

**CAP REIT and ResREIT Combination
Comparison of Election Options**

Percent of proceeds payable in cash	62.30% Note 1
Number of CAP REIT units receivable per ResREIT unit	1.216
ACB (\$/unit)	\$ 11.00
# of units	1,000
FMV (\$/unit)	\$ 18.60 (Proceeds under taxable option)

Elect Part A(1)(a) "Cash Option" & tax deferred "rollover"

<u>Cash Side</u>		<u>Units Side</u>	
Proceeds (\$18.60/unit x 623 units)	11,587.80	# of CAP REIT units	458
ACB of Res REIT shares	<u>6,853.00</u>	ACB of CAP REIT units	4,147.00
Capital Gain	4,734.80		
		Fractional CAP REIT units (paid in cash)	0.43
Taxable Capital Gain	2,367.40		
Tax rate (Note 2)	<u>46.41%</u>	Current tax payable (unit exchange is tax deferred)	<u>nil</u> B
Current tax payable	<u>1,098.71</u> A		
Total current tax payable under this alternative:			\$ 1,098.71 A+B

Elect Part A(1)(b) "Cash Option" & taxable basis

<u>Cash Side</u>		<u>Units Side</u>	
Proceeds (\$18.60/unit x 623 units)	11,587.80	# of CAP REIT units	458
ACB of Res REIT shares	<u>6,853.00</u>	ACB of CAP REIT units	7,012.20
Capital Gain	4,734.80		
		Fractional CAP REIT units (paid in cash)	0.43
Taxable Capital Gain	2,367.40		
Tax rate (Note 2)	<u>46.41%</u>	Proceeds	7,012.20
Current tax payable	<u>1,098.71</u> C	ACB of Res REIT shares	<u>4,147.00</u>
		Capital Gain	2,865.20
		Taxable Capital Gain	1,432.60
		Tax rate (Note 2)	<u>46.41%</u>
		Current tax payable	<u>664.87</u> D
Total current tax payable under this alternative:			\$ 1,763.58 C+D

Elect Part A(2) "Unit Option"

	<u>Units Side</u>
Taxable unit exchange with no cash being issued to the unit holder	
	# of CAP REIT units 1,216
	ACB of CAP REIT units 18,600
	Fractional CAP REIT units -
	Proceeds 18,600.00
	ACB of Res REIT shares <u>11,000.00</u>
	Capital Gain 7,600.00
	Taxable Capital Gain 3,800.00
	Tax rate (Note 2) <u>46.41%</u>
	Current tax payable <u>1,763.58</u>
Total current tax payable under this alternative:	\$ 1,763.58

Elect Elect Part B "Merger Option"

	<u>Units Side</u>
Tax deferred unit rollover with no cash being issued to the unit holder	
	# of CAP REIT units 1,216
	ACB of CAP REIT units 11,000
	Fractional CAP REIT units -
	Tax payable (unit exchange is tax deferred) <u>nil</u>
Total current tax payable under this alternative:	(unit exchange is tax deferred) Nil

Note 1: Represents a prorated amount based on maximum cash of \$175 million

Note 2: Represents the top marginal tax rate applicable to an Ontario resident individual. The actual tax rate applicable to the unit holder may differ depending on the unit holder's taxable income and province of residence.