



SANDPIPER GROUP

SANDPIPER TO DEFEND ALL UNITHOLDERS AGAINST THE BOARD OF AGELLAN'S UNNECESSARY AND UNACCEPTABLE DELAY TACTIC

VANCOUVER, BC October 11, 2017 -- Sandpiper Group ("Sandpiper"), owners of 11.5% of the outstanding units of Agellan Commercial Real Estate Investment Trust ("Agellan" or "the REIT") announces that on behalf of all unitholders it will be commencing legal proceedings to ensure unitholders have their say on the sweetheart internalization and future of the REIT on a timely basis. Sandpiper, along with unitholders representing well over 35% of the outstanding units, are extremely disappointed that rather than address the pressing concerns of the REIT by calling a unitholder meeting on a timely basis, the current Board of Trustees (the "Board") has denied unitholders a say and unbelievably pushed the meeting date out until April 17, 2018 – 161 days past the reasonable November 7, 2017 date that Sandpiper requested, and 210 days after Sandpiper's requisition was submitted.

"By employing the ultimate entrenchment tactic and setting a meeting date seven months from the date of requisition, the Board is no longer being subtle about advancing the interests of the external manager ahead of unitholders. We can think of no legitimate business reason to delay a meeting of unitholders other than to push their sweetheart internalization through," said Samir Manji, Chief Executive Officer of Sandpiper Group. "When a board dismisses a unitholder who is supported by over 35% of units, that is blatant disrespect for the true owners of the REIT. It is outrageous, ill-conceived, heavy-handed and yet another example of why change of the Board is needed. If the Board has the unitholder support it claims, then why wait seven months for a meeting?"

CHANGE IS INEVITABLE & A BETTER FUTURE IS POSSIBLE

Sandpiper remains firm in its belief that change of the Board is inevitable – and with the right leadership, a better future for Agellan is possible.

Sandpiper is appreciative of the significant support it has received to-date from institutional and individual unitholders. Unitholders representing well over 35% of the outstanding units, including Agellan's largest unitholder, ELAD Canada Inc. owning 19%, continue to express their support for Sandpiper's approach. Unitholders have expressed their outrage for the internalization transaction and the need for a newly constituted Board – outrage that will be further compounded by the Board's latest entrenchment tactic and attempt to push the internalization through without allowing 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.

ADDITIONAL INFORMATION

On September 19, 2017, Sandpiper (the "Concerned Unitholder") requisitioned (the "Requisition") 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. Although the requisitioned meeting is currently scheduled to take place on April 17, 2018 (the "Meeting"), 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.

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.

FOR MORE INFORMATION:

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