communities, it will achieve that and add value to the portfolio overall.

The Asset Manager believes that multi-unit residential properties offer an attractive investment opportunity with both stability of yield and growth potential. Focusing predominantly on one asset class enables Skyline Apartment REIT to acquire a critical mass of residential units. It also enables Skyline Apartment REIT to bolster its market presence, thereby enhancing Skyline Apartment REIT’s opportunities for future multi-unit residential property acquisitions at attractive prices. Through future acquisitions of properties, in compliance with its investment restrictions, Skyline Apartment REIT intends to geographically diversify its portfolio by purchasing properties in thriving smaller communities that continues to strengthen and insulate Skyline Apartment REIT from concerns that may arise in any one community. As well, as Skyline Apartment REIT grows through the acquisition of new properties and the issuance of additional REIT Units, Skyline Apartment REIT increases the stability of its income stream and provides Unitholders with increased liquidity.

Given current market conditions, the Asset Manager will continue to concentrate on smaller communities that have low vacancy levels, and strong population demographics that align with the class of multi-residential properties that are acquired by Skyline Apartment REIT. The types of communities that are sought do not have market rental rates that justify competition from new building and/or condo development, nor do they have the critical mass required by large real estate companies to enter the market and increase competition for acquisitions. See “Multi-Unit Residential Real Estate Market”. The Asset Manager intends to create mass for Skyline Apartment REIT’s portfolio through the acquisition and consolidation of Canadian markets where the opportunity for value added properties exists.

2.3 Development of Business

Since being created on June 1, 2006, Skyline Apartment REIT has acquired 181 properties in 48 communities across 7 Canadian provinces which consist of 16,304 apartment units and approximately 674,006 square feet of commercial space. The Properties represent a source of stable and secure cash flow to Skyline Apartment REIT and may provide opportunities for capital appreciation. The Properties are located in strategic geographic locations that meet the investment strategy of Skyline Apartment REIT. These Properties, together with the Property Under Contract and Properties Under Due Diligence, represent a good base from which to launch the platform and to build upon the Asset Manager’s knowledge base.

Restructuring of Skyline Equities Limited Partnership and Cancellation of Sharing and Exchange Agreement

In 2013, the Trustees of Skyline Apartment REIT determined that it was desirable to consider and if thought fit, explore the collapse of a certain sharing and exchange agreement made as of June 1, 2006 among Skyline Equities Limited Partnership, Skyline LP, Skyline Equities Inc. and Skyline Apartment REIT, by acquiring the property interests of Skyline Equities Limited Partnership (“SELP”) which were owned by Skyline Apartment REIT and SELP. Effective January 1, 2014, in a series of three transactions, Skyline Apartment REIT acquired, through Skyline LP, all of the assets of SELP for a cash purchase price of \$27,450,000. Effective on completion of the acquisition, the Sharing and Exchange Agreement was terminated and the Special Voting Units previously issued in connection with the Sharing and Exchange Agreement were cancelled. Subsequently, SELP was wound up. The senior management of Skyline Apartment REIT were also limited partners in SELP.

Internalization of Property Management Function

In 2013, the Trustees of Skyline Apartment REIT determined that it was advisable for Skyline Apartment REIT to explore the internalization of the property management function by way of a purchase of the assets of Skyline Management Incorporated (the “Assets”). The Trustees formed a special committee of Independent Trustees (as defined in the Declaration of Trust), consisting of Jonathan Halpern as Chair and Edward (Ted) Perlmutter as the second Committee member (the “**Special Committee**”). The Special Committee retained Trimaven Capital Advisors Inc. to prepare a valuation for the Special Committee. The Special Committee recommended to the board of Trustees that it was in the best interests of Skyline Apartment REIT to purchase the Assets to eliminate the negative tax consequences associated with external property management in a residential REIT, and to align the interests of the management more effectively with Skyline Apartment REIT. The Independent Trustees approved the purchase of the Assets in accordance with the Declaration of Trust. Effective January 1, 2014, Skyline Apartment REIT purchased the Assets in exchange for Class B LP Units of Skyline LP and Special Voting Units of Skyline Apartment REIT, in partial payment of the purchase price. The Class B LP Units are exchangeable into REIT Units on a one for one basis pursuant to the Class B Exchange Agreement, on the terms and subject to the Declaration of Trust, the Class B Exchange Agreement and the limited partnership governing Skyline LP. As Class B LP Units are exchanged for REIT Units in accordance with the Class B Exchange Agreement, the corresponding Special Voting Units, if any, shall automatically be cancelled for no consideration and shall no longer be outstanding. As part of the agreement of purchase and sale, Skyline Management Incorporated has agreed that it will not directly or indirectly sell, transfer, exchange, distribute, redeem, encumber or otherwise dispose of 90% of the Class B LP Units prior to June 30, 2021 without the prior written consent of Skyline LP. In addition, in the event of the redemption prior to June 30, 2015, by Skyline Management Incorporated, of REIT Units issued upon exchange pursuant to the Exchange Agreement of any of the remaining 10% of the Class B LP Units, the redemption price per REIT Unit payable to Skyline Management Incorporated by Skyline Apartment REIT shall not exceed \$13.25 (being the price per REIT Unit as of the date of closing of the purchase and sale of the Assets).

2.4 Long Term Objectives

The goals and objectives of Skyline Apartment REIT are: (i) to provide REIT Unitholders with stable and growing cash distributions, payable monthly and, to the extent reasonably possible, tax deferred, from investments in a diversified portfolio of income-producing multi-unit residential and commercial properties located in Canada; and (ii) to maximize REIT Unit value through the ongoing management of Skyline Apartment REIT’s assets and through the acquisition of additional properties. The costs associated with achieving Skyline Apartment REIT’s long term objectives include customary costs incurred in connection with the acquisition, financing and management of real property such as the short term costs set out below and fees payable to the Asset Manager and the Wealth Manager. See Item 2.7 – Material Agreements – Asset Management Agreement and Wealth Management Agreement.

Skyline Apartment REIT cannot guarantee that its long term objectives will be met. Results will vary and are subject to numerous risks. A Unitholder may experience a complete loss of its investment. See Item 8 – Risk Factors.

2.5 Short Term Objectives and How We Intend to Achieve Them

The following outlines Skyline Apartment REIT’s short-term objectives for the next 4 months and the methods and costs associated with the achievement of those objectives.

What we must do and how we will do it	Target completion date or, if not known, number of months to complete	Our cost to complete
Closing of acquisition of Property Under Contract-with proceeds of this Offering, mortgage and other financing, as required	February 2017	\$3,000,000 plus customary legal and accounting costs
Purchase of accretive capital expenditures with proceeds of this Offering as required	October 2016 to January 2017	\$16,833,096
Repayment of Acquisition and Operating Facility – with proceeds of this Offering.	\$24,691,979 to be repaid by the completion of the Offering	\$24,691,979
Acquisition of additional properties, as available funds from mortgage and other financing, as required.	As properties and funding are available	Purchase price plus customary due diligence, legal and accounting costs

2.6 Insufficient Funds

The funds available as a result of this Offering may not be sufficient to accomplish all of the proposed objectives of Skyline Apartment REIT and there is no assurance that alternative financing will be available.

2.7 Material Agreements

The following is a list of all material contracts to which Skyline Apartment REIT is currently a party or with a related party, which have been entered into by Skyline Apartment REIT.

Declaration of Trust

General

Skyline Apartment REIT is an unincorporated open-end investment trust created by a declaration of trust made as of June 1, 2006, amended as of October 17, 2006 and amended and restated as of May 25, 2012, November 5, 2014 and December 15, 2015 (the “**Declaration of Trust**”) and governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein.

Trustees

The Declaration of Trust provides that the assets and operations of Skyline Apartment REIT will be subject to the control and authority of a minimum of seven (7) and maximum of eleven (11) Trustees. The number of Trustees may only be changed by the Unitholders or, if authorized by the Unitholders, by the Trustees, provided that the Trustees may not, between meetings of the Unitholders, unless otherwise

approved by a majority of the Independent Trustees, appoint an additional Trustee if, after such appointment, the total number of Trustees would be greater than one and one-third times the number of Trustees in office immediately following the last annual meeting of Unitholders. During the term of the Asset Management Agreement (and any renewal thereof) and as long as the Skyline Incorporated or any affiliate thereof continues to be the Asset Manager, Skyline Incorporated is entitled to appoint three (3) Trustees (the “**Skyline Appointees**”) provided that following such appointment a majority of the Trustees are Independent Trustees. The balance of the Trustees are to be elected by resolution passed by a majority of the votes cast at an annual meeting of Unitholders. A vacancy occurring among the Trustees (other than a vacancy resulting from the resignation or removal of the Skyline Appointees) may be filled by resolution of the remaining Trustees so long as they constitute a quorum or by the Unitholders at a meeting of the Unitholders. A vacancy occurring among the Trustees resulting from the resignation or removal of the Skyline Appointees may be filled by an appointment by Skyline Incorporated. There are currently seven (7) Trustees, four (4) of whom are Independent Trustees. Long-term Trustee, Douglas Gamsby, passed away in February 2015, creating a vacancy on the Board.

The Declaration of Trust contains additional provisions for the following with respect to Trustees:

- a majority of the Trustees must be Independent Trustees; and
- a Trustee, other than a Skyline Appointee, may be removed at any time with or without cause by a majority of the votes cast at a meeting of Unitholders or by written consent of Unitholders holding in the aggregate not less than a majority of the outstanding REIT Units entitled to vote or with cause by a resolution passed by an affirmative vote of not less than two-thirds of the other Trustees.

Pursuant to the Declaration of Trust, each Trustee is required to exercise the powers and discharge the duties of his or her office honestly, in good faith with a view to the best interests of Skyline Apartment REIT and the Unitholders and, in connection therewith, to exercise the care, diligence and skill that a reasonably prudent individual would exercise in comparable circumstances.

Conflict of Interest Restrictions and Provisions

The Declaration of Trust contains “conflict of interest” provisions that serve to protect Unitholders without creating undue limitation on Skyline Apartment REIT. Given that the Trustees and senior officers of Skyline Apartment REIT are engaged in a wide range of real estate and other activities, the Declaration of Trust contains provisions that require each Trustee or officer to disclose to the Trustees: (i) any interest in a material contract or transaction or proposed material contract or transaction with Skyline Apartment REIT or its Subsidiaries; or (ii) that he or she is a director or officer of, or otherwise has a material interest in, any Person who is party to a material contract or transaction or proposed material contract or transaction (a “**material transaction**”) with Skyline Apartment REIT or any of its Subsidiaries; or (ii) that he or she is a director, trustee or officer of, or otherwise has a material interest in, any Person or in any affiliate, Related Party or Subsidiary of an Person who is party to a material transaction or proposed material transaction with Skyline Apartment REIT or its Subsidiaries. Such disclosure is required to be made at the meeting of Trustees at which a proposed material transaction is first considered or, in the event that a Trustee was not then interested in a proposed material transaction or becomes interested after a material transaction is entered into, forthwith after the Trustee becomes so interested. A Trustee who has made the aforementioned disclosure is not entitled to vote on any resolution to approve the material transaction unless the material transaction is: (i) one relating primarily to his or her remuneration as a Trustee, officer, employee or agent of Skyline Apartment REIT; (ii) one for indemnity under the provisions of the Declaration of Trust or the purchase of liability insurance; or (iii) one relating to the acquisition of property from Skyline Apartment REIT of any affiliate, Related Party or Subsidiary thereof.

Independent Trustee Approval Matters

In addition to any other approvals, the following matters require the approval of not less than a majority of the Independent Trustees who have no interest in the subject matter of the approval:

- to enter into any agreement, other than the Asset Management Agreement, the Wealth Management Agreement and the Exchange Agreements, or transaction in which any Related Party has a material interest or make a material change to any such agreement or transaction;
- relating to a claim by or against any Related Party;
- relating to a claim in which the interests of a Related Party differ from the interests of Skyline Apartment REIT;
- to permit Skyline LP to acquire any real or other property in which a Related Party has an interest or to sell any interest in any real or other property to a Related Party;
- granting REIT Units under any unit incentive or unit compensation plan approved by the Trustees, and, if required, by the Unitholders or awarding any right to acquire or other right or interest in the REIT Units or securities convertible into or exchangeable for REIT Units under any plan approved by the Trustees and, if required, by the Unitholders;
- to approve or enforce any agreement entered into by Skyline Apartment REIT or its Subsidiaries or Related Parties with a Trustee who is not an Independent Trustee or an associate thereof, with another Subsidiary or Related Party;
- recommending to the Unitholders to increase the number of Trustees serving on the board of Trustees or authorizing the Trustees to change the number of Trustees from time to time; and
- determining the compensation of any officer or employee of Skyline Apartment REIT.

In addition, Skyline Apartment REIT shall not permit Skyline LP to effect a transaction with a Related Party unless the transaction is determined to be on commercially reasonable terms by, and is approved by, a majority of the Independent Trustees who have no interest in such transaction in accordance with the foregoing. The Trustees shall obtain a valuation in respect of any real property that Skyline LP intends to purchase from or sell to a Related Party prepared by a valuator engaged by, and prepared under the supervision of, all Trustees or a committee of two or more Independent Trustees holding office at such time who have no interest in such transaction in accordance with the foregoing.

Finance Committee

The Declaration of Trust requires the creation of a Finance Committee, consisting of at least three (3) Independent Trustees, to review Skyline Apartment REIT's procedures for internal control, to review and recommend to the Trustees for their approval the financial statements of Skyline Apartment REIT, to review the engagement of Skyline Apartment REIT's accountants, to assess Skyline Apartment REIT's financial and accounting personnel and to review any significant transactions outside Skyline Apartment REIT's ordinary activities and all pending litigation involving Skyline Apartment REIT. All of the members of the Finance Committee must be Independent Trustees. The Trustees have appointed a Finance Committee consisting of four (4) Independent Trustees.

Investment Committee

The Declaration of Trust provides that the Trustees may, in their discretion, appoint from among their number an Investment Committee. If constituted, the Investment Committee will consider whether to approve or reject proposed transactions, including proposed acquisitions, dispositions, financing and refinancing for and on behalf of Skyline Apartment REIT. Currently, the Investment Committee consists of all of the Trustees of Skyline Apartment REIT.

Governance and Compensation Committee

The Declaration of Trust provides that the Trustees may, in their discretion, create such additional committees as they determine to be necessary or desirable for the purposes of properly governing the affairs of Skyline Apartment REIT. If constituted, the Governance and Compensation Committee shall be composed of three (3) or more members of the Board of Trustees with a majority being resident Canadians and Independent Trustees. The mandate of the Governance and Compensation Committee is to review, oversee and evaluate the governance, compensation and nominating practices and policies of Skyline Apartment REIT. The Committee will act in an advisory role to the Board of Trustees with the Board of Trustees making the final decision. The Trustees have appointed a Governance and Compensation Committee consisting of three (3) Independent Trustees.

Investment Guidelines

The Declaration of Trust provides for certain investment guidelines which may be made by Skyline Apartment REIT. Notwithstanding anything contained herein to the contrary, the assets of Skyline Apartment REIT may be invested only, and Skyline Apartment REIT shall not permit the assets of any Subsidiary to be invested otherwise than, in accordance with the following investment guidelines:

- (a) Skyline Apartment REIT shall focus its activities primarily on the acquisition, holding, maintaining, improving, leasing or managing of multi-unit residential revenue producing properties and ancillary real estate ventures ("**Focus Activities**") in Canada and the United States;
- (b) notwithstanding anything herein contained to the contrary, no investment shall be made that would result in:
 - (i) Units of Skyline Apartment REIT being disqualified for investment by registered retirement savings plans, registered retirement income funds, registered education savings plans, deferred profit-sharing plans, registered disability savings plans, or tax-free savings accounts at any time after the date on which Skyline Apartment REIT has over 150 Unitholders; or
 - (ii) Skyline Apartment REIT ceasing to qualify as a "mutual fund trust" or a "registered investment" for purposes of the Tax Act;
- (c) no single asset (other than the Operating Trust Units, Operating Trust Notes and units of interest in Skyline LP) shall be acquired if the cost of such acquisition (net of the amount of debt secured by such asset) will exceed 15% of Gross Book Value, provided that where such asset is the securities of or an interest in an entity, the foregoing tests shall be applied individually to each asset of such entity;
- (d) investments may be made in a joint venture arrangement only if:
 - (i) the arrangement is in connection with a Focus Activity;

- (ii) the arrangement is with others ("**joint venturers**") either directly or through the ownership of securities of or an interest in an entity ("**joint venture entity**");
 - (iii) Skyline Apartment REIT has the ability to provide input in the management decisions of the joint venture entity; and
 - (iv) without limitation, any joint venture arrangement with a Related Party for the purposes of the related party provisions of the Declaration of Trust has been entered into in accordance with such provisions;
- (e) unless otherwise permitted in this section and except for (i) temporary investments held in cash, (ii) deposits with a Canadian or U.S. chartered bank or trust company registered under the laws of a province of Canada, (iii) short-term government debt securities or in money market instruments of, or guaranteed by, a schedule I Canadian chartered bank maturing prior to one year from the date of issue, Skyline Apartment REIT, directly or indirectly, may not hold securities other than (i) currency or interest rate futures contracts for hedging purposes to the extent that such hedging activity complies with National Instrument 81-102 *Investment Funds* or any successor instrument or rule; (ii) securities of a joint venture entity, or any entity formed and operated solely for the purpose of carrying on ancillary activities to any real estate owned, directly or indirectly, by Skyline Apartment REIT, or an entity wholly-owned, directly or indirectly, by Skyline Apartment REIT formed and operated solely for the purpose of holding a particular real property or real properties; and (iii) securities of another issuer provided either (A) such securities derive their value, directly or indirectly, principally from real property, or (B) the principal business of the issuer of the securities is the owning or operating directly or indirectly, of real property, and provided in either case the entity whose securities are being acquired are engaged in a Focus Activity;
- (f) no investment will be made, directly or indirectly, in operating businesses unless such investment is incidental to a transaction:
 - (i) where revenue will be derived, directly or indirectly, principally from a Focus Activity; or
 - (ii) which principally involves the ownership, maintenance, improvement, leasing or management, directly or indirectly, of real property;
- (g) notwithstanding any other provisions of this section, the securities of a reporting issuer in Canada may be acquired provided that the activities of the issuer are focused on focus activities;
- (h) no investments will be made in rights to or interests in mineral or other natural resources, including oil or gas, except as incidental to an investment in real property;
- (i) no investments will be made in a mortgage, mortgage bonds, Notes or debentures ("**Debt Instruments**") (including participating or convertible) unless:
 - (i) the real property which is security therefor is real property which otherwise meets the provisions of this section;
 - (ii) the security therefore includes a first mortgage registered on title to the real property which is security therefor; and

- (iii) the aggregate value of the investments of Skyline Apartment REIT in Debt Instruments, after giving effect to the proposed investment, will not exceed 15% of the Adjusted Unitholders' Equity of Skyline Apartment REIT,

provided that, notwithstanding the foregoing, an investment may be made in a Debt Instrument if the sole intention is to use such investment as a method of acquiring control of a revenue producing real property which would otherwise be a permitted investment pursuant to this section and provided that the aggregate value of the investments in such Debt Instruments will not exceed 15% of Adjusted Unitholders' Equity of Skyline Apartment REIT;

- (j) no investment shall be made in raw land (except for the acquisition of properties adjacent to Existing Properties of Skyline Apartment REIT for the purpose of renovation or expansion of existing facilities where the total cost of all such investments does not exceed 10% of Gross Book Value); and
- (k) notwithstanding any other provisions hereof, investments may be made which do not comply with the provisions of this section provided (i) the aggregate cost thereof (which, in the case of an amount invested to acquire real property, is the purchase price less the amount of any indebtedness assumed or incurred in connection with the acquisition and secured by a mortgage on such property) does not exceed 20% of the Adjusted Unitholders' Equity of Skyline Apartment REIT and (ii) the making of such investment would not contravene subsection (b) above.

For the purpose of the foregoing restrictions, the assets, liabilities and transactions of a Person wholly or partially owned by Skyline LP will be deemed to be those of Skyline LP on a proportionate consolidated basis. In addition, any references in the foregoing to an investment in real property will be deemed to include an investment in a joint venture arrangement that holds real property.

Operating Policies

The operations and affairs of Skyline Apartment REIT shall be conducted in accordance with the following operating policies and Skyline Apartment REIT shall not permit any Subsidiary to conduct its operations and affairs other than in accordance with the following policies:

- (a) the construction or development of real property may be engaged in order to maintain its real properties in good repair or to enhance the revenue-producing potential of real properties in which it has an interest;
- (b) title to each real property shall be held by and registered in the name of (i) a corporation or other entity wholly-owned by Skyline LP, (ii) the General Partner, or (iii) a corporation or other entity wholly-owned indirectly by Skyline Apartment REIT or jointly owned indirectly by Skyline Apartment REIT with joint venturers;
- (c) no indebtedness shall be incurred or assumed if, after giving effect to the incurring or assumption thereof of the indebtedness, the total indebtedness including amounts drawn under an acquisition and operating facility but not including mortgage insurance fees incurred in connection with the incurrence or assumption of such indebtedness as a percentage of Gross Book Value, would be more than 70%;
- (d) Skyline Apartment REIT will not directly or indirectly guarantee any indebtedness or liabilities of any Person unless such guarantee is given in connection with or incidental to an investment that is otherwise permitted under the foregoing investment guidelines or these operating policies, or in circumstances where the guarantee would result in Skyline Apartment REIT ceasing to qualify as a mutual fund trust pursuant to the Tax Act;

- (e) at all times insurance coverage will be obtained and maintained in respect of potential liabilities of Skyline Apartment REIT and the accidental loss of value of the assets of Skyline Apartment REIT from risks, in amounts and with such insurers, in each case as the Trustees consider appropriate, taking into account all relevant factors including the practices of owners of comparable properties and, for clarity, Skyline Apartment REIT is not required to title insure; and
- (f) a Phase I environmental audit shall be conducted or obtained for each real property to be acquired and, if the Phase I environmental audit report recommends that further environmental audits be conducted or obtained, such further environmental audits shall be conducted or obtained, in each case by or from an independent and experienced environmental consultant.

Amendments to Investment Guidelines and Operating Policies

Subject to the Declaration of Trust, any of the investment guidelines set forth above may be amended only by the vote of a two-thirds majority of the votes cast at a meeting of the Unitholders called for that purpose and the operating policies set forth above may be amended by the vote of a majority of the votes cast at a meeting of the Unitholders called for that purpose.

Notwithstanding the foregoing, the Trustees may amend, or, with respect to any one transaction override, any of the investment guidelines set forth above (other than those set out in subsections (a), (b) and (h), provided that they unanimously agree that to do so is in the best interests of Skyline Apartment REIT, and provided that the Trustees forthwith notify all Unitholders of the amendment(s).

Notwithstanding any provisions contained in the limited partnership agreement governing Skyline LP, it shall not be mandatory that the shares of the General Partner be owned by Skyline Apartment REIT, nor shall it be mandatory that all of the Trustees be directors of the General Partner, provided, in each case, that under the limited partnership agreement governing Skyline LP, the limited partners have the ability to remove the General Partner, at their sole discretion.

Amendments to Declaration of Trust

A majority of all Trustees including a majority of the Independent Trustees may, without the approval of the Unitholders, make certain amendments to the Declaration of Trust. In no event may the Trustees amend the Declaration of Trust if such amendment would: (i) amend the amending provisions of the Declaration of Trust; (ii) amend the Unitholders' voting rights; or (iii) cause Skyline Apartment REIT to fail or cease to qualify as a "mutual fund trust", or "registered investment" under the Tax Act or be subject to tax under Part XII.2 of the Tax Act.

Subject to certain exceptions in the Declaration of Trust, the Declaration of Trust may be amended only by the vote of at least a two-thirds majority of the votes cast at a meeting of the Unitholders called for that purpose. Without limiting the generality of the foregoing, the following amendments will require the approval of at least two-thirds of the votes cast by all Unitholders at said meeting:

- (a) an exchange, reclassification or cancellation of all or part of the Units;
- (b) the addition, change or removal of the rights, privileges, restrictions or conditions attached to the Units, including, without limiting the generality of the foregoing,
 - (i) the removal or change of rights to distributions; or
 - (ii) the addition or removal of or change to conversion privileges, redemption privileges, voting, transfer or pre-emptive rights;

- (c) the creation of new rights or privileges attaching to the Units; and
- (d) any change to the existing constraints on the issue, transfer or ownership of the Units.

Term of Skyline Apartment REIT

Unless Skyline Apartment REIT is sooner terminated as otherwise provided by the Declaration of Trust, Skyline Apartment REIT shall continue in full force and effect so long as any property of Skyline Apartment REIT is held by the Trustees, and the Trustees shall have all the powers and discretions, expressed and implied, conferred upon them by law or by the Declaration of Trust. Notwithstanding the foregoing, Skyline Apartment REIT will terminate on the date which is 21 years after the date of the death of the last survivor of the issue alive at the date of the Declaration of Trust of her Majesty Queen Elizabeth II. Skyline Apartment REIT may be terminated by the vote of at least two-thirds of the votes cast at a meeting of the Unitholders called for that purpose.

Upon the termination of Skyline Apartment REIT, the liabilities of Skyline Apartment REIT shall be discharged with due speed, the net assets of Skyline Apartment REIT shall be liquidated and the proceeds distributed to the REIT Unitholders in accordance with their entitlements as provided in the Declaration of Trust. Such distribution may be made in cash or in kind or partly in each, all as the Trustees in their sole discretion may determine.

Asset Management Agreement

The Asset Management Agreement was entered into between the Asset Manager and Skyline Apartment REIT on June 1, 2006. Pursuant to the Asset Management Agreement, the Asset Manager has been engaged by Skyline Apartment REIT for the purpose of managing the day-to-day operations of Skyline Apartment REIT. See Item 2.2 – Our Business – Management of Skyline Apartment REIT – The Asset Manager. The main provisions of the Asset Management Agreement are summarized below:

Pursuant to the Asset Management Agreement, the Asset Manager will manage the day-to-day operations of Skyline Apartment REIT for a term of five (5) years, expiring in May 2016. The Asset Management Agreement will automatically renew for a further five-year term unless terminated by Skyline Apartment REIT or the Asset Manager. The Asset Management Agreement may be terminated at any time by Skyline Apartment REIT (by a decision of a majority of the Independent Trustees) in the event of a material breach by the Asset Manager of its obligations under the Asset Management Agreement, the commission by the Asset Manager or any of its agents or employees of any act constituting fraud, misconduct, breach of fiduciary duty, gross negligence or a wilful breach of applicable laws, or an event of insolvency occurring with respect to the Asset Manager. The Asset Management Agreement may be terminated by the Asset Manager on 60 days' notice to Skyline Apartment REIT as a result of a material breach by Skyline Apartment REIT of its obligations under the Asset Management Agreement or an event of insolvency with respect to Skyline Apartment REIT.

All of the directors and senior officers of the Asset Manager have been involved in a broad range of real estate activities over the past ten years. The name and municipality of residence, office held with the Asset Manager and principal occupation of each director and senior officer of the Asset Manager are as follows:

Name and Municipality of Residence	Office	Principal Occupation
Jason Castellan – Centre Wellington	President, Chief Executive Officer and Director	Chief Executive Officer of the Asset Manager and the Wealth Manager
Martin Castellan – Township of Eramosa	Secretary, Chief Administrative Officer and Director	Chief Administrative Officer of the Asset Manager and the Wealth Manager
Roy (Jason) Ashdown – Centre Wellington	Vice President, Chief Operating Officer and Director	Chief Operating Officer of the Asset Manager and the Wealth Manager
Wayne Byrd – Centre Wellington	Treasurer, Chief Financial Officer and Director	Chief Financial Officer of the Asset Manager and the Wealth Manager
Michael Bonneveld – Centre Wellington	Vice President	Vice President of the Asset Manager

Asset Manager's Duties

Among other duties, the Asset Manager is responsible for: identifying multi-unit residential property investment opportunities that meet the investment restrictions set out in the Declaration of Trust; providing the Trustees and the Investment Committee with information and advice relating to proposed acquisitions, dispositions and financings; establishing, at least on an annual basis, investment and operating plans for the ensuing period; supervising the due diligence required in connection with proposed acquisitions and supervising the completion of any resulting transactions; maintaining the books and financial records of Skyline Apartment REIT; advising as to designations, elections and determinations to be made in connection with the income and capital gains of Skyline Apartment REIT for tax and accounting purposes; preparing reports and other information required to be sent to Unitholders and other disclosure documents; calculating and determining all allocations, communicating with Unitholders and other persons, including investment dealers, lenders, and professionals; providing office space and equipment and the necessary clerical and secretarial personnel for the administration of the day-to-day affairs of Skyline Apartment REIT; and administering or supervising the administration on behalf of Skyline Apartment REIT of the payment of Distributable Income and other distributions by Skyline Apartment REIT.

Asset Manager's Fees

In consideration for the services to be provided by the Asset Manager to Skyline Apartment REIT, the Asset Manager will be entitled to an asset management fee, payable monthly, equal to two percent (2%) of the Adjusted Gross Revenues calculated and paid on the last Business Day of each month with respect to the prior monthly period.

If and to the extent that the Asset Manager or any person affiliated with the Asset Manager renders services to Skyline Apartment REIT in addition to those specifically required to be rendered under the Asset Management Agreement, such services will be compensated separately as agreed to by the Independent Trustees on the basis of fees which are at least as favourable to Skyline Apartment REIT as those then generally charged for comparable services and activities.

Under the Asset Management Agreement, the Asset Manager is responsible for employment expenses of its personnel, rent and other office expenses of the Asset Manager, and the expenses of the non-Independent Trustees and officers of Skyline Apartment REIT who are directors, officers or

employees of the Asset Manager or of an affiliate of the Asset Manager (except expenses incurred in attending meetings of the Trustees).

In addition to the fees and expenses to be paid to the Asset Manager, Skyline Apartment REIT is responsible for all of Skyline Apartment REIT's expenses (other than expenses assumed by the Asset Manager), including the following:

- interest and other costs of borrowed money;
- fees and expenses of lawyers, accountants, auditors, brokers, appraisers and other agents or consultants employed by or on behalf of Skyline Apartment REIT;
- fees and expenses of the Independent Trustees of Skyline Apartment REIT;
- fees and expenses connected with the acquisition, disposition, financing and ownership of real property interests or mortgage loans or other property;
- insurance as considered necessary by the Trustees of Skyline Apartment REIT, including directors' and officers' liability insurance;
- expenses in connection with payments or distributions on REIT Units of Skyline Apartment REIT;
- expenses in connection with the communications to Unitholders, including annual reports, and the other bookkeeping and clerical work necessary in maintaining relations with Unitholders;
- expenses in connection with any employees or independent contractors employed or retained by Skyline Apartment REIT, including all compensation costs, benefits and severance costs;
- expenses of changing or terminating Skyline Apartment REIT;
- fees and charges of transfer agents, registrars, indenture trustees and other trustees and custodians;
- all fees, expenses, taxes and other costs incurred in connection with the issuance, distribution, transfer and qualification for distribution to the public of REIT Units and other required government filings; and
- all costs and expenses in connection with the incorporation, organization and maintenance of any corporation or partnership formed to hold real property or other property of Skyline Apartment REIT.

Wealth Management Agreement

The Wealth Management Agreement was entered into between the Wealth Manager and Skyline Apartment REIT on January 1, 2012. Pursuant to the Wealth Management Agreement, the Wealth Manager is responsible for acting as exempt market dealer on all offerings of REIT Units and providing other services to Skyline Apartment REIT, as described below. See Item 2.2 – Our Business – Management of Skyline Apartment REIT – The Wealth Manager. The main provisions of the Wealth Management Agreement are summarized below.

The Wealth Management Agreement has a term of five (5) years. The Wealth Management Agreement will automatically renew for a further five-year term unless terminated by Skyline Apartment REIT or the Wealth Manager. The Wealth Management Agreement may be terminated at any time by Skyline Apartment REIT (by a decision of a majority of the Independent Trustees) in the event of a material breach by the Wealth Manager of its obligations under the Wealth Management Agreement, including if the Wealth Manager ceases to be a registered dealer in good standing with any applicable securities commission, a breach of the representations of the Wealth Manager, the commission by the Wealth Manager or any of its agents or employees of any act constituting fraud, misconduct, breach of fiduciary duty, gross negligence or a wilful breach of applicable laws, or an event of insolvency occurring with respect to the Wealth Manager. The Wealth Management Agreement may be terminated by the Wealth Manager on 60 days' notice to Skyline Apartment REIT as a result of a material breach by Skyline Apartment REIT of its obligations under the Wealth Management Agreement, a breach of the representations of Skyline Apartment REIT or an event of insolvency with respect to Skyline Apartment REIT.

All of the directors and senior officers of the Wealth Manager have been involved in a broad range of real estate activities over the past ten years. The name and municipality of residence, office held with the Wealth Manager and principal occupation of each director and senior officer of the Wealth Manager are as follows:

Name and Municipality of Residence	Office	Principal Occupation
Jason Castellan - Centre Wellington	President, Chief Executive Officer and Director	Chief Executive Officer of the Asset Manager and the Wealth Manager
Martin Castellan - Township of Eramosa	Secretary, Chief Administrative Officer and Director	Chief Administrative Officer of the Asset Manager and the Wealth Manager
Roy (Jason) Ashdown - Centre Wellington	Vice President, Chief Operating Officer and Director	Chief Operating Officer of the Asset Manager and the Wealth Manager
Wayne Byrd - Centre Wellington	Treasurer, Chief Financial Officer and Director	Chief Financial Officer of the Asset Manager and the Wealth Manager
Adam Batstone - Town of Oakville	Executive Vice President	Executive Vice President of the Wealth Manager
Jeff Teeter - City of Guelph	Chief Compliance Officer	Chief Compliance Officer of the Wealth Manager

Wealth Manager's Duties

Among other duties, the Wealth Manager will be responsible for: (subject to the provisions of the Wealth Management Agreement), acting as exempt market dealer in all of the provinces of Canada where the Wealth Manager is registered as an exempt market dealer on each equity raise undertaken by the REIT, and in connection therewith, co-ordinating, managing and documenting (other than preparation of an offering memorandum) all aspects of each equity raise, including managing third-party service providers retained by the Wealth Manager in connection therewith; assuming responsibility for the distribution of REIT Units on behalf of Skyline Apartment REIT in all of the provinces of Canada where the Wealth Manager is registered as an exempt market dealer; ensuring compliance with all regulatory authorities; anti-money laundering compliance; anti-terrorism verifications; assisting Skyline Apartment REIT in processing distributions to Unitholders; maintaining all books and financial records with respect to equity under management; calculating equity under management from time to time; preparing such reports and other disclosure documents for Trustees and

Unitholders as required by Skyline Apartment REIT from time to time; providing advice and assistance in connection with Skyline Apartment REIT's raising of capital and issuance of securities, including representing Skyline Apartment REIT in its dealings with banks and other lenders, investment dealers, brokers, underwriters, institutions and investors; managing Skyline Apartment REIT's investor relations activities including, without limitation, managing communications with Unitholders; assisting Skyline Apartment REIT in making all required filings under applicable law; and managing all aspects of any employee purchase plans with respect to REIT Units.

Wealth Manager's Fees

In consideration for the services to be provided by the Wealth Manager to Skyline Apartment REIT, the Wealth Manager will be entitled to a wealth management fee, payable monthly, equal to 1/12 of 0.3% of Skyline Apartment REIT's Equity Under Management (calculated as the product of the outstanding REIT Units multiplied by the then market value of one REIT Unit). The Wealth Manager will also be entitled to an equity raise fee equal to a maximum of 1.0% on the capital raised in offerings of REIT Units, subject to adjustment.

Under the Wealth Management Agreement, the Wealth Manager is responsible for employment expenses of its personnel, rent and other office expenses of the Wealth Manager in connection with providing services to Skyline Apartment REIT under the Wealth Management Agreement.

ITEM 3 INTERESTS OF TRUSTEES, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS

3.1 Compensation and Securities Held

The following table sets out specified information about each Trustee, officer and promoter of Skyline Apartment REIT and each person who, directly or indirectly, beneficially owns or controls 10% or more of any class of voting securities of Skyline Apartment REIT. A person who is employed by and receives salary from Skyline Apartment REIT, its Subsidiaries, the Asset Manager or the Wealth Manager will not receive any remuneration from Skyline Apartment REIT for serving as a Trustee or senior officer.

Name and municipality of principal residence	Positions held (e.g., trustee, officer, promoter and/or principal holder) and the date of obtaining that position	Compensation paid by issuer or related party in the most recently completed financial year and the compensation anticipated to be paid in the current financial year	Number, type and percentage of securities of the issuer held after completion of max. offering
Jason Castellan Centre Wellington	Chief Executive Officer and Trustee ⁽²⁾ (June 21, 2006)	2015 - \$230,000 ⁽⁵⁾ 2016 - \$230,000 ⁽⁵⁾	6,149 REIT Units [0.012% of REIT Units]
Wayne Byrd Centre Wellington	Chief Financial Officer (June 21, 2006)	2015 - \$230,000 ⁽⁵⁾ 2016 - \$230,000 ⁽⁵⁾	16,531.3 REIT Units [0.033% of REIT Units]
Roy (Jason) Ashdown Centre Wellington	Chief Operating Officer and Trustee ⁽²⁾ (June 21, 2006)	2015 - \$230,000 ⁽⁵⁾ 2016 - \$230,000 ⁽⁵⁾	222,292.9 REIT Units [0.372% of REIT Units]

Name and municipality of principal residence	Positions held (e.g., trustee, officer, promoter and/or principal holder) and the date of obtaining that position	Compensation paid by issuer or related party in the most recently completed financial year and the compensation anticipated to be paid in the current financial year	Number, type and percentage of securities of the issuer held after completion of max. offering
Martin Castellan Township of Eramosa	Senior Vice President and Trustee ⁽²⁾ (June 21, 2006)	2015 - \$230,000 ⁽⁵⁾ 2016 - \$230,000 ⁽⁵⁾	148,068.6 REIT Units [0.279% of REIT Units]
Jonathan Halpern City of Vaughan	Trustee ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾ (June 1, 2006)	2015 - \$60,000 2016 - \$60,000	40,034.3 REIT Units [0.075% of REIT Units]
Ronald Durst City of Guelph	Trustee ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾ (June 1, 2006)	2015 - \$36,000 2016 - \$36,000	195,204.3 REIT Units [0.368% of REIT Units]
Robert Breadner City of Kitchener	Trustee ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾ (July 15, 2009)	2015 - \$36,000 2016 - \$36,000	1,014,732.2 REIT Units [1.910% of REIT Units]
Edward (Ted) Perlmutter City of Toronto	Trustee ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾ (January 31, 2013)	2015 - \$41,000 2016 - \$41,000	1,647.6 REIT Units [0.003% of REIT Units]
Jeffrey Neumann City of Guelph	Trustee ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾ (August 4, 2016)	2015 - \$0 2016 - \$9,000	74,074 REIT Units [0.139% of REIT Units]
Skyline Management Incorporated	Principal Holder of Special Voting Units ⁽⁶⁾ (January 1, 2014)	2015 - \$0 2016 - \$0	2,443,771 Special Voting Units 65.1% of Special Voting Units
Highstreet Emerald Hills (2013) Ltd. Partnership	Principal Holder of Special Voting Units ⁽⁷⁾ (December 15, 2015)	2015 - \$0 2016 - \$0	800,001 Special Voting Units 21.3% of Special Voting Units
Highstreet Vanier Woods (2014) Ltd. Partnership	Principal Holder of Special Voting Units ⁽⁸⁾ (August 15, 2016)	2016 - \$0	375,440 Special Voting Units 10% of Special Voting Units
Highstreet Heritage Valley Ltd. Partnership	Principal Holder of Special Voting Units ⁽⁹⁾ (September 20, 2016)	2016 - \$0	133,334 Special Voting Units 3.6% of Special Voting Units

Notes:

- (1) Member of Finance Committee
- (2) Member of Investment Committee
- (3) Member of Governance and Compensation Committee
- (4) Independent Trustee

- (5) The compensation paid to the Officers/Managers of Skyline Apartment REIT is not paid by Skyline Apartment REIT. The compensation is paid by the management companies external to Skyline Apartment REIT.
- (6) In connection with the internalization of the property management function in January 2014, by way of a purchase of the assets of Skyline Management Incorporated (the “Assets”), Special Voting Units were issued by Skyline Apartment REIT to Skyline Management Incorporated contemporaneously with the issuance of a corresponding number of Class B LP Units by Skyline LP, as partial payment of the purchase price of the Assets. See Item 2.3 – Development of the Business – Internalization of the Property Management Function.
- (7) On closing 5000-5600 Clover Bar Road, Sherwood Park, Alberta, Highstreet Emerald Hills (2013) Ltd. Partnership acquired (in partial payment of the purchase price for the subject portion of the Highstreet Portfolio) beneficial ownership of, or control or direction over, directly or indirectly, Special Voting Units and Class C LP Units and Class D LP Units, which together were economically equivalent to acquiring 800,001 REIT Units.
- (8) On closing of 39 Van Slyke Way, Red Deer, AB, Highstreet Vanier Woods (2014) Ltd. Partnership acquired (in partial payment of the purchase price for the subject portion of the Highstreet Portfolio) beneficial ownership of, or control or direction over, directly or indirectly, Special Voting Units and Class C LP Units and Class D LP Units, which together were economically equivalent to acquiring 375,440 REIT Units.
- (9) On closing of 2701-2715 James Mowatt Trail, Edmonton, AB, Highstreet Heritage Valley Partnership acquired (in partial payment of the purchase price for the subject portion of the Highstreet Portfolio) beneficial ownership of, or control or direction over, directly or indirectly, Special Voting Units and Class C LP Units and Class D LP Units, which together were economically equivalent to acquiring 133,334 REIT Units.

3.2 Management Experience

The following table sets forth the principal occupations of the Trustees and executive officers of Skyline Apartment REIT during the past five years and the nature and extent of their related real estate experience.

Name	Principal occupation and related experience
Jason Castellan	Chief Executive Officer of the Asset Manager and Skyline Management Incorporated ⁽¹⁾
Wayne Byrd	Chief Financial Officer of the Asset Manager and Skyline Management Incorporated ⁽²⁾
Roy (Jason) Ashdown	Chief Operating Officer of the Asset Manager and Skyline Management Incorporated ⁽³⁾
Martin Castellan	Chief Administrative Officer of the Asset Manager and Skyline Management Incorporated ⁽⁴⁾
Jonathan Halpern	Chartered Professional Accountant; President, Metropolitan Equities Limited. ⁽⁵⁾
Ronald Durst	Entrepreneur / Restaurateur ⁽⁶⁾
Robert Breadner	President of Breadner Trailer Sales Amalgamated ⁽⁷⁾
Edward (Ted) Perlmutter	Lawyer and former Senior Partner of Blake, Cassels & Graydon LLP ⁽⁸⁾
Jeffrey Neumann	Broker Owner of Coldwell Banker Neumann Real Estate ⁽⁹⁾

Notes:

(1) Jason Castellan is co-founder and Chief Executive Officer of the Skyline Group of Companies. Since 1991, Mr. Castellan has been an owner and manager of investment real estate, starting out with a student rental portfolio and gradually moving to larger apartment buildings. Since 1999, Mr. Castellan has been an officer and director of 15 corporations which owned properties managed by Skyline Incorporated. He is active in the acquisition and finance portion of the portfolio. Mr. Castellan holds degrees from both the University of Guelph and York University.

(2) Wayne Byrd has been involved in the accounting and finance field since 1995 and has been Chief Financial Officer of the Skyline Group of Companies since 2005. From 1998 to 2005, Mr. Byrd held the position of Controller of All Treat Farms Limited where he was responsible for financial planning, accounting, reporting and management of organizational investment, expansion and acquisition decisions. Mr. Byrd is a Certified Management Accountant and graduated from Brock University with a Bachelor of Accounting Degree (Honours).

(3) Roy (Jason) Ashdown is co-founder and Chief Operating Officer of the Skyline Group of Companies. Mr. Ashdown has in depth experience in construction and building systems. Since 1996, Mr. Ashdown has been an owner and manager of residential and commercial real estate. Since 1999, Mr. Ashdown has been devoted to managing Skyline and properties managed by Skyline. He is a member of the asset management team and conducts due diligence on purchases, assesses current holdings and works closely with Skyline Apartment REIT to enhance the quality and profitability of the Properties. Mr. Ashdown has a Bachelor of Arts degree from the University of Waterloo.

(4) Martin Castellan is co-founder and Chief Administrative Officer of the Skyline Group of Companies. Martin has been investing and working in real estate for over 20 years. He holds an honours Bachelor of Commerce degree from the University of Guelph, majoring in Management Economics in Industry and Finance. With the significant growth of Skyline since its inception, to now over 400 employees, Martin focuses on the commitment toward Skyline's guiding principles and instilling the grassroots culture that has been a part of Skyline from its beginning. He currently oversees Human Resources; Information Systems; and the Corporate Office while fostering an environment of team work, customer service, and respect.

(5) Jonathan Halpern is currently the President of Metropolitan Equities Limited, a privately owned family office and real estate investment company. Prior thereto, Mr. Halpern was a senior manager with an international accounting firm specializing in real estate and small business. Mr. Halpern also served on the management committee of a national commercial flooring distributor. Mr. Halpern is a member of the Institutes of Chartered Professional Accountants of Manitoba and Ontario, and holds a Bachelor of Commerce (Honours) degree with Distinction from the University of Manitoba.

(6) Ronald Durst has been President and Chief Executive Officer of D.R. & EL Enterprises Inc. and R&E Durstfam Development Ltd., private corporations providing consulting, management, administration and financial services since their formation in 1984. He is also President and Chief Executive Officer of DFAM Hospitality Group Inc. Prior to embarking on his business career, he served 34 years in the Canadian Armed Forces as a Logistics Officer serving in various command and staff appointments in Canada's far north, Europe as part of NATO, and United Nations missions in Cyprus (UNIFICYP), Egypt (UNEFME) and the Golan Heights (UNDOF). He graduated from the Ontario Agriculture College in Guelph, Ontario with a Bachelor of Science in Agriculture (BSA) Degree majoring in Agricultural Economics and Business. As a soldier, he received several professional qualifications as a result of his post-graduate studies and personal development.

(7) Robert Breadner is President and Owner of Breadner Trailer Sales Amalgamated, a private holding and investment company which maintains equity positions in various private businesses. A 1977 BBA graduate of Sir Wilfrid Laurier University, Robert was the former President and Owner of Breadner Trailer Sales Limited, North America's largest transport trailer distributor with dealerships across Canada, whose sales exceeded \$250 million in 2000. After being awarded Ontario's Entrepreneur of the Year in 1966, as well as having Breadner Trailer Sales named one of Canada's 50 best companies four years in a row, Robert sold the business in 2001.

(8) Edward (Ted) Perlmutter is a seasoned commercial real estate lawyer and was a partner for 25 years in one of Canada's preeminent law firms: Blake, Cassels & Graydon LLP. Having an in-depth experience in leading highly complex transactions in the public and private sectors including development financing of infrastructure, Mr. Perlmutter built a reputation for developing and successfully executing innovative approaches to meet client's business objectives and building and maintaining solid relationships. As a senior partner in Blake's real estate practice, Mr. Perlmutter acted on behalf of clients in the private and public sector on a broad range of real estate and financing transactions providing advice and counsel on unique and complex matters.

(9) Jeffrey Neumann is the broker owner of Coldwell Banker Neumann Real Estate in Guelph, ON. Since 1996, Mr. Neumann has developed Coldwell Banker Neumann Real Estate into a local industry leader, with over 50 full-time salespeople averaging over \$400 million in sales per year. Mr. Neumann has been an active real estate investor in both the apartment and office sectors. His experience and breadth of knowledge in a broad range of real estate matters – including acquisitions, financing, management, development, and dispersal – leaves him uniquely positioned to serve on the Skyline Apartment REIT Board of Trustees.

3.3 Penalties, Sanctions and Bankruptcy

In March 2011, an order of the Ontario Securities Commission (the “Commission”) was issued against Skyline Apartment REIT, the Wealth Manager and Skyline Incorporated regarding the settlement of proceedings relating to the sale of units by Skyline Apartment REIT where the exemptions from the prospectus and registration requirements of applicable securities legislation were not available. Jason Castellan, Wayne Byrd, Roy (Jason) Ashdown, and Martin Castellan were trustees or directors and/or officers of Skyline Apartment REIT, the Wealth Manager and/or Skyline Incorporated at the time. In accordance with the order, Skyline Apartment REIT, the Wealth Manager and Skyline Incorporated paid an administrative penalty of \$300,000 in the aggregate and an additional \$150,000, representing a portion of the Commission staff’s costs in the matter. Under the order, as a term and condition to the registration of the Wealth Manager, within 90 days of the approval of the Settlement Agreement, approximately 216 investors in Skyline Apartment REIT who did not qualify for any of the registration/prospectus exemptions, were required to be divested of their investment, by having Skyline Apartment REIT purchase for cancellation or otherwise redeem the REIT units held by these investors, and by providing to them: (i) the amounts originally invested, capital growth and any amounts arising from the distribution reinvestment plan (approximately \$15M); and (ii) any amounts owing with respect to the stated distribution amount for the REIT Units at the time for the period from the last distribution on March 15, 2011 to the time of payment.

3.4 Loans

As of the date of this Offering Memorandum, Skyline Apartment REIT does not have any debenture or loan due to or from the Trustees, management, promoters and principal holders of Skyline Apartment REIT.

Under applicable securities legislation, Skyline Apartment REIT, Skyline Commercial Real Estate Investment Trust and Skyline Retail Real Estate Investment Trust may be considered to be connected issuers. As of the date of this Offering Memorandum, there are no connected issuer loans.

ITEM 4 CAPITAL STRUCTURE

4.1 Equity Securities

The following is a description of the equity securities of Skyline Apartment REIT (other than the Initial Unit).

The beneficial interests in Skyline Apartment REIT, other than the Initial Unit, are divided into two classes described as “REIT Units” and “Special Voting Units” (collectively, the “Units”). The number of Units of any class which Skyline Apartment REIT may issue is unlimited. Units shall be issued only as fully paid and non-assessable. Each Unit when issued shall vest indefeasibly in the holder thereof. The issued and outstanding Units may be subdivided or consolidated from time to time by the Trustees with the approval of the majority of the Unitholders, or as otherwise provided in the Declaration of Trust. Unitholders have the right to receive notice of, to attend and to vote at all meetings of Unitholders. Each Unit shall entitle the holder thereof to one vote at all meetings of Unitholders.

Description of security	Number authorized to be issued	Price per security	Number outstanding as at October 15, 2016	Number outstanding after max. offering
REIT Units ⁽¹⁾	Unlimited	\$14.25	49,958,699	53,116,599
Special Voting Unit ⁽²⁾	Unlimited	\$0	3,752,546	3,752,546

Notes:

(1) Each REIT Unit represents an undivided beneficial interest in distributions by Skyline Apartment REIT, whether of net income, net realized capital gains or other amounts, and, in the event of a liquidation, dissolution, winding-up or other termination of Skyline Apartment REIT, in the net assets of Skyline Apartment REIT remaining after satisfaction of all liabilities.

(2) In connection with the internalization of the property management function in January 2014 by way of a purchase of the assets of Skyline Management Incorporated (the “Assets”), Special Voting Units were issued by Skyline Apartment REIT to Skyline Management Incorporated contemporaneously with the issuance of a corresponding number of Class B LP Units by Skyline LP, as partial payment of the purchase price of the Assets. See Item 2.3 – Development of the Business – Internalization of Property Management Function. In connection with the acquisition of the Highstreet Portfolio, Special Voting Units were issued by Skyline Apartment REIT to certain vendors of such Portfolio contemporaneously with the issuance of a corresponding number of Class C LP Units and Class D LP Units by Skyline LP, as partial payment of the purchase price of the respective Portfolio. Special Voting Units shall have no rights or entitlements in respect of distributions, whether of Distributable Income, or on a liquidation, dissolution or winding-up of Skyline Apartment REIT or otherwise. As Exchangeable LP Units are exchanged for REIT Units in accordance with the respective Exchange Agreement, the corresponding Special Voting Units, if any, shall automatically be cancelled for no consideration and shall no longer be outstanding.

4.2 Long Term Debt Securities

The following table sets forth information about outstanding long term debt of Skyline Apartment REIT as at October 15, 2016.

Property	(\$) Balance Outstanding as of Sept 30, 2016	Int. Rate (%)	Maturity Date
900-100A Ave Dawson Creek, BC	2,078,221	4.99	9/01/2017
901-100A Ave Dawson Creek, BC	2,081,902	4.25	9/05/2018
904-100A Ave Dawson Creek, BC	2,788,469	4.2878	8/25/2019
158-164 11th Ave Hanover, ON	7,117,077	3.27	10/01/2022
26 Willow Rd Guelph, ON	1,943,517	4.15	9/01/2020
26 Willow Rd Guelph, ON	2,249,475	5.50	12/01/2018
260, 268, 270 Waterloo Ave Guelph, ON	2,842,321	3.20	12/01/2020
2755 5th Ave Owen Sound, ON	1,400,306	3.36	12/01/2019
2760 5th Ave Owen Sound, ON	1,916,941	3.00	5/16/2021
2860 6th Ave Owen Sound, ON	2,620,720	4.72	10/01/2019
450 28th St Owen Sound, ON	1,552,906	4.73	3/01/2017
450 28th St Owen Sound, ON	520,718	5.79	6/01/2017
45 Timmins Cres Chatham, ON	2,203,779	3.62	10/01/2019
16255, 16265 & 16275 51 Street NW Edmonton, AB	22,003,279	2.74	1/01/2025
511 7th Ave Hanover, ON	2,111,499	3.62	3/01/2022
528 Tenth St Collingwood, ON	2,179,603	3.11	8/01/2017
528 Tenth St Collingwood, ON	619,868	5.79	6/01/2017
575 28th St Owen Sound, ON	2,046,957	3.00	5/16/2021
610 Tenth St Collingwood, ON	2,247,604	3.11	8/01/2017

Property	(\$) Balance Outstanding as of Sept 30, 2016	Int. Rate (%)	Maturity Date
610 Tenth St Collingwood, ON	653,813	5.79	6/01/2017
65 Timmins Cres Chatham, ON	2,034,257	3.62	10/01/2019
85 Willow Rd Guelph, ON	2,055,355	4.15	9/01/2020
85 Willow Rd Guelph, ON	2,300,205	5.50	12/01/2018
955 10th St Owen Sound, ON	1,029,325	4.19	1/01/2019
995 16th St Owen Sound, ON	5,055,258	3.83	12/01/2025
335 Adelaide St Thunder Bay, ON	8,808,078	3.95	10/01/2023
355 Adelaide St Thunder Bay, ON	2,040,445	3.76	10/01/2023
355 Adelaide St Thunder Bay, ON	2,149,497	4.66	10/01/2023
122 & 142 Allard St Sault Ste Marie, ON	592,475	3.31	9/01/2017
122 & 142 Allard St Sault Ste Marie, ON	154,510	4.95	10/01/2018
130 Allard St Sault Ste Marie, ON	1,891,708	3.40	9/01/2017
130 Allard St Sault Ste Marie, ON	502,792	4.95	10/01/2018
275 Askin Ave Windsor, ON	4,574,570	3.25	10/01/2022
17 Barker St Paris, ON	3,150,392	2.76	10/01/2021
17 Barker St Paris, ON	1,340,809	3.61	10/01/2021
255, 275, 325, 345 & 375 Belsyde Ave Fergus, ON	13,642,731	3.58	10/01/2025
620 Berkshire Rd Sarnia, ON	2,535,616	3.23	6/01/2017
235 Bishop St S Cambridge, ON	2,268,312	3.62	10/01/2019
255 Bold St Hamilton, ON	6,361,005	3.75	6/01/2026
7 & 25 Briceland St Kingston, ON	3,842,703	4.41	5/01/2022
7 & 25 Briceland St Kingston, ON	222,067	5.35	5/01/2018
211 Buckingham Dr Windsor, ON	2,646,359	2.84	10/01/2020
42 Campbell Court Stratford, ON	4,483,098	3.98	1/01/2019
360 Caron Ave Windsor, ON	2,580,521	3.25	10/01/2022
55, 67, 87 & 99 Cartier Rd London, ON	3,343,128	4.58	12/01/2018
55, 67, 87 & 99 Cartier Rd London, ON	918,193	4.95	10/01/2018
810 & 820 Castell Rd Kingston, ON	3,838,230	4.41	5/01/2022
810 & 820 Castell Rd Kingston, ON	802,896	5.35	5/01/2018
641 Cedar St Timmins, ON	3,619,591	3.79	6/01/2025
666 Chippawa St Windsor, ON	2,656,785	3.76	10/01/2025
5000, 5100, 5400, 5500 & 5600 Clover Bar Road Sherwood Park, AB	34,075,440	3.72	1/01/2026
310 Clyde Rd Cambridge, ON	2,024,585	3.73	11/01/2019
1920 College Ave Regina, SK	17,141,404	4.40	11/30/2021
875 Colborne Rd Sarnia, ON	836,139	4.73	3/01/2020
875 Colborne Rd Sarnia, ON	1,550,647	5.75	3/01/2020

Property	(\$) Balance Outstanding as of Sept 30, 2016	Int. Rate (%)	Maturity Date
880 Colborne Rd Sarnia, ON	3,980,239	3.13	4/01/2022
87, 93 & 107 Compton St Kingston, ON	9,202,851	3.32	10/01/2020
87, 93 & 107 Compton St Kingston, ON	4,056,269	4.20	10/01/2020
87, 93 & 107 Compton St Kingston ON	3,225,000	8.00	12/31/2017
19 Crosbie Place St. John's, NF	760,210	6.20	9/01/2018
19 Crosbie Place St. John's, NF	194,084	6.00	9/01/2018
352 Dacey Rd Sault Ste Marie, ON	2,742,028	2.45	10/01/2019
352 Dacey Rd Sault Ste Marie, ON	2,310,731	3.31	10/01/2019
32 Dawson Rd Guelph, ON	1,353,682	5.24	2/01/2021
38 Dawson Rd Guelph, ON	1,265,673	4.15	9/01/2020
38 Dawson Rd Guelph, ON	1,375,050	5.50	12/01/2018
239 Deguire Blvd Montreal, QC	13,974,257	4.18	4/01/2021
239 Deguire Blvd Montreal, QC	1,500,000	2.50	3/02/2020
392 Dolph St S Cambridge, ON	1,315,534	5.34	3/01/2018
5 Douglas St Guelph, ON	10,714,950	3.36	1/15/2020
334 East 14th St Hamilton, ON	6,515,507	2.37	7/01/2017
156 egremont St Mount Forest, ON	1,747,825	3.88	4/01/2019
5407 & 5411 Empress Street Windsor, ON	2,679,851	5.15	4/01/2017
234 Erie St Leamington, ON	4,095,919	2.60	4/01/2019
238 Erie St Leamington, ON	2,408,353	2.67	4/01/2019
238 Erie St Leamington, ON	1,124,471	3.55	4/01/2019
3400 Erskine St Windsor, ON	6,269,611	2.84	10/01/2020
110 Oriole Parkway, 31 & 35 Flamingo Drive Elmira, ON	7,483,729	3.27	10/01/2022
380 Forfar St Fergus, ON	3,479,170	3.58	10/01/2025
65 Fort St Tilbury, ON	2,500,000	2.42	9/01/2017
65 & 71 Boulevard Fournier & 15 Rue Bériault Gatineau, QC	17,173,418	3.68	3/01/2024
222 Gage St Hamilton, ON	4,511,378	3.55	1/01/2020
351 Geneva St St. Catharines, ON	8,002,656	3.42	7/01/2017
363 Geneva St St. Catharines, ON	8,730,341	3.42	7/01/2017
274 Giles Blvd W Windsor, ON	1,824,368	3.67	8/01/2019
105 Giroux St & 2690 Trout Lake Rd North Bay, ON	4,819,373	2.93	3/01/2021
221 Glenridge Ave St. Catharines, ON	11,327,198	3.42	7/01/2017
625 & 645 Glengarry Blvd Cornwall, ON	7,940,410	3.22	3/01/2018
625 & 645 Glengarry Blvd Cornwall, ON	1,756,873	4.95	10/01/2018
120 Grand Ave London, ON	2,922,552	2.77	10/01/2020
343 Grand Ave E Chatham, ON	2,468,627	3.91	12/05/2018

Property	(\$) Balance Outstanding as of Sept 30, 2016	Int. Rate (%)	Maturity Date
343 Grand Ave E Chatham, ON	691,091	3.48	12/05/2018
795 & 805 Grand Ave W Chatham, ON	1,993,954	4.52	6/01/2021
795 & 805 Grand Ave W Chatham, ON	4,500,000	2.55	7/01/2018
400 & 405 Boulevard des Grives Gatineau, QC	10,040,065	3.38	12/01/2021
16 Helen St Dundas, ON	4,127,730	4.33	8/01/2020
149 Henry St Brantford, ON	3,779,930	4.69	12/01/2020
99 Herkimer St Hamilton, ON	1,347,690	2.82	4/01/2019
99 Herkimer St Hamilton, ON	1,137,289	3.55	4/01/2019
202 Hespeler Rd Cambridge, ON	5,223,848	3.51	12/01/2022
108, 116, 124, 132, 140 & 148 Hincks Street New Hamburg, ON	9,271,779	3.10	10/01/2020
191 & 193 Hull Rd Strathroy, ON	2,081,064	2.95	6/01/2021
1203, 1205, 1207, 1209, 1211 & 1223 Huron Street London, ON	6,816,611	3.41	7/01/2019
1420, 1422, 1424 & 1426 Huron Street London, ON	4,394,595	5.09	12/01/2017
536, 550 & 554 Ivings Dr Port Elgin, ON	3,826,112	2.71	6/01/2019
536, 550 & 554 Ivings Dr Port Elgin, ON	1,804,385	5.77	2/01/2019
10 James Lane Ridgetown, ON	981,060	3.59	9/01/2023
722, 730 & 766 John Counter Blvd Kingston, ON	16,104,461	4.41	5/01/2022
722, 730 & 766 John Counter Blvd Kingston, ON	2,604,455	5.35	5/01/2018
20 Kingsland Close SE Airdrie, AB	26,623,961	2.74	1/01/2025
777 Kingsway Ave Thunder Bay, ON	4,811,503	2.13	7/01/2023
746, 750 & 754 Laflin Avenue Cornwall, ON	2,645,057	3.07	4/01/2021
746, 750 & 754 Laflin Avenue Cornwall, ON	2,061,145	4.07	4/01/2021
295 Lakeshore Dr North Bay, ON	6,161,036	3.61	12/01/2021
365 & 379 Lake Street Sault Ste Marie, ON	6,345,323	3.61	12/01/2018
100 Lancaster Dr Welland, ON	7,166,934	4.16	8/01/2020
1330 Lauzon Rd Windsor, ON	12,754,829	3.10	10/01/2020
242 Linwell Rd St. Catharines, ON	2,138,766	2.70	4/01/2019
242 Linwell Rd St. Catharines, ON	657,891	3.90	4/01/2019
182, 192 & 204 Lisgar Avenue Tillsonburg, ON	5,193,152	3.10	12/01/2020
200 London Rd Sarnia, ON	1,861,704	3.85	11/01/2018
130 MacDonell St Guelph, ON	12,621,840	6.20	9/01/2018
130 MacDonell St Guelph, ON	2,829,959	6.00	9/01/2018
621, 627 & 631 MacDonald Avenue Sault Ste Marie, ON	21,524,037	3.47	7/01/2022
98 MacDonell St Guelph, ON	3,420,111	6.20	9/01/2018
98 MacDonell St Guelph, ON	770,943	6.00	9/01/2018
1854-1856 Main St W Hamilton, ON	9,252,871	2.99	12/01/2018

Property	(\$) Balance Outstanding as of Sept 30, 2016	Int. Rate (%)	Maturity Date
1854-1856 Main St W Hamilton, ON	1,808,159	4.95	10/01/2018
1868 Main St W Hamilton, ON	8,722,732	3.55	12/01/2018
1868 Main St W Hamilton, ON	2,078,608	4.95	10/01/2018
150 Mary St Chatham, ON	4,998,365	3.30	9/01/2022
805 Marlborough St N Cornwall, ON	1,497,112	3.88	4/01/2019
16 Marsh St Ridgetown, ON	1,390,792	3.20	6/01/2021
1071 McDougall St Windsor, ON	1,809,426	2.82	3/01/2021
100 McFarlane Ave Chatham, ON	3,411,063	3.91	12/05/2018
100 McFarlane Ave Chatham, ON	956,924	3.48	12/05/2018
6515 McLeod Rd Niagara Falls, ON	10,970,896	3.42	7/01/2017
47 Memorial Dr Brantford, ON	7,701,320	4.22	12/01/2018
50 Merritt Ave Chatham, ON	1,851,651	3.91	12/05/2018
50 Merritt Ave Chatham, ON	518,374	3.48	12/05/2018
136 Ontario St Stratford, ON	6,419,526	4.36	1/01/2021
568 & 570 Ontario St St. Catharines, ON	2,255,483	3.29	7/01/2019
568 & 570 Ontario St St. Catharines, ON	913,726	2.44	6/01/2019
576 Ontario St St. Catharines, ON	1,252,715	6.73	10/01/2016
576 Ontario St St. Catharines, ON	516,507	2.12	10/01/2016
576 Ontario St St. Catharines, ON	400,808	3.06	10/01/2016
1519, 1521, 1525, 1531, 1537, 1541 & 1545 Ouellette Avenue Windsor, ON	8,754,180	5.15	4/01/2017
737 Ouellette Ave Windsor, ON	5,855,004	3.42	1/01/2018
200 Park St S Hamilton, ON	2,162,095	4.58	12/01/2018
200 Park St S Hamilton, ON	2,249,475	5.50	12/01/2018
555 Park Rd, Brantford	18,433,863	4.75	10/16/2016
575 Park Rd N Brantford, ON	2,512,202	2.94	9/01/2023
3160 Peter St Windsor, ON	2,107,858	3.76	10/01/2025
3410 Peter St Windsor, ON	1,471,104	3.76	10/01/2025
3461 Peter St Windsor, ON	2,781,208	3.76	10/01/2025
3540 Peter St Windsor, ON	2,532,361	3.76	10/01/2025
3576 Peter St Windsor, ON	1,690,674	3.76	10/01/2025
3590 Peter St Windsor, ON	1,778,502	3.76	10/01/2025
3915 Portage Rd Niagara Falls, ON	3,654,532	3.55	4/01/2019
4613, 4615, 4617 & 4619 Portage Road Niagara Falls, ON	3,462,116	4.58	12/01/2018
4613, 4615, 4617 & 4619 Portage Road Niagara Falls, ON	929,775	4.95	10/01/2018
1510 Queenston Rd Cambridge, ON	1,512,208	3.62	10/01/2019
145 & 165 Queen Street South Hamilton, ON	10,192,511	3.65	11/01/2018

Property	(\$) Balance Outstanding as of Sept 30, 2016	Int. Rate (%)	Maturity Date
382 Queenston St St. Catharines, ON	5,791,321	3.42	7/01/2017
2, 4, 6, 8 & 10 rue Radisson Gatineau, QC	44,117,176	3.25	11/01/2022
260-262 Randolph Place Windsor, ON	2,771,129	3.25	10/01/2022
1214 Riverside Dr Timmins, ON	3,082,489	4.62	7/01/2023
8325 Riverside Drive East & 8312-8332 Clairview Drive Windsor, ON	12,237,985	5.15	4/01/2017
89 Riverview Dr Chatham, ON	5,852,032	4.60	8/01/2023
64 Roehampton Ave St. Catharines, ON	5,270,689	3.50	8/05/2018
64 Roehampton Ave St. Catharines, ON	3,771,765	3.43	8/05/2018
76 Roehampton Ave St. Catharines, ON	3,083,472	3.50	11/01/2020
76 Roehampton Ave St. Catharines, ON	2,273,249	3.50	11/01/2020
3165 Russell Street Windsor, ON	3,893,680	3.76	10/01/2025
455 Sandys St Chatham, ON	1,414,070	4.82	3/01/2017
455 Sandys St Chatham, ON	553,263	5.79	6/01/2017
649 Scottsdale Dr Guelph, ON	7,003,085	6.20	9/01/2018
649 Scottsdale Dr Guelph, ON	1,579,625	6.00	9/01/2018
1223 Richmond St London, ON	2,961,857	3.10	8/01/2023
1223 Richmond St London, ON	1,094,056	4.00	8/01/2023
130 Sheldon Ave Chatham, ON	1,862,210	3.200	12/01/2020
300 & 304 Sherk St Leamington, ON	3,877,949	3.62	5/01/2020
95 Sidney St Belleville, ON	7,211,254	3.27	1/01/2021
95 Sidney St Belleville, ON	7,693,178	4.15	1/01/2021
97 Sidney St Belleville, ON	3,342,111	3.27	1/01/2021
99 Sidney St Belleville, ON	5,639,780	3.27	1/01/2021
15 Snyder Ave N Elmira, ON	1,989,346	3.27	10/01/2022
367 Sutherland Way Haileybury, ON	5,160,848	5.32	6/01/2018
860 Suzanne St Timmins, ON	6,098,141	2.77	2/01/2021
15 & 17 Sympatica Cres Brantford, ON	8,097,733	2.86	4/01/2021
15 & 17 Sympatica Cres Brantford, ON	3,021,689	3.71	4/01/2021
294 Talbot St St. Thomas, ON	2,559,946	6.71	7/01/2024
294 Talbot St St. Thomas, ON	2,288,341	4.99	2/01/2017
300 & 330 Talbot St St. Thomas, ON	6,903,831	2.91	3/01/2021
11873 Tecumseh Rd E Tecumseh, ON	6,127,965	4.31	1/01/2022
11886 Tecumseh Rd E Tecumseh, ON	2,226,829	3.53	12/01/2017
11917 Tecumseh Rd E Tecumseh, ON	7,411,115	3.25	10/01/2022
23, 26 & 27 Terry Fox Place Sault Ste Marie, ON	9,115,668	3.40	10/01/2019
2255 University Ave W Windsor, ON	3,423,589	3.25	10/01/2022

Property	(\$) Balance Outstanding as of Sept 30, 2016	Int. Rate (%)	Maturity Date
45 Victoria Ave Ridgeway, ON	1,513,716	3.55	10/01/2019
47 & 67 Village Dr Kingston, ON	18,043,511	4.54	10/01/2020
625, 635 & 645 Village Green Avenue London, ON	3,664,597	3.59	9/01/2023
273 Vine St St. Catharines, ON	7,020,469	3.42	7/01/2017
380-382 Vine St St. Catharines	9,623,627	4.75	6/01/2018
380-382 Vine St St. Catharines	3,494,715	5.35	5/01/2018
383 & 385 Vine St St. Catharines, ON	6,769,350	4.58	12/01/2018
383 & 385 Vine St St. Catharines, ON	5,175,795	5.50	12/01/2018
398 & 400 Vine St St. Catharines, ON	13,695,454	4.33	9/01/2020
764, 780 & 794 Waterloo Ave Port Elgin, ON	5,061,685	3.93	7/01/2020
1100 Wellington St Sarnia, ON	916,959	3.85	11/01/2018
255 & 265 Willson Rd Welland, ON	6,853,543	3.03	6/01/2023
2930 Wildwood Dr Windsor, ON	10,004,776	5.15	4/01/2017
325 Willowdale Cres Sarnia, ON	2,439,351	4.34	12/05/2021
2932 & 2992 Wildwood Dr Windsor, ON	2,233,209	5.15	4/01/2017
524 Woolwich St Guelph, ON	5,791,145	3.75	12/01/2025
6600 Wyandotte St E Windsor, ON	4,910,755	2.27	10/01/2018
55 Yarmouth St Guelph, ON	351,237	5.95	4/01/2017
125 College Ave & 835 Devine St, Sarnia ON	8,082,165	3.15	8/01/2026
225 & 233 Chapel St, Sarnia ON	1,739,708	4.68	7/01/2020
225 & 233 Chapel St, Sarnia ON	1,396,561	2.35	7/01/2020
811 & 817 Devine St, Sarnia ON	2,023,961	2.89	11/15/2022
811 & 817 Devine St, Sarnia ON	560,193	6.10	11/15/2022
5552 Heritage Dr, Niagara Falls ON	3,764,799	2.68	10/15/2019
5552 Heritage Dr, Niagara Falls ON	1,492,623	2.35	10/15/2019
849 Devine St, Sarnia ON	2,268,156	2.89	11/15/2022
99 Thomas St, Kingston ON	1,275,328	3.72	10/01/2023
99 Thomas St, Kingston ON	271,328	2.94	10/01/2023
104 Confederation Dr, St. Thomas ON	6,270,036	3.59	10/05/2019
104 Confederation Dr, St. Thomas ON	1,250,000	3.07	10/05/2019
39 Van Slyke Way, Red Deer Alberta	29,209,200	2.08	9/01/2026
2703-2715 James Mowatt Trail, Edmonton AB	25,875,000	3.46	12/31/2016
	1,112,966,743	3.74%	4.35

4.3 Prior Sales

As of the date of this Offering Memorandum, there are 49,958,699 REIT Units and 3,752,546 Special Voting Units of Skyline Apartment REIT issued and outstanding. Upon the Final Closing of this Offering (assuming the full Offering is subscribed for), there will be 53,116,599 REIT Units and 3,752,546 Special Voting Units outstanding.

The following table sets forth REIT Units issued by Skyline Apartment REIT within the twelve months prior to the date of this Offering Memorandum.

Date of Issuance	Type of Security Issued	Number of Securities Issued	Price per Security	Total Funds Received
15-Sept-16	REIT Units	1,825,650	\$14.25	\$26,015,517
15-Aug-16	REIT Units	1,300,038	\$14.25	\$18,525,544
15-July-16	REIT Units	652,042	\$14.25	\$9,291,605
15-June-16	REIT Units	1,437,175	\$14.25	\$20,479,385
15-May-16	REIT Units	978,612	\$14.25	\$13,495,227
15-Apr-16	REIT Units	730,899	\$14.25	\$10,415,311
15-Mar-16	REIT Units	355,870	\$14.25	\$5,071,147
15-Feb-16	REIT Units	370,644	\$14.25	\$5,281,677
15-Jan-16	REIT Units	206,507	\$13.50	\$2,787,845
15-Dec-15	REIT Units	941,122	\$13.50	\$12,705,147
15-Nov-15	REIT Units	1,387,584	\$13.50	\$18,732,384
15-Oct-15	REIT Units	846,609	\$13.50	\$11,429,222

4.4 Redemption History

The following table sets forth REIT Units redeemed by Skyline Apartment REIT during the last two financial years and in the current financial year to the date of this Offering Memorandum.

	Opening Balance of Outstanding Redemption Requests		Redemption Requests Received During Period		Redemption Requests Fulfilled During Period		Closing Balance of Outstanding Redemption Requests	
	Number of Units	Value (\$)	Number of Units	Value (\$)	Number of Units	Value (\$)	Number of Units	Value (\$)
January 1, 2014 to December 31, 2014	Nil	Nil	1,143,831	13,409,863	1,143,831	13,409,863	Nil	Nil
January 1, 2015 to December 31, 2015	Nil	Nil	798,530	9,254,240	798,530	9,254,240	Nil	Nil
January 1, 2016 to October 15, 2016	Nil	Nil	1,073,097	13,559,089	1,073,097	13,559,089	Nil	Nil

ITEM 5 SECURITIES OFFERED

5.1 Terms of Securities

The following is a description of the material terms of the REIT Units offered pursuant to this Offering.

The beneficial interests in Skyline Apartment REIT, other than the Initial Unit, are divided into two classes described as “REIT Units” and “Special Voting Units” (collectively, the “Units”). The number of Units of any class which Skyline Apartment REIT may issue is unlimited. Units shall be issued only as fully paid and non-assessable. Each Unit when issued shall vest indefeasibly in the holder thereof. The issued and outstanding Units may be subdivided or consolidated from time to time by the Trustees with the approval of the majority of the Unitholders, or as otherwise provided in the Declaration of Trust. Unitholders have the right to receive notice of, to attend and to vote at all meetings of Unitholders. Each Unit shall entitle the holder thereof to one vote at all meetings of Unitholders.

Each REIT Unit shall represent an undivided beneficial interest in distributions by Skyline Apartment REIT, whether of net income, net realized capital gains or other amounts, and, in the event of a liquidation, dissolution, winding-up or other termination of Skyline Apartment REIT, in the net assets of Skyline Apartment REIT remaining after satisfaction of all liabilities.

Except as described below in respect of the Monthly Limit applicable to REIT Units tendered for redemption, no REIT Unit shall have preference or priority over any other. The distribution entitlement of each REIT Unit is intended to and will be derived from the same sources.

Purchase of REIT Units

Skyline Apartment REIT shall be entitled to purchase for cancellation at any time the whole or from time to time any part of the outstanding REIT Units, at a price per REIT Unit and on a basis determined by the Trustees in compliance with all applicable securities laws.

Redemption of REIT Units

Pursuant to the Declaration of Trust, each REIT Unitholder shall be entitled to require Skyline Apartment REIT to redeem at any time or from time to time at the demand of the REIT Unitholder all or any part of the REIT Units registered in the name of the REIT Unitholder at the prices determined and payable in accordance with the following conditions.

To exercise a REIT Unitholder's right to require redemption, a duly completed and properly executed notice requiring Skyline Apartment REIT to redeem said REIT Units, in a form approved by the Trustees, specifying the number of REIT Units to be so redeemed, shall be sent to Skyline Apartment REIT at its head office.

Upon receipt by Skyline Apartment REIT of the notice to redeem REIT Units, the REIT Unitholder shall thereafter cease to have any rights with respect to the REIT Units tendered for redemption (other than to receive the redemption payment therefor) including ceasing to have the right to receive any distributions thereon which are declared payable to the REIT Unitholders of record on a date which is subsequent to the day of receipt by Skyline Apartment REIT of such notice. REIT Units shall be considered to be tendered for redemption on the date that Skyline Apartment REIT has, to the satisfaction of the Trustees, received the notice, other documents and any evidence with respect to the identity, capacity or authority of the Person giving such notice as the Trustees may reasonably require.

Upon receipt by Skyline Apartment REIT of the notice to redeem REIT Units, in accordance with the Declaration of Trust, the holder of the REIT Units tendered for redemption shall be entitled to receive a price per REIT Unit (the "**Redemption Price**") equal to 100% of the most recent Market Value of the REIT Units. Subject to the provisions of the Declaration of Trust set out below, the Redemption Amount is payable by cheque to or to the order of the REIT Unitholder who exercised the right of redemption, on or before the last day of the calendar month following the month in which the REIT Unitholder tendered the REIT Units for redemption. For the purposes of the Declaration of Trust, "**Market Value**" means the market value of the REIT Units which shall be determined by the Trustees at least annually or more frequently as the Trustees may determine and "**Redemption Amount**" means the Redemption Price times the number of REIT Units that a REIT Unitholder tenders for redemption.

The foregoing payment terms shall not be applicable to REIT Units tendered for redemption by a REIT Unitholder, if the total amount payable by Skyline Apartment REIT in respect of such REIT Units and all other REIT Units tendered for redemption prior thereto in the same calendar month exceeds \$50,000 (the "**Monthly Limit**"); provided that the Trustees may, in their sole discretion, increase such Monthly Limit in respect of all REIT Units tendered for redemption in any calendar month. Where the Monthly Limit is exceeded, the Redemption Amount to which the REIT Unitholder would otherwise be entitled shall be paid and satisfied as follows:

- (a) a portion of the Redemption Amount equal to the Monthly Limit divided by the total number of REIT Units tendered by all REIT Unitholders for redemption in the month times the number of REIT Units tendered for redemption by a REIT Unitholder shall be paid and satisfied in cash, in accordance with the Declaration of Trust; and
- (b) subject to receipt of all necessary regulatory approvals, the remainder of the Redemption Amount shall be paid and satisfied by way of issuance to the REIT Unitholder of a promissory note (the "**Trust Note**"), in accordance with the Declaration of Trust, having a principal amount equal to the Redemption Amount minus the cash paid or payable to the REIT Unitholder pursuant to (a) above. Any such Trust Note shall mature and be payable not later than ten (10) years following the date of issue, shall be repayable at any time at the option of Skyline Apartment REIT and shall bear interest at the Prime Rate plus 2%.

Upon the payment by Skyline Apartment REIT of the Redemption Amount in accordance with the Declaration of Trust, Skyline Apartment REIT shall be discharged from all liability to the Unitholder or former Unitholder who redeemed the REIT Units in respect of the REIT Units so redeemed.

All REIT Units which are redeemed pursuant to the Declaration of Trust shall be cancelled and such REIT Units shall no longer be outstanding and shall not be reissued.

Some or all of the income of Skyline Apartment REIT, the net realized capital gains of Skyline Apartment REIT and the net recapture income of Skyline Apartment REIT for a year may, for purposes of computing the net income of Skyline Apartment REIT and the net realized capital gains of Skyline Apartment REIT under the Tax Act or other tax legislation, be treated as having been paid in the year by Skyline Apartment REIT to the REIT Unitholders redeeming REIT units in such year and, to the extent of the amount thereof so treated has been designated as taxable capital gains or income to such REIT Unitholders, the holder's redemption proceeds shall be reduced accordingly. Any such amounts shall be determined at the discretion of a majority of the Trustees; however in all cases, a redeeming REIT Unitholder will only be treated as having been paid an amount to which the REIT Unitholders of the REIT Units redeemed would be entitled to receive.

Take-Over Bids

If there is a take-over bid for all of the outstanding REIT Units and, within the time limit in a take-over bid for its acceptance, or 120 days after the date of such take-over bid, whichever period is the shorter, the take-over bid is accepted by the holders of not less than 90% of the REIT Units (including REIT Units issuable upon the surrender or exchange of any securities for REIT Units but not including any such securities held at the date of the take-over bid by or on behalf of the offeror or affiliates or associates of the offeror), other than REIT Units held at the date of the take-over bid by or on behalf of the offeror or an affiliate or an associate of the offeror, the offeror is entitled, on complying with the Declaration of Trust, to acquire the REIT Units held by the dissenting offerees.

Meetings of Unitholders

There shall be an annual meeting of the Unitholders, at such time and place in Canada as the Trustees shall prescribe, for the purpose of electing Trustees (except for the Skyline Appointee(s)), appointing or changing the accountants of Skyline Apartment REIT and Skyline LP and transacting such other business as the Trustees may determine or as may properly be brought before the meeting. The annual meeting of the Unitholders shall be held after delivery to the Unitholders of the information referred to in the Declaration of Trust and, in any event, within 180 days after the end of each fiscal year of Skyline Apartment REIT.

The Trustees shall have power at any time to call special meetings of the Unitholders at such time and place in Canada as the Trustees may determine. The Unitholders holding in the aggregate not less than 5% of the votes attaching to all outstanding Units (on a fully-diluted basis) may requisition the Trustees in writing to call a special meeting of the Unitholders for the purposes stated in the requisition. The requisition must state in reasonable detail the business proposed to be transacted at the meeting and shall be sent to each of the Trustees and to the principal office of Skyline Apartment REIT. The Unitholders have the right to obtain a list of the Unitholders to the same extent and upon the same conditions as those which apply to shareholders of a corporation governed by the *Business Corporations Act* (Ontario). Unitholders may attend and vote at all meetings of Unitholders either in person or by proxy and a proxy need not be a Unitholder.

Issuance of REIT Units

The Trustees may allot and issue REIT Units at such time or times and in such manner (including pursuant to any plan from time to time in effect relating to reinvestment by the REIT Unitholders of distributions of Skyline Apartment REIT in REIT Units) and to such Person, Persons or class of Persons as

the Trustees in their sole discretion shall determine. The price or the value of the consideration for which REIT Units may be issued and the terms and conditions of issuance of the REIT Units shall be determined by the Trustees in their sole discretion, generally (but not necessarily) in consultation with investment dealers or brokers who may act as underwriters in connection with offerings of REIT Units. In the event that REIT Units are issued in whole or in part for a consideration other than money, the resolution of the Trustees allotting and issuing such REIT Units shall express the fair equivalent in money of the other consideration received.

Limitation on Non-Resident Ownership

Notwithstanding any provision of this Offering Memorandum or the Declaration of Trust to the contrary, at no time may more than 49% of the REIT Units or the Special Voting Units then outstanding be held by or for the benefit of Persons who are not resident in Canada for the purposes of the Tax Act ("**Non-Resident Beneficiaries**"). The Trustees may require declarations as to the jurisdictions in which beneficial owners of REIT Units or Special Voting Units, as the case may be, are resident or declarations from holders of REIT Units or Special Voting Units, as the case may be, as to whether such REIT Units or Special Voting Units, as the case may be, are held for the benefit of Non-Resident Beneficiaries. If the Trustees become aware that more than 49% of the REIT Units or Special Voting Units then outstanding are, or may be, held by or for the benefit of Non-Resident Beneficiaries or that such a situation is imminent, the Trustees may make a public announcement thereof and shall not accept a subscription for such REIT Units or Special Voting Units, as the case may be, from or issue or register a transfer of such REIT Units or Special Voting Units, as the case may be, to a Person unless the Person provides a declaration that the Person is not a non-resident for the purposes of the Tax Act (or, in the discretion of the Trustees, that the Person is not a Non-Resident Beneficiary) and does not hold his REIT Units or Special Voting Units, as the case may be, for a Non-Resident Beneficiary. If, notwithstanding the foregoing, the Trustees determine that more than 49% of the REIT Units or Special Voting Units then outstanding are held by or for the benefit of Non-Resident Beneficiaries, the Trustees may send a notice to non-resident holders of REIT Units or Special Voting Units, as the case may be, and holders of REIT Units or Special Voting Units, as the case may be, for Non-Resident Beneficiaries chosen in inverse order to the order of acquisition or registration or in such other manner as the Trustees may consider equitable and practicable, requiring them to sell or redeem their REIT Units or Special Voting Units, as the case may be or a portion thereof within a specified period of not more than 60 days.

Distribution Policy

The Declaration of Trust provides that Skyline Apartment REIT may distribute to REIT Unitholders on or about each Distribution Date such percentage of the Distributable Income for the calendar month then ended as the Trustees determine in their discretion.

In addition, the Trustees may declare to be payable and make distributions, from time to time, out of income of Skyline Apartment REIT, net realized capital gains of Skyline Apartment REIT, the net recapture income of Skyline Apartment REIT, the capital of Skyline Apartment REIT or otherwise, in any year, in such amount or amounts, and on such dates on or before December 31 of that year as the Trustees may determine, to the extent such income, capital gains and capital has not already been paid, allocated or distributed to the REIT Unitholders.

Distributions may be adjusted for amounts paid in prior periods if the actual Distributable Income for the prior periods is greater than or less than the Trustees' estimates for the prior periods. Distributions shall be made in cash or may be invested in similar REIT Units pursuant to any distribution reinvestment plan or unit purchase plan adopted by the Trustees.

Where the Trustees determine that Skyline Apartment REIT does not have available cash in an amount sufficient to make payment of the full amount of any distribution which has been declared to be payable on the due date for such payment, the payment may, at the option of the Trustees, include the issuance of additional REIT Units or fractions of such REIT Units, as the case may be, if necessary, having

a fair market value as determined by the Trustees equal to the difference between the amount of such distribution and the amount of cash which has been determined by the Trustees to be available for the payment of such distribution in the case of REIT Units.

Notwithstanding anything to the contrary, for greater certainty, no amounts will be distributed to holders of Special Voting Units.

5.2 Subscription Procedure

In order to subscribe for REIT Units, Subscribers must complete, execute and deliver the following to the Wealth Manager at 5 Douglas Street, Suite 301, Guelph, Ontario, N1H 2S8:

1. one fully completed and signed copy of the Subscription Agreement, including the schedules and all other documentation contemplated by the Subscription Agreement; and
2. a cheque, bank draft or evidence of completed wire transfer in an amount equal to the aggregate subscription price payable for the REIT Units subscribed for by the Subscriber (as set forth in the Subscription Agreement).

Skyline Apartment REIT has the right to accept or reject the Subscriber's subscription in whole or in part. If the subscription is rejected in whole or in part, all or a portion of the purchase price, as the case may be, will be promptly delivered to the Subscriber, without interest.

The subscription funds will be held in trust until midnight of the second business day subsequent to the date that each Subscription Agreement is signed by a Subscriber.

Representations of Subscribers

Each Subscriber for REIT Units under this Offering will be required to represent to Skyline Apartment REIT, the Wealth Manager and any dealer who sells the REIT Units to such Subscriber that: (a) the offer and sale of REIT Units was made exclusively through the Offering Memorandum; (b) such Subscriber has reviewed and acknowledges the terms referred to below under the section entitled "Resale Restrictions"; and (c) such Subscriber is entitled under applicable Canadian securities laws to purchase such REIT Units without the benefit of a prospectus, because such Subscriber is an "accredited investor" as defined in NI 45-106 or is purchasing the REIT Units in reliance on another exemption from the prospectus requirement in NI 45-106.

In addition, each resident of Ontario who purchases the REIT Units will be required to represent to Skyline Apartment REIT, the Wealth Manager and each dealer from whom a purchase confirmation was received, that such Subscriber: (a) has been notified by Skyline Apartment REIT (i) that Skyline Apartment REIT is required to provide certain personal information ("**personal information**") pertaining to the Subscriber as required to be disclosed in Schedule I of Form 45-106F1 under NI 45-106 (including its name, residential address, telephone number and the number and value of any REIT Units purchased), which Form 45-106F1 is required to be filed by Skyline Apartment REIT under NI 45-106; (ii) that such personal information will be delivered to the Ontario Securities Commission (the "**OSC**") in accordance with NI 45-106; (iii) that such personal information is being collected indirectly by the OSC under the authority granted to it under the securities legislation of Ontario; (iv) that such personal information is being collected for the purposes of the administration and enforcement of the securities legislation of Ontario; and (v) that the public official in Ontario who can answer questions about the OSC's indirect collection of such personal information is the Administrative Support Clerk at the OSC, Suite 1903, Box 55, 20 Queen Street West, Toronto, Ontario M5H 3S8, Telephone: (416) 593-3684; and (b) by purchasing REIT Units, such Subscriber has authorized the indirect collection of the personal information by the OSC.

Furthermore, each Subscriber will acknowledge that its name, residential address, telephone number and other specified information, including the number of REIT Units it has purchased and the aggregate purchase price paid by the Subscriber, may be disclosed to other Canadian securities regulatory authorities and may become available to the public in accordance with the requirements of applicable Canadian laws. By purchasing REIT Units, the Subscriber consents to the disclosure of such information. Subscriber information is currently not expected to be placed on the public file of any Canadian securities regulatory authority, or where applicable, regulator, other than the British Columbia Securities Commission. However, freedom of information legislation may require the securities regulatory authority or regulator to make this information available. The British Columbia Securities Commission will make the name of Individual Subscribers, whether the investor is an insider of the issuer or of a registrant, the number of REIT Units issued, the date of issuance and the purchase price of REIT Units issued to the Subscriber, available for public inspection at the British Columbia Securities Commission during normal business hours. All of the foregoing information about non-individual Subscribers, as well as the Subscriber's address and the name and telephone number of a contact person for the Subscriber will also be made publicly available by the British Columbia Securities Commission.

Proceeds of Crime (Money Laundering) Legislation

In order to comply with Canadian legislation aimed at the prevention of money laundering and terrorism, the Wealth Manager may require additional information concerning Canadian investors and by signing the Subscription Agreement, the Subscriber agrees to provide such information.

If as a result of any information or other matter which comes to its attention of the Wealth Manager, any director, officer or employee of the Wealth Manager, or its professional advisers, such person knows or suspects that a Canadian investor is engaged in money laundering or terrorism, such person is required to report such information or other matter to applicable law enforcement and securities regulatory authorities, including the Financial Transactions and Reports Analysis Centre of Canada and such report shall not be treated as a breach of any restriction upon the disclosure of information imposed by Canadian law or otherwise.

ITEM 6 INCOME TAX CONSEQUENCES AND RRSP ELIGIBILITY

You should consult your own professional advisers to obtain advice on the income tax consequences that apply to you.

In the opinion of Aird & Berlis LLP, counsel to Skyline Apartment REIT, the following summary fairly presents the principal Canadian federal income tax considerations generally applicable to prospective subscribers of REIT Units pursuant to this Offering Memorandum who, for the purposes of the Tax Act, are resident in Canada, deal at arm's length with, and are not affiliated with, Skyline Apartment REIT and will hold their REIT Units as capital property. Generally, the REIT Units will be considered to be capital property to a REIT Unitholder provided that the REIT Unitholder does not hold the REIT Units in the course of carrying on a business and has not acquired them in a transaction considered to be an adventure or concern in the nature of trade. Certain REIT Unitholders who might not otherwise be considered to hold their REIT Units as capital property may, in certain circumstances, be entitled to have them and all other "Canadian securities" (as defined in the Tax Act) owned by them treated as capital property by making the irrevocable election under subsection 39(4) of the Tax Act.

This summary is not applicable to (i) a REIT Unitholder that is a "financial institution", as defined in the Tax Act for the purposes of the mark-to-market rules, (ii) a "specified financial institution" as defined in the Tax Act, (iii) a REIT Unitholder where an interest in such REIT Unitholder would be a "tax shelter" or a "tax shelter investment" as defined in the Tax Act, (iv) a REIT Unitholder who has elected to report its Canadian tax results in a currency other than the Canadian currency in accordance with the rules in the Tax Act, or (v) a REIT Unitholder who enters into, or has entered into, a "derivative

forward arrangement” with respect to the REIT Units, as that term is defined in the Tax Act, nor does this summary address the tax consequences to REIT Unitholders who borrow funds in connection with the acquisition of REIT Units.

This summary is based upon the facts set out in this Offering Memorandum and a certificate of an officer of Skyline Apartment REIT provided to Aird & Berlis LLP by Skyline Apartment REIT with respect to certain factual matters (the “**Officer’s Certificate**”). This summary assumes that the representations in the Officer’s Certificate are true and correct. This summary assumes that Skyline Apartment REIT will at all times comply with the provisions of the Declaration of Trust, and that Skyline Apartment REIT currently qualifies as, and will at all times continue to qualify as, a mutual fund trust under the provisions of the Tax Act. This summary is based upon the current provisions of the Tax Act and the regulations thereunder, the specific proposals to amend the Tax Act and regulations thereunder, publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “**Tax Proposals**”), and counsel’s understanding of the current published administrative practices and assessing policies of the Canada Revenue Agency (“**CRA**”).

This summary is not exhaustive of all possible Canadian federal income tax consequences applicable to acquiring, holding or disposing of REIT Units pursuant to this Offering Memorandum and, except for the Tax Proposals, does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial action, nor does it take into account provincial, territorial or foreign tax considerations. Moreover, the income and other tax consequences of acquiring, holding or disposing of REIT Units pursuant to this Offering Memorandum will vary depending on the REIT Unitholder’s particular circumstances. This summary is not intended to be, nor should it be construed to be, legal or tax advice to any prospective REIT Unitholder. Accordingly, prospective REIT Unitholders should consult with their tax advisors for advice with respect to the tax consequences to them having regard to their own particular circumstances.

SIFT Rules

On June 22, 2007, legislation was enacted (the “**SIFT Rules**”) relating to the federal income taxation of publicly-listed or traded trusts (such as income trusts and real estate investment trusts) and partnerships.

The SIFT Rules apply to a publicly-listed or traded trust that is a specified investment flow-through entity (a “**SIFT trust**”) and to its investors. Certain distributions attributable to a SIFT trust’s “non-portfolio earnings” are not deductible in computing the SIFT trust’s income and the SIFT is subject to tax on such distributions at a rate that is substantially equivalent to the general tax rate applicable to Canadian corporations. Provided that investments in Skyline Apartment REIT are not listed or traded on a stock exchange or other public market, Skyline Apartment REIT will not be subject to the SIFT Rules. If investments in Skyline Apartment REIT become publicly-listed or traded, there can be no assurance that Skyline Apartment REIT will not be subject to the SIFT Rules at that time.

Taxation of Skyline Apartment REIT

The taxation year of Skyline Apartment REIT is the calendar year. In each taxation year Skyline Apartment REIT will be subject to tax under Part I of the Tax Act on its income for the year, including net realized taxable capital gains, less the portion thereof that it deducts in respect of amounts paid or payable in the year to Unitholders. An amount will be considered to be payable to a Unitholder in a taxation year if it is paid to the Unitholder in the year by Skyline Apartment REIT or if the Unitholder is entitled in that year to enforce payment of the amount.

In computing its income for the purposes of the Tax Act for a particular taxation year, Skyline Apartment REIT must include rents in respect of Skyline Apartment REIT’s portfolio of properties, any taxable capital gains and any recapture of capital cost allowance arising on the disposition of properties

owned by Skyline Apartment REIT and any other income earned by Skyline Apartment REIT in such taxation year.

In computing its income for purposes of the Tax Act, Skyline Apartment REIT may deduct reasonable administrative costs and other reasonable expenses incurred by it for the purpose of earning income, generally including a reasonable amount of interest on borrowed funds. Skyline Apartment REIT generally may also deduct in computing its income for the year a portion of the reasonable expenses incurred by Skyline Apartment REIT to issue Units. The portion of the issue expenses deductible by Skyline Apartment REIT in a taxation year is 20% of the total issue expenses, pro-rated where Skyline Apartment REIT's taxation year is less than 365 days.

The Declaration of Trust generally requires Skyline Apartment REIT to claim the maximum amount of deductions available to it in computing its income for tax purposes unless the Trustees determine otherwise.

Skyline Apartment REIT may also deduct in computing its income for purposes of the Tax Act the aggregate amount paid or made payable to Unitholders in the year. Losses incurred by Skyline Apartment REIT cannot be allocated to REIT Unitholders but may be deducted by Skyline Apartment REIT in future years in accordance with the detailed rules in the Tax Act.

The Tax Act includes "loss restriction event" ("LRE") rules that could potentially apply to Skyline Apartment REIT. In general, a trust is subject to an LRE if a person (or group of persons) acquires more than 50% of the fair market value of the units of the trust. If an LRE occurs (i) a trust will be deemed to have a year-end for tax purposes immediately before the LRE occurs, (ii) unless any net income and net realized capital gains of the trust at such year-end is distributed or otherwise made payable to unitholders of the trust to the extent required for the trust not to be liable for income taxes, the trust would be subject to tax under Part I of the Tax Act, and (iii) the trust will be restricted in its ability to use tax losses (including any unrealized capital losses) that exist at the time of the LRE.

The Tax Act contains a broad-based exemption from the LRE rules for investment funds. There are two principal conditions that a trust must meet to be an investment fund and thereby qualify for such exemption: one condition relates to the status of the trust for tax purposes and the other condition relates to the assets owned by the trust. However, relief from the LRE rules is not available for a trust, which holds real property with a total fair market value in excess of 50% of the total fair market value of all interests in the trust. On January 15, 2016 the Department of Finance released draft legislation to amend the LRE rules. Under these proposed amendments, the investment fund exception is not available if any real property is held by the trust. Skyline Apartment REIT would not qualify for this exemption under either the existing rules or the proposed amendments.

Part XII.2 of the Tax Act imposes a special 36% tax on the designated income (which includes income from real property in Canada) of certain trusts with respect to distributions to designated beneficiaries (which include non-resident persons and certain tax-exempt persons). Part XII.2 will not apply to Skyline Apartment REIT in a taxation year provided that Skyline Apartment REIT qualifies as a mutual fund trust throughout the taxation year.

Taxation of REIT Unitholders

A REIT Unitholder is required to include in computing income for tax purposes in each year the portion of the amount of net income and net taxable capital gains of Skyline Apartment REIT, determined for the purposes of the Tax Act, paid or payable to such REIT Unitholder in the year that Skyline Apartment REIT deducts in computing its income for tax purposes.

The Declaration of Trust provides that net income, including net taxable capital gains for purposes of the Tax Act, will be allocated to Unitholders in the same proportion as distributions received

by Unitholders, subject to the discretion of the Trustees to adopt an allocation method which the Trustees consider to be more reasonable in the circumstances.

The amount distributed to REIT Unitholders in a year may exceed the income of Skyline Apartment REIT for tax purposes for that year. Distributions in excess of Skyline Apartment REIT's taxable income in a year will not be included in computing the income of the REIT Unitholders from Skyline Apartment REIT for tax purposes. However, a REIT Unitholder is required to reduce the adjusted cost base of such holder's REIT Units by the portion of any amount paid or payable to such holder by Skyline Apartment REIT (other than the non-taxable portion of certain capital gains) that was not included in computing such holder's income. A REIT Unitholder will realize a capital gain in the year to the extent the adjusted cost base of the holder's REIT Units would otherwise be a negative amount. Skyline Apartment REIT will designate to the extent permitted by the Tax Act the portion of the taxable income distributed to REIT Unitholders as may reasonably be considered to consist of net taxable capital gains of Skyline Apartment REIT. Any such designated amount will be deemed for tax purposes to be received by REIT Unitholders in the year as a taxable capital gain.

Disposition of REIT Units

Upon the disposition or deemed disposition by a REIT Unitholder of a REIT Unit, a capital gain (or a capital loss) will generally be realized to the extent that the proceeds of disposition of the REIT Unit exceed (or are exceeded by) the aggregate of the adjusted cost base to the REIT Unitholder of the REIT Unit immediately before the disposition and any reasonable costs of the disposition. The adjusted cost base to a REIT Unitholder of a REIT Unit will be determined by averaging the cost base of all REIT Units owned by a REIT Unitholder as capital property at a particular time. Generally, one-half of any capital gain (a "taxable capital gain") realized by a REIT Unitholder will be included in the REIT Unitholder's income for the year of disposition. One-half of any capital loss so realized (an "allowable capital loss") may generally be deducted against taxable capital gains of the REIT Unitholder for the year of disposition. Any excess of allowable capital losses over taxable capital gains of the REIT Unitholder for the year of disposition may be carried back up to three taxation years or forward indefinitely and deducted against net taxable capital gains in those other years to the extent and in the circumstances prescribed in the Tax Act.

Capital gains realized by an individual or trust, other than certain trusts, may give rise to alternative minimum tax under the Tax Act. A holder that is a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional refundable tax on taxable capital gains.

Since the net income of Skyline Apartment REIT will be distributed on a monthly basis, a purchaser of a REIT Unit may become taxable on a portion of the net income of Skyline Apartment REIT accrued or realized by Skyline Apartment REIT in a month before the time the REIT Unit was purchased but which was not paid or made payable to Unitholders until the end of the month and after the time the REIT Unit was purchased. A similar result may apply on an annual basis in respect of a portion of capital gains accrued or realized in a year before the time the REIT Unit was purchased, but which is paid or made payable to Unitholders at year-end and after the time the REIT Unit was purchased.

Eligibility for Investment

In the opinion of Aird & Berlis LLP, counsel to Skyline Apartment REIT, provided that Skyline Apartment REIT qualifies as a "mutual fund trust" for purposes of the Tax Act at a particular time, the REIT Units will be qualified investments for a trust governed by a registered retirement savings plan ("RRSP"), registered retirement income fund ("RRIF"), registered disability savings plan, registered education savings plan, deferred profit sharing plan or a tax-free savings account ("TFSA") at such time.

Notwithstanding the foregoing, if the REIT Units are "prohibited investments" for a trust governed by an RRSP, RRIF or TFSA which acquired REIT Units pursuant to this Offering Memorandum, the annuitant or holder will be subject to a penalty tax in respect of such REIT Units. A

REIT Unit will generally be a “prohibited investment” if the annuitant or holder does not deal at arm’s length with Skyline Apartment REIT for purposes of the Tax Act or has a significant interest (within the meaning of the Tax Act) in Skyline Apartment REIT. For these purposes, an annuitant or holder will have a significant interest in Skyline Apartment REIT at a particular time if the annuitant or holder, or the annuitant or holder together with persons or partnerships with which the annuitant or holder does not deal at arm’s length, holds at the time interests as a beneficiary under Skyline Apartment REIT that have a fair market value of 10% or more of the fair market value of the interests of all beneficiaries under Skyline Apartment REIT. The REIT Units will generally not be a “prohibited investment” if the REIT Units are “excluded property” (as defined in the Tax Act) for trusts governed by an RRSP, RRIF or TFSA.

Holders or annuitants should consult their own tax advisors with respect to whether REIT Units would be prohibited investments in their particular circumstances, including with respect to whether the REIT Units would be “excluded property”.

ITEM 7 COMPENSATION PAID TO SELLERS AND FINDERS

The Wealth Management Agreement was entered into between the Wealth Manager and Skyline Apartment REIT on January 1, 2012. Pursuant to the Wealth Management Agreement, the Wealth Manager is responsible for acting as exempt market dealer on all offerings of REIT Units and providing other services to Skyline Apartment REIT. See Item 2.2 – Our Business – Management of Skyline Apartment REIT – The Wealth Manager.

In consideration for the services to be provided by the Wealth Manager to Skyline Apartment REIT, the Wealth Manager will be entitled to a wealth management fee, payable monthly, equal to 1/12 of 0.3% of Skyline Apartment REIT’s Equity Under Management (calculated as the product of the outstanding REIT Units multiplied by the then market value of one REIT Unit). The wealth management fee is estimated to be \$17,759 per month assuming the maximum Offering. The Wealth Manager will also be entitled to an equity raise fee equal to a maximum of 1.0% on the capital raised in offerings of REIT Units, subject to adjustment (\$710,363, assuming the maximum Offering).

Under the Wealth Management Agreement, the Wealth Manager is responsible for employment expenses of its personnel, rent and other office expenses of the Wealth Manager in connection with providing services to Skyline Apartment REIT under the Wealth Management Agreement.

ITEM 8 RISK FACTORS

There are certain risk factors inherent in an investment in the REIT Units and in the activities of Skyline Apartment REIT, including the following, which subscribers should carefully consider before subscribing for the REIT Units.

Real Property Ownership

All real property investments are subject to elements of risk. Such investments are affected by general economic conditions, local real estate markets, demand for multi-unit residential premises, competition from other multi-unit residential premises and various other factors.

Certain significant expenditures, including property taxes, capital repair and replacement costs, maintenance costs, mortgage payments, insurance costs and related charges must be made throughout the period of ownership of real property regardless of whether the property is producing any income. If Skyline Apartment REIT is unable to meet mortgage payments on any property, losses could be sustained as a result of the mortgagee’s exercise of its rights of foreclosure or sale.

Real property investments tend to be relatively illiquid, with the degree of liquidity generally fluctuating in relation to demand for and the perceived desirability of such investments. Such illiquidity

may tend to limit Skyline Apartment REIT's ability to vary its portfolio promptly in response to changing economic or investment conditions. If Skyline Apartment REIT were required to liquidate its real property investments, the proceeds to Skyline Apartment REIT might be significantly less than the aggregate value of its properties on a going concern basis.

Skyline Apartment REIT will be subject to the risks associated with debt financing, including the risk that existing mortgage indebtedness secured by the Properties will not be able to be refinanced or that the terms of such refinancing will not be as favourable as the terms of existing indebtedness.

Tenant Terminations and Financial Stability

Skyline Apartment REIT's Distributable Income would be adversely affected if a significant number of tenants were to become unable to meet their obligations under their leases or if a significant amount of available space in the Existing Properties and any additional properties in which Skyline Apartment REIT acquires an interest were not able to be leased on economically favourable lease terms. Upon the expiry of any lease, there can be no assurance that the lease will be renewed or the tenant replaced. The terms of any subsequent lease may be less favourable to Skyline Apartment REIT than the existing lease. In the event of default by a tenant, delays or limitations in enforcing rights as lessor may be experienced and substantial costs in protecting Skyline Apartment REIT's investment may be incurred. Furthermore, at any time, a tenant of any of Skyline Apartment REIT's properties may seek the protection of bankruptcy, insolvency or similar laws that could result in the rejection and termination of such tenant's lease and thereby cause a reduction in the cash flow available to Skyline Apartment REIT. The ability to rent unleased space in the properties in which Skyline Apartment REIT will have an interest will be affected by many factors. Costs may be incurred in making improvements or repairs to property required by a new tenant. The failure to rent unleased space on a timely basis or at all would likely have an adverse effect on Skyline Apartment REIT's financial condition.

Future Property Acquisitions

Skyline Apartment REIT has not waived the conditions to closing of the Properties Under Due Diligence. The acquisition by Skyline Apartment REIT of the Properties Under Due Diligence is not conditional upon completion of this Offering. There can be no assurance that Skyline Apartment REIT will acquire the Properties Under Due Diligence or be able to acquire, other properties with the net proceeds to Skyline Apartment REIT of this Offering allocated for such purpose.

Revenue Producing Properties

The Properties generate income through rental payments made by the tenants thereof. Upon the expiry of any lease, there can be no assurance that such lease will be renewed or the tenant replaced. The terms of any subsequent lease may be less favourable to Skyline Apartment REIT than the existing lease.

Competition for Real Property Investments

Skyline Apartment REIT competes for suitable real property investments with individuals, corporations and institutions (both Canadian and foreign) and other real estate investment trusts which are presently seeking, or which may seek in the future, real property investments similar to those desired by Skyline Apartment REIT. A number of these investors may have greater financial resources than those of Skyline Apartment REIT, or operate without the investment or operating restrictions of Skyline Apartment REIT or according to more flexible conditions. An increase in the availability of investment funds, and an increase in interest in real property investments, may tend to increase competition for real property investments, thereby increasing purchase prices and reducing the yield on them.

Competition for Tenants

The real estate business is competitive. Numerous other developers, managers and owners of properties compete with Skyline Apartment REIT in seeking tenants. The existence of competing developers, managers and owners and competition for Skyline Apartment REIT's tenants could have an adverse effect on Skyline Apartment REIT's ability to lease space in its properties and on the rents charged.

Interest Rates

It is anticipated that the market price for the REIT Units at any given time may be affected by the level of interest rates prevailing at that time. A rise in interest rates may have a negative effect on the market price of the REIT Units. Changes in interest rates may also have effects on vacancy rates, rent levels, refurbishing costs and other factors affecting Skyline Apartment REIT's business and profitability.

General Economic Conditions

Skyline Apartment REIT is affected by general economic conditions, local real estate markets, competition from other available rental premises, including new developments, and various other factors. The existence of competing developers, managers and owners and competition for Skyline Apartment REIT's tenants could have an adverse effect on Skyline Apartment REIT's ability to lease space in its properties and on the rents charged, increased leasing and marketing costs and increased refurbishing costs necessary to lease and release space, all of which could adversely affect Skyline Apartment REIT's revenues and, consequently, its ability to meet its obligations. In addition, any increase in the supply of available space in the markets in which Skyline Apartment REIT operates or may operate could have an adverse effect on Skyline Apartment REIT.

General Uninsured Losses

Skyline Apartment REIT carries comprehensive general liability, fire, flood, extended coverage, rental loss and pollution insurance with policy specifications, limits and deductibles customarily carried for similar properties. There are, however, certain types of risks (generally of a catastrophic nature such as from wars) which are either uninsurable or not insurable on an economically viable basis. Skyline Apartment REIT has insurance for earthquake risks, subject to certain policy limits, deductibles and self-insurance arrangements, and will continue to carry such insurance if economical to do so. Should an uninsured or underinsured loss occur, Skyline Apartment REIT could lose its investment in, and anticipated profits and cash flows from, one or more of its Properties, but Skyline Apartment REIT would continue to be obligated to repay any recourse mortgage indebtedness on such Properties.

Availability of Cash Flow

Distributable income may exceed actual cash available to Skyline Apartment REIT from time to time because of items such as principal repayments of debt, tenant inducements, leasing commissions and capital expenditures, if any. Skyline Apartment REIT may be required to use part of its debt capacity or reduce distributions in order to accommodate such items.

Access to Capital

The real estate industry is highly capital intensive. Skyline Apartment REIT will require access to capital to maintain its properties, as well as to fund its growth strategy and significant capital expenditures from time to time. There is no assurance that capital will be available when needed or on favourable terms.

Environmental Matters

Environmental and ecological legislation and policies have become increasingly important, and generally restrictive, in recent years. Under various laws, Skyline Apartment REIT could become liable for the costs of removal or remediation of certain hazardous or toxic substances released on or in its properties or disposed of at other locations. The failure to remove or remediate such substances, if any, may adversely affect an owner's ability to sell such real estate or to borrow using such real estate as collateral, and could potentially also result in claims against the owner by private plaintiffs. Where a property is purchased and new financing is obtained, Phase I Environmental Assessments are performed by an independent and experienced environmental consultant. In the case of mortgage assumption, the vendor will be asked to provide a satisfactory Phase I and/or Phase II Environmental Assessment that the Asset Manager will rely upon and/or determine whether an update is necessary.

Unitholder Liability

Because of uncertainties in the law relating to investment trusts, there is a risk, which is considered by counsel to be remote in the circumstance, that a REIT Unitholder could be held personally liable for obligations of Skyline Apartment REIT (to the extent that claims are not satisfied by Skyline Apartment REIT) in respect of contracts which Skyline Apartment REIT enters into and for certain liabilities arising other than out of contract including claims in tort, claims for taxes and possibly certain other statutory liabilities. The Trustees intend to cause Skyline Apartment REIT's operations to be conducted in such a way as to minimize any such risk including by obtaining appropriate insurance and, where feasible, attempting to have every material written contract or commitment of Skyline Apartment REIT contain an express disavowal of liability against Unitholders.

In December 2004, a new statute, the *Trust Beneficiaries' Liability Act* (Ontario), was enacted to create a statutory limitation on the liability of unitholders of trusts such as Skyline Apartment REIT. The legislation provides that a unitholder, such as a REIT Unitholder, will not, as a beneficiary, be liable for any act, default, obligation or liability of the trust or any of its trustees after the legislation comes into force. However, this legislation does not address potential liabilities arising before the date of the legislation came into force. In addition, this legislation has not been judicially considered and it is possible that reliance on the legislation by a REIT Unitholder could be successfully challenged on jurisdictional or other grounds.

Dependence on Key Personnel

The management of Skyline Apartment REIT depends on the services of certain key personnel. The termination of employment by the Asset Manager of any of these key personnel could have a material adverse effect on Skyline Apartment REIT.

Potential Conflicts of Interest

Skyline Apartment REIT may be subject to various conflicts of interest because of the fact that the Trustees and senior officers of Skyline Apartment REIT and the senior officers of the Asset Manager and the Wealth Manager are engaged in a wide range of real estate and other business activities. Skyline Apartment REIT may become involved in transactions which conflict with the interests of the foregoing.

The Trustees may from time to time deal with persons, firms, institutions or corporations with which Skyline Apartment REIT may be dealing, or which may be seeking investments similar to those desired by Skyline Apartment REIT. The interests of these persons could conflict with those of Skyline Apartment REIT. In addition, from time to time, these persons may be competing with Skyline Apartment REIT for available investment opportunities.

The Skyline Apartment REIT Declaration of Trust contains “conflicts of interest” provisions requiring Trustees to disclose material interests in material contracts and transactions and to refrain from voting thereon.

Tax Related Risks

There can be no assurance that income tax laws and the treatment of mutual fund trusts will not be changed in a manner which adversely affects Skyline Apartment REIT or the Unitholders.

In addition, REIT Unitholders may become subject to provincial taxes, such as Ontario Land Transfer Tax, in respect of their REIT Units.

If Skyline Apartment REIT fails or ceases to qualify as a mutual fund trust for purposes of the Tax Act, the tax consequences described under Item 6 “Income Tax Consequences and RRSP Eligibility” would in some respects be materially and adversely different. Such adverse differences would include that if Skyline Apartment REIT did not qualify as a mutual fund trust throughout a taxation year, it would be subject to a special tax under Part XII.2 of the Tax Act for such taxation year to the extent that its designated income (which includes income from real property) is distributed to a designated beneficiary (which includes non-resident persons and certain tax-exempt persons).

If investments in Skyline Apartment REIT become publicly listed or traded, there can be no assurances that Skyline Apartment REIT will not be subject to the SIFT Rules, as described under “Income Tax Consequences and RRSP Eligibility – SIFT Rules”, at that time.

Skyline Apartment REIT or its subsidiaries may be reassessed for taxes from time to time. Such reassessments together with associated interest and penalties could adversely affect Skyline Apartment REIT.

Since the net income of Skyline Apartment REIT will be distributed on a monthly basis, a purchaser of a REIT Unit may become taxable on a portion of the net income of Skyline Apartment REIT accrued or realized by Skyline Apartment REIT in a month before the time the REIT Unit was purchased but which was not paid or made payable to Unitholders until the end of the month and after the time the REIT Unit was purchased. A similar result may apply on an annual basis in respect of a portion of capital gains accrued or realized in a year before the time the REIT Unit was purchased, but which is paid or made payable to Unitholders at year-end and after the time the REIT Unit was purchased.

The LRE Rules could potentially apply to Skyline Apartment REIT if a person (or group of persons) was to acquire more than 50% of the fair market value of the REIT Units, with the consequences described under Item 6 “Income Tax Consequences and RRSP Eligibility – Taxation of Skyline Apartment REIT”.

Dilution

The number of REIT Units Skyline Apartment REIT is authorized to issue is unlimited. The Skyline Apartment REIT Trustees have the discretion to issue additional REIT Units in other circumstances, pursuant to Skyline Apartment REIT’s various incentive plans. Any issuance of additional REIT Units may have a dilutive effect on the holders of REIT Units.

Restrictions on Potential Growth and Reliance on Credit Facilities

The payout by Skyline Apartment REIT of a substantial part of its operating cash flow could adversely affect Skyline Apartment REIT’s ability to grow unless it can obtain additional financing. Such financing may not be available, or renewable, on attractive terms or at all. In addition, if current credit facilities were to be cancelled or could not be renewed at maturity on similar terms, Skyline Apartment REIT could be materially and adversely affected.

Financing

Skyline Apartment REIT is subject to the risks associated with debt financing, including the risk that Skyline Apartment REIT may be unable to make interest or principal payments or meet loan covenants, the risk that defaults under a loan could result in cross defaults or other lender rights or remedies under other loans, and the risk that existing indebtedness may not be able to be refinanced or that the terms of such refinancing may not be as favourable as the terms of existing indebtedness. A portion of Skyline's Acquisition and Operating Facility is at floating interest rates, and accordingly, changes in short-term borrowing will affect Skyline Apartment REIT's costs of borrowing.

Nature of REIT Units

The REIT Units are not the same as shares of a corporation. As a result, the Unitholders will not have the statutory rights and remedies normally associated with share ownership, such as the right to bring "oppression" or "derivative" actions.

Unexpected Costs or Liabilities Related to Acquisitions

A risk associated with acquisitions is that there may be an undisclosed or unknown liability concerning the acquired property, and Skyline Apartment REIT may not be indemnified for some or all of these liabilities. Following an acquisition, Skyline Apartment REIT may discover that it has acquired undisclosed liabilities, which may be material. The due diligence procedures performed by the [Asset Manager] are designed to address this risk. The [Asset Manager] performs what it believes to be an appropriate level of investigation in connection with the acquisition of properties by Skyline Apartment REIT and seeks through contract to ensure that risks lie with the appropriate party.

ITEM 9 REPORTING OBLIGATIONS

Prior to each annual meeting of the Unitholders, Skyline Apartment REIT will deliver audited consolidated financial statements (along with notice of such meeting) to Unitholders. The annual financial statements shall be audited by Skyline Apartment REIT's auditors in accordance with IFRS.

On or before March 15 in each year, Skyline Apartment REIT will provide to Unitholders who received distributions (including amounts treated as having been paid) from Skyline Apartment REIT in either the prior calendar year or on or before January 15 of such year, such information regarding Skyline Apartment REIT required by Canadian law to be submitted to Unitholders for income tax purposes to enable Unitholders to complete their tax returns in respect of the prior calendar year.

ITEM 10 RESALE RESTRICTIONS

10.1 General Statement

For trades in Alberta, British Columbia, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island, Québec and Saskatchewan

These securities will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the securities unless you comply with an exemption from the prospectus and registration requirements under securities legislation.

10.2 Restricted Period

For trades in Alberta, British Columbia, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island, Québec and Saskatchewan

Unless permitted under securities legislation, you cannot trade the securities before the date that is 4 months and a day after the date Skyline Apartment REIT becomes a reporting issuer in any province or territory of Canada.

10.3 Manitoba Resale Restrictions

Unless permitted under securities legislation, you must not trade the securities without the prior written consent of the regulator in Manitoba unless:

- (a) Skyline Apartment REIT has filed a prospectus with the regulator in Manitoba with respect to the securities you have purchased and the regulator in Manitoba has issued a receipt for that prospectus, or
- (b) you have held the securities for at least 12 months.

The regulator in Manitoba will consent to your trade if the regulator is of the opinion that to do so is not prejudicial to the public interest.

ITEM 11 PURCHASERS' RIGHTS

If you purchase these securities you will have certain rights, some of which are described below. For information about your rights you should consult a lawyer.

(1) Two Day Cancellation Right - You can cancel your agreement to purchase these securities. To do so, you must send a notice to us by midnight on the 2nd business day after you sign the agreement to buy the securities.

(2) Statutory Rights of Action in the Event of a Misrepresentation

Securities legislation in certain of the Canadian provinces provides certain purchasers of securities pursuant to an offering memorandum with a remedy for damages or rescission, or both, in addition to any other rights they may have at law, where the offering memorandum and any amendment thereto contains a "misrepresentation", as defined in the applicable securities legislation. A "misrepresentation" is generally defined in the applicable securities legislation to mean an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement not misleading in light of the circumstances in which it was made. These remedies, or notice with respect to these remedies, must be exercised or delivered, as the case may be, by the purchaser within the time limits prescribed by applicable securities legislation.

The following is a summary of the rights of action for damages or rescission, or both, available to certain purchasers resident in British Columbia, Saskatchewan, Manitoba, Ontario, Nova Scotia, New Brunswick, Alberta, Newfoundland and Labrador and Prince Edward Island. Each purchaser should refer to the complete text of the relevant provisions of the applicable securities legislation for the particulars of these rights or consult with a legal advisor.

British Columbia

In British Columbia, where there is reliance on the exemption from the prospectus requirements contained in section 2.9 of NI 45-106 (the "offering memorandum exemption"), if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) Skyline Apartment REIT to cancel your agreement to buy these securities, or

- (b) for damages against Skyline Apartment REIT, every trustee of Skyline Apartment REIT at the date of this Offering Memorandum; and every person who signed this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date of the transaction that gave rise to the cause of action. You must commence your action for damages within the earlier of 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action and 3 years after the date of the transaction that gave rise to the cause of action.

Saskatchewan

If there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) Skyline Apartment REIT to cancel your agreement to buy these securities, or
- (b) for damages against:
 - (i) Skyline Apartment REIT;
 - (ii) every promoter and trustee of Skyline Apartment REIT at the time the Offering Memorandum or an amendment to the Offering Memorandum was sent or delivered;
 - (iii) every person or company whose consent has been filed in connection with the Offering Memorandum, but only with respect to reports, opinions or statements that have been made by them;
 - (iv) every person who or company that, in addition to the persons or companies mentioned in clauses (i) to (iii), signed the Offering Memorandum or the amendment to the Offering Memorandum; and
 - (v) every person who or company that sells securities on behalf of Skyline Apartment REIT under the Offering Memorandum or amendment to the Offering Memorandum.

Similar rights are provided in respect of advertising or sales literature and verbal statements. This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date of the transaction that gave rise to the cause of action. You must commence your action for damages within the earlier of one year after the plaintiff first had knowledge of the facts giving rise to the cause of action and six years after the date of the transaction that gave rise to the cause of action.

Manitoba

If there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) Skyline Apartment REIT to cancel your agreement to buy these securities, or
- (b) for damages against Skyline Apartment REIT, every trustee of Skyline Apartment REIT at the date of this Offering Memorandum; and every person or company who signed this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the day of the transaction that gave rise to the cause of action. You must commence your action for damages within the earlier of 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action and 2 years after the day of the transaction that gave rise to the cause of action.

Ontario

Under Ontario securities legislation, a purchaser resident in Ontario who purchases securities offered by an offering memorandum during the period of distribution will have, subject to certain limitations and statutory defences, a statutory right of action for damages or, while still the owner of the securities, for rescission against the issuer in the event that the Offering Memorandum contains a misrepresentation, without regard to whether the purchaser relied on the misrepresentation. Skyline Apartment REIT is not liable for a misrepresentation in forward-looking information if certain requirements are satisfied. The right of action for damages is exercisable not later than the earlier of 180 days from the date the purchaser first has knowledge of the facts giving rise to the cause of action and three years from the date on which payment is made for the securities. The right of action for rescission is exercisable not later than 180 days from the date on which payment is made for the securities. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages. In no case will the amount recoverable in any action exceed the price at which the securities were offered to the purchaser and if the purchaser is shown to have purchased the securities with knowledge of the misrepresentation, no person will be liable. In the case of an action for damages, the issuer will not be liable for all or any portion of the damages that are proven to not represent the depreciation in value of the securities as a result of the misrepresentation relied upon.

Nova Scotia

If there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) Skyline Apartment REIT to cancel your agreement to buy these securities, or
- (b) for damages against Skyline Apartment REIT, every trustee of Skyline Apartment REIT at the date of this Offering Memorandum; and every person who signed this Offering Memorandum.

Similar rights are provided in respect of advertising or sales literature, on which a purchaser is deemed to have relied. This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement or your action for damages within 120 days after the date on which payment was made for the securities or after the date on which the initial payment for the securities was made, where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to or concurrently with, the initial payment of the transaction that gave rise to the cause of action.

New Brunswick

If there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) Skyline Apartment REIT to cancel your agreement to buy these securities, or
- (b) for damages against Skyline Apartment REIT.

Similar rights are provided in respect of advertising or sales literature and verbal statements. This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date of the transaction that gave rise to the cause of action. You must commence your action for damages within the earlier of one year after the plaintiff first had knowledge of the facts giving rise to the cause of action and six years after the date of the transaction that gave rise to the cause of action.

Alberta, Newfoundland and Labrador and Prince Edward Island

In Alberta, where there is reliance on the exemption from the prospectus requirements contained in section 2.9 of NI 45-106 (the “offering memorandum exemption”) or section 2.10 of NI 45-106 (the “minimum amount investment exemption”), and in Newfoundland and Labrador and Prince Edward Island, if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) Skyline Apartment REIT to cancel your agreement to buy these securities, or
- (b) for damages against Skyline Apartment REIT, every trustee of Skyline Apartment REIT at the date of this Offering Memorandum; and every person or company who signed this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date of the transaction that gave rise to the cause of action. You must commence your action for damages within the earlier of 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action and 3 years after the date of the transaction that gave rise to the cause of action.

(3) Contractual Rights of Action in the Event of a Misrepresentation

British Columbia, Alberta and Québec

In British Columbia, Alberta and Québec, where there is reliance on the exemption from the prospectus requirements contained in section 2.3 of NI 45-106 (the “accredited investor exemption”) or, in British Columbia and Québec, in section 2.10 of NI 45-106 (the “minimum amount investment exemption”), securities legislation does not provide or require an issuer to provide to purchasers resident in these jurisdictions any rights of action in circumstances where an offering memorandum contains a misrepresentation. Skyline Apartment REIT hereby grants to such purchasers in British Columbia, Alberta and Québec the following rights of action.

If there is a misrepresentation in this Offering Memorandum, you have a contractual right to sue Skyline Apartment REIT:

- (a) to cancel your agreement to buy these securities, or
- (b) for damages.

This contractual right to sue is available to you whether or not you relied on the misrepresentation. However, in an action for damages, the amount you may recover will not exceed the price that you paid for your securities and will not include any part of the damages that Skyline Apartment REIT proves does not represent the depreciation in value of the securities resulting from the misrepresentation. Skyline Apartment REIT has a defence if it proves that you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after you signed the agreement to purchase the securities. You must commence your action for damages within the earlier of 180 days after learning of the misrepresentation and 3 years after you signed the agreement to purchase the securities. The foregoing contractual rights of action are in addition to, and do not detract from, any other rights you may have.

ITEM 12 FINANCIAL STATEMENTS

The unaudited consolidated interim financial statements of Skyline Apartment REIT as at June 30, 2016 are included on the following pages.

The audited consolidated financial statements of Skyline Apartment REIT as at December 31, 2015 are included on the following pages.

SKYLINE APARTMENT REAL ESTATE INVESTMENT TRUST

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2016 AND 2015

(UNAUDITED)

NOTICE TO READER

These condensed interim consolidated financial statements of Skyline Apartment Real Estate Investment Trust (the "REIT") have been prepared by and are the responsibility of management and have not been reviewed by the REIT's auditors.

SKYLINE APARTMENT REAL ESTATE INVESTMENT TRUST
INDEX TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2016 AND 2015

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SKYLINE APARTMENT REAL ESTATE INVESTMENT TRUST
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(in thousands of Canadian dollars, except per unit amounts)
(UNAUDITED)

	JUN 30, 2016	DEC 31 2015
ASSETS		
Investment properties (notes 4, 5)	\$ 1,681,726	\$ 1,627,514
Investment properties held for sale (note 5)	-	3,010
Property, plant and equipment	424	423
Replacement reserve escrow held by lender	1,860	1,789
Inventory	3,900	3,900
Prepaid expenses	3,178	1,892
Deposits on investment properties	2,777	207
Mortgage and notes receivable	13,718	14,988
Due from related parties (note 7)	1,681	1,021
Accounts receivable	<u>2,081</u>	<u>3,798</u>
	<u>\$ 1,711,345</u>	<u>\$ 1,658,542</u>
LIABILITIES AND UNITHOLDERS' EQUITY		
Mortgages payable (note 6)	\$ 1,028,865	\$ 1,005,540
Due to related parties (note 7)	377	1,997
Tenant deposits	12,498	12,228
Accounts payable and accrued liabilities	3,571	14,100
Revolving credit facility	<u>17,975</u>	<u>28,372</u>
	<u>1,063,286</u>	<u>1,062,237</u>
Unitholders' equity (note 8)	<u>648,059</u>	<u>596,305</u>
	<u>\$ 1,711,345</u>	<u>\$ 1,658,542</u>

SKYLINE APARTMENT REAL ESTATE INVESTMENT TRUST
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN UNITHOLDERS' EQUITY
SIX MONTHS ENDED JUNE 30, 2016 AND 2015
(in thousands of Canadian dollars, except per unit amounts)
(UNAUDITED)

	2016	2015
	(note 8)	
OPENING BALANCE	\$ 596,305	\$ 458,227
Proceeds from units issued	61,097	48,207
Issuance of Class B limited partnership units	-	9,855
Income and comprehensive income for the year	25,067	22,105
Issuance costs	(481)	(460)
Redemptions	(4,617)	(5,663)
Redemption of Class B limited partnership units	(4,927)	-
Distributions paid	<u>(24,385)</u>	<u>(20,454)</u>
CLOSING BALANCE	<u>\$ 648,059</u>	<u>\$ 511,817</u>

SKYLINE APARTMENT REAL ESTATE INVESTMENT TRUST
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF INCOME
AND COMPREHENSIVE INCOME

(in thousands of Canadian dollars, except per unit amounts)

(UNAUDITED)

	Three months ended		Six months ended	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
Revenue:				
Residential operations	\$ 41,156	\$ 32,579	\$ 82,014	\$ 63,532
Commercial rent	4,403	4,021	8,085	7,927
Condominium sales	-	564	-	564
	45,559	37,164	90,099	72,023
Expenses:				
Property taxes	7,383	6,153	14,599	12,120
Property operating costs	7,876	6,243	16,215	12,395
Utilities	6,939	5,269	14,435	11,543
Condominium cost of sales	-	419	-	419
	22,198	18,084	45,249	36,477
Net property income	23,361	19,080	44,850	35,546
Less:				
Finance costs	10,368	8,218	20,843	16,247
Administrative expenses	663	599	1,307	1,063
Asset management fees (note 7)	895	792	1,881	1,558
Wealth management fees (note 7)	559	443	1,098	867
Amortization	33	30	65	60
Profit from continuing operations before the undernoted	10,843	8,998	19,656	15,751
Fair value gain on investment Properties (note 4)	2,505	3,178	5,010	6,356
Gain (loss) on sale of assets	-	(5)	400	(7)
Interest and other income (note 7)	-	1	1	5
Net income and comprehensive income	\$ 13,348	\$ 12,172	\$ 25,067	\$ 22,105

See accompanying notes to the condensed consolidated interim financial statements.

SKYLINE APARTMENT REAL ESTATE INVESTMENT TRUST
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2016 AND 2015
(in thousands of Canadian dollars, except per unit amounts)
(UNAUDITED)

	2016	2015
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Income and comprehensive income for the year	\$ 25,067	\$ 22,105
Items not requiring an outlay of cash		
Amortization	65	60
Financing costs in operations	20,843	16,240
Fair value gain on investment properties (note 4)	(5,010)	(6,356)
Write-down of investments	15	-
	<u>40,980</u>	<u>32,049</u>
Changes in non-cash working capital		
Inventory	-	410
Prepaid expenses	(1,288)	(1,217)
Accounts receivable	1,717	12,079
Tenant deposits	294	1,071
Accounts payable and accrued liabilities	<u>(9,924)</u>	<u>(8,752)</u>
	<u>(9,201)</u>	<u>3,591</u>
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		
Net (increase) decrease in replacement reserve escrow held by lender	(71)	(72)
Advances from (to) related parties (note 7)	(2,280)	(1,367)
Mortgages payable (net repayments and advances) (note 6)	23,325	114,098
Interest on mortgages payable	(20,843)	(16,240)
Net revolving credit facility proceeds (repayments)	(10,397)	9,613
Units issued on private offering (note 8)	61,097	48,207
Issuance of limited partnership units (note 8)	-	9,855
Issuance costs	(481)	(460)
Redemption of units (note 8)	(4,617)	(5,663)
Redemption of Class B limited partnership units (page 8)	(4,927)	-
Distributions paid (note 8)	<u>(24,385)</u>	<u>(20,454)</u>
	<u>16,421</u>	<u>137,517</u>
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Acquired investment properties	(31,186)	(156,828)
Additions to investment properties (note 4)	(18,921)	(9,436)
Proceeds on disposition of investment properties held for sale (note 5)	3,123	-
Additions to property, plant and equipment	(66)	(37)
Deposits on investment properties	(2,420)	(3,830)
Notes receivable	<u>1,270</u>	<u>(3,026)</u>
	<u>(48,200)</u>	<u>(173,157)</u>
INCREASE IN CASH for the year	-	-
CASH, beginning of year	-	-
CASH, end of year	<u>\$ -</u>	<u>\$ -</u>

SKYLINE APARTMENT REAL ESTATE INVESTMENT TRUST
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2016 AND 2015
(in thousands of Canadian dollars, except per unit amounts)
(UNAUDITED)

1. NATURE OF BUSINESS

Skyline Apartment Real Estate Investment Trust ("Skyline Apt. REIT", or the "REIT") is an unincorporated, open-ended private real estate investment trust established under the laws of the Province of Ontario that was created pursuant to a Declaration of Trust dated June 1, 2006. Additionally, on June 1, 2006, Skyline Real Estate Limited Partnership ("RELP") was created as a limited partnership under the laws of the Province of Ontario, with its general partner being Skyline Incorporated and its majority limited partner being Skyline Operating Trust (a wholly owned subsidiary of Skyline Apt. REIT). Through RELP, the REIT invests primarily in Canadian multi-residential investment properties. At June 30, 2016, RELP owned one hundred and sixty-six multi-residential buildings (December 31, 2015: one hundred and sixty-six), and six commercial buildings (December 31, 2015: six).

During the year ended December 31, 2015, the REIT issued 9,715,733 trust units of the REIT at \$13.50 per unit for proceeds of \$131,162, from which \$9,254 were used to redeem 798,530 units. At December 31, 2015, the issue price per unit was \$13.50.

During the six months ended June 30, 2016, the REIT issued 208,334 units at \$13.50 and 4,090,160 at \$14.25 per unit, for total proceeds of \$61,097. From this amount, \$4,617 was used to redeem 381,696 units. At June 30, 2016, the issue price per unit was \$14.25.

Skyline Apt. REIT is domiciled in Ontario, Canada. The address of Skyline Apt. REIT's registered office and its principal place of business is 5 Douglas Street, Suite 301, Guelph, Ontario, N1H 2S8.

2. BASIS OF PRESENTATION

(a) STATEMENT OF COMPLIANCE

These condensed consolidated interim financial statements of the REIT have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the REIT since the last annual consolidated financial statement as at and for the year ended December 31, 2015. These condensed consolidated interim financial statements do not include all the information required for full annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") and should be read in conjunction with the REIT's audited annual consolidated statements for the year ended December 31, 2015.

(b) BASIS OF MEASUREMENT

The condensed consolidated interim financial statements have been prepared on a historical cost basis, as modified by the revaluation of investment properties.

SKYLINE APARTMENT REAL ESTATE INVESTMENT TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2016 AND 2015
(in thousands of Canadian dollars, except per unit amounts)
(UNAUDITED)

2. BASIS OF PRESENTATION (continued)

(c) FUNCTIONAL CURRENCY AND PRESENTATION

The condensed consolidated interim financial statements are presented in Canadian dollars, which is also Skyline Apt. REIT's functional currency. All financial information presented in Canadian dollars are rounded to the nearest thousand, except per unit amounts.

Skyline Apt. REIT presents its condensed consolidated interim balance sheet based on the liquidity method, where all assets and liabilities are presented in the ascending order of liquidity.

(d) USE OF ESTIMATES

The preparation of these condensed consolidated interim financial statements requires Skyline Apt. REIT to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of revenue and expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates, which, by their nature, are uncertain. The impact of such estimates is pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimates are revised and the revision affects both current and future periods.

Significant estimates and assumptions include the fair values assigned to investment properties, useful lives of assets to calculate amortization, and allowances for doubtful accounts. Valuation of investment properties is one of the principal estimates and uncertainties of these consolidated financial statements. Refer to note 4 for further information on estimates and assumptions made in the determination of the fair value of investment properties.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the REIT in these unaudited condensed consolidated interim financial statements are the same as those applied by the REIT in its consolidated financial statements for the year ended December 31, 2015.

SKYLINE APARTMENT REAL ESTATE INVESTMENT TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2016 AND 2015
(in thousands of Canadian dollars, except per unit amounts)
(UNAUDITED)

4. INVESTMENT PROPERTIES

Changes to the carrying amounts of investment properties presented in the balance sheet can be summarized as follows:

	2016	2015
Balance at beginning of the year	\$ 1,627,514	\$ 1,143,482
Acquisitions through purchase of assets	31,186	443,081
Additions through capital expenditure on existing investment properties	18,921	38,250
Disposals through sale of investment properties	-	(7,000)
Investment properties classified as held for sale (note 5)	-	(3,010)
Reversal of previously recognized fair value on sold properties	(905)	-
Fair value adjustment on investment properties	5,010	12,711
	<u>\$ 1,681,726</u>	<u>\$ 1,627,514</u>
Balance at end of the year	<u>\$ 1,681,726</u>	<u>\$ 1,627,514</u>

Asset acquisitions:

During the six months ended June 30, 2016, Skyline Apt. REIT acquired one investment property (year ended December 31, 2015: thirty-five) through the purchase of assets. The results of these acquisitions are included in these condensed consolidated financial statements from the date of acquisition. The following table outlines the cost, plus the transaction costs of the assets acquired and the associated liabilities entered into as a result of these acquisitions:

	2016	2015
Acquisition cost of investment properties	\$ 31,186	\$ 443,081
Mortgages	(18,434)	(218,962)
	<u>\$ 12,752</u>	<u>\$ 224,119</u>
Total identifiable net assets settled by cash	<u>\$ 12,752</u>	<u>\$ 224,119</u>

Future rental income:

Investment properties are subject to operating leases with tenants. Lease contracts are all typically non-cancelable for periods ranging from one year for residential tenants, and one to fifteen years for commercial tenants, from the commencement of the lease. As at June 30, 2016 and December 31, 2015, future minimum rental income from these agreements is as follows:

	2016	2015
Less than one year	\$ 166,430	\$ 168,086
Between one and five years	24,675	25,467
More than five years	12,691	15,413
	<u>\$ 203,796</u>	<u>\$ 208,966</u>

SKYLINE APARTMENT REAL ESTATE INVESTMENT TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2016 AND 2015
(in thousands of Canadian dollars, except per unit amounts)
(UNAUDITED)

4. INVESTMENT PROPERTIES (continued)

At June 30, 2016, Skyline Apt. REIT valued \$1,634,000 of its investment properties internally (December 31, 2015 - \$974,337). The remainder of the investment property fair value was obtained through third party appraisals, including those properties acquired during the year. At June 30, 2016, this amounted to \$47,726 (December 31, 2015 - \$653,177). Actual results may differ from these estimates and may be subject to material adjustment within the remainder of the fiscal year.

Fair value disclosure:

Skyline Apt. REIT uses an income approach to perform internal valuation calculations for the purposes of determining the fair market value of investment properties. The same approach is used for those properties with independent third party appraisals. Significant assumptions used for the valuation of the properties include the capitalization rate and the forecasted revenue and expenses for each property.

Skyline Apt. REIT categorizes its investment properties by region, and each region has a different range of capitalization rates, depending on the specific risk factors for each property in that region. Overall, the capitalization rates for residential properties and commercial properties fall between:

	Residential		Commercial	
	2016	2015	2016	2015
Minimum	5.25%	5.25%	5.94%	5.94%
Maximum	7.32%	7.32%	8.09%	8.09%

Assumptions related to property revenues and expenses are based on the most recent annual results of each property, and where necessary, industry benchmarks.

5. DISPOSITION OF INVESTMENT PROPERTIES

During the six months ended June 30, 2016, the REIT sold 322 Schlueter Street in Cambridge, Ontario. The carrying value of the investment property at the time of sale was \$3,310 and there were no mortgages secured against the property. Proceeds from the sale, net of other assets and liabilities were \$3,123. This property was classified as a property held for sale as at December 31, 2015, with a carrying value of \$3,010, and outstanding tenant deposits of \$26, and accounts payable and accrued liabilities of \$45. Net of transaction costs, this disposition resulted in a gain on sale of assets of \$400.

SKYLINE APARTMENT REAL ESTATE INVESTMENT TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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6. MORTGAGES PAYABLE

The mortgages payable are secured by real estate assets and letters of credit, in some cases. Mortgages bearing fixed interest with a contractual weighted average rate of 3.78% (December 31, 2015 - 3.83%) per annum are \$1,012,544 (December 31, 2015 - \$997,148). Mortgages bearing variable interest rates with an average variable rate of 4.75%% (December 31, 2015 - 4.95%) are \$16,321 (December 31, 2015 - \$8,392). Included in mortgages payable are second mortgages of \$87,623 (December 31, 2015 - \$100,304), all bearing fixed interest rates. Mortgages have maturity dates ranging between 2016 and 2026. All mortgages are denominated in Canadian dollars.

Future minimum principal payments on mortgage obligations are as follows:

2016	\$ 35,287
2017	110,218
2018	180,201
2019	75,948
2020	147,863
Thereafter	<u>479,348</u>
	<u>\$ 1,028,865</u>

7. RELATED PARTY TRANSACTIONS

Skyline Incorporated is the general partner of Skyline Apt. REIT and is entitled to 20% of distributions after the limited partners have received their initial contribution value and subsequent capital expenditures. All related party transactions are measured at fair value. A provision for the future distributions payable to Skyline Incorporated has not been recorded since the timing and amount of the distributions payable cannot be reasonably estimated. Based on the fair value of the investment properties as at June 30, 2016, a distribution would be payable if the investment properties were sold. At June 30, 2016, there were distributions payable of \$839 (December 31, 2015 - \$1,620).

Skyline Apt. REIT has an asset management agreement with Skyline Asset Management Inc., and a wealth management agreement with Skyline Wealth Management Inc. Skyline Asset Management Inc. and Skyline Wealth Management Inc. are controlled by Skyline Incorporated.

Fees payable under the asset management agreement are 2% of adjusted gross revenue. Fees payable under the wealth management agreement include wealth management fees of 0.3% of unitholders' equity, and equity raise fees ranging from 0.5% to 1% of contributions during the period. Equity raise fees of \$414 were paid under the wealth management agreement during the six-month period ended June 30, 2016 (six months ended June 30, 2015 - \$372) and are included in issuance costs.

SKYLINE APARTMENT REAL ESTATE INVESTMENT TRUST
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7. RELATED PARTY TRANSACTIONS (continued)

Fees paid during the six months ended June 30, 2016 and 2015 are as follows:

	2016	2015
Asset management fees	\$ 1,881	\$ 1,558
Wealth management fees	<u>1,098</u>	<u>867</u>
	<u><u>\$ 2,979</u></u>	<u><u>\$ 2,425</u></u>

Due from related parties

Amounts due from related parties, other than Skyline Incorporated, are unsecured, non-interest bearing and are due on demand. The balance consists of the following:

	Jun 30, 2016	Dec 31, 2015
Skyline Equities Inc.	\$ 1,663	\$ 1,003
Skyline Real Estate Holdings Inc.	<u>18</u>	<u>18</u>
	<u><u>\$ 1,681</u></u>	<u><u>\$ 1,021</u></u>

Skyline Real Estate Holdings Inc. is the bare trustee for some of the income producing properties held in Skyline Apt. REIT.

Due to related parties

Amounts due to related parties are unsecured, non-interest bearing and have no set terms of repayment. The balance consists of the following:

	Jun 30, 2016	Dec 31, 2015
Skyline Incorporated	<u>\$ 377</u>	<u>\$ 1,997</u>

Distributions paid

Skyline Apt. REIT paid the following distributions to related parties during the six months ended June 30, 2016 and 2015:

	2016	2015
Skyline Management Inc. (limited partner)	\$ 1,204	\$ 1,204
Skyline Incorporated (general partner)	<u>839</u>	<u>1,339</u>
	<u><u>\$ 2,043</u></u>	<u><u>\$ 2,543</u></u>

SKYLINE APARTMENT REAL ESTATE INVESTMENT TRUST
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8. UNITHOLDERS' EQUITY

Skyline Apt. REIT is authorized to issue an unlimited number of REIT Units. The REIT units are entitled to distributions as and when declared by the Board of Trustees. During the six months ended June 30, 2016, Skyline Apt. REIT increased the unit price per unit to \$14.25 (December 31, 2015 - \$13.50 per unit), while the annual distribution rate was set at \$1.00 per unit (December 31, 2015 - \$1.00 per unit). The units issued and outstanding are as follows as at:

	Jun 30, 2016 (Units)	Dec 31, 2015 (Units)
Units outstanding, beginning of year	46,216,478	36,134,274
Units issued	3,664,232	10,142,132
Distribution reinvestment plan	634,262	1,103,602
Redemptions during the year	<u>(746,696)</u>	<u>(1,163,530)</u>
Units outstanding, end of year	<u>49,768,276</u>	<u>46,216,478</u>

Included in units outstanding at June 30, 2016 are 2,443,771 (December 31, 2015 - 2,808,771) Class B exchangeable partnership units of RELP. RELP's Class B LP units, representing an aggregate fair value of \$34,824 at June 30, 2016 (December 31, 2015 - \$37,918), are exchangeable on a one-for-one basis into Skyline Apt. REIT units at any time at the option of the holder. Prior to such exchange, distributions will be made on these exchangeable units in an amount equivalent to the distributions which would have been made had the units been exchanged for Skyline Apt. REIT units. Each Class B LP unit entitles the holder to attend but not vote at all meetings of the Limited Partners.

RELP's Class C LP units at June 30, 2016 of 356,365 units (December 31, 2015 - 356,365 units), representing an aggregate fair value of \$5,078 at June 30, 2016 (December 31, 2015 - \$4,811), and Class D LP units of 443,636 units (December 31, 2015 - 443,636 units), representing an aggregate fair value of \$6,322 at June 30, 2016 (December 31, 2015 - \$5,989) share the same characteristics of the Class B LP units described above and are included in units outstanding at June 30, 2016.

9. SEGMENTED DISCLOSURE

All of Skyline Apt. REIT's assets and liabilities are in, and its revenues are derived from, multi-suite residential and commercial Canadian real estate. Skyline Apt. REIT's investment properties are, therefore, considered by Management to have similar economic characteristics. No single residential tenant accounts for 10% or more of Skyline Apt. REIT's residential rental revenue. One tenant under commercial lease represents 68% (2014 - 75%) of Skyline Apt. REIT's commercial revenue. This tenant is under lease until 2023 with three five-year renewal options.

10. COMMITMENTS AND CONTINGENCIES

Skyline Apt. REIT is a tenant under land leases expiring in 2053. Currently, minimum annual rent payable by RELP under the lease is \$120.

SKYLINE APARTMENT REAL ESTATE INVESTMENT TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(in thousands of Canadian dollars, except per unit amounts)
(UNAUDITED)

11. FINANCIAL RISK MANAGEMENT

In the normal course of business, the REIT is exposed to a number of risks that can affect its operating performance. These risks and the actions taken to manage them are consistent with those disclosed in the consolidated financial statements as at and for the year ended December 31, 2015.

12. CAPITAL RISK MANAGEMENT

The REIT's capital management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended December 31, 2015.

The REIT was in compliance with all financial covenants as at June 30, 2016 and December 31, 2015.

13. SUBSEQUENT EVENTS

- (i) On July 6, 2016, the REIT purchased a portfolio of five residential buildings in London, Ontario, containing 346 residential suites. The portfolio was purchased for an aggregate price of \$24,100, which was furnished by \$16,128 in mortgages payable, and \$7,972 of net assets settled in cash.
- (ii) On July 6, 2016, the REIT purchased a residential building in Niagara Falls, Ontario, containing 69 residential suites. The property was purchased for \$8,000, which was furnished by \$5,281 in mortgages payable, and \$2,719 of net assets settled in cash.
- (iii) On August 15, 2016, the REIT purchased a residential building in Red Deer, Alberta, containing 232 residential suites. The property was purchased for \$41,850, which was furnished by \$29,209 in mortgages payable, and \$12,641 of net assets settled in cash.
- (iv) On August 25, 2016, the REIT purchased a residential building in Kingston, Ontario, containing 35 residential suites. The property was purchased for \$2,600, which was furnished by \$1,277 in mortgages payable, and \$1,323 of net assets settled in cash.
- (v) On August 25, 2016, the REIT purchased a residential building in St. Thomas, Ontario, containing 118 residential suites. The property was purchased for \$11,800, which was furnished by \$7,537 in mortgages payable, and \$4,263 of net assets settled in cash.

SKYLINE APARTMENT REAL ESTATE INVESTMENT TRUST
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

SKYLINE APARTMENT REAL ESTATE INVESTMENT TRUST

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INDEPENDENT AUDITOR'S REPORT

To the Unitholders of: Skyline Apartment Real Estate Investment Trust

We have audited the accompanying consolidated financial statements of Skyline Apartment Real Estate Investment Trust, which comprise the consolidated balance sheet as at December 31, 2015 and December 31, 2014 and the consolidated statements of changes in unitholders' equity, income and comprehensive income, and cash flows for the years then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Skyline Apartment Real Estate Investment Trust as at December 31, 2015 and December 31, 2014 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.



SKYLINE APARTMENT REAL ESTATE INVESTMENT TRUST**CONSOLIDATED BALANCE SHEET****AS AT DECEMBER 31, 2015****(in thousands of Canadian dollars)**

	2015	2014
ASSETS		
Investment properties (note 6)	\$ 1,627,514	\$ 1,143,482
Investment properties held for sale (note 7)	3,010	0
Property, plant and equipment (note 8)	423	332
Replacement reserve escrow held by lender	1,789	1,173
Inventory (note 3(i))	3,900	4,720
Prepaid expenses	1,892	1,570
Deposits on investment properties	207	1,390
Mortgage and notes receivable (notes 11, 12)	14,988	5,735
Due from related parties (note 10)	1,021	1,016
Accounts receivable (note 11)	3,798	3,217
	<u>\$ 1,658,542</u>	<u>\$ 1,162,635</u>
LIABILITIES AND UNITHOLDERS' EQUITY		
Mortgages payable (notes 9, 11)	\$ 1,005,540	\$ 663,807
Due to related parties (note 10)	1,997	376
Tenant deposits	12,228	9,534
Accounts payable and accrued liabilities (note 11)	14,100	12,096
Revolving credit facility (note 11)	28,372	18,595
	<u>1,062,237</u>	<u>704,408</u>
Unitholders' equity (page 5)	<u>596,305</u>	<u>458,227</u>
	<u>\$ 1,658,542</u>	<u>\$ 1,162,635</u>

"Jason Castellan" Trustee"Jonathan Halpern" Trustee

SKYLINE APARTMENT REAL ESTATE INVESTMENT TRUST
CONSOLIDATED STATEMENT OF CHANGES IN UNITHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2015

(in thousands of Canadian dollars)

	2015	2014
OPENING BALANCE	\$ 458,227	\$ 394,459
Proceeds from units issued (note 14)	131,162	73,561
Issuance of Class B limited partnership units (notes 10, 14)	9,855	32,500
Issuance of Class C limited partnership units (note 14)	4,811	0
Issuance of Class D limited partnership units (note 14)	5,989	0
Income and comprehensive income for the year	50,407	12,286
Issuance costs (note 10)	(1,188)	(600)
Redemptions (note 14)	(10,780)	(15,401)
Redemption of Class B limited partnership units	(4,927)	0
Distributions paid (note 10)	<u>(47,251)</u>	<u>(38,578)</u>
CLOSING BALANCE	<u>\$ 596,305</u>	<u>\$ 458,227</u>

SKYLINE APARTMENT REAL ESTATE INVESTMENT TRUST
CONSOLIDATED STATEMENT OF INCOME AND COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2015

(in thousands of Canadian dollars)

	2015	2014
PROPERTY REVENUES		
Residential rent	\$ 137,875	\$ 109,121
Commercial rent	15,768	16,182
Condominium sales	994	2,821
	<u>154,637</u>	<u>128,124</u>
DIRECT PROPERTY EXPENSES		
Property taxes	23,979	20,277
Other direct property costs	27,522	21,797
Utilities	20,416	17,761
Condominium cost of sales	829	2,359
	<u>81,891</u>	<u>65,930</u>
NET PROPERTY INCOME		
Financing costs	35,969	28,695
Administrative expenses	2,771	2,298
Asset management fees (note 10)	3,480	2,743
Wealth management fees (note 10)	1,865	1,546
Amortization	120	65
	<u>44,205</u>	<u>35,347</u>
INCOME BEFORE THE UNDERNOTED	<u>37,686</u>	<u>30,583</u>
Writedown of investment in Skyline Equities Inc. (note 10)	0	(79)
Fair value gain on investment properties (note 6)	12,711	14,093
Interest and other income (note 10)	10	111
Transaction costs (note 10)	0	(32,422)
	<u>12,721</u>	<u>(18,297)</u>
INCOME AND COMPREHENSIVE INCOME for the year	<u>\$ 50,407</u>	<u>\$ 12,286</u>

SKYLINE APARTMENT REAL ESTATE INVESTMENT TRUST
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015
(in thousands of Canadian dollars)

	2015	2014 (note 18)
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Income and comprehensive income for the year	\$ 50,407	\$ 12,286
Items not requiring an outlay of cash		
Amortization	120	65
Amortization of financing costs	1,475	1,632
Transaction costs (note 10)	0	32,422
Financing costs in operations (note 9)	32,528	26,049
Fair value gain on investment properties (note 6)	(12,711)	(14,093)
Writedown of investment	0	79
	<u>71,819</u>	<u>58,440</u>
Changes in non-cash working capital		
Inventory	820	2,250
Prepaid expenses	(322)	241
Accounts receivable	(581)	(1,526)
Tenant deposits	2,694	1,305
Accounts payable and accrued liabilities	2,004	4,193
	<u>76,434</u>	<u>64,903</u>
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		
Net (increase) decrease in replacement reserve escrow held by lender	(616)	96
Advances from (to) related parties (note 10)	1,616	(8,485)
Mortgages payable (net repayments and advances) (note 9)	346,649	129,309
Mortgages discharged due to sale of investment properties (note 9)	(6,391)	(34,725)
Interest on mortgages payable (note 9)	(32,528)	(26,049)
Net revolving credit facility proceeds (repayments) (note 11)	9,777	(5,451)
Units issued on private offering (note 14)	116,264	61,557
Issuance of limited partnership units (note 14)	20,655	0
Issuance costs (note 10)	(1,188)	(600)
Redemption of units (note 14)	(10,780)	(15,401)
Redemption of Class B limited partnership units (page 5)	(4,927)	0
Distributions paid (note 10)	(32,353)	(26,574)
	<u>406,178</u>	<u>73,677</u>
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Additions to investment properties (note 6)	(481,331)	(207,142)
Proceeds on disposition of investment properties (note 6)	7,000	66,630
Proceeds on disposition of investment properties held for sale	0	7,335
Additions to property, plant and equipment (note 8)	(211)	(262)
Deposits on investment properties	1,183	(1,226)
Mortgages receivable (net repayments and advances) (note 12)	94	13
Notes receivable (note 12)	(9,347)	(3,928)
	<u>(482,612)</u>	<u>(138,580)</u>
INCREASE IN CASH for the year	0	0
CASH, beginning of year	0	0
CASH, end of year	\$ 0	\$ 0

SKYLINE APARTMENT REAL ESTATE INVESTMENT TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

(in thousands of Canadian dollars, except per unit amounts)

1. NATURE OF BUSINESS

Skyline Apartment Real Estate Investment Trust ("Skyline Apt. REIT") is an unincorporated, open-ended private real estate investment trust established under the laws of the Province of Ontario that was created pursuant to a Declaration of Trust dated June 1, 2006. During the year, Skyline Apt. REIT issued an additional 9,715,733 (2014 - 5,487,909) units for an aggregate issue price of \$131,162 (2014 - \$73,561). The issue price per unit at December 31, 2015 was \$13.50 (2014 - \$13.50). Skyline Apt. REIT used some of the proceeds it received to redeem 798,530 (2014 - 1,143,831) units for an aggregate redemption price of \$9,254 (2014 - \$15,401). The remaining proceeds were used to invest in Skyline Operating Trust. Skyline Operating Trust then used the proceeds to invest in Skyline Real Estate Limited Partnership ("RELP"). RELP used part of the proceeds it received on the subscription of its partnership units together with mortgage financing and a line of credit to invest in multi-residential investment properties. As of December 31, 2015, RELP owned one hundred and sixty-six (2014 - one hundred and thirty-two) multi-residential investment properties and six (2014 - six) commercial investment properties, all of which are located in Canada.

RELP was created on June 1, 2006 as a limited partnership under the laws of the Province of Ontario. The general partner is Skyline Incorporated and the majority limited partner is Skyline Operating Trust. Skyline Operating Trust has issued 100% of its units to Skyline Apt. REIT, and is 100% controlled by Skyline Apt. REIT.

Skyline Apt. REIT is domiciled in Ontario, Canada. The address of Skyline Apt. REIT's registered office and its principal place of business is 5 Douglas Street, Suite 301, Guelph, Ontario, N1H 2S8.

2. BASIS OF PRESENTATION

(a) STATEMENT OF COMPLIANCE

The consolidated financial statements of Skyline Apt. REIT for the year ended December 31, 2015 are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The policies set out below were consistently applied to all the years presented, unless otherwise noted.

The preparation of consolidated financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying Skyline Apt. REIT's accounting policies.

The consolidated financial statements are presented in accordance with IAS 1 - Presentation of consolidated financial statements. Skyline Apt. REIT has elected to present the Statement of Income and Comprehensive Income in one statement.

The consolidated financial statements for the year ended December 31, 2015 (including comparatives) were approved for issue by the Board of Trustees on March 23, 2016.

(b) BASIS OF MEASUREMENT

The consolidated financial statements have been prepared on a historical cost basis, as modified by the revaluation of investment properties.

SKYLINE APARTMENT REAL ESTATE INVESTMENT TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015
(in thousands of Canadian dollars, except per unit amounts)

2. BASIS OF PRESENTATION (continued)

(c) FUNCTIONAL CURRENCY AND PRESENTATION

The consolidated financial statements are presented in Canadian dollars, which is also Skyline Apt. REIT's functional currency. All financial information presented in Canadian dollars is rounded to the nearest thousand.

Skyline Apt. REIT presents its consolidated balance sheet based on the liquidity method, where all assets and liabilities are presented in the ascending order of liquidity.

(d) USE OF ESTIMATES

The preparation of these consolidated financial statements requires Skyline Apt. REIT to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of revenue and expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates, which, by their nature, are uncertain. The impact of such estimates is pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimates are revised and the revision affects both current and future periods.

Significant estimates and assumptions include the fair values assigned to investment properties, useful lives of assets to calculate amortization, and allowances for doubtful accounts. Valuation of investment properties is one of the principal estimates and uncertainties of these consolidated financial statements. Refer to note 6 for further information on estimates and assumptions made in the determination of the fair value of investment properties.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and include the following significant accounting policies:

(a) INVESTMENT PROPERTIES

Investment properties are properties held to earn rental income and are accounted for using the fair value model. Rental income and operating expenses from investment properties are reported within 'revenue' and 'expenses' respectively.

Properties that are held for long term rental yields or for capital appreciation or both, and that are not occupied by Skyline Apt. REIT, are classified as investment properties.

SKYLINE APARTMENT REAL ESTATE INVESTMENT TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015
(in thousands of Canadian dollars, except per unit amounts)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) INVESTMENT PROPERTIES (continued)

Investment properties are measured initially at their cost, including related transaction costs. After initial recognition, investment properties are carried at fair value. For properties purchased within one year of the reporting date, the purchase price is considered fair value, unless significant events or changes have occurred to the property that would significantly alter its fair value. Properties appraised by qualified third party appraisers within the past twelve months are not revalued, unless significant changes or events have occurred to the property since the appraisal date. All other properties are valued internally, using market supported financial metrics, a relevant appraisal model, and current property details including, among other things, rent rolls from current leases and assumptions about rental income from future leases in light of current market conditions, and, any cash outflows that could be expected in respect of the property except for those outflows that relate to liabilities recognized on the balance sheet. Skyline Apt. REIT also uses extensive market comparable sales to support valuation capitalization rates for different types of assets in different markets. These valuations form the basis for the carrying amounts in the consolidated financial statements.

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure other than those a rational market participant would take into account when determining the value of the property.

Investment properties that are being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.

Subsequent expenditures are capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to Skyline Apt. REIT and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

Skyline Apt. REIT uses the concept of stabilizing and value enhancing capital expenditures to understand when repairs and maintenance should be capitalized. A "stabilized property" is one that has been owned for a period of at least twenty-four months. All properties owned for a period of less than twenty-four months are referred to as "unstabilized".

While a property is classified as unstabilized, costs incurred for repairs and maintenance in excess of \$300 (not in thousands of Canadian dollars) per annum per suite may be allocated from repairs and maintenance to be capitalized to the cost of the respective building. Once a property is classified as stabilized, costs incurred for repairs and maintenance in excess of \$800 (not in thousands of Canadian dollars) per annum per suite may be allocated from repairs and maintenance to be capitalized to the cost of the respective building.

Included in the determination of repairs and maintenance are costs incurred in incremental administrative wages for resident managers or on-site staff. This amount is allocated from resident manager's wages to repairs and maintenance.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) INVESTMENT PROPERTIES (continued)

Changes in fair values are recognized in the consolidated statement of income and comprehensive income. Investment properties are derecognized when they have been disposed.

Where Skyline Apt. REIT disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in the income within the fair value adjustment on investment property.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment. Its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

As investments are measured at fair value, they are implicitly tested for impairment annually. There is no specific impairment test relating to investment properties other than the fair value methodology.

The initial cost of properties under development includes the acquisition cost of the property, direct development costs, realty taxes and borrowing costs attributable to the development. Borrowing costs associated with direct expenditures on properties under development are capitalized. The amount of capitalized borrowing costs is determined by reference to borrowings specific to the project. Borrowing costs are capitalized from the commencement of the development until the date of practical completion where the property is substantially ready for its intended use. The capitalization of borrowing costs is suspended if there are prolonged periods when development activity is interrupted. Practical completion is when the property is capable of operating in the manner intended by Management. Generally, this occurs upon completion of construction and receipt of all necessary occupancy and other material permits. If Skyline Apt. REIT has pre-leased space at or prior to the property being substantially ready for its intended use, and the lease requires tenant improvements which enhance the value of the property, practical completion is considered to occur when such improvements are completed.

(b) ASSETS HELD FOR SALE

Non-current assets comprising assets and liabilities, that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. For this purpose, a sale is highly probable if Management is committed to a plan to achieve the sale; there is an active program to find a buyer; the non-current asset is being actively marketed at a reasonable price; the sale is anticipated to be completed within one year from the date of classification; and it is unlikely there will be changes to the plan. Assets held for sale are measured using the fair value model.

(c) LAND LEASES

Land held under long term leases are classified and accounted for by Skyline Apt. REIT as operating leases.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) REVENUE RECOGNITION

Rental revenue includes rents from tenants under leases, property tax and operating cost recoveries, parking income and incidental income. Revenue from leases is recognized on a straight line basis over the term of the lease.

Tenant inducements are recognized as financial assets at fair value at the inception of the lease and are amortized through revenue on a straight line basis over the life of the lease.

Sales of condominium units are recognized as revenue as of the date that the sale of the unit is closed.

(e) FINANCIAL INSTRUMENTS

Skyline Apt. REIT's financial instruments and their respective classification and measurement characteristics, are as follows:

Asset/Liability	Classification	Measurement
Accounts receivable	Loans and receivables	Amortized cost
Mortgage and notes receivable	Loans and receivables	Amortized cost
Mortgages payable	Other financial liabilities	Amortized cost
Revolving credit facility	Other financial liabilities	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost

Financial Assets

Financial assets are classified at initial recognition, as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity financial assets or available-for-sale financial assets. When financial assets are recognized initially, they are measured at fair value through profit or loss, plus directly attributable transaction costs.

Skyline Apt. REIT's financial assets are derecognized only when the contractual rights to the cash flows from the financial asset expire or substantially all of the risks and rewards of ownership transferred.

Skyline Apt. REIT's financial assets classified as loans and receivables include accounts receivable and mortgages and notes receivable. They are initially recognized at fair value and subsequently measured at fair value less provision for impairment.

Provision for impairment is made when there is objective evidence, such as the probability of insolvency or significant arrears, that Skyline Apt. REIT will not be able to collect the amounts due under the original terms. Impaired receivables are derecognized when they become uncollectible. If in a subsequent period the impairment loss decreases and the decrease can be related objectively to an event occurring in the subsequent period, the impairment loss is reversed to no more than its previous carrying amount. The reversal is recognized through profit and loss.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) FINANCIAL INSTRUMENTS (continued)

Financial Liabilities

Financial liabilities are classified at initial recognition as either financial liabilities at fair value through profit and loss, or other financial liabilities, as appropriate.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires.

Skyline Apt. REIT's financial liabilities are all classified as other financial liabilities, and include mortgages payable, revolving credit facility and accounts payable and accrued liabilities. These financial liabilities are measured initially at fair value and subsequently at amortized cost. The fair value of a non-interest bearing liability is its discounted payment amount. If the due date of the liability is less than one year, discounting is omitted.

Skyline Apt. REIT's mortgages payable consists of the legal liabilities owing pursuant to loans secured by mortgages and premiums and discounts recognized on loans assumed on acquisition of properties, netted against the transaction costs, and the effective interest method of amortization is applied to the premiums, discounts and transaction costs.

(f) INCOME TAXES

Skyline Apt. REIT is taxed as a 'Mutual Fund Trust' for income tax purposes. Skyline Apt. REIT, pursuant to its Declaration of Trust, distributes substantially all of its taxable income to unitholders and does not deduct such distributions or designations for income tax purposes. Accordingly, no provision for income taxes has been made. Income tax obligations relating to the distributions of Skyline Apt. REIT are the obligation of unitholders.

(g) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is recorded at cost and amortized on the basis of its estimated useful life using the following methods and rates:

Computer equipment	- 55% declining balance basis
Equipment	- 20% declining balance basis

Amortization is recorded at 50% of the above rates in the year of addition.

(h) JOINT OPERATIONS

Skyline Apt. REIT considers investments in joint arrangements to be a joint operation when they jointly make operating, financial and strategic decisions over one or more investment property with another party, and have direct rights to the assets and obligations for the liabilities relating to the arrangement. When the arrangement is considered to be a joint operation, Skyline Apt. REIT will include their share of the underlying assets, liabilities, revenue and expenses in their financial results.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) INVENTORY

Inventory includes condominium units that are held for sale by Skyline Apt. REIT and are carried at the lesser of cost and net realizable value. Properties that were initially purchased as investment property for leasing and capital appreciation purposes are held as investment property on the balance sheet until such time that Management develops the property into a condominium building where the units will be individually sold. At the time of development, the units are transferred from investment property to inventory at their deemed cost, being the fair market value at the time of transfer. Subsequent holding costs related to the property including maintenance, property tax and utilities, are not included in the cost of the inventory. The deemed cost of the property is allocated to the individual units that are held for sale and expensed at the time of sale of each unit.

(j) DISTRIBUTION REINVESTMENT PLAN (DRIP)

Skyline Apt. REIT has instituted a DRIP whereby unitholders may elect to have their distributions automatically reinvested in additional units. There are no special terms, such as premiums on distribution rates, for plan participants.

(k) PROVISIONS

Provisions are recognized when Skyline Apt. REIT has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognized for future operating losses. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date. Provisions are measured at their present value by discounting the future cash flows from the expected date the obligation is to be settled. The discount rate used reflects current market assessments of the time value of money adjusted by the risk factor specific to the obligation. The unwinding of the discount due to the passage of time is recognized as interest expense.

4. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of Skyline Apt. REIT's consolidated financial statements are disclosed below. Skyline Apt. REIT intends to adopt these standards, if applicable, when they become effective.

IFRS 9 – Financial instruments: IFRS 9, published in July 2014, replaces the existing guidance in IAS 39. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS is effective for annual reporting periods beginning on or after January 1, 2018, with early adoption permitted. Skyline Apt. REIT is assessing the potential impact on its financial statements but does not expect it to have a significant impact.

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4. STANDARDS ISSUED BUT NOT YET EFFECTIVE (continued)

Amendments to IFRS 11 - Joint Arrangements: The amendments to IFRS 11 provide guidance on how to account for the acquisition of an interest in a joint operation in which the activities constitute a business combination as defined in IFRS 3. Specifically, the amendments state that the relevant principles on accounting for business combinations in IFRS 3 and other standards should be applied. The amendments to IFRS 11 apply prospectively for annual periods beginning on or after January 1, 2016. Skyline Apt. REIT does not expect any significant impact from the adoption of the new standard.

IFRS 16 - Leases: IFRS 16 supersedes IFRS 17 - Leases and has been established to increase the transparency of lease obligations reported on an entity's financial report. Under this new standard, entities may be required to report more of their previously disclosed off balance sheet leases on the face of the balance sheet. The standard also provides guidance on the calculation and presentation of the lease obligations. IFRS 16 is effective for annual reporting periods beginning on or after January 1, 2019, with early adoption permitted, only if the entity also applies IFRS 15. Skyline Apt. REIT does not expect any significant impact from the adoption of the new standard.

Amendment to IAS 1 - Presentation of Financial Statements: The amendment clarifies areas within the presentation of financial statements where preparers exercised more judgment but including materiality considerations when providing disclosures and providing additional clarification on the disaggregation and aggregation on the subtotals of the statements. There was also clarification related to OCI of equity accounted associates and joint ventures and how they are to be presented based on whether or not it will subsequently be reclassified to profit or loss. Additional guidance was also provided to demonstrate the organization of the notes to the financial statements. The amendment is effective for annual periods beginning on or after January 1, 2016. Skyline Apt. REIT does not expect any significant impact from the adoption of the new standard.

Amendment to IAS 7 - Statement of Cash Flows: The amendment clarifies that entities shall provide disclosures that ensure users of financial statements to evaluate changes in liabilities arising from financing activities. The amendment is effective for annual periods beginning on or after January 1, 2017. Skyline Apt. REIT does not expect any significant impact from the adoption of the new standard.

5. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of Skyline Apt. REIT and its subsidiaries, Skyline Operating Trust and RELP.

Subsidiaries are entities over which Skyline Apt. REIT has control, where control is defined as the power to govern financial and operating policies of an entity so as to obtain benefit from its activities. Subsidiaries are fully consolidated from the date control is transferred to Skyline Apt. REIT, and are de-consolidated from the date control ceases. Intercompany transactions between subsidiaries are eliminated on consolidation. All subsidiaries have a reporting date of December 31.

Skyline Apt. REIT carries out a portion of its activities through joint operations and records its proportionate share of assets, liabilities, revenues, expenses and cash flows of all joint operations in which it participates.

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6. INVESTMENT PROPERTIES

Changes to the carrying amounts of investment properties presented in the balance sheet can be summarized as follows:

	2015	2014
Balance at beginning of the year	\$ 1,143,482	\$ 988,877
Acquisitions through purchase of assets	443,081	193,263
Additions through capital expenditure on existing investment properties	38,250	13,879
Disposals through sale of investment properties	(7,000)	(66,630)
Investment properties held for sale (note 7)	(3,010)	0
Fair value adjustment on investment properties	<u>12,711</u>	<u>14,093</u>
Balance at end of the year	<u>\$ 1,627,514</u>	<u>\$ 1,143,482</u>

Asset acquisitions:

During the year ended December 31, 2015, Skyline Apt. REIT acquired thirty-five investment properties (2014 - sixteen) through purchase of assets. The results of these acquisitions are included in these consolidated financial statements from the date of acquisition. The following table outlines the cost, plus the transaction costs of the assets acquired and the associated liabilities entered into as a result of these acquisitions:

	2015	2014
Acquisition cost of investment properties	\$ 443,081	\$ 193,263
Mortgages	<u>(218,962)</u>	<u>(114,692)</u>
Total identifiable net assets settled by cash	<u>\$ 224,119</u>	<u>\$ 78,571</u>

Future rental income:

Investment properties are subject to operating leases with tenants. Lease contracts are all typically non-cancelable for periods ranging from one year for residential tenants, and one to fifteen years for commercial tenants, from the commencement of the lease. Future minimum rental income from these agreements is as follows:

	2015	2014
Less than one year	\$ 168,086	\$ 120,936
Between one and three years	25,467	27,484
More than three years	<u>15,413</u>	<u>21,320</u>
	<u>\$ 208,966</u>	<u>\$ 169,740</u>

Fair value disclosure:

Skyline Apt. REIT uses an income approach to perform internal valuation calculations for the purposes of determining the fair market value of investment properties. The same approach is used for those properties with independent third party appraisals. Significant assumptions used for the valuation of the properties include the capitalization rate and the revenue and expenses for each property.

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6. INVESTMENT PROPERTIES (continued)

Skyline Apt. REIT categorizes its investment properties by region, and each region has a different range of capitalization rates, depending on the specific risk factors for each property in that region. Overall, the capitalization rates for residential properties and commercial properties fall between:

	Residential		Commercial	
	2015	2014	2015	2014
Minimum	5.25%	5.50%	5.94%	6.78%
Maximum	7.32%	7.23%	8.09%	8.54%

Assumptions related to property revenues and expenses are based on the most recent annual results of each property, and where necessary, industry benchmarks.

In 2015, Skyline Apt. REIT valued \$974,337 of its investment properties internally (2014 - \$825,320). The remainder of the investment property fair value was obtained through third party appraisals, including those properties acquired during the year. In the year, this amounted to \$656,187 (2014 - \$318,162). Actual results may differ from these estimates and may be subject to material adjustment within the next fiscal year.

7. INVESTMENT PROPERTIES HELD FOR SALE

As at December 31, 2015, there was one (2014 - zero) property held for sale, 322 Schlueter Street, Cambridge, ON. This property was sold in the subsequent period. The assets and liabilities associated with this investment property held for sale are as follows:

	2015
ASSETS	
Investment properties	\$ 3,010
LIABILITIES	
Tenant deposits	26
Accounts payable and accrued liabilities	45
	<u>71</u>
NET ASSETS HELD FOR SALE	<u>\$ 2,939</u>

8. PROPERTY, PLANT AND EQUIPMENT

December 31, 2015	Cost	Accumulated Amortization	Carrying Amount
Computer equipment	\$ 335	\$ 169	\$ 166
Equipment	<u>371</u>	<u>114</u>	<u>257</u>
	<u>\$ 706</u>	<u>\$ 283</u>	<u>\$ 423</u>
December 31, 2014	Cost	Accumulated Amortization	Carrying Amount
Computer equipment	\$ 209	\$ 95	\$ 114
Equipment	<u>286</u>	<u>68</u>	<u>218</u>
	<u>\$ 495</u>	<u>\$ 163</u>	<u>\$ 332</u>

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9. MORTGAGES PAYABLE

The mortgages payable are secured by real estate assets and letters of credit, in some cases. Mortgages bearing fixed interest with a contractual weighted average rate of 3.83% (2014 - 4.13%) per annum are \$997,148 (2014 - \$644,211). Mortgages bearing variable interest rates with an average variable rate of 4.95% (2014 - 4.42%) are \$8,392 (2014 - \$19,596). Included in mortgages payable are second mortgages of \$100,304 (2014 - \$93,413), all bearing fixed interest rates. Mortgages have maturity dates ranging between 2016 and 2026. All mortgages are denominated in Canadian dollars.

Future minimum principal payments on mortgage obligations are as follows:

2016	\$	62,314
2017		112,451
2018		225,385
2019		86,354
2020		143,333
Thereafter		<u>375,703</u>
	\$	<u>1,005,540</u>

10. RELATED PARTY TRANSACTIONS

Skyline Incorporated is the general partner of Skyline Apt. REIT and is entitled to 20% of distributions after the limited partners have received their initial contribution value and subsequent capital expenditures. Transactions are measured at fair value. A provision for the future distributions payable to Skyline Incorporated has not been recorded since the timing and amount of the distributions payable cannot be reasonably estimated. Based on the fair value of the investment properties as at December 31, 2015, a distribution would be payable if the investment properties were sold. At December 31, 2015, there were distributions payable of \$1,620 (2014 - \$53).

Skyline Apt. REIT has an asset management agreement with Skyline Asset Management Inc., and a wealth management agreement with Skyline Wealth Management Inc. Skyline Asset Management Inc. and Skyline Wealth Management Inc. are controlled by Skyline Incorporated.

Fees payable under the asset management agreement are 2% of adjusted gross revenue. Fees payable under the wealth management agreement include wealth management fees of 0.3% of unitholders' equity, and equity raise fees ranging from 0.5% to 1% of contributions during the year. Equity raise fees of \$1,161 (2014 - \$569) were paid under the wealth management agreement during the year and are included in issuance costs.

Fees paid during the year are as follows:

	2015	2014
Asset management fees	\$ 3,480	\$ 2,743
Wealth management fees	<u>1,865</u>	<u>1,546</u>
	<u>\$ 5,345</u>	<u>\$ 4,289</u>

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10. RELATED PARTY TRANSACTIONS (continued)

Due from related parties

Amounts due from related parties, other than Skyline Incorporated, are unsecured, non-interest bearing and are due on demand. The balance consists of the following:

	2015	2014
Skyline Equities Inc.	\$ 1,003	\$ 998
Skyline Real Estate Holdings Inc.	<u>18</u>	<u>18</u>
	<u>\$ 1,021</u>	<u>\$ 1,016</u>

Skyline Real Estate Holdings Inc. is the bare trustee for some of the income producing properties held in Skyline Apt. REIT.

During 2015, Skyline Equities Inc. did not pay any dividends (2014 - \$19). The investment in Skyline Equities Inc. was written down to fair value during 2014.

Due to related parties

Amounts due to related parties are unsecured, non-interest bearing and have no set terms of repayment. The balance consists of the following:

	2015	2014
Skyline Incorporated	<u>\$ 1,997</u>	<u>\$ 376</u>

Transaction costs

In January 2014, RELP and Skyline Apt. REIT completed an agreement with Skyline Management Inc. ("SMI") to internalize the property management function effective January 1, 2014. On closing, RELP acquired SMI's Skyline Apt. REIT related property management business in return for convertible Class B limited partnership units of RELP, that are exchangeable for Skyline Apt. REIT units and have a current market value of \$32,500. The purchase price associated with the internalization did not utilize existing cash resources of RELP, and SMI is required to hold 90% of the exchangeable units (or REIT upon exchange) until 2021, subject to limited exceptions. SMI is controlled by Skyline Incorporated.

Distributions paid

Skyline Apt. REIT paid the following distributions to related parties:

	2015	2014
Skyline Management Inc. (limited partner)	\$ 2,407	\$ 2,203
Skyline Incorporated (general partner)	<u>7,207</u>	<u>5,085</u>
	<u>\$ 9,614</u>	<u>\$ 7,288</u>

11. FINANCIAL RISK MANAGEMENT

Financial risks are risks arising from the financial instruments to which Skyline Apt. REIT is exposed during or at the end of the reporting period. Financial risk comprises market risk, credit risk, and liquidity risk. Skyline Apt. REIT considers real estate risk as a financial risk as well, even though investment property is not classified as a financial instrument.

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11. FINANCIAL RISK MANAGEMENT (continued)

Risk management is carried out by Management and the Board of Trustees of Skyline Apt. REIT. Management identifies and evaluates financial risks and the Board provides oversight on overall risk management, including specific areas such as interest rate risk, liquidity, and investing policies.

Key financial risk management reports are produced on a monthly basis and key indicators are reviewed by Management and the Board of Trustees of Skyline Apartment REIT.

i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Skyline Apt. REIT's market risks arise from open positions in interest bearing assets and liabilities, to the extent that these are exposed to market fluctuations.

a. Interest rate risk

Substantially all (99%) of Skyline Apt. REIT's mortgages payable at December 31, 2015 (2014 - 97%) are at fixed interest rates during the term of the debt. However, there is interest rate risk associated with Skyline Apt. REIT's fixed interest rate term debt, due to the expected requirement to refinance such debts upon maturity. Bank overdraft is at floating interest rates and is exposed to changes in interest rates. As fixed rate debt matures and as Skyline Apt. REIT uses additional floating rate debt under revolving credit facilities, Skyline Apt. REIT will be further exposed to changes in interest rates.

As part of its risk management policies, Skyline Apt. REIT uses fixed rate mortgages for the majority of its borrowings to allow for better cash flow planning. Skyline Apt. REIT attempts to stagger mortgage renewals at appropriate intervals to mitigate significant interest rate shocks in a given year.

The following table illustrates the sensitivity of income and equity to a reasonably possible change in interest rates of +/- 1%.

December 31, 2015

	Carrying Amount	Income -1%	Partners' Equity -1%	Income +1%	Partners' Equity +1%
Revolving credit facility	\$ 28,372	\$ (284)	\$ (284)	\$ 284	\$ 284
Mortgages payable, maturing within one year	<u>37,574</u>	<u>(376)</u>	<u>(376)</u>	<u>376</u>	<u>376</u>
	<u>\$ 65,946</u>	<u>\$ (660)</u>	<u>\$ (660)</u>	<u>\$ 660</u>	<u>\$ 660</u>

December 31, 2014

	Carrying Amount	Income -1%	Partners' Equity -1%	Income +1%	Partners' Equity +1%
Revolving credit facility	\$ 18,595	\$ (186)	\$ (186)	\$ 186	\$ 186
Mortgages payable, maturing within one year	<u>76,649</u>	<u>(766)</u>	<u>(766)</u>	<u>766</u>	<u>766</u>
	<u>\$ 95,244</u>	<u>\$ (952)</u>	<u>\$ (952)</u>	<u>\$ 952</u>	<u>\$ 952</u>

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11. FINANCIAL RISK MANAGEMENT (continued)

b. Price risk

Skyline Apt. REIT has no significant exposure to price risk with respect to financial instruments as it does not hold any equity securities or commodities.

c. Foreign exchange risk

Skyline Apt. REIT is not subject to foreign exchange risk. All of its financial instruments are denominated in Canadian dollars.

ii) Credit risk

Credit risk is a risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Skyline Apt. REIT has no significant concentrations of credit risk. Credit risk arises from trade receivables, including rental receivables from lessees, mortgage and notes receivable.

An allowance for doubtful accounts is recognized for estimated losses resulting from tenant default on lease obligations. Skyline Apt. REIT actively reviews receivables and determines the potentially uncollectible accounts on a per-tenant basis. An accounts receivable is written down to its estimated recoverable value when there is reason to believe that the tenant will not be able to fulfil their obligations under the lease agreement. Management reviews tenant receivables on a regular basis and reduces carrying amounts through the use of allowance for doubtful accounts and the amount of any loss is recognized in the statement of income and comprehensive income.

The movement in the allowance for doubtful accounts is reconciled as follows:

	2015	2014
Allowance for doubtful accounts beginning of year	\$ 93	\$ 518
Provision for impairment of trade receivables	0	0
Reversal of provision for impairment	<u>0</u>	<u>(425)</u>
Allowance for doubtful accounts end of year	<u>\$ 93</u>	<u>\$ 93</u>

During the 2007 fiscal year, Skyline Apt. REIT purchased a building with four pre-existing life lease agreements whereby tenants have purchased their specific unit within the building. The four mortgages and two promissory notes on the units were transferred to the partnership at the time of purchase. The mortgages and promissory notes are being amortized over twenty-five years at 6% and are due in 2031. During each of the 2009, 2011, and 2012 fiscal years, one unit was bought back by Skyline Apt. REIT.

Credit risk is managed by reviewing the credit quality of the tenant through credit ratings and references. The maximum exposure to credit risk at the reporting date is equal to the carrying value of each class of financial asset.

iii) Liquidity risk

Liquidity risk management entails maintaining sufficient cash and credit facilities available to close out market positions. Skyline Apt. REIT ensures flexibility in funding by keeping committed credit lines available, and raising capital from partners when needed.

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11. FINANCIAL RISK MANAGEMENT (continued)

iii) Liquidity risk (continued)

Skyline Apt. REIT's liquidity position is monitored on a regular basis by Management. A summary table with maturity of financial assets and liabilities presented below is used by key management personnel to manage liquidity risks and is derived from managerial reports at company level. The amounts disclosed in the tables below are the contractual undiscounted cash flows. Undiscounted cash flows in respect of the balances due within twelve months generally equal their carrying amounts in the balance sheet as the impact of discounting is not significant.

The bank overdraft is secured by a general security agreement over some of the investment properties of Skyline Apt. REIT.

Under a financing agreement, RELP and Skyline Apt. REIT have a revolving credit facility of \$34,000 (2014 - \$29,500) available for use to finance the ongoing working capital requirements of the combined group which is maintained by Skyline Apt. REIT. At December 31, 2015, the total drawn on the operating line of credit was \$30,082 (2014 - \$18,595). The operating line of credit bears interest at prime plus 1.5% (2014 - prime plus 1.5%).

Skyline Apt. REIT's long term debt consists of first mortgages payable bearing interest rates ranging from 2.3% to 6.7% per annum, payable in monthly instalments of principal and interest of approximately \$4,868 (2014 - 2.4% to 6.7%, instalments of \$3,251), maturing from 2016 to 2026 and are secured by specific charges against specific properties.

Skyline Apt. REIT's long term debt also includes second mortgages payable bearing interest at rates ranging from 2.1% to 9.0%, payable in monthly instalments of principal and interest of approximately \$520 (2014 - 2.1% to 9.0%, instalments of \$553), maturing from 2016 to 2023, and are secured by specific charges against specific properties.

Financial liabilities and their maturities are as follows:

December 31, 2015	On demand	Less than one year	One to five years	More than five years	Total
Mortgages payable	\$ 0	\$ 37,574	\$ 640,749	\$ 327,217	\$ 1,005,540
Revolving credit facility	28,372	0	0	0	28,372
Accounts payable and accrued liabilities	0	14,100	0	0	14,100
	<u>\$ 28,372</u>	<u>\$ 51,674</u>	<u>\$ 640,749</u>	<u>\$ 327,217</u>	<u>\$ 1,048,012</u>

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11. FINANCIAL RISK MANAGEMENT (continued)

iii) Liquidity risk (continued)

December 31, 2014	On demand	Less than one year	One to five years	More than five years	Total
Mortgages payable	\$ 0	\$ 76,649	\$ 338,125	\$ 249,033	\$ 663,807
Revolving credit facility	18,595	0	0	0	18,595
Accounts payable and accrued liabilities	0	12,096	0	0	12,096
	<u>\$ 18,595</u>	<u>\$ 88,745</u>	<u>\$ 338,125</u>	<u>\$ 249,033</u>	<u>\$ 694,498</u>

iv) Real estate risk

Skyline Apt. REIT has identified risks associated with the real estate portfolio. The greatest risk is with respect to the fair values of the portfolio due to changes in real estate market conditions, the economic climate, and overall financial health of its tenants.

Skyline Apt. REIT mitigates its exposure to any one tenant as a majority of its investment properties are multi-suite residential which results in a large number of tenants with minimal financial exposure to each. Skyline Apt. REIT's commercial portfolio has a concentration of risk with a single tenant that represents 68% (2014 - 75%) of commercial revenue.

12. MORTGAGE AND NOTES RECEIVABLE

During 2015, RELP advanced a third party \$9,341 (2014 - \$3,928) for a total of \$13,269 in order to finance two projects under development in Brantford, Ontario. This loan finances the construction of a property and gives RELP the right to purchase the residential property after it is developed by the third party. The loan bears interest at 7.50% per annum.

The balance of the mortgages and notes receivable of \$1,719 (2014 - \$1,807) consist of notes and vendor take back mortgages on the sale of properties and bear interest at fixed interest rate of 7.5% to 9% per annum.

13. CAPITAL RISK MANAGEMENT

Skyline Apt. REIT's objectives when managing capital are to safeguard the entity's ability to continue as a going concern in order to provide returns for unitholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, Skyline Apt. REIT has the ability to adjust the amount of distributions paid to partners, return capital to partners, issue additional units, refinance existing debt, or sell investment property to reduce debt.

Skyline Apt. REIT monitors capital primarily using a loan to value ratio, which is calculated as the amount of outstanding debt divided by the valuation of the investment property portfolio. As of December 31, 2015, the loan to value ratio was 62% (2014 - 58%), which is within Skyline Apt. REIT's stated policy of 70% or better. Subsequent to December 31, 2015, Skyline Apt. REIT is in compliance with the policy.

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13. CAPITAL RISK MANAGEMENT (continued)

During the year, Skyline Apt. REIT did not breach any of its loan covenants, nor did it default on any other of its obligations under its loan agreements. Skyline Apt. REIT did not change its distribution rates paid to unitholders in the year.

14. UNITHOLDERS' EQUITY

Skyline Apt. REIT is authorized to issue an unlimited number of REIT units. The REIT units are entitled to distributions as and when declared by the Board of Trustees. During the year, Skyline Apt. REIT did not increase the unit price per unit of \$13.50 (2014 - \$13.50) or the annual distribution rate of \$1.00 per unit (2014 - \$1.00 per unit). The units issued and outstanding are as follows:

	2015 Units	2014 Units
Units outstanding, beginning of year	36,134,274	29,382,789
Units issued	10,142,132	7,002,137
Distribution reinvestment plan	1,103,602	893,179
Redemptions during the year	<u>(1,163,530)</u>	<u>(1,143,831)</u>
Units outstanding, end of year	<u>46,216,478</u>	<u>36,134,274</u>

Included in units outstanding at December 31, 2015 are 2,808,771 (2014 - 2,443,771) Class B exchangeable partnership units of RELP. RELP's Class B LP units, representing an aggregate fair value of \$37,918 at December 31, 2015 (2014 - \$32,991), are exchangeable on a one-for-one basis into Skyline Apt. REIT units at any time at the option of the holder. Prior to such exchange, distributions will be made on these exchangeable units in an amount equivalent to the distributions which would have been made had the units been exchanged for Skyline Apt. REIT units. Each Class B LP unit entitles the holder to attend but not vote at all meetings of the Limited Partners.

RELP's Class C LP units of 356,365 (2014 - 0), representing an aggregate fair value of \$4,811 at December 31, 2015 (2014 - \$0), and Class D LP units of 443,636 (2014 - 0), representing an aggregate fair value of \$5,989 at December 31, 2015 (2014 - \$0) share the same characteristics of the Class B LP units described above and are included in units outstanding at December 31, 2015.

15. SEGMENTED DISCLOSURE

All of Skyline Apt. REIT's assets and liabilities are in, and its revenues are derived from, multi-suite residential and commercial Canadian real estate. Skyline Apt. REIT's investment properties are, therefore, considered by Management to have similar economic characteristics. No single residential tenant accounts for 10% or more of Skyline Apt. REIT's residential rental revenue. One tenant under commercial lease represents 68% (2014 - 75%) of Skyline Apt. REIT's commercial revenue. This tenant is under lease until 2023 with three five-year renewal options.

16. COMMITMENTS AND CONTINGENCIES

Skyline Apt. REIT is a tenant under land leases expiring in 2053. Currently, minimum annual rent payable by RELP under the lease is \$120.

17. SUBSEQUENT EVENTS

Subsequent to year end, RELP sold 322 Schlueter Street, Cambridge, ON, which is currently classified as an investment property held for sale. The closing date for the sale was February 17, 2016, and the selling price was \$3,310.

Effective February 5, 2016, the unit price changed to \$14.25 per unit.

Subsequent to year end, Skyline Apt. REIT issued an additional 207,715 units at \$13.50, and 561,950 units at \$14.25 per unit. Skyline Apt. REIT redeemed 33,244 units at \$13.50 per unit, 78,220 units at \$14.25 and 365,000 LP units at \$13.50 per unit.

18. COMPARATIVE FIGURES

Certain figures presented for comparative purposes have been reclassified to conform to the current year's presentation. Specifically, the statement of cash flows includes a comparative figure for mortgages discharged due to sale of investment properties, which was previously included in mortgages payable (net repayment and advances). Secondly, the comparative figures for units issued on private offering and distributions paid were reduced by \$12,004 representing units issued through the distribution reinvestment plan.

ITEM 13 DATE AND CERTIFICATE

Dated October 15, 2016

This offering memorandum does not contain a misrepresentation.

SKYLINE APARTMENT REAL ESTATE INVESTMENT TRUST

"Jason Castellan"

JASON CASTELLAN
Chief Executive Officer

"Wayne Byrd"

WAYNE BYRD
Chief Financial Officer

"Jason Castellan"

JASON CASTELLAN
Trustee

"R. Jason Ashdown"

R. JASON ASHDOWN
Trustee

"Martin Castellan"

MARTIN CASTELLAN
Trustee

"Jonathan Halpern"

JONATHAN HALPERN
Trustee

"Ronald Durst"

RONALD DURST
Trustee

"Robert Breadner"

ROBERT BREADNER
Trustee

"Edward Perlmutter"

EDWARD PERLMUTTER
Trustee

"Jeffrey Neumann"

JEFFREY NEUMANN
Trustee

SKYLINE ASSET MANAGEMENT INC. as Manager

"Jason Castellan"

JASON CASTELLAN
Chief Executive Officer

"Wayne Byrd"

WAYNE BYRD
Chief Financial Officer

On behalf of the Board of Directors

"Martin Castellan"

MARTIN CASTELLAN
Director

"R. Jason Ashdown"

R. JASON ASHDOWN
Director



**SKYLINE APARTMENT
REAL ESTATE INVESTMENT TRUST**