



Date: September 1, 2016

To: Holders ("Unitholders") of trust units ("Units") of Rise Properties Trust (the "Trust")

Re: **Notice of Amendment to Declaration of Trust**

Rise Properties Services Ltd. (the "Trustee"), the trustee of the Trust, hereby provides notice to Unitholders of an amendment and restatement (collectively, the "Restatement") of the Trust's Amended and Restated Declaration of Trust dated April 9, 2015 (the "Trust Declaration"). Pursuant to section 12.1 of the Trust Declaration, subject to certain prescribed restrictions in the Trust Declaration, any provision of the Trust Declaration may be amended, deleted, expanded or varied by the Trustee, if the amendment is, in the opinion of the Trust's lawyers, not a material change which adversely affects the pecuniary value of the interest of any Unitholders and does not relate to:

- (a) any material change in the position, authority or responsibility of the Trustee; or
- (b) any change in the investment policy of the Trust or to the Trust Declaration, if such change is material or is otherwise required by the Trust Declaration.

On September 1, 2016, the Trust Declaration was amended and restated by resolution of the Trustee to, among other things, re-designate the existing Units of the Trust, including all outstanding Units, as Class F units of the Trust (see below under "Application"). The Trust's lawyers are of the view that the Restatement is not a material change which adversely affects the pecuniary value of the interest of any Unitholder and does not relate to (a) or (b) of section 12.1 of the Trust Declaration, as set out above.

The Trustee provides this notice pursuant to section 13.1 of the Trust Declaration, which provides that any notice or other document required to be given or sent to Unitholders under the Trust Declaration and any and all other communications to Unitholders will be deemed to have been duly given if sent through ordinary post addressed to each Unitholder at his or her address of record on the Register or by such other method designed to give reasonable general notice thereof as is determined by the Trustee, which may include publication in a newspaper having national circulation in Canada.

Application

Amendments

On October 9, 2015, the Trust made application to the Canada Revenue Agency (the "CRA") for an advance income tax ruling in respect of then proposed amendments to the Trust Declaration to re-designate its then existing class of trust units, to create a new class of trust units (the "Class A Units"), and to provide the Trustee with the authority to create additional classes of units. Pursuant to the amendments to the Trust Declaration, the then existing trust units were re-designated as Class F units (each, a "Class F Unit") of the Trust on a one-for-one basis. The Unitholders at the time of the re-designation were not entitled to any proceeds of disposition and the then existing trust units were not cancelled or redeemed. In addition to the amendments to the Trust Declaration, the Services Agreement dated February 13, 2012 between Rise Properties Master Limited Partnership and Rise Properties

Master Partnership Holdings Inc., was amended to reflect a revised management fee structure whereby the annual management fee would equal the aggregate of the following:

- (a) 2.0% of the net asset value of the Investment LP in respect of all Class A Units; plus
- (b) 1.0% of the net asset value of the Investment LP in respect of all Class F Units; plus
- (c) 1.0% of the portion of the net asset value of the Investment LP that is attributable to the Investment GP.

Advance Ruling and Results

The advance income tax ruling from the CRA confirmed that:

- (a) the amendments to the Trust Declaration would not result in a resettlement of the Trust so as to cause a disposition by the Trust of its assets;
- (b) the re-designation of the then outstanding trust units into Class F Units would not result in a disposition by the Unitholders of their trust units held immediately prior to the time of the re-designation;
- (c) any future re-designation of Class A Units into Class F Units, as applicable, would not result in a disposition by the Unitholder of their Units held at the time of such future re-designation; and
- (d) the proposed transactions contemplated by the application, including the changes to the management fee and the proposed methodology of income allocation, would not cause subsection 104(7.1) of the *Income Tax Act* (Canada) (the "Tax Act") to apply so as to deny the deduction by the Trust of any amount it is otherwise entitled to deduct under paragraph 104(6)(b) of the Tax Act.

Additional Information

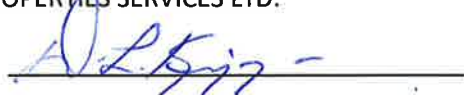
A copy of the Restatement is available, free of charge, upon written request to Matt Berg, Investor Relations of the Trustee, 500 – 2609 Granville Street, Vancouver, British Columbia V6H 3H3.

If you have any questions with respect to this matter, please do not hesitate to contact us.

Yours truly,

RISE PROPERTIES TRUST, by its trustee
RISE PROPERTIES SERVICES LTD.

Per: _____


Dave Kirzinger
President