

FIRM CAPITAL APARTMENT REAL ESTATE INVESTMENT TRUST

Distribution Reinvestment Plan

INTRODUCTION

This Unitholder distribution reinvestment plan (the “Reinvestment Plan”) and unit purchase plan (the “Purchase Plan”) are being offered to holders (the “Participants”) of units (the “Eligible Units”) of Firm Capital Apartment Real Estate Investment Trust (the “Trust”) resident in Canada. The Reinvestment Plan and the Purchase Plan (collectively, the “Plans”) are administered by TSX Trust Company (the “Agent”).

Purpose

The Plans enable Participants to invest any and all cash distributions on Eligible Units and/or Optional Cash Payments (as defined herein) in common units of the Trust (“Units”).

Defined Terms

All references to “dollars” and “\$” herein are expressed in United States dollars. Where used herein, the following terms shall have the following meanings:

“**Average Market Price**” means the volume weighted average price of the United States dollar traded Units on the Exchange for the five trading days immediately preceding the relevant Distribution Date or the effective date of the purchase of additional Units under the Purchase Plan, as applicable.

“**Authorization Form**” means the authorization form attached hereto.

“**Beneficial Owner**” means a beneficial owner of Eligible Units registered in the name of CDS or a Nominee.

“**CDS**” refers to The Canadian Depository for Securities Limited, which acts as a nominee for certain Canadian brokers, investment dealers, financial institutions and other nominees, or its nominee or successor, as applicable.

“**CDS Participant**” refers to a broker, investment dealer, financial institution or other nominee, in its capacity as a participant in the CDS depository service, who holds Eligible Units registered in the name of CDS on behalf of, or for the account of, eligible Beneficial Owners of Eligible Units and who is acting on behalf of such Beneficial Owners with respect to their participation in the Plans.

“**Distribution Date**” means the date on or about the 15th day of each of the months of April, July and October and December 31 in each calendar year.

“**Distribution Record Date**” means, in relation to a Distribution Date, the date which is the last business day of the month immediately preceding the month in which the Distribution Date falls or such other date as the Trustees may determine, except for

Distributions made as of December 31 in any year which are made to Unitholders of record as at that date.

“**Exchange**” means the TSX Venture Exchange or such other exchange on which the Units are listed.

“**Nominee**” refers to a broker, investment dealer, financial institution or other nominee who holds Eligible Units registered in its own name on behalf of eligible Beneficial Owners of Eligible Units.

“**Optional Cash Payments**” means the cash payments which Participants wish to make in order to participate in the Purchase Plan.

“**Quarterly Purchase Date**” means the last business day of each calendar quarter.

“**Unitholder**” means a holder of a Unit of the Trust.

Advantages

Under the Reinvestment Plan, a Participant may purchase additional Units with the cash distributions paid on the Eligible Units which are held by the Participant or held in a Participant’s account maintained pursuant to the Reinvestment Plan.

Full investment of Participants’ funds is possible under each of the Plans because the Plans permit fractions of Units as well as whole Units to be purchased and held for Participants. Distributions in respect of whole Units and fractions of Units purchased under the Plans will be held by the Agent for the Participants’ account and automatically invested under the Reinvestment Plan in additional Units.

If a Participant elects to purchase Units under the Purchase Plan, all Optional Cash Payments made by the Participant under the Purchase Plan will be invested for additional Units at the Average Market Price. The additional Units under the Purchase Plan are issued out of the treasury of the Trust. The Participant’s account will be credited with the number of Units which is equal to the amount of the Optional Cash Payment divided by the Average Market Price.

ADMINISTRATION

The Trust shall promptly pay over to the Agent, on behalf of Participants, all cash distributions paid on their Eligible Units. If the Average Market Price is less than \$8.10, the Agent shall use such funds to purchase, at a cost less than \$8.10 per Unit, additional Units for the Participants through the facilities of the Exchange for a period of five trading days following the relevant Distribution Date. These purchases will be effected by the Agent through an investment dealer selected by the Trust. The Agent will seek the best price and execution and negotiate favourable brokerage rates for these purchases. To the extent the Agent is unable to purchase additional Units at a cost less than \$8.10 per Unit because Units are not offered or are offered at prices which, after payment of brokerage fees or commissions, would result in a cost at or exceeding \$8.10 per Unit, then the remaining funds will be applied to the purchase of Units from the treasury of the Trust at \$8.10 per Unit. If the Average Market Price is \$8.10 or more, the funds

will be applied to the purchase of Units from the treasury of the Trust at the Average Market Price. Additional Units purchased under the Reinvestment Plan shall be registered in the name of the Agent, as agent for the Participants in the Reinvestment Plan.

The Trust reserves the right to amend, at its sole discretion, the price (currently \$8.10) at which it is determined whether funds will be applied to the purchase of Units from treasury or through the facilities of the Exchange, from time to time at its sole discretion.

Currently, there are 512,991 Eligible Units reserved under the DRIP. Any increase in the number of securities reserved for issuance under the DRIP shall be subject to (i) board approval, (ii) public disclosure and (iii) Exchange approval.

Under the Purchase Plan, Optional Cash Payments must be received by the Agent at least five business days prior to a Quarterly Purchase Date.

Accounts under the Plans shall be maintained in the names in which Eligible Units were registered at the time the Participants entered the Plans.

PARTICIPATION

Participation in the Plans

Any Canadian resident holder of Eligible Units may enroll in the Plans at any time by completing an Authorization Form and returning it to the Agent. Once a Participant has enrolled in the Plans, participation shall continue automatically unless terminated in accordance with the terms of the Plans or unless participation becomes unlawful under the laws governing the Trust. **Beneficial Owners of Eligible Units whose Units are not registered in their own names may participate in the Plans by either having their Units transferred into their own names or, if the Units are held in a specific segregated registered account such as a numbered account with an investment dealer or other nominee, directing that investment dealer or nominee to enrol such account in the Plans with respect to such Units.**

If any Units of the Trust are held by a non-resident of Canada, such Unitholder shall not be eligible to participate in the Plans. Upon ceasing to be a resident of Canada, a Participant shall forthwith notify the Agent and terminate their participation in the Plans.

An Authorization Form may be obtained from the Agent at any time upon written request addressed to the Agent. The Authorization Form directs the Trust to forward to the Agent, and the Agent to invest in additional Units, all of the Participant's cash distributions on Eligible Units. The Agent will apply such funds received under the Plans to the purchase of additional Units. When enrolling in the Reinvestment Plan, if a completed Authorization Form is received by the Agent not less than five business days prior to the Distribution Record Date, the immediately following cash distribution will be invested under the Reinvestment Plan.

Optional Cash Payments may be made when enrolling in the Purchase Plan by enclosing a certified cheque or money order in Canadian funds made payable to the Agent with the Authorization Form. The completed Authorization Form or cash payment form (and Optional Cash Payments) must be received by the Agent not less than five business days prior to the Quarterly

Purchase Date in order to effect purchases of Units for such calendar quarter. Thereafter, Optional Cash Payments may be made by using the cash payment form which will be enclosed with each statement sent to the Participants.

Distributions paid on Units held by the Agent for the account of a Participant under the Plans will be automatically reinvested in additional Units on each Distribution Date.

A minimum purchase of \$3,000 on each Quarterly Purchase Date and maximum purchases of up to \$12,000 per year (payable in one lump sum or from time to time on a Quarterly Purchase Date) will be permitted under the Purchase Plan. The aggregate number of Units that may be issued under the Purchase Plan may not exceed in each year 2% of the number (at the commencement of the fiscal year of the Trust) of the outstanding Units of the Trust. In the event that the aggregate Optional Cash Payments received with respect to a Quarterly Purchase Date would, if fully applied to the purchase of Units, cause the Trust to issue a number of Units which exceeds 2% of the number (at the commencement of the fiscal year of the Trust) of the outstanding Units of the Trust, the Agent will apply a *pro rata* portion of the Optional Cash Payments from each Participant. The balance of the Optional Cash Payments will be refunded to the applicable Participants. Distributions paid on Units enrolled in the Plans, including fractions, will be automatically reinvested.

No interest will be paid to Participants on any funds held for investment under the Plans.

Beneficial Owners

Beneficial Owners whose Eligible Units are registered in the name of CDS or Nominees may not directly enroll in the Plans. Such Beneficial Owners may participate in the Plans only if they (i) transfer their Eligible Units into their own name and then enroll in the Plans directly, or (ii) arrange for their applicable CDS Participants or Nominees to enroll in the Plans on their behalf.

Eligible Beneficial Owners should contact their applicable CDS Participants or Nominees through which they hold their Eligible Units to provide instructions regarding their participation in the Plans.

Where eligible Beneficial Owners wish to enroll in the Plans through their CDS Participants, CDS Participants must, on behalf of such Beneficial Owners, elect online via CDSX prior to 5:00 p.m. (Toronto time) on the Distribution Record Date on which the Beneficial Owners intend to start participating in the Plans (or such other deadline as CDS may set from time to time).

Where eligible Beneficial Owners wish to enroll in the Plans through their Nominees, Nominees must ensure the Plan Agent receives the appropriate instructions prior to 3:00 p.m. (Toronto time) on the fifth (5th) Business Day immediately preceding the relevant Distribution Record Date in order to take effect on the Distribution Date to which that Distribution Record Date relates.

Once enrolled in the Plans, participation in the manner elected by the Participant continues automatically until the Plans is terminated by the Trust or until such participation in the Plans is terminated by the Participant or otherwise in accordance with the Plans.

Transfer of Participation Rights

The right to participate in the Plans may not be transferred by a Participant without the approval of the Trust and the applicable securities regulatory authorities.

Termination of Participation

Participation in the Plans may be terminated by a Participant at any time except during the time between a Distribution Record Date and the corresponding Distribution Date, inclusive, by delivering a duly completed Termination Request form to the Agent at least five business days prior to the Distribution Record Date. Any request received following such time shall be processed effective for the next Distribution Date.

The Trust reserves the right to terminate the right of a Participant to continue in the Plans where such Participant has failed to comply with the terms of the Plans or, in the reasonable opinion of the Trust, abused the Plans to the detriment of the Trust or its Unitholders.

When participation in the Plans is terminated, the Participant will receive a certificate for the whole Units held for such Participant's account and a cash payment for any fractional Units. Any fractional Unit interest will be paid in cash calculated on the basis of the closing price of the Trust's Units traded on the Exchange on the business day immediately preceding the effective date of termination.

Upon termination, a Participant may request in writing that the Agent arrange for the sale by a registered stockbroker on behalf of the Participant of the Units held by the Agent. The Units may be sold on a commingled basis with other Units of the Trust held by the Agent on behalf of other Participants. Upon receipt of such written request, the Agent will arrange for the sale of such odd-lot holdings. Net proceeds of such sale will be forwarded by the Agent by cheque to the Participant. Any brokerage fees or commissions payable on such sale will be pro-rated among all the selling Participants. Certificates and/or cheques will generally be forwarded to a Participant within three weeks of receipt by the Agent of a Participant's written request.

Participation in the Plans will be terminated automatically upon receipt by the Agent of a written notice of the death of a Participant. Thereafter, all distributions paid in respect of the deceased's Eligible Units will be paid in cash. In the case of termination of participation due to death, a certificate for whole Units and a cheque for payment in lieu of fractional Units, if any, will be issued by the Trust in the name of the deceased Participant, and the Trust will send such certificates and a cash payment for any fractional Unit to the representative of the deceased Participant.

Participation in the Plans will also terminate upon receipt by the Agent of a written notice of the transfer or disposition of all of a Participant's Eligible Units in the Plans.

Amendment, Suspension or Termination of the Plans

The Trust reserves the right to amend (subject to prior Exchange approval), suspend or terminate the Plans at any time, but such action shall have no retroactive effect that would prejudice the interest of the Participants except as otherwise required by law. All Participants will be sent written notice of any such amendment, suspension or termination.

In the event of termination of the Plans by the Trust, certificates for whole Units held for Participants' accounts under the Plans and cash payments for any fractional Unit will be remitted with due dispatch by the Trust to the Participants. In the event of suspension of the Plans by the Trust, no investment will be made by the Agent on the Distribution Date(s) following the effective date of such suspension. Any distribution payable after the effective date of any such suspension will be remitted by the Trust to the Participants in cash only.

Rules and Regulations

The Trust, in conjunction with the Agent, may from time to time adopt rules and regulations to facilitate the administration of the Plans. The Trust also reserves the right to regulate and interpret the Plans as it deems necessary or desirable to ensure the efficient and equitable operation of the Plans.

Rights Offering

In the event the Trust makes available to holders of Eligible Units rights to subscribe for additional Units or other securities, rights certificates will be issued by the Trust to each Participant in respect of the whole Units held for a Participant's account under the Plans on the record date for such rights issue. Subject to applicable law and provided there is a trading market for the rights, rights based on fractional Units held for a Participant's account will be sold together with rights based on fractional Units held for other Participants on a commingled basis by the Agent and the proportionate net proceeds will be remitted to the Participant.

Unit Splits and Unit Distributions

If Units of the Trust are distributed pursuant to a Unit split or Unit distribution on Eligible Units, such Units received by the Agent for Participants under the Plans will be retained by the Agent and credited proportionately to the accounts of the Participants in the Plans.

Unitholder Voting

Whole Units held for a Participant's account under the Plans on the record date for a vote of Unitholders will be voted in the same manner as such Participant's Eligible Units are voted.

PRICE OF UNITS

Price of Additional Units

If the Average Market Price is less than \$8.10, the Agent will advise the Trust on the sixth trading day following the relevant Distribution Date whether it was able to purchase any additional Units at a cost less than \$8.10 per Unit through the facilities of the Exchange. The purchase price of Units purchased through the facilities of the Exchange is deemed to be the weighted average of the price of all Units, including brokerage fees or commissions, purchased on behalf of all Participants.

If the Agent was not successful in using all funds to purchase additional Units at a cost less than \$8.10 per Unit, then the remaining funds will be applied to the purchase of Units from the

treasury of the Trust at \$8.10. If the Average Market Price is \$8.10 or more, the funds will be applied to the purchase of Units from the treasury of the Trust at the Average Market Price.

Each Participant's account will be credited with that number of Units purchased for the Participant which is equal to the amount to be invested for the Participant divided by the average price per Unit purchased by the Agent through the facilities of the Exchange or from the treasury of the Trust, as applicable, under the Reinvestment Plan.

Under the Purchase Plan, the Agent will pay to the Trust within five business days of the Quarterly Purchase Date the aggregate amount of all Optional Cash Payments received by the Agent for investment in additional Units at the Average Market Price. Such funds received by the Trust will be invested under the Purchase Plan.

RECORDING AND CERTIFICATES

Reports to Participants

An account will be maintained by the Agent for each Participant in the Plans. A statement will be mailed to each Participant as soon as possible following each Distribution Date or the effective date of purchase of additional Units under the Purchase Plan. These statements will be the Participant's continuing record of purchases made and Units issued and should be retained for income tax purposes. In addition, each Participant will be sent annually the appropriate information for tax reporting purposes.

Certificates for Units

Units purchased under the Plans will be held by the Agent for Participants in the Plans. Certificates for such Units will not be issued to Participants unless specifically requested.

A Participant may, upon written request to the Agent, receive a Unit certificate issued in the Participant's name for any number of whole Units held for the Participant's account under the Plans even though the Participant is not terminating participation in the Plans. Normally, a certificate will be sent to a Participant within three weeks of receipt by the Agent of a Participant's request. Any remaining whole Units and fractional Units will continue to be held for the Participant's account under the Plans. No certificate requests will be processed between a Distribution Record Date and the related Distribution Date. Any such requests will be processed immediately following the related Distribution Date.

Units held by the Agent for a Participant may not be pledged, sold or otherwise disposed of by the Participant while so held. A Participant who wishes to effect any such transaction must request that the certificates for such Units be issued in the Participant's name.

RESPONSIBILITIES OF THE TRUST AND THE AGENT

The Trust and the Agent shall not be liable for any act or any omission to act in connection with the operation of the Plans including, without limitation, any claims for liability:

- (a) arising out of failure to terminate a Participant's account upon such Participant's death prior to receipt of notice in writing of such death; and
- (b) relating to the prices at which Units are purchased or sold for the Participant's account and the times such purchases or sales are made.

Participants should recognize that none of the Trust or the Agent can assure a profit or protection against a loss on the Units purchased or sold under the Plans. In addition, Participants are urged to consult their tax advisors as to their particular tax position.

THE TRUST'S RELATIONSHIP WITH THE AGENT

Indemnity

The Trust agrees to indemnify the Agent for and hold it harmless against any loss, costs, claims, actions, demands or disbursements, including, but not limited to judgements, fines, penalties incurred without negligence, bad faith or wilful misconduct on the part of the Agent for any acts or omissions by the Agent in connection with the administration of the Plans.

Trust's Obligation

The Trust shall take all necessary actions to ensure that the terms of the Plans do not violate any legislation or policies or any regulatory authority as may apply from time to time.

The Agent shall have no duty to disburse or expend its own funds or assets.

The Agent may retain legal counsel, accountants or such other advisors as it may require to carry out or determine its duties hereunder and may not act and rely on advice received. The Agent shall not be liable for any negligence errors or misconduct on the part of any such advisor. Any pre-approved remuneration paid by the Agent shall be reimbursed by the Trust.

Tax

The Trust shall direct the Agent as to the appropriate tax filing requirements.

Termination

The relationship may be terminated by either the Trust or the Agent upon 6 months notice in writing being given to the other.

NOTICES

All notices required to be given under the Plans shall be mailed to a Participant at the address shown on the records of the Plans or at a more recent address as furnished by the Participant to the Trust.

Notices to the Trust shall be sent to:

Firm Capital Apartment Real Estate Investment Trust

c/o TSX Trust Company
301 - 100 Adelaide Street West
Toronto, Ontario M5H 4H1
Attention: DRIP Department Inc.
Facsimile: (416) 361-0470

Effective Date of the Plans

The effective date of the Plans is September 29, 2017.

**Firm Capital Apartment Real Estate Investment Trust
DISTRIBUTION REINVESTMENT PLAN
AUTHORIZATION FORM**

To enroll in either Plan, please complete the following

This is not a proxy. All Distributions will be paid in cash and no additional Units will be issued to you unless, and except to the extent that, you duly elect to participate in the Unitholder Distribution Reinvestment Plan, which you may do so at any time using this form. Do not return this form if and so long as you wish to continue to receive cash Distributions on all Units of the Trust held by you and you do not wish to acquire additional Units making Optional Cash Payments or if you have already returned a form.

Unitholder Distribution Reinvestment Plan

The Unitholder Distribution Reinvestment Plan gives each Unitholder resident in Canada the right to direct Firm Capital American Realty Partners Trust (the “Trust”) to invest all of such Unitholder's cash distributions on Units of the Trust in additional Units of the Trust for the benefit of such Unitholder. A Unitholder wishing to exercise such rights to direct the Trust to invest its cash distributions in additional Units of the Trust should complete the election provided in the form set forth below. A Unitholder who fails to complete the election provided in the form set forth below will receive payment in cash of all distributions that may become payable on the Units of the Trust held by such Unitholder.

- I elect to enroll in the Unitholder Distribution Reinvestment Plan and hereby direct the Trust to forward to TSX Trust Company (the “Agent”), and hereby direct the Agent to invest, all of the cash distributions payable on the following number of Units of the Trust now held by me (and held on my behalf under the Plan) in the purchase of additional Units of the Trust commencing with the next distribution paid by the Trust after this completed form has been received and recorded as provided under such Plan. My participation in such Plan is subject to the terms of such Plan, which I have received and read.

Unit Purchase Plan

The Unit Purchase Plan gives each Unitholder resident in Canada the right to purchase additional Units of the Trust on a quarterly basis. A Unitholder wishing to exercise such right to purchase Units should complete the election provided in the form set forth below:

- I wish to participate in the Unit Purchase Plan. I understand that distributions paid by the Trust on the Units purchased will be automatically invested under the Unitholder Distribution Reinvestment Plan. I enclose my payment of \$ _____ (minimum \$3,000 per calendar quarter, maximum \$12,000 per fiscal year) to

purchase additional Units of the Trust (make cheque or money order payable to TSX Trust Company).

Unitholder's Name, Address and Postal Code *(please print)*

Telephone ()

Number of Units

Signature

Date

If the Units are jointly held, each Unitholder must sign. If the Unitholder is a Trust, this authorization must be signed under seal or by an officer or attorney authorized in writing.

I understand that I may revoke this election-authorization at any time by notifying the Agent in writing.

A return envelope is provided for your convenience. Any questions concerning the Plans should be directed to the Agent:

Firm Capital Apartment Real Estate Investment Trust
c/o TSX Trust Company
301 - 100 Adelaide Street West
Toronto, Ontario M5H 4H1
Attention: DRIP Department Inc.
Facsimile: (416) 361-0470

TERMINATION REQUEST

To: TSX Trust Company
301 - 100 Adelaide Street West
Toronto, Ontario
M5H 4H1

Attention: Distribution Reinvestment Department

The undersigned Unitholder hereby gives notice to, and directs, the Agent to cancel the undersigned's enrolment in the Distribution Reinvestment Plan (the "Plan") of Firm Capital Apartment Real Estate Investment Trust.

The undersigned hereby directs the Agent to forward the assets in my account to which I am entitled pursuant to the terms of the Plan as follows:

- (1) Please forward a Unit certificate to me, registered in my name as set forth below, for all of the Units in my account. I understand that any fractional Units in my account will be converted to cash and forwarded to me, with any cash in my account, by cheque.

- (2) Please sell all of the Units in my account and forward the proceeds (net of fees and commissions) with any cash in my account, by cheque to me.

Witness	Please Print Name of Unitholder
Account Number	Please Print Unitholder's Address & Postal Code
Date	Signature of Unitholder

WITHDRAWAL REQUEST

To: TSX Trust Company
301 - 100 Adelaide Street West
Toronto, Ontario
M5H 4H1

Attention: Distribution Reinvestment Department

The undersigned Unitholder hereby gives notice to, and requests TSX Trust Company (the "Agent"), to withdraw _____ whole Plan Units in the Firm Capital Apartment Real Estate Investment Trust. from the undersigned's Account pursuant to the terms of the Trust's Distribution Reinvestment Plan.

The Plan Units shall be registered and delivered to the undersigned's name and address.

_____ Witness	_____ Please Print Name of Unitholder
_____ Account Number	_____ Please Print Unitholder's Address & Postal Code
_____ Date	_____ Signature of Unitholder