



## SANDPIPER GROUP

### **SANDPIPER GROUP INCREASES POSITION IN AGELLAN COMMERCIAL REAL ESTATE INVESTMENT TRUST TO 11.5%**

- Sandpiper Group, now with the support of well over 35% of outstanding units, appreciates the increasingly strong support from fellow unitholders
- Sandpiper Group reiterates view of tremendous value potential and dire need for change
- Sandpiper Group demonstrates further commitment to a better future for Agellan

**VANCOUVER, BC October 3, 2017** -- Sandpiper Group ("Sandpiper") underscores its commitment to change at Agellan Commercial Real Estate Investment Trust ("Agellan" or the "REIT") (TSX: ACR.UN) by increasing its ownership to 11.5% of outstanding units, and growing its support to well over 35% of outstanding units.

Since Sandpiper announced the requisitioning of a special meeting of unitholders to replace five incumbent trustees with Sandpiper's independent nominees and to hold a unitholder vote on the sweetheart \$15,000,000 payout to the REIT's external manager, Sandpiper has been overwhelmed by incoming expressions of support for Sandpiper's plan for change from fellow unitholders. Unitholders agree that incremental changes to the board and board strategy will not result in a meaningful turnaround of the REIT nor a significant increase in the value of their investment. The election of the five nominees Sandpiper is recommending is necessary to ensure a full board that prioritizes unitholders over the external manager.

"We increased our position because we continue to see tremendous value in the REIT, believe change is inevitable and a better future for Agellan is possible with the right leadership," said Samir Manji, Chief Executive Officer of Sandpiper Group. "We look forward to a meeting date being set for November 7, 2017 or earlier by the Trustees in order to allow unitholders to have their say on the highly questionable sweetheart internalization."

#### **Support for Sandpiper's Approach is Overwhelming**

Unitholders holding over 35% of the outstanding units, including Agellan's largest unitholder, ELAD Canada Inc., owning 19%, have expressed support for Sandpiper's approach. The outrage of unitholders regarding the internalization transaction, and the need for a newly constituted board has been significant.

In Sandpiper's view, recent actions by the current board suggest that they favour the related-party external manager, Agellan Capital Partners Inc., over unitholders – now it is time for unitholders to have their say.

## **ADVISORS**

Sandpiper has retained Kingsdale Advisors as its strategic shareholder advisor and strategic communications advisor. The Special Situations Group at Norton Rose Fulbright Canada LLP is acting as legal counsel.

## **SANDPIPER GROUP**

Sandpiper is a Vancouver-based private equity firm focused on investing in real estate through direct property investments and securities. For more information about Sandpiper, visit [www.sandpipergroup.ca](http://www.sandpipergroup.ca).

## **Additional Information**

On September 19, 2017, the Concerned Unitholder requisitioned (the "**Requisition**") the board of trustees of Agellan (the "**Board**") to call a special meeting of unitholders of Agellan for the purpose of replacing certain members of the Board with nominees of the Concerned Unitholder (the "**Concerned Unitholder Nominees**") and to hold a unitholder vote on management's announced payout of \$15,000,000 to its external manager, Agellan Capital Partners Inc., in connection with a management internalization transaction. The Concerned Unitholder has called for the unitholder meeting to occur by no later than November 7, 2017 (the "**Meeting**"). Although the Concerned Unitholder has requisitioned the Meeting, there is currently no record or meeting date and unitholders are not being asked at this time to execute a proxy in favour of the Concerned Unitholder Nominees or any other resolutions set forth in the Requisition. In connection with the Meeting, the Concerned Unitholder may file a dissident information circular (the "**Information Circular**") in due course in compliance with applicable securities laws.

Notwithstanding the foregoing, the Concerned Unitholder is voluntarily providing the disclosure required under section 9.2(4) of National Instrument 51-102 – Continuous Disclosure Obligations in accordance with securities laws applicable to public broadcast solicitations. In connection therewith, certain information regarding, among other things, the Concerned Unitholder Nominees nominated by the Concerned Unitholder to serve as trustees of Agellan at the Meeting, has been provided by Concerned Unitholder in its press release dated September 19, 2017 (the "**Nominee Announcement**") under the sections entitled "Information Concerning the Concerned Unitholder Nominees" and "Additional Information". The Nominee Announcement has been filed by the Concerned Unitholder and is available for review on Agellan's SEDAR profile at [www.sedar.com](http://www.sedar.com).

The Information contained herein and any solicitation made by the Concerned Unitholder in advance of the Meeting is, or will be, as applicable, made by the Concerned Unitholder and not by or on behalf of the management of Agellan. All costs incurred for any solicitation will be borne by the Concerned Unitholder, provided that, subject to applicable law, the Concerned Unitholder may seek reimbursement from Agellan of the Concerned Unitholder's out-of-pocket expenses, including proxy solicitation expenses and legal fees, incurred in connection with a successful reconstitution of the Board.

The Concerned Unitholder is not soliciting proxies in connection with the Meeting at this time, and unitholders are not being asked at this time to execute proxies in favour of the

Concerned Unitholder Nominees (in respect of the Meeting) or any other resolution set forth in the Requisition. Proxies may be solicited by the Concerned Unitholder pursuant to an information circular sent to unitholders after which solicitations may be made by or on behalf of the Concerned Unitholder, by mail, telephone, fax, email or other electronic means as well as by newspaper or other media advertising, and in person by directors, officers and employees of the Concerned Unitholder, who will not be specifically remunerated therefor. The Concerned Unitholder may also solicit proxies in reliance upon the public broadcast exemption to the solicitation requirements under applicable Canadian corporate and securities laws, conveyed by way of public broadcast, including through press releases, speeches or publications, and by any other manner permitted under applicable Canadian laws. The Concerned Unitholder may engage the services of one or more agents and authorize other persons to assist in soliciting proxies on behalf of the Concerned Unitholder.

The Concerned Unitholder has retained Kingsdale Advisors (“**Kingsdale**”) to assist the Concerned Unitholder in soliciting unitholders should the Concerned Unitholder commence a formal solicitation of proxies. Kingsdale’s responsibilities will principally include advising the Concerned Unitholder on governance best practices, where applicable, liaising with proxy advisory firms, developing and implementing unitholder communication and engagement strategies, and advising with respect to meeting and proxy protocol. The anticipated cost of the Concerned Unitholder’s solicitation is estimated to be \$25,000 plus disbursements

The Concerned Unitholder is not requesting that Agellan unitholders submit a proxy at this time. Once the Concerned Unitholder has commenced a formal solicitation of proxies in connection with the Meeting, proxies may be revoked by instrument in writing by the unitholder giving the proxy or by its duly authorized officer or attorney, or in any other manner permitted by law, the declaration of trust of Agellan. None of the Concerned Unitholder or, to its knowledge, any of its associates or affiliates, has any material interest, direct or indirect, (i) in any transaction since the beginning of Agellan’s most recently completed financial year or in any proposed transaction that has materially affected or would materially affect Agellan or any of its subsidiaries; or (ii) by way of beneficial ownership of securities or otherwise, in any matter proposed to be acted on at the Meeting, other than the election of trustees to the Board.

Agellan’s principal office address is 156 Front Street West, Suite 303, Toronto, Ontario M5J 2L6. A copy of this news release may be obtained on Agellan’s SEDAR profiles at [www.sedar.com](http://www.sedar.com).

**FOR MORE INFORMATION:**

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