

## **Firm Capital Apartment Real Estate Investment Trust (the “Trust”)**

### **Distribution Reinvestment Plan**

#### **Questions & Answers**

The Trust’s Distribution Reinvestment Plan (the “Plan”) allows unitholders of the Trust (the “Unitholders”) to use their quarterly cash distributions to steadily increase ownership in the Trust without incurring commission or other transaction costs insofar as units of the Trust (the “Units”) are purchased under the treasury component of the Plan.

Investors registered in the Plan will also each receive a right to purchase, at market, additional Units from treasury provided that such investment be no greater than \$12,000 per year and no less than \$3,000 per quarter.

Distributions in respect of whole Units or fractions of Units held within the Plan will be automatically re-invested in additional Units in accordance with the Plan.

**Please note that if your Units are held in an investment dealer’s account and are not registered in your name, you may still arrange to participate in the Plan by contacting your investment dealer.**

Many frequently asked questions relating to the Plan and its implementation are answered below. An electronic version of the Distribution Reinvestment Plan as well as an authorization form to enroll in the Plan is available on our website ([www.firmcapital.com](http://www.firmcapital.com)).

#### **Frequently Asked Questions**

The following Frequently Asked Questions have been developed to assist the Trust’s Unitholders in understanding its Distribution Reinvestment Plan. **Unitholders are encouraged to carefully read the full details of the Plan before enrolling.**

##### ***What is the Distribution Reinvestment Plan?***

The Plan allows Unitholders of the Trust to have their quarterly cash distributions reinvested in additional Units. In addition, Unitholders registered in the Plan will receive a right to purchase, at market, additional Units provided that such investment be limited to \$12,000 per year and purchases per quarter must equal at least \$3,000.

##### ***Who administers the Plan?***

The Plan is administered by the Trust’s transfer agent and registrar, TSX Trust Company (the “Agent”).

***What price do I pay for the Units?***

The price paid for Units will depend on the weighted average trading price of the Units on the TSX Venture Exchange (“TSXV”) for the five trading days immediately preceding each distribution date (which is on or about the 15th day after each quarter). If the weighted average trading price per Unit is less than US\$8.10, the Agent will use the cash distributions on Units to purchase, through an investment dealer selected by the Trust, at a cost less than US\$8.10 per Unit, additional Units through the facilities of the TSXV. To the extent the investment dealer is unable to purchase additional Units at a cost of less than US\$8.10 per Unit (inclusive of brokerage commissions), the remaining funds will be used to purchase Units from treasury at US\$8.10 per Unit. If the weighted average trading price per Unit is US\$8.10 or more, the Agent will use the cash distributions on Units to purchase Units from treasury at the weighted average trading price. Unitholders registered in the Plan who exercise their rights to purchase additional Units in each year will be credited with that number of Units equal to the quarterly cash payments received by the Trust divided by the weighted average trading price in each such quarter.

***What are the benefits to enrolling in the Plan?***

Unitholders enrolling in the Plan can steadily increase their ownership of the Trust on a convenient quarterly basis. You pay no commissions, service charges or brokerage fees insofar as Units are purchased under the treasury component of the Plan. You also receive a right to purchase at market additional Units provided such investment be no greater than \$12,000 per year and purchases per quarter equal at least \$3,000.

***Will I receive a report of my purchases under the Plan?***

The Agent or your investment dealer will send you statements of your purchases in the Plan. If you hold your Units in registered form, the Agent will deliver your statement on a quarterly basis. Otherwise you will receive your statement in accordance with your investment dealer’s usual practice. You will also receive appropriate tax information for reporting distributions paid on Units in the Plan.

***Are there any tax consequences of enrolling in the Plan?***

As each individual's tax situation is different, the Trust encourages you to seek advice relating to the tax consequences of enrolling in the Plan from your tax advisor.

***When can I join the Plan?***

You can join the Plan at any time. If your authorization form is received within three days before the record date of a distribution, the immediately following cash distribution will be invested in the Plan.

***How do I terminate my participation in the Plan?***

You can terminate your participation in the Plan at any time by advising your investment dealer or, in the case of registered holders, the Agent, in writing. Upon termination you will be issued a certificate for your whole Units held on your behalf pursuant to the Plan and a cash payment for any fraction of a Unit, unless you make alternative arrangements with your investment dealer.

***Who can join the Plan?***

Any Canadian Unitholder is eligible to join the Plan. If your Units are held in an investment dealer's account and not registered in your name, you should arrange to participate in the Plan by contacting your investment dealer.

***How do I enroll in the Plan?***

You may call your investment advisor and simply ask your investment advisor to make the necessary arrangements. Otherwise, if your Units are registered in your name, you can complete the Authorization Form included in this package (and located on our website) and forward it to the Agent.