

NOTICE OF MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

FOR THE

ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

to be held on March 31, 2015

March 4, 2015

LETTER TO SHAREHOLDERS OF DELAVACO RESIDENTIAL PROPERTIES CORP.

March 4, 2015

Dear Delavaco Shareholders:

You are invited to attend this year's annual and special meeting (the **"Meeting"**) of the holders ("**Shareholders**") of common shares (**"Common Shares"**) of Delavaco Residential Properties Corp. (**"Delavaco"**) to be held at 10:00 a.m. (Toronto time) on March 31, 2015 at the offices of Stikeman Elliott LLP, 53rd Floor, Commerce Court West, 199 Bay Street, Toronto, Ontario.

As a Shareholder of Delavaco, you have the right to vote your Common Shares on all items that come before the Meeting. You can vote your Common Shares either by proxy or in person at the Meeting.

The Shareholders will be asked via ordinary resolution (the "**DSU Plan Resolution**") to consider and vote upon a deferred share unit plan (the **"DSU Plan"**) which will promote the interests of Delavaco by attracting and retaining qualified persons to serve on the Board and to afford such participants in the DSU Plan an opportunity to receive a portion of their compensation for serving as a director of Delavaco in the form of securities of Delavaco.

AFTER CAREFUL CONSIDERATION, THE BOARD OF DIRECTORS HAS UNANIMOUSLY RECOMMENDED THAT DELAVACO SHAREHOLDERS VOTE IN FAVOUR OF THE DSU PLAN RESOLUTION.

The accompanying notice of meeting (the "**Notice of Meeting**") and Circular contain a detailed description of the DSU Plan as well as Delavaco's directors, auditors, financial statements, compensation of directors and officers and corporate governance practices. You are urged to read this information carefully and, if you require assistance, consult your tax, financial, legal or other professional advisors.

Your vote is important regardless of how many Common Shares you own. To ensure that your Common Shares will be represented at the Meeting, whether or not you are personally able to attend, registered holders of Common Shares are asked to return the enclosed form of proxy, properly completed and signed, prior to 10:00 a.m. (Toronto time) on March 27, 2015 (or a day, other than a Saturday, Sunday or holiday which is at least two business days prior to any adjournment or postponement of the Meeting). If you hold Common Shares through a broker, investment dealer, bank, trust company or other intermediary, you should follow the instructions provided by your intermediary to ensure your vote is counted. Failure to do so may result in your Common Shares not being eligible to be voted at the Meeting.

On behalf of Delavaco, I would like to thank you for your consideration of these important matters and for your continued support of our company. We look forward to seeing you at the meeting.

Yours very truly,

(signed) "*Andrew DeFrancesco*"

Andrew DeFrancesco
Chairman and Chief Executive Officer

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual and special meeting (the **"Meeting"**) of the holders (**"Shareholders"**) of common shares (**"Common Shares"**) of Delavaco Residential Properties Corp. (**"Delavaco"** or the **"Corporation"**) will be held at 10:00 a.m. (Toronto time) on March 31, 2015 at the offices of Stikeman Elliott LLP, 53rd Floor, Commerce Court West, 199 Bay Street, Toronto, Ontario, M5L 1B9 for the following purposes:

1. to receive the consolidated financial statements of the Corporation for the fiscal year ended December 31, 2013, together with the report of the auditors thereon;

2. to elect the directors of the Corporation;

3. to appoint the auditors of the Corporation and authorize the Board of Directors to determine their remuneration;

4. to consider and, if thought advisable, to pass an ordinary resolution, the full text of which is set out in the Circular, to approve a deferred share unit plan for Delavaco; and

5. to transact such further or other business as may properly come before the Meeting or any adjournments or postponements thereof.

The record date for determining the Shareholders entitled to receive notice of and vote at the Meeting is the close of business (5:00 p.m. (Toronto time)) on March 2, 2015 (the "**Record Date**"). Only Shareholders whose names have been entered in the register of Common Shares as of close of business on the Record Date are entitled to receive notice of and vote at the Meeting.

Shareholders may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting, or any adjournment or postponement thereof, in person are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment or postponement thereof. To be effective, the form of proxy must be received by Delavaco's transfer agent, TMX Equity Transfer Services (according to the instructions on the proxy), not less than forty-eight (48) hours (other than a Saturday, Sunday or holiday) immediately preceding the date of the Meeting (as it may be adjourned or postponed from time to time).

If you are a non-registered holder of Common Shares and have received these materials through your broker or through another intermediary, please follow the instructions set out in the voting instruction form or other instructions received from the financial intermediary to ensure that your Common Shares will be voted at the Meeting.

BY ORDER OF THE BOARD OF DIRECTORS
OF DELAVACO RESIDENTIAL
PROPERTIES CORP.

(signed) *"Andrew DeFrancesco"*

Andrew DeFrancesco
Chairman and Chief Executive Officer

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GLOSSARY OF TERMS AND EXPRESSIONS

Unless the context otherwise requires or where otherwise provided, the following words and terms shall have the meanings set forth below when used in this Information Circular:

"**affiliate**" has the meaning attributed to such term under section 1.2 of NI 45-106.

"**Applicable Laws**" means, with respect to any Person, any laws, statutes, codes, ordinances, decrees, rules, regulations, by-laws, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, injunctions, orders, decisions, policies, standards, guidelines, rulings, determinations or awards, decrees or other requirements of or applied by any Governmental Authority, statutory body or self-regulatory authority (including the TSXV), including general principles of common law, that are binding upon or applicable to such Person.

"**Applicable Securities Laws**" means the Securities Act and, to the extent applicable, the equivalent legislation in the other provinces and territories of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins, and notices of the securities commissions and similar regulatory authorities of each of the provinces and territories of Canada, as applicable, and the published rules and policies of the TSXV.

"**associate**" when used to indicate a relationship with a person has the same meaning as set forth in the Securities Act.

"**Audit Committee**" means the Audit Committee of the Board.

"**Board**" means the board of directors of Delavaco.

"**Broadridge**" means Broadridge Financial Solutions, Inc.

"**Business Combination**" means the business combination between DPI and Sereno Capital Corporation, effective December 30, 2013.

"**Business Day**" means any day, other than a Saturday, a Sunday or a statutory holiday in Toronto, Ontario.

"**C&G Committee**" means the Compensation and Governance Committee of the Board.

"**CDS**" means CDS Clearing and Depository Services Inc.

"**Circular**" means this management information circular of Delavaco dated March 4, 2015 together with all appendices hereto prepared in respect of the Meeting.

"**Common Shares**" means the common shares of Delavaco.

"**Delavaco**" or the "**Corporation**" means Delavaco Residential Properties Corp.

"**DPI**" means Delavaco Properties Inc.

"**DSU**" means deferred share unit.

"**General Partner**" means W&D Properties, LLC, a subsidiary of Delavaco.

"**Governmental Authority**" means any applicable (i) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, whether domestic or foreign, (ii) any subdivision, agency, commission, board or authority of any of the foregoing, or (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing.

"**IFRS**" means International Financial Reporting Standards adopted by the International Accounting Standards Board, as updated and amended from time to time.

"**Intermediary**" means an intermediary with which a Nonregistered Shareholder may deal, including banks, trust companies, securities dealers or brokers and trustees or administrators of self-directed trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans (collectively, as defined in the Tax Act) and similar plans, and their nominees.

"**Law**" or "**Laws**" means all laws, by-laws, rules, regulations, orders, ordinances, protocols, codes, guidelines, instruments, policies, notices, directions and judgments or other requirements of any Governmental Entity.

"Meeting" means the annual and special meeting of the Shareholders scheduled to be held on March 31, 2015, including any adjournment or postponement thereof.

"**Nonregistered Shareholder**" means a beneficial holder of securities, whose securities are held through an Intermediary

"**Notice of Meeting**" means the notice of the Meeting, which accompanies this Circular.

"**OBCA**" means the *Business Corporation Act* (Ontario) and the regulations made thereunder, as now in effect and as they may be promulgated or amended from time to time.

"**Option Plan**" means the incentive stock option plan of Delavaco.

"**Person**" includes an individual, partnership, association, body corporate, unincorporated organization, trust, trustee, executor, administrator, legal representative, government (including any Governmental Authority), limited liability company, joint venture or any other entity, whether or not having legal status.

"**Registered Shareholder**" means a Shareholder whose name appears on the registers of Delavaco as the owner of Common Shares.

"**Secured Notes**" means the $25,000,000 principal amount of 7.50% secured notes due June 30, 2016 issued by Delavaco Properties Inc., a predecessor to the Corporation, on a private placement basis on June 4, 2012.

"**Securities Act**" means the *Securities Act* (Ontario).

"**Securities Authorities**" means the Ontario Securities Commission and the other securities regulatory authorities in each of the provinces and territories of Canada, collectively.

"**Securities Laws**" means the Securities Act and the rules, regulations, forms, published instruments, policies, bulletins and notices of the Securities Authorities made thereunder, as well as applicable rules, regulations, by-laws as now in effect and as they may be promulgated or amended from time to time.

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval.

"**Shareholder**" means, at any time, a holder of Commons Shares.

"**Subsidiary"** has the meaning specified in NI 45-106.

"**Tax Act**" means, collectively, the *Income Tax Act* (Canada), including the regulations promulgated thereunder.

"**TSXV**" means the TSX Venture Exchange.

"**U.S.**" or "**United States**" means the United States of America, its territories and possessions, any State of the United States and the District of Columbia.

GENERAL INFORMATION

Introductory Information

This Management Information Circular (the "**Circular**") is furnished in connection with the solicitation of proxies by or on behalf of the management (**"Management"**) of Delavaco for use at the Meeting of Shareholders scheduled to be held on March 31, at 10:00 a.m. (Toronto time), or any adjournment or postponement thereof, at the offices of Stikeman Elliott LLP, 53rd Floor, Commerce Court West, 199 Bay Street, Toronto, Ontario, M5L 1B9 for the purposes set out in the accompanying notice of meeting (the **"Notice of Meeting"**).

Information in this Circular

The information contained in this Circular is given as of March 4, 2015, except where otherwise noted and except that information in documents included in this Circular as appendices is given as of the dates noted therein. All dollar amounts in this Circular are in U.S. dollars unless specifically indicated otherwise.

No person is authorized to give any information or to make any representation other than those contained in this Circular and, if given or made, such information or representation should not be relied upon as having been authorized by Delavaco. The delivery of this Circular shall not, under any circumstances, create an implication that there has not been any change in the information set forth herein since the date of this Circular.

Effective December 30, 2013, Delavaco Properties Inc. ("**DPI**") completed a business combination (the "**Business**") with Sereno Capital Corporation, which constituted the "Qualifying Transaction" of Sereno Capital Corporation, as defined under the policies of the exchange. As a result, Sereno Capital Corporation changed its name to "Delavaco Residential Properties Corp." and assumed the business of DPI, as set out in the set out in the joint management information circular of DPI and Sereno Capital Corporation dated November 29, 2013. In this Circular, for any period that ended prior to January 1, 2014, unless the context requires otherwise: (i) any reference to Delavaco or the Corporation will be deemed to be a reference to DPI, and (ii) any reference to a director or named executive officer will be deemed to be a reference to a director or named executive officer of DPI.

All capitalized terms used in this Circular but not otherwise defined herein have the meanings set forth under "*Glossary of Terms*".

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Circular to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Circular.

The information concerning each party contained in this Circular has been provided by management of that party. Although the parties have no specific knowledge that would indicate that any information regarding any other party is untrue or incomplete, all parties assume no responsibility for the accuracy or completeness of information or the failure by another party to disclose events which may have occurred or may affect the completeness or accuracy of such information which are unknown to that party. Information with respect to securityholdings has been provided by the Shareholders and/or obtained from information publicly available to Delavaco.

This Circular does not constitute the solicitation of an offer to purchase, or the making of an offer to sell, any securities or the solicitation of a proxy by any person in any jurisdiction in which such solicitation or offer is not authorized or in which the person making such solicitation or offer is not qualified to do so or to any person to whom it is unlawful to make such solicitation or offer.

Cautionary Statement Regarding Forward Looking Information

This Circular and the documents incorporated by reference herein contain certain statements or disclosures that may constitute forward-looking information or statements (collectively, "**forward-looking information**") under Applicable Securities Laws. All statements and disclosures, other than those of historical fact, which address activities, events, outcomes, results or developments that management of Delavaco, anticipates or expects may or will occur in the future (in whole or in part) should be considered forward-looking information. In some cases, forward-looking information can be identified by terms such as "forecast", "future", "may", "will", "expect", "anticipate", "believe", "could", "potential", "enable", "plan", "continue", "contemplate", "pro forma" or other comparable terminology. Forward-looking information presented in this Circular includes statements or disclosures which, among other things, relate to: certain operational and financial information; sources of funds; forecasts of capital expenditures, including general and administrative expenses, and the sources of the financing thereof; expectations regarding the ability to raise capital, forecast business results and anticipate financial performance; changes in demographic trends; weather; changing consumer preferences and discretionary spending patterns; changes in national and local business and economic conditions; changes in the availability of credit; legal proceedings; legislation and governmental regulation and accounting policies and practices. Some of the specific forward looking statements in this Circular include, but are not limited to, statements with respect to the following: statements with respect to the current state of the United States economy and real estate markets generally; and expectations, including anticipated trends and challenges, in respect of the housing sector in major markets in the United States.

The forward-looking information in statements or disclosures in this Circular is based (in whole or in part) upon factors which may cause actual results, performance or achievements of Delavaco to differ materially from those contemplated (whether expressly or by implication) in the forward-looking information. Those factors are based on information currently available to Delavaco, including information obtained from third party sources. Actual results or outcomes may differ materially from those predicted by such statements or disclosures.

While Delavaco does not know what impact any of those differences may have, their business, results of operations, financial condition and credit stability may be materially adversely affected. Factors that could cause actual results or outcomes to differ materially from the results expressed or implied by forward-looking information include, among other things, the imposition of unfavourable terms or conditions in the approvals to be obtained, substitutions for residential rental units, competition, changes in government regulation, changes in applicable laws, environmental matters including certain hazardous or toxic substances, risks of natural disasters, risks related to real estate ownership including costs of securing possession and control of newly acquired properties, costs arising from renovation of properties, non-refundable deposits, reliance on property services, fixed costs and increased expenses, risks related to interest rates, risks related to insurance renewals, geographic concentration, "as is" acquisitions of properties, being an early entrant to market and untested business model, operational risks, risks of losses not covered by insurance, difficulty to access capital, financing risk, degree of leverage, unforeseen or unexpected taxation matters, litigation risks, laws benefitting disabled persons, internal controls over financial processes and reporting, U.S. market and economic factors, severe weather conditions in Florida, Georgia and Texas. Although Delavaco has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results to deviate from stated anticipations, estimates or intentions. There can be no assurance that forward looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. All of the forward-looking statements made in this Circular are qualified by these cautionary statements.

Various assumptions or factors are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking information. Those assumptions and factors are based on information currently available to Delavaco, including information obtained from third party sources. In some instances, material assumptions and factors are presented or discussed elsewhere in this Circular in connection with the statements or disclosure containing the forward-looking information. You are cautioned that the following list of material factors and assumptions is not exhaustive. The factors and assumptions include, but are not limited, to the receipt of all required regulatory approvals, including those of the relevant stock exchanges, no unforeseen changes in the legislative and operating framework for the business of Delavaco, a stable competitive environment, and no significant event occurring outside the ordinary course of business such as a natural disaster or other calamity.

Certain of the forward-looking statements and forward-looking information and other information contained herein concerning the real estate industry, as well as the general expectations of Delavaco concerning the real estate industry and Delavaco's own business, are based on estimates prepared by Delavaco using data from publicly available industry and governmental sources as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which Delavaco believes to be reasonable. However, although generally indicative of relative market positions, market shares and performance characteristics, such data is inherently imprecise. While Delavaco is not aware of any misstatement regarding any industry data presented herein, the real estate industry involves risks and uncertainties that are subject to change based on various factors.

Shareholders are cautioned not to place undue reliance on forward-looking information, as such information involves significant risks and uncertainties and should not be read as guarantees of future performance or results and will not necessarily be accurate indications of whether or not the times at or by which such performance or results will be achieved. Delavaco is not obligated to update or revise any of the forward-looking information in this Circular, whether as a result of new information, future events or otherwise, except as required by law.

Notice to Non-Resident Shareholders

For those Shareholders not resident in Canada, the financial statements mentioned in this Circular have been prepared in accordance with accounting standards that may not be comparable to the financial statements of companies in the jurisdiction in which you reside.

It may be difficult for you to enforce your rights and any claim you may have arising under applicable federal securities laws, since Delavaco is located in a foreign country, and some or all of its officers and directors may be residents of a foreign country. You may not be able to sue a foreign company or its officers or directors in a foreign court for violations of the securities laws of the jurisdiction in which you reside. It may be difficult to compel a foreign company and its affiliates to subject themselves to a court's judgment in the jurisdiction in which you reside.

FOR DELAVACO SHAREHOLDERS RESIDENT IN THE UNITED STATES, NEITHER THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS CIRCULAR IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

You are advised to consult your tax advisor to determine the particular tax consequences to you of the matters described herein.

Currency

The financial statements and summaries of financial information contained in this Circular are reported in U.S. dollars, unless otherwise indicated.

The following table reflects the low and high rates of exchange in Canadian dollars for one U.S. dollar during the periods noted, the average rate of exchange during such periods and the rates of exchange at the end of such periods, based on the Bank of Canada's nominal noon exchange rates for the specified periods and dates.

	12-month period ended December 31			
	2014	**2013**	**2012**	**2011**
	(Cdn$)	(Cdn$)	(Cdn$)	(Cdn$)
Highest rate during the period…….	1.1643	1.0697	1.0418	1.0604
Lowest rate during the period……..	1.0614	0.9839	0.9710	0.9449
Average noon exchange rate for the period…….	1.1045	1.0299	0.9996	0.9891
Noon exchange rate at the end of the period……...	1.1601	1.0636	0.9949	1.0170

As at March 4, 2015, the nominal noon exchange rate as reported by the Bank of Canada for the conversion of Canadian dollars into United States dollars was CDN$1.00 equals $0.8039 and the nominal noon exchange rate as reported by the Bank of Canada for the conversion of United States dollars into Canadian dollars was $1.00 equals CDN$1.2440.

GENERAL PROXY INFORMATION CONCERNING THE MEETING

Date, Time and Place of Meeting

The Meeting will be held on March 31, 2015 at 10:00 a.m. (Toronto time) at the offices of Stikeman Elliott LLP, 53rd Floor, Commerce Court West, 199 Bay Street, Toronto, Ontario M5L 1B9.

Proxy Related Matters

Solicitation of Proxies

This Circular is provided in connection with the solicitation of proxies by the management of Delavaco for use at the Meeting for the purposes set forth in the accompanying Notice of Meeting and the associated costs will be borne by Delavaco. The solicitation of proxies will be conducted primarily by mail. However, directors, officers and regular employees of Delavaco may also solicit proxies by telephone, facsimile, e-mail or in person without special compensation.

Appointment and Revocation of Proxies

The persons named in the enclosed forms of proxy are directors and officers of Delavaco. A Shareholder has the right to appoint a person or company (who need not be a Shareholder) other than the persons designated in the form of proxy provided by Delavaco to represent the Shareholder at the Meeting. To exercise this right, the Shareholder should strike out the names of management designees in the enclosed form of proxy and insert the name of the desired representative in the blank space provided in the form of proxy or submit another appropriate form of proxy. In order to be effective, Shareholders must send their proxy to Delavaco's registrar and transfer agent, TMX Equity Transfer Services, at its office at 200 University Avenue, Suite 300, Toronto, Ontario, M5H 4H1, or by fax number 1-416-595-9593, not less than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) before the time fixed for the Meeting. The chair of the Meeting may waive this cut-off at his discretion without notice but proxies will not be accepted by the chair at the Meeting. The proxy shall be in writing and executed by the respective Shareholder or such Shareholder's attorney authorized in writing, or if such Shareholder is a corporation, under its corporate seal or by a duly authorized officer or attorney.

In addition to revocation in any other manner permitted by Applicable Laws, a Shareholder may revoke a proxy by signing and dating a written notice of revocation and delivering it:

(a) to the office of TMX Equity Transfer Services at the address set forth above at any time up to and including the close of business on the last Business Day before the day of the applicable Meeting, or any adjournment or postponement thereof (the notices of revocation will be forwarded to Delavaco's registered office); or

(b) to the chair of the Meeting before the vote is taken.

Voting of Proxies

The Common Shares represented by an effective proxy will be voted or withheld from voting in accordance with the instructions specified therein on any ballot that may be called. **Where no choice is specified, the Common Shares will be voted in favour of the matters set forth therein.** The enclosed form of proxy confers discretionary authority in respect of amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting, or any adjournment or postponement thereof. As at the date of this Circular, Management is not aware of any amendments, variations, or other matters which may be brought before the Meeting. If such should occur, the persons designated by management will vote in accordance with their best judgment, exercising discretionary authority.

Advice to Nonregistered Shareholders

You are a Nonregistered Shareholder if your shares are held through an Intermediary. In Canada, the vast majority of such shares held by Nonregistered Shareholders are registered under the name of CDS & Co., the registration name for The Canadian Depository for Securities Inc., which company acts as a nominee of many Canadian brokerage firms. Shares held by brokers or their nominees can only be voted for or against resolutions upon the instructions of the Nonregistered Shareholder. Without specific instructions, brokers/nominees are prohibited from voting shares for their clients. The directors and officers of Delavaco do not know for whose benefit the Common Shares registered in the name of CDS & Co. are held.

Applicable regulatory policy requires Intermediaries/brokers to seek voting instructions from Nonregistered Shareholders in advance of shareholders' meetings. Every Intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Nonregistered Shareholders in order to ensure that their shares are voted at the Meeting. Often the form of proxy supplied to a Nonregistered Shareholder by its broker is identical to the form of proxy provided by Delavaco to the registered Shareholders. However, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically mails the voting instruction forms or proxy forms to the Nonregistered Shareholders and asks the Nonregistered Shareholders to return the proxy of voting instruction forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. A Nonregistered Shareholder receiving a proxy or voting instruction form from Broadridge cannot use that proxy to vote shares directly at the Meeting — the proxy must be returned to Broadridge well in advance of the Meeting in order to have the shares voted.

Record Date and Quorum

March 2, 2015 is the record date for the purpose of determining those Shareholders entitled to receive notice of and to vote at the Meeting. If you held Common Shares as of the close of business on the record date, you have the right to cast one vote per share on any resolution to be voted upon at the Meeting.

Pursuant to the by-laws of Delavaco**,** Subject to the OBCA in respect of a majority shareholder, a quorum for the transaction of business at any meeting of Shareholders is two persons present in person, each being a Shareholder entitled to vote at the meeting or a duly appointed proxyholder or representative for a Shareholder so entitled.

VOTING SHARES AND PRINCIPAL HOLDERS

As at the date of this Circular, 57,415,814 Common Shares are issued and outstanding, each entitled to one vote at the Meeting.

To the knowledge of the directors and executive officers of Delavaco, as at the date of this Circular, the following are the only parties that beneficially own, or control or direct, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to the voting securities of Delavaco:

Name	Number of Common Shares	Percentage
Marc Muzzo[(1)]	6,268,218	10.9%

(1) Mr. Muzzo owns 5,980,718 of his shares through Mardis Group Inc.

BUSINESS OF THE MEETING

Financial Statements and Auditors Report

The audited financial statements of the Delavaco for the year ended December 31, 2013 and the report of the auditors thereon will be placed before the Meeting.

Approval of the Shareholders is not required in relation to the financial statements.

Election of Directors

Six directors are to be elected at the Meeting. The Board recommends that Shareholders vote **FOR** the election of the nominees whose names are set forth below. **The persons named in the enclosed form of proxy intend to cast the votes to which the shares represented by such proxy are entitled FOR the election of the nominees whose names are set forth below unless otherwise directed by the Shareholders appointing them.**

Management does not contemplate that any of the nominees will be unable to serve as a director, but, if that should occur for any reason at or prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee at their discretion, unless instructions have been received from a particular Shareholder to withhold its shares from voting with respect to the election of directors. Each director elected will hold office until the next annual meeting of Shareholders or until his successor is duly elected, unless his office is earlier vacated in accordance with the by-laws of Delavaco. All of the persons named in the table below are now members of the Board and have been during the period indicated.

The following table states the names of all the persons proposed by management to be nominated for election as directors, their municipality, province or state and country of residence, their principal occupation, their position in the Corporation (if any), the period during which each proposed nominee served as a director and the number of Common Shares beneficially owned, directly or indirectly, by each of them or over which they exercise control or direction as at March 4, 2015.

Name and Municipality of Residence	Position with Corporation	Principal Occupation	Director Since	Number of Common Shares Held[1]
ANDREW DEFRANCESCO[3] Fort Lauderdale, U.S.A.	Chairman and Chief Executive Officer, Director	Chairman and Chief Executive Officer of the Corporation	January 27, 2011	5,344,304
MARC MUZZO[3][4] Vaughan, Ontario	Independent Director	Principal, Muzzo Group, Director and Vice President of HCI Holdings	December 31, 2013	6,268,218
KEITH L. RAY[2][5] Toronto, Ontario	Independent Director	Chief Executive Officer, Realvest Management, formerly Partner of KPMG LLP	December 31, 2013	432,302
MICHAEL SERRUYA[2][3][6] Thornhill, Ontario	Independent Director	Chairman and co-Chief Executive Officer Kahala Corp.	December 31, 2013	Nil
KELLY HANCZYK[2] Toronto, Ontario	Independent Director	Chief Executive Officer, Edgefront REIT	December 31, 2013	94,518

Name and Municipality of Residence	Position with Corporation	Principal Occupation	Director Since	Number of Common Shares Held(1)
ROMEO DE GASPERIS(3)(7) Thornhill, Ontario	Independent Director	Vice President and Chief Executive Officer Condrain Group	December 31, 2013	266,667

Notes:
(1) Expressed on a non-diluted basis.
(2) Member of the Audit Committee.
(3) Member of the C&G Committee.
(4) Mr. Muzzo also holds $1,000,000 of the Secured Notes and 154,000 warrants of Delavaco exercisable at $1.18 per share.
(5) Mr. Ray also holds $100,000 of the Secured Notes and 15,400 warrants of Delavaco exercisable at $1.18 per share.
(6) Mr. Serruya also holds $1,000,000 of the Secured Notes, 320,000 warrants of Delavaco exercisable at $1.25 per share and 154,000 warrants of Delavaco exercisable at $1.18 per share.
(7) Mr. De Gasperis also holds $3,000,000 convertible debentures of Delavaco, which are convertible at $1.15 per share and 83,333 warrants of Delavaco exercisable at $1.10 per share.

Each nominee has confirmed his eligibility and willingness to serve as a director if elected and, in the opinion of the Board and management of Delavaco, the proposed nominees are qualified to act as directors of the Corporation.

The following are brief biographies for each of the persons proposed by management to be nominated for election as directors:

Andrew DeFrancesco - Chairman, Chief Executive Officer, Director

Mr. DeFrancesco is the Founder, Chairman and Chief Executive Officer of the Delavaco Group, a private equity and merchant banking firm with offices in Ft. Lauderdale FL, Scottsdale AZ and Toronto ON. Mr. DeFrancesco has over 20 years of capital markets experience through various roles, including head equity trader at one of Canada's leading independent investment banks. Mr. DeFrancesco carries a breadth of corporate experience, having been an executive for numerous companies. Mr. DeFrancesco was the founder and former Chairman of Delavaco Energy Inc., a Canadian Oil and Gas company that sold to a subsidiary of Pacific Rubiales (PRE:TSX) for $102 million. He was also founder and former CEO of Dalradian Resources Inc., an Irish mineral exploration company (DNA:TSX). Mr. DeFrancesco was Co-Founder and former Chairman of P1 Energy, recently sold to Parex Energy (PXT.TSX) for $220 million. He was the founder and former Chairman and CEO of Colcan Energy, sold to Sintana Energy (SNN:TSX). Mr. DeFrancesco co-led the successful turnaround of American Apparel (APP:NYSE) and Jamba Juice (JMBA:NASDAQ). He was also a key investor and strategic advisor for the IPO to The One Group, which owns and manages STK Restaurants worldwide and Asellina Ristorante as well as Bagatelle in the United States (STK:NASDAQ). Currently, Mr. DeFrancesco acts as Chairman and CEO of Delavaco Residential Properties Corp. (TSXV: DVO.U; OTCQX: DELAF), a US residential real estate company. He is also a Partner of Kahala Corp which owns Cold Stone Creamery, Blimpie Subs, Taco Time, Samauri Sam's, Great Steak, NRGize, and America's Tacos. Kahala has approximately $900 million in system sales with over 2700 stores in 25 countries.

Marc Muzzo – Director

Marc Muzzo, a graduate from the University of Toronto with a B.A. in Economics, is a principal in the Muzzo Group of Companies, which encompasses but is not limited to Marel Contractors, Canada's largest drywall contractor and The Pemberton Group, one of Canada's leading condominium developers. Mr. Muzzo is also Director & Vice President of Consolidated HCI Holdings Corporation, a publicly traded real estate company based in Ontario, Canada. The Muzzo Group of Companies are also affiliates of numerous privately owned corporations. Mr. Muzzo's philanthropic contributions include chairing the Muzzo Family Charitable Foundation and serving as Vice Chair of the G.U./Prostate cancer team at the Princess Margaret Hospital Foundation. In addition, Mr. Muzzo is a member of the board of directors for the Toronto General and Western Hospital Foundation.

Keith L. Ray – Director

Keith L. Ray, CPA, CA has been, since 2007, the Chief Executive Officer of Realvest Management, a privately owned company that manages investments for its own account, primarily related to real estate. Mr. Ray has a breadth of experience with various real estate companies, including both private companies and public REITs. For 27 years until his retirement in 2007, Mr. Ray was a partner at KPMG LLP and a predecessor firm where he served as audit partner and relationship partner for a wide variety of public and private companies, mostly in the real estate industry. Currently, he sits on the Boards of two other reporting issuers, Firm Capital Mortgage Investment Corporation and Cliffside Capital Ltd. Mr. Ray's community involvement includes sitting on the Board of UJA Federation of Greater Toronto where he is currently the Treasurer and Chair of the Budget and Finance Committee and former Chair of the Audit Committee. In addition Mr. Ray sits on the Audit Committee of Sinai Health System (formerly Mount Sinai Hospital). Mr. Ray holds a Bachelor of Commerce degree from University of Toronto.

Michael Serruya – Director

Michael Serruya co-founded Coolbrands International Inc. in 1986 and served as its President and Chief Executive Officer from November 17, 2006 to November 2010, and as a director from September 1994 to 2010. He served as Chairman of Coolbrands International Inc. until 2010. Mr. Serruya served as President and Chief Executive Officer of Yogen Fruz from 1995 to February 2000. He served as Chairman of Yogen Fruz from 1995 to February 2000. He has been Director of Response Genetics, Inc. since March 2000. He was a Director of Jamba Inc. from 2009 to 2011, and was a Director of Swisher Hygience Inc. from 2010 to November 2013. Mr. Serruya is currently the Chairman and Co-Chief Executive Officer of Kahala Corp. He has also served as Member of the Board of Ontario Jobs and Investment.

Kelly Hanczyk – Director

Kelly Hanczyk is a resident of Toronto, Ontario. He is currently the President, Chief Executive Officer and a director of Edgefront REIT. Previously he was the Chief Executive Officer and a trustee of TransGlobe Apartment Real Estate Investment Trust (a TSX listed real estate investment trust) overseeing its growth from its Initial Public Offering to over $1 billion in market capitalization. Mr. Hanczyk was also the Chief Executive Officer of TransGlobe Investment Management Ltd. (a real estate management company) from November 2009 to September 2011 and prior to his appointment as Chief Executive Officer, he held the positions of Chief Operating Officer and Senior Vice President of Asset Management within the TransGlobe group of companies. From September 2006 to October 2007, Mr. Hanczyk was the Vice President of Asset Management for Whiterock Real Estate Investment Trust (a TSX listed real estate investment trust). Prior to that, he was the Director of Operations and Leasing for Summit Real Estate Investment Trust (another TSX listed real estate investment trust). Mr. Hanczyk has extensive experience in all disciplines of commercial and residential real estate including corporate strategy, leasing, development, acquisitions and dispositions, financing, property management and asset management. He obtained a Bachelor of Business Administration degree from Acadia University.

Romeo De Gasperis – Director

Romeo De Gasperis is the Vice President and Chief Executive Officer of Condrain Group. He has had extensive experience working in the construction and civil engineering industry for the past 30 years through his family's business. He is currently the Vice President of Countrywide Homes and Condor Properties. Mr. De Gasperis has also served as President and Chief Executive Officer of Futureway Communications (FCI Broadband) from 2002 to 2003 and as a director of FCI Broadband until 2007. He also served as a director of Cool Brands International from 1996 to 2007. He is also chairman and director of Ebuild.ca while also serving as a director of Metrus Land Development. More recently his involvement in Aquatech Dewatering as Vice President came from a growing demand for enhanced environmental awareness.

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of Delavaco and other than as described below, no director or executive officer of Delavaco, or shareholder holding a sufficient number of securities of Delavaco to affect materially the control of the Corporation:

(a) is, as at the date hereof, or has been, within the 10 years before the date hereof, a director or executive officer of any corporation that, while that person was acting in such capacity:

(i) was the subject of a cease trade or similar order or an order that denied the relevant corporation access to any exemption under securities legislation, for a period of more than 30 consecutive days;

(ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the corporation being the subject of a cease trade or similar order or an order that denied the relevant corporation access to any exemption under securities legislation, for a period of more than 30 consecutive days;

(iii) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to the bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officer or shareholder.

Mr. DeFrancesco was previously a director of Fareport Capital Inc. ("**Fareport**"). Due to its inability to comply with its continuous disclosure obligations, on July 25, 2007, approximately two months prior to Mr. DeFrancesco joining Fareport's board of directors, Fareport was placed under a permanent management cease trade order. On September 28, 2007, an entity controlled by Mr. DeFrancesco acquired control of Fareport, the management team was reconstituted and Mr. DeFrancesco was appointed to the Fareport board of directors. After the change of control, the new Fareport management found that it was unable to confirm the reliability of the year-end audit from July 2006 due to the previous management's failure to maintain proper records and the inadequacy of Fareport's internal audit system prior to the change of control. Thus, Fareport was unable to comply with its continuous disclosure obligations under National Instrument 51-102. Ultimately, in August 2008, Fareport was placed under a permanent issuer cease trade order by the TSX and ceased to operate shortly thereafter.

On December 13, 2006, the Ontario Securities Commission issued a management cease trade order covering the directors and officers of the CoolBrands International Inc. for failure to file certain continuous disclosure documents as required by applicable securities law. Romeo DeGasperis and Michael Serruya each were subject to the cease trade order. CoolBrands International Inc. subsequently filed the documents that were the subject of the initial default and the management cease trade order was revoked by the Ontario Securities Commission on March 10, 2009.

To the knowledge of Delavaco, no director or executive officer of Delavaco, or a shareholder holding sufficient number of securities of Delavaco to affect materially the control of Delavaco, has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Appointment of Auditors

Management and the Board propose that MNP LLP be appointed as Delavaco's auditor until the close of the next annual meeting. It is also proposed that the remuneration to be paid to the auditors of the Corporation be fixed by the Board. MNP has been Delavaco's auditor since December 31, 2013. Prior to December 31, 2013, when Delavaco was a private corporation, the auditors were Deloitte LLP Chartered Professional Accountants. **The persons named in the enclosed form of proxy intend to cast the votes to which the shares represented by such proxy are entitled FOR the re-appointment of MNP LLP as auditors of Delavaco for the term expiring with the next annual meeting of Shareholders, and to authorize the Board to fix their remuneration, unless otherwise directed by the Shareholders appointing them.**

Fees payable to MNP LLP and Deloitte LLP in 2012 and 2013 are detailed below:

	Auditor	**2013**	**2012**
Audit fees for financial statements and quarterly reviews[(1)]…….	Deloitte	194,750	327,050
	MNP	160,500	-
Audit related fees[(2)]……	Deloitte	-	10,500
	MNP	101,650	-
Tax fees including tax advice and tax planning[(3)]…….	Deloitte	293,980	273,339
	MNP	26,322	-
Other assistance including translation services[(4)]……..	Deloitte	395,300	-
Total Fees		**1,172,502**	**610,889**

Notes:

(1) Includes fees necessary to perform the annual audit and quarterly reviews of the Company's financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

(2) Includes services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) Includes fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(4) Other fees relates to translation services for the audited consolidated financial statements and interim reviews.

All expenditures have been pre-approved by the Audit Committee. The amounts listed above are based on available information as at the date of this Circular.

Adoption of the Deferred Share Unit Plan

Subject to approval of the ordinary resolution, annexed hereto as Appendix A, by the Shareholders at the Meeting, the Corporation will implement a deferred share unit plan (the "**DSU Plan**") which will promote the interests of the Corporation by attracting and retaining qualified persons to serve on the Board and to afford such participants in the DSU Plan an opportunity to receive a portion of their compensation for serving as a director of the Corporation in the form of securities of the Corporation.

The C&G Committee of the Board will administer the DSU Plan and determine which members of the Board are eligible to participate (the "**DSU Participants**", each director being a "**DSU Participant**") and to whom awards of deferred share units ("**DSUs**", each a "**DSU**") will be made. Each existing or new member of the Board may elect in writing, once each year, to be paid a percentage of his or her annual retainer in the form of DSUs, with the balance being paid in cash. If no election is made in respect of a particular fiscal year, the DSU Participant will receive the annual retainer in cash.

The number of DSUs that a DSU Participant is entitled to receive in any quarter is based upon the elected percentage multiplied by one quarter of such DSU Participant's annual retainer divided by the applicable Common Share price, which is a minimum of the volume weighted average trading price of the Common Shares on the TSXV for the five (5) trading days immediately preceding the date on which the DSU is granted. Dividend equivalents are awarded in respect of DSUs in a DSU Participant's account on the same basis as if the DSU Participant was a Shareholder on the relevant record date, and the dividend equivalents are credited to the DSU Participant's account as additional DSUs (or fractions thereof).

The maximum number of DSUs which may be awarded under the DSU Plan shall not exceed 10% of the then issued and outstanding Common Shares pursuant to the DSU Plan (together with any other share-based compensation arrangement of the Corporation, including the Option Plan), and the aggregate value of DSUs awarded to DSU Participants within any one-year period under the DSU Plan together with all other security based compensation arrangements of the Corporation, if any, shall not exceed $150,000 in value of equity per DSU Participant.

Upon a DSU Participant ceasing to be a member of the Board, he or she may within one (1) business day immediately following the date on which the DSU Participant ceases to hold any position as a director of the Corporation and its subsidiaries (the "**Termination Date**") and ending on the 90th day following the Termination Date elect to receive net of any applicable withholding taxes: (i) a cash payment equal to the number of DSUs credited to the DSU Participant's account as of the Termination Date, multiplied by the closing price of a Common Share on the TSXV averaged over the five (5) consecutive trading days immediately preceding the Termination Date; (ii) Common Shares purchased on the DSU Participant's behalf on the open market by a broker; or (iii) a combination thereof. Notwithstanding the foregoing, the Corporation has the absolute discretion, subject to any necessary Shareholder and regulatory approvals, to issue to the DSU Participant such number of Common Shares from treasury as equal the number of DSUs, net of the number of DSUs that would equal the applicable withholding taxes recorded in the DSU Participant's account on the Termination Date. In the absence of the giving of a notice of redemption, the DSU Participant will be deemed to have elected a cash payment. In the event of death of a DSU Participant, no notice of redemption shall be required and the Corporation shall within 90 days of death, in the case of a U.S. DSU Participant, or one (1) calendar year in the case of a non-U.S. DSU Participant, make a lump sum cash payment for the benefit of the trustee, administrator or other legal representative of the individual. The lump sum cash payment would be equivalent to the cash payment on the Termination Date.

Under no circumstances shall DSUs be considered Common Shares nor shall they entitle any DSU Participant to exercise voting rights or any other rights attaching to the ownership of common shares of the Corporation nor shall any DSU Participant be considered a Shareholder by virtue of the award of DSUs.

The rights or interests of a DSU Participant under the DSU Plan are not assignable or transferable, otherwise than by will or the laws governing the devolution of property in the event of death. Further, such rights or interests are not to be encumbered.

The Board may from time to time amend, suspend or terminate the DSU Plan in whole or in part without further shareholder approval; however, the DSU Plan sets out what the Board may and may not do, without obtaining the approval of Shareholders, in respect of amendments to the DSU Plan. A full copy of the DSU plan will be made available to shareholders upon request, and will be posted on the Corporation's SEDAR profile.

The adoption of the DSU Plan must be approved by the TSXV and ratified by a majority vote of the Shareholders.

Management of the Corporation recommends that Shareholders vote FOR the DSU Plan Resolution, as set out in Appendix A. In the absence of contrary instructions, the persons named in the enclosed form of proxy intend to vote FOR the DSU Plan Resolution, as set out in Appendix A.

EXECUTIVE AND DIRECTOR COMPENSATION

Philosophy and Objectives of Compensation Program

Delavaco's compensation practices are designed to retain, motivate and reward its executive officers for their performance and contribution to the Delavaco's long-term success. The Board seeks to compensate Delavaco's executive officers by combining short and long-term cash and equity incentives. It will also seek to reward the achievement of corporate and individual performance objectives, and to align executive officers' incentives with shareholder value creation. The Board will seek to tie individual goals to the area of the executive officer's primary responsibility. These goals may include the achievement of specific financial or business development goals. The Board will also seek to set company performance goals that reach across all business areas and include achievements in finance/business development and corporate development.

Compensation Governance

The C&G Committee is charged with reviewing, overseeing and evaluating the compensation and nominating policies of Delavaco. In addition, the C&G Committee is responsible for: (i) assessing the effectiveness of the Board, each of its Committees and individual directors; (ii) overseeing the recruitment and selection of candidates as directors of Delavaco; (iii) organizing an orientation and education program for new directors and coordinating continuing director development programs; (iv) considering and approving proposals by the directors to engage outside advisers on behalf of the Board as a whole or on behalf of the independent directors; (v) reviewing and making recommendations to the Board concerning any change in the number of directors composing the Board; (vi) administering any stock option or purchase plan of Delavaco or any other compensation incentive programs; (vii) assessing the performance of the officers and other members of the executive management team of Delavaco; (viii) reviewing and approving the compensation paid by Delavaco, if any, to consultants of Delavaco; and (ix) reviewing and making recommendations to the Board concerning the level and nature of the compensation payable, if any, to the directors and officers of Delavaco. To ensure the C&G Committee has the expertise to carry out its mandate, it is intended that its members will have, or acquire within a reasonable period of time after being appointed, an understanding of relevant issues relating to governance, compensation and nominating.

As of March 4, 2015, the C&G Committee is comprised of of Michael Serruya (Chair), Romeo De Gasperis and Marc Muzzo, each of whom is "independent" within the meaning of National Instrument 58-101 —*Disclosure of Corporate Governance Practices* ("**NI 58-101**").

All three C&G Committee members have direct experience that is relevant to their responsibilities in executive compensation and enable them to make decisions on the suitability of Delavaco's compensation policies and practices. They have all had senior executive roles in large corporations where they were required to make decisions and determinations vis-à-vis executive compensation. For more detail please refer to their respective biographies under "*Election of Directors*" in this Circular.

Risk Management Principles of Compensation Programs

The mandate of the C&G Committee includes an annual review of Delavaco's compensation policies and practices to confirm that they are designed to align with Delavaco's risk management principles and to ensure that they do not encourage inappropriate or excessive risk. Delavaco's compensation policies and practices incorporate features that seek to mitigate risk without diminishing the incentive nature of the compensation and to encourage and reward prudent business judgment and appropriate risk-taking over the long term to increase shareholder value.

The role of the C&G Committee in this respect includes reviewing each of the components of an executive's compensation to ensure there is an overall balance among long-term and short-term incentives commensurate with Delavaco's corporate strategy and goals. The C&G Committee also reviews Delavaco's compensation policies and practices to determine whether they may encourage excessive or inappropriate risk. The C&G Committee may adjust the relevant weighting of various components of an executive's compensation based on such review, and if required, amend or supplement specific components as appropriate.

Elements of Compensation Program

The compensation of the NEOs will include four major elements: (a) base salary, (b) an annual, discretionary cash bonus, (c) DSUs granted under the DSU Plan and (d) long-term equity incentives, consisting of stock options granted under the Option Plan and any other equity plan that may be approved by the Board. These four principal elements of compensation are described below.

The C&G Committee, in conjunction with the Board, is expected to establish an appropriate comparator group for purposes of setting the future compensation of the NEOs. The NEOs will not benefit from pension plan participation. Perquisites and personal benefits are not a significant element of compensation of the NEOs.

Base Salary

Base salaries are intended to provide an appropriate level of fixed compensation that will assist in employee retention and recruitment. Base salaries will be determined on an individual basis, taking into consideration the past, current and potential contribution to our success, the position and responsibilities of the NEOs and competitive industry pay practices for other real estate investment companies of comparable size.

Delavaco does not engage compensation consultants for the purposes of performing benchmarking or apply specific criteria for the selection of comparable real estate businesses. Other comparable real estate businesses that may be considered for benchmarking purposes include other small capitalization public Canadian real estate investment trusts and real estate operating companies. Increases in base salary are at the sole discretion of the Board, with input from the C&G Committee.

Annual Cash Bonus

The Board, in its sole discretion, may award NEOs with an annual bonus of up to 200% of such NEOs base salary for that year, payable in cash. Annual bonuses will be awarded based on qualitative and quantitative performance standards, and will reward performance or the NEO individually. The determination of an NEOs performance may vary from year to year depending on economic conditions and conditions in the real estate industry, and may be based on measures such as stock price performance, the meeting of financial targets against budget (such as adjusted funds from operations), the meeting of acquisition objectives and balance sheet performance.

Deferred Share Unit Plan

Subject to the approval by the Shareholders at the Meeting of the ordinary resolution annexed hereto as Appendix A, NEOs who are also Board members may be awarded DSUs pursuant to the DSU Plan. For more detail please refer to "*Adoption of the Deferred Share Unit Plan*" in this Circular.

Stock Option Plan

The purpose of the Option Plan is to (i) encourage stock ownership by Eligible Persons (as defined in the Option Plan); (iii) increase the proprietary interest of Eligible Persons in the success of Delavaco; (iv) encourage Eligible Persons to remain with Delavaco; and (v) attract new directors, employees and officers.

The Option Plan is a rolling plan with Delavaco authorized to issue that number of options which is 10% of the issued and outstanding share capital at the date of the grant of shares, less the aggregate number of shares reserved for issuance or issuable under any Share Compensation Arrangement (as defined in the Option Plan).

The Option Plan is subject to the following restrictions:

(i) Delavaco must not grant an option where the aggregate number of Common Shares reserved for issuance under options may exceed 10% of the outstanding Common Shares from time to time;

(ii) Delavaco must not grant an option to an Eligible Person (such person referred to herein as a "Participant") in any 12 month period that exceeds 5% of the outstanding Common Shares, unless the

Delavaco has obtained by a majority of the votes cast by the shareholders eligible to vote at a shareholders' meeting, excluding votes attaching to Common Shares beneficially owned by insiders and their associates;

(iii) the aggregate number of options granted to all Persons conducting "Investor Relations Activities" in any 12 month period must not exceed, in the aggregate, 2% of the outstanding Common Shares; and

(iv) Delavaco must not grant aggregate options to any one consultant or consultant company in any 12 month period that exceeds 2% of the outstanding Common Shares.

Material Terms of the Option Plan

The following is a summary of the material terms of the Option Plan:

- persons who are Participants of Delavaco are eligible to receive grants of options under the Option Plan;
- options granted under the Option Plan are non-assignable and non-transferable, other than by will or by the laws of descent;
- options granted under the Option Plan are exercisable for a maximum of 10 years from the date of grant;
- in the case of options granted to a Participant who is an employee, consultant, consultant company or management company employee, the Participant must be a bona fide employee, consultant, consultant company or management company employee, as the case may be, of Delavaco or its subsidiaries;
- except as otherwise determined by the Board:

  (A) if a Participant who is a non-executive director of Delavaco ceases to be an Eligible Person as a result of his or her retirement from the Board other than termination for cause, each unvested option held by such Participant shall automatically vest on the date of his or her retirement from the Board, and thereafter each vested option held by such Participant will cease to be exercisable on the earlier of the original expiry date of the option and six (6) months after the date of his or her retirement from the Board;

  (B) if the Board service, consulting relationship, or employment of a Participant with Delavaco or its subsidiaries terminated for cause, each vested and unvested option held by the Participant will automatically terminate and become void on the Termination Date (as defined in the Option Plan);

  (C) if a Participant dies, the legal representative of the Participant may exercise the Participant's vested options for a period until the earlier of the original expiry date of the option and 12 months after the date of the Participant's death, but only to the extent the options were by their terms exercisable on the date of death. For greater certainty, all unvested Options held by a Participant who dies shall terminate and become void on the date of death of such Participant.

  (D) if a Participant ceases to be an Eligible Person for any reason whatsoever other than referred to in (A) to (C) above, each vested option held by the Participant will cease to be exercisable on the earlier of the original expiry date of the option and six (6) months after the Termination Date.

- provided the Common Shares are listed on the TSX-V, the exercise price of each option will be set by the Board on the date such option is granted, and will not be less than the Market Price (as defined in the Option Plan);
- in the event of an actual or potential Change of Control Event (as defined in the Option Plan), the Board may, in its discretion, without the necessity or requirement for the agreement of any Participant:

  (A) accelerate, conditionally or otherwise, on such terms as it sees fit, the vesting date of any option;

(B) permit the conditional exercise of any option, on such terms as it sees fit;

(C) otherwise amend or modify the terms of the option, including for greater certainty permitting Participants to exercise any option, to assist the Participants to tender the underlying Common Shares to, or participate in, the actual or potential Change of Control Event or to obtain the advantage of holding the underlying Common Shares during such Change of Control Event; and

(D) terminate, following the successful completion of such Change of Control Event, on such terms as it sees fit, the options not exercised prior to the successful completion of such Change of Control Event.

Summary Compensation Table

During the most recent fiscal year, Delavaco's only NEOs were Andrew DeFrancesco, Michael Galloro and Dallas Wharton. During the years ended December 31, 2013 and December 31, 2012 the NEOs were Andrew DeFrancesco (Chairman and Chief Executive Officer), Steven Ridgeway (consultant), Dallas Wharton (Chief Operating Officer of the General Partner) and Michael Galloro (Chief Financial Officer). The following table sets out information concerning the fiscal 2011, 2012 and 2013 compensation earned by, paid to, or awarded to the NEOs.

Name and Principal Position	Year	Salary ($)	Share-based awards ($)	Option-based awards[1] ($)	Non-equity incentive plan compensation		Pension value ($)	All other compensation ($)[2]	Total compensation ($)
					Annual incentive plans ($)	Long-term incentive plans ($)			
ANDREW DEFRANCESCO Chairman and Chief Executive Officer	2014 2013 2012 2011	222,000 180,000 150,000 110,000	nil nil nil nil	nil nil nil nil	nil nil nil nil	nil nil nil nil	nil nil nil nil	nil 39,400 125,000 nil	222,000 219,440 275,000 110,000
MICHAEL GALLORO Chief Financial Officer	2014 2013 2012 2011	163,413 131,080 70,028 nil	nil nil nil nil	355,691 nil nil nil	nil nil nil nil	nil nil nil nil	nil nil nil nil	nil 118,763[3] 30,012 nil	519,104 249,844 100,040 nil
STEVEN RIDGEWAY Consultant	2014 2013 2012 2011	nil 101,952 155,062 54,918	nil nil nil nil	nil nil nil nil	nil nil nil nil	nil nil nil nil	nil nil nil nil	nil nil 125,000 nil	nil 101,952 280,062 54,918
DALLAS WHARTON[3] Chief Operating Officer of the General Partner	2014 2013 2012 2011	133,000 210,000 206,500 181,500	nil nil nil nil	nil nil nil 895,945	nil nil nil nil	nil nil nil nil	nil nil nil nil	18,000 18,000 113,000 nil	151,000 228,000 319,500 1,077,445

(1) Options granted on January 27, 2011. The value of option-based awards was determined using the Black-Scholes option pricing model, a mathematical valuation model that ascribes a value to a stock option based on a number of variables, including the exercise price of the options, the market price of the underlying shares on the date the option was granted, the term of the option and assumptions with respect to the volatility of the price of the underlying share and the risk-free rate of return. Delavaco used this model because it is the methodology recommended by the Canadian Institute of Chartered Accountants in its Handbook for valuing securities based compensation.
(2) All other compensation amounts consist of bonuses and car allowances provided to employees.
(3) In conjunction with going public, Mr. Galloro was issued 100,000 common shares of Delavaco for past services provided.

Compensation of Non-Management Directors

Name	Fees Earned ($)[1]	Share-based awards ($)	Option-based awards ($)[3]	Non-equity incentive plan compensation ($)	Pension Value ($)	All Other Compensation ($)	Total ($)
Marc Muzzo	23,750	Nil	167,384	Nil	Nil	Nil	191,134
Keith Ray	33,000	Nil	167,384	Nil	Nil	Nil	200,384
Michael Serruya	23,750	Nil	167,384	Nil	Nil	Nil	191,134
Kelly Hanczyk	25,500	Nil	167,384	Nil	Nil	Nil	192,884
Romeo De Gasperis	28,000	Nil	167,384	Nil	Nil	Nil	195,384

(1) Approximately $110,500 of the board fees earned remain in accounts payable and will be paid with DSUs, provided that the DSU Plan is approved at the meeting.

Indebtedness of Directors and Officers

Other than as disclosed in the below, no director or officer of Delavaco or any person proposed to be a director or officer of Delavaco or person who was a director or officer of Delavaco in the most recently completed financial year, or any affiliate or associate of any such individual, is indebted to Delavaco or has any indebtedness to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Delavaco.

Delavaco has a promissory note from Mr. DeFrancesco in the amount of $4,303,248 (the **"Promissory Note"**). The Promissory Note bears interest at 7% per annum payable quarterly. The Promissory Note is due and payable on December 30, 2015. The Promissory Note relates to certain funds advanced to Mr. DeFrancesco related to the pending acquisition of a multi-unit building from Mr. DeFrancesco. In addition, as at December 31, 2014, Delavaco had advanced approximately $600,000 to Mr. DeFrancesco relating to the pending acquisition.

Insurance Coverage for Directors and Officers and Indemnification

The Corporation has obtained directors' and officers' liability insurance coverage with a policy limit of $10,000,000 for the directors and officers of the Company. The policy includes securities claim coverage, insuring against any legal obligation to pay on account of any securities claims brought against the directors or officers of the Corporation. The total limit of liability is shared among the directors and officers of the Corporation so that the limit of liability is not exclusive to any one of the respective directors or officers. The premium paid for the Directors' and officers' liability insurance was $49,271 in 2014.

The by-laws of the Corporation provide for the indemnification of its directors and officers from and against liability and costs in respect of any action or suit brought against them in connection with the execution of their duties of office, subject to certain limitations. The Corporation will indemnify directors and officers in accordance with its specific indemnification agreements and to the maximum extent permitted under applicable law.

Investor Relations Arrangements

Delavaco does not currently have any investor relations arrangements.

Share-Based and Option-Based Awards

The following table discloses the particulars of the share and option-based awards outstanding as at December 31, 2014:

Name & Position	Option Based Awards				Share Based Awards		
	Number of Securities Underlying Unexercised Options	Option Exercise Price (per share)	Option Expiration Date	Value of Unexercised "In the Money" Options (1)	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested	Market or payout value of vested share-based awards not paid out or distributed
ANDREW DEFRANCESCO Chairman and Chief Executive Officer	nil	nil	nil	nil	nil	nil	nil
MICHAEL GALLORO Chief Financial Officer	850,000	1.10	May 12, 2019	nil	425,000	nil	nil
STEVEN RIDGEWAY Consultant	nil	nil	nil	nil	nil	nil	nil
DALLAS WHARTON(3) Chief Operating Officer of the General Partner	nil	nil	nil	nil	nil	nil	nil

(1) Options are 'in the money' if the market price of the Company's shares is greater than the exercise price of the options. The value of such options is the product of the number of shares multiplied by the difference between the exercise price and the closing market price on the financial year end. Options which were not vested at the financial year end are not included in this value.

The following table discloses the particulars of the share and option-based awards that vested during the year ended December 31, 2014:

Name	Option-based awards – Value vested during the year ($)	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation -- Value earned during the year ($)
ANDREW DEFRANCESCO Chairman and Chief Executive Officer	nil	nil	nil
MICHAEL GALLORO Chief Financial Officer	nil	nil	nil
STEVEN RIDGEWAY Consultant	nil	nil	nil
DALLAS WHARTON Chief Operating Officer of the General Partner	nil	nil	nil

Equity Compensation Plan Information

The following table sets out the equity compensation plan information as at December 31, 2014:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	3,150,000	$1.10	2,591,581
Equity compensation plans not approved by securityholders	nil	nil	nil
Total	3,150,000	$1.10	5,741,581

Employment, Advisory, Termination and Change of Control Benefits

Delavaco has entered into an executive employment agreement (**"Employment Agreement"**) with Andrew DeFrancesco and a financial management agreement (**"Financial Management Agreement"**), pursuant to which Michael Galloro, through a company called Aloe Financial Inc., will provide his services as Chief Financial Officer. The employment agreement with Mr. DeFrancesco provides for, among other things, the continuation of the executive's employment for an indeterminate term in accordance with Applicable Laws, subject to termination in certain specified events. The financial management agreement with Mr. Galloro is subject to a five-year term starting December 30, 2013.

Mr. DeFrancesco is entitled to a salary at the rate of $222,000 per annum, an annual discretionary bonus of up to 200% of the base salary, to be approved by the Board and stock options of Delavaco pursuant to the Option Plan or any other equity plan as may be approved by the Board. Mr. DeFrancesco shall also be eligible to receive a commission on any financing that is raised by Delavaco after the Effective Date (as defined in the Employment Agreement) as follows: 1% of all equity financings, 0.75% of any conventional bond financing and 0.4% of any other debt financing, provided that under no circumstance shall Delavaco have an obligation to pay such commissions to Mr. DeFrancesco to the extent that any such payment, together with any other commission, fee or other similar payment in respect of any financing completed by the Corporation, exceeds, in the aggregate, the commission, fee or other similar payment that an independent and qualified financial advisor would receive for a similar financing in similar market conditions for a reporting issuer in the same industry and of a similar market capitalization.

In the event Mr. DeFrancesco is terminated without cause or resigns for good reason, in each case within two years following a Change of Control (as defined in the Employment Agreement), he will be entitled to receive a lump sum payment equal to the greater of (i) the amount available to Mr. DeFrancesco in the event he is terminated without cause; and (ii) a payment equal to 1.15% of the difference between the Market Capitalization of Delavaco calculated on the date of the Change of Control and the Initial Market Capitalization of Delavaco (as such terms are defined in his Employment Agreement). In the event that Mr. DeFrancesco's employment is terminated without cause, he will be entitled to a payment equal to base salary and bonus, the bonus amount used for such calculation being the actual bonus that was paid to Mr. DeFrancesco in the year immediately preceding the date of termination.

Mr. Galloro will provide the services of a Chief Financial Officer, through Aloe Financial Inc., pursuant to the Financial Management Agreement. Mr. Galloro receives a monthly fee of $15,000, an annual discretionary bonus of up to 200% of the base salary to be approved by the Board and stock options of Delavaco pursuant to the New Option Plan. In the event of a Change of Control (as defined in the Financial Management Agreement), and if within twenty-four months of such Change of Control (i) there is an adverse change in any of the duties, powers, rights, discretion, fees or benefits of Mr. Galloro, (ii) there is a diminution of Mr. Galloro's title, or (iii) there is a change in the person or body to whom Mr. Galloro reports (unless such person or body is of equivalent rank or stature), then Mr. Galloro shall be entitled to

terminate the Financial Management Agreement and to receive a payment equal to the greater of (i) the amount available to Mr. Galloro in the event he is terminated without cause; and (ii) a payment equal to 0.75% of the difference between the Market Capitalization of Delavaco calculated on the date of the Change of Control and the Initial Market Capitalization of Delavaco (as such terms are defined the Financial Management Agreement). In the event that Mr. Galloro's services are terminated without cause, he will be entitled to a payment equal to base salary and bonus for two years, based on the actual bonus received in the immediately preceding year.

Mr. DeFrancesco, through a holding company called Delavaco Capital Inc., also entered into an advisory agreement (**"Advisory Agreement"**) with Delavaco whereby Mr. DeFrancesco provided various advisory, financial and other support services to Delavaco following an internal corporate reorganization. In consideration for the services provided pursuant to the Advisory Agreement, Mr. DeFrancesco is entitled to a monthly advisory fee of $23,500.

CORPORATE GOVERNANCE

General

The Board and Management believe that sound and effective corporate governance is essential to Delavaco's performance. Delavaco has adopted certain practices and procedures to ensure that effective corporate governance practices are followed and that the Board functions independently of management. In addition, the C&G Committee of the Board reviews Delavaco's corporate governance practices and procedures on a regular basis to ensure that they address significant issues of corporate governance.

The following sections set out a description of Delavaco's corporate governance practices as approved by the Board and in accordance with the requirements set forth in NI 58-101.

Board of Directors

Independence

The Board is comprised of six directors, five of whom are independent. Pursuant to Multilateral Instrument 52-110 – *Audit Committees* an independent director is one who is free from any direct or indirect relationship which could, in the view of the board of directors, reasonably interfere with a director's independent judgment.

The following table sets out the nominees for election who are not considered to be independent and the reason why such determination was made.

Delavaco Board Member	**Position Held**	**Reason for Not Independent Status**
Andrew DeFrancesco	Chairman and Chief Executive Officer	Mr. DeFrancesco is not independent due to his position as Chairman and Chief Executive Officer of Delavaco

Meetings of Independent Directors

The independent directors on the Board and each of the Committees meet as required without Management present, typically this is managed by an in camera session during the meetings.

During 2014, the Board and the Committees met as follows:

	Meetings Held	Meetings Held Without Management
Board	7	Nil
Audit Committee	4	Nil
C&G Committee	1	1

The Chairman of the Board

Mr. DeFrancesco is the Chairman of the Board and has held this position since December 30, 2013. Mr. DeFrancesco is not considered independent of the Corporation due to his role as founder, Chief Executive Officer and owner of the Company. The primary functions of the Chair are to facilitate the operations and deliberations of the Board and the satisfaction of the Board's responsibilities under its mandate. The Chair's key responsibilities include duties relating to setting Board meeting agendas, chairing Board and Shareholder meetings, director development, providing in-put on potential director candidates and communicating with Shareholders and regulators.

Attendance

Since January 1, 2014 the Board has met a total of 7 times. The attendance record of each director is set out below:

Director	Meeting Attended
Andrew DeFrancesco	6
Romeo De Gasperis	6
Kelly Hanczyk	7
Marc Muzzo	6
Keith Ray	7
Michael Serruya	6

Mandate of the Board of Directors

The Board is responsible for supervising the Management of Delavaco's business and affairs. The Board's principal responsibilities relate to the stewardship of Management and are summarized below:

- **Strategic planning** - the Board reviews and approves Delavaco's strategic planning process and annual strategic plan in light of Management's assessment of emerging trends, the competitive environment, risk issues and significant business practices and products;

- **Risk management** - the Board reviews Management reports on material risks associated with our businesses and operations, the implementation by Management of systems to manage these risks and material deficiencies in the operation of these systems;

- **Human resources management** - the Board with assistance from the C&G Committee reviews Delavaco's approach to human resource management and executive compensation, the extent to which senior management fosters a culture of integrity and succession planning for the Chief Executive Officer and key senior management positions;

- **Financial corporate governance** - the Board with assistance from the C&G Committee reviews Delavaco's approach to corporate governance, director independence, Delavaco's code of ethics and conduct, and policies relating to reputation and legal risk;

- **Financial information** - the Board with assistance from the Audit Committee reviews Delavaco's internal controls relating to financial information, management reports on material deficiencies relating to those controls and the integrity of Delavaco's financial information and systems;

- **Communications** - the Board reviews Delavaco's overall communications strategy, measures for receiving shareholder feedback and compliance with Delavaco's disclosure policy;

- **Board Committees** - the Board establishes committees and their mandates and requires committee chairs to present a report to the board on material matters considered by the committee at the next board meeting;

- **Director development and evaluation** - the Board with assistance from Management, the Chair of the Board and the Committees develops director orientation programs and continuing development programs for directors and evaluates the performance of the Board, its Committees and each director.

The mandate of the board of directors is reviewed by the C&G Committee and considered by the Board for approval each year. Under the mandate, the Board, any Committee and any individual director, is entitled to engage outside advisers, at the expense of Delavaco, where, in the view of the Board, additional expertise or advice is required.

Position Descriptions

As part of its responsibility for identifying and recommending candidates to the Board for election and re-election as directors and as board chair or committee chairs, the C&G Committee has developed certain criteria to facilitate its review of the qualifications of existing or new candidates. These criteria outline the desired compliment of skills and characteristics based on our current and anticipated needs under broad categories such as enterprise leadership, functional capabilities, market knowledge and prior board experience. The Board intends to review and update these criteria annually to reflect its assessment of the current needs of the Board and the strategic priorities of Delavaco. Part of this review entails a self-assessment by each existing director of his or her skills and qualifications in each of the categories. The Board then identifies any gaps, which assist the C&G Committee in its search for new candidates. In considering the nomination of a director for re-election to the Board, the C&G Committee looks at a number of factors including, a director's qualifications under applicable law, material change in employment and meeting attendance record.

The Chief Executive Officer

The primary functions of the Chief Executive Officer are to lead the management of Delavaco’s business and affairs and to lead the implementation of the resolutions and the policies of the Board.

Other Public Company Directorships Held by each Director

The following table sets out the directors and officers of the Corporation that are, or have been within the last five years, directors, officers or promoters of other reporting issuers.

Name of Director, Officer or Promoter	Name and Jurisdiction of Reporting Issuer	Name of Trading Market	Position	Period
ANDREW DEFRANCESCO	NXA Inc., Canada	TSXV	Director	March 2010 – Present
	Santa Maria Petroleum Inc., Canada	TSXV	Director	July 2012 – Present
	Tolima Gold Corp., Canada	TSXV	Director	February 2011 – February 2015
MICHAEL GALLORO	AgriMinco Corp., Canada	TSXV	Chief Financial Officer, Director	September 2010 – July, 2014
	Alberta Oilsands Inc.	CNSX	Interim Chief Financial Officer	July 2012 – Present
	Black Sparrow Capital Corp., Canada	TSXV	Chief Executive Officer, Chief Financial Officer, Director	December 2011 – December 2014
	Goldstream Minerals Inc.	TSXV	Director	August 2012 – Present
	Mahdia Gold Corp.	CNSX	Chief Financial Officer	September 2012 – July 2014
	Organic Potash Corp., Canada	CNSX	Director	July 2011 - Present
	SustainCo Inc., Canada	TSXV	Director	March 2012 – Present
	Yangaroo Inc., Canada	TSXV	Chief Financial Officer	December 2010 – Present
	Santa Maria Petroleum Inc., Canada	TSXV	Director	May 2014 – Present
MARC MUZZO	Consolidated HCI Holdings Corporation, Canada	TSX	Director, Vice-President	December 2005 - Present
MICHAEL SERRUYA	Cool Brands International Inc., Canada	TSX	Chairman and Chief Executive Officer	November 2006 – November 2010
	Committed Capital Acquisition Corporation	OTC	Director	October 2013 – Present
	Kahala Corp., USA	OTC	Chairman and Co-Chief Executive Officer	August 2013 – Present
	Jamba Inc., USA	Nasdaq	Director	August 2009 – September 2010
	Response Genetics Inc., USA	Nasdaq	Director	March 2000 – Present
	Sprylogics International Corp., Canada	TSXV	Director	September 2011 – Present
	Swisher Hygiene Inc., USA	Nasdaq	Director	November 2010 – November 2013

Name of Director, Officer or Promoter	Name and Jurisdiction of Reporting Issuer	Name of Trading Market	Position	Period
KEITH RAY	Firm Capital Mortgage Investment Corp., Canada	TSX	Director	August 2014 - Present
	Cliffside Capital Ltd., Canada	TSXV	Director	April 2014 - Present
KELLY HANCZYK	Edgefront REIT, Canada	TSXV	Chief Executive Officer, Director	September 2012 - Present
	Plymouth Realty Capital Corp, Canada	TSXV	Director	August 2013 - Present
	Transglobe Apartment Real Estate Investment Trust, Canada	TSX	Chief Executive Officer	April 2010 - June 2012

Orientation and Continuing Education

Delavaco does not currently have an orientation or continuing education program for new directors.

Nomination of Directors

Delavaco has a standing C&G Committee which oversees the nomination of directors. Each of the three directors who comprise the C&G Committee is independent within the meaning of National Instrument 58-101 — *Disclosure of Corporate Governance Practices*.

Compensation

The Board with assistance from the C&G Committee reviews Delavaco's approach to human resource management and executive compensation.

Board

- Annual retainer of $20,000 (to be paid under the DSU Plan upon approval)
- Meeting costs of $750 (in person) and $500 (conference calls)
- From time to time, certain Board members participate in additional calls or meetings related to potential investments. The members receive $250 for such conference calls and $500 for such in person meetings.
- $10,000 board chair retainer (to be paid under the DSU Plan upon approval)

Audit Committee

- $500 for in person meetings
- $250 for conference call meetings
- $7,500 for chair retainer (to be paid under the DSU Plan upon approval)

C&G Committee

- $500 in person meeting
- $250 for conference call meetings
- $3,000 for chair retainer (to be paid under the DSU Plan upon approval)

Board Committees

The Board has two committees, Audit Committee and the C&G Committee (each alternatively a **"Committee"** and collectively, the **"Committees"**).

The Audit Committee has the primary function of fulfilling its responsibilities in relation to reviewing the integrity of Delavaco's financial statements, financial disclosures and internal controls over financial reporting; monitoring the system of internal control; monitoring Delavaco's compliance with legal and regulatory requirements, selecting the external auditor for shareholder approval; reviewing the qualifications, independence and performance of the external auditor; and reviewing the qualifications, independence and performance of Delavaco's internal auditors. The Audit Committee has specific responsibilities relating to Delavaco's financial reports; the external auditor; the internal audit function; internal controls; regulatory reports and returns; legal or compliance matters that have a material impact on Delavaco; and Delavaco's whistleblowing procedures. In fulfilling its responsibilities, the Audit Committee meets regularly with the internal and external auditor and key management members. Each member of the Audit Committee is independent and financially literate. Information concerning the relevant education and experience of the Audit Committee members can be found in "Business of the Meeting – Election of Directors". The full text of the Audit Committee's charter is disclosed in Appendix B.

The C&G Committee has the dual function of assisting the Board in fulfilling its supervisory responsibilities in relation to Delavaco's human resource policies and practices and governance. The C& G Committee has specific responsibilities relating to reviewing the performance goals of the Chief Executive Officer, reviewing the performance and compensation of the Chief Executive Officer, reviewing the appointment and compensation of other key senior management positions; succession planning for the Chief Executive Officer and other key senior management positions; reviewing Delavaco's compensation principles, policies and plans; fulfilling certain duties relating to Delavaco's pension funds and pension plans; and providing the report on executive compensation in Delavaco's management proxy circular. Further information regarding the C&G Committee can be found under the "Compensation Governance" sub-heading of this Circular.

The Board appoints a chair for each Committee with responsibility for presiding over all meetings of that Committee, coordinating compliance with the Committee's mandate, working with Management to develop the Committee's annual work plan and providing the Board with reports of the Committee's key activities.

During 2014, all members of the Audit Committee and C&G Committee met the Board's independence standards.

ADDITIONAL INFORMATION

Interests of Directors and Officers in Matters to be Acted Upon

Except as disclosed elsewhere in this Circular, the management of Delavaco is not aware of any material interest, direct or indirect, of any informed person of Delavaco, any proposed director or any officer of the Company or any of their associates or affiliates in any transaction since the commencement of Delavaco's most recently completed financial year, or in any proposed transaction, that has materially affected or will materially affect Delavaco.

Availability of Documents

The Corporation will provide to any person or corporation, upon request, one copy of any of the following documents: (i) this Circular; (ii) the Corporation's most recently filed consolidated annual financial statements, together with the accompanying report of the auditor; and (iii) any interim financial statements of the Corporation that have been filed for any period after the end of the Corporation's most recently completed financial year.

Copies of the above documents will be provided, upon request, by the corporate secretary at Suite 2210, The Exchange Tower, 130 King Street West, Toronto, Ontario M5H 3W4, Canada. Copies of these documents and other information relating to the Corporation are available on SEDAR at www.sedar.com and on the Corporation's website at www.delavacoproperties.com.

Corporate Address

The Corporation's registered office is situated at Suite 2210, The Exchange Tower, 130 King Street West, Toronto, Ontario M5H 3W4, Canada.

BOARD OF DIRECTORS' APPROVAL

The contents of this Circular and its distribution to Shareholders have been approved by the Board of Directors of Delavaco.

DATED at Toronto, Ontario, as of the 4th day of March, 2015.

BY ORDER OF THE BOARD OF DIRECTORS OF DELAVACO RESIDENTIAL PROPERTIES CORP.

(signed) *"Andrew DeFrancesco"*

Andrew DeFrancesco
Chairman and Chief Executive Officer

APPENDIX A

DSU PLAN RESOLUTION

BE IT RESOLVED THAT:

1. Delavaco Residential Properties Corp. (**"Delavaco"**) deferred share unit plan (the "**DSU Plan**"), a summary of which is set forth in the accompanying management information circular, is hereby authorized, approved and adopted.

2. The maximum number of deferred share unites which may be awarded under the DSU Plan shall not exceed 10% of the then issued and outstanding common shares of Delavaco pursuant to the DSU Plan (together with any other share-based compensation arrangement of Delavaco, including the incentive stock option plan of Delavaco).

3. Any one officer or director of Delavaco be and is hereby authorized and directed for and on behalf and in the name of Delavaco to execute, whether under the corporate seal of Delavaco or otherwise, and deliver all such documents and instruments, and to do or cause to be done all such other acts and things, as may be necessary or desirable to give effect to the foregoing.

APPENDIX B

AUDIT COMMITTEE CHARTER

This charter (the "**Charter**") sets forth the purpose, composition, responsibilities and authority of the Audit Committee (the "**Committee**") of the Board of Directors (the "**Board**") of Delavaco Residential Properties Corp. ("**Delavaco**").

1.0 Purpose

The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities with respect to:

- financial reporting and disclosure requirements;
- ensuring that an effective risk management and financial control framework has been implemented and tested by management of Delavaco; and
- external and internal audit processes.

2.0 Composition and Membership

(a) The Board will appoint the members ("**Members**") of the Committee. The Members will be appointed to hold office until the next annual general meeting of shareholders of Delavaco or until their successors are appointed. The Board may remove a Member at any time and may fill any vacancy occurring on the Committee. A Member may resign at any time and a Member will automatically cease to be a Member upon ceasing to be a director.

(b) The Committee will consist of at least three directors. Each Member will meet the criteria for independence and financial literacy established by applicable laws and the rules of any stock exchanges upon which Delavaco's securities are listed, including National Instrument 52-110 — Audit Committees. In addition, each director will be free of any relationship which could, in the view of the Board, reasonably interfere with the exercise of a Member's independent judgment.

(c) The Board will appoint one of the Members to act as the chairman of the Committee (the "**Chairman**"). The secretary of Delavaco (the "**Secretary**") will be the secretary of all meetings and will maintain minutes of all meetings and deliberations of the Committee. If the Secretary is not in attendance at any meeting, the Committee will appoint another person who may, but need not, be a Member to act as the secretary of that meeting.

3.0 Meetings

(a) Meetings of the Committee will be held at such times and places as the Chairman may determine, but in any event not less than four (4) times per year. Twenty-four (24) hours advance notice of each meeting will be given to each Member orally, by telephone, by facsimile or email, unless all Members are present and waive notice, or if those absent waive notice before or after a meeting. Members may attend all meetings either in person or by telephone.

(b) At the request of the external auditors of Delavaco, the Chief Executive Officer or the Chief Financial Officer of Delavaco or any Member, the Chairman will convene a meeting of the Committee. Any such request will set out in reasonable detail the business proposed to be conducted at the meeting so requested.

(c) The Chairman, if present, will act as the chairman of meetings of the Committee. If the Chairman is not present at a meeting of the Committee the Members in attendance may select one of the members to act as chairman of the meeting.

(d) A majority of Members will constitute a quorum for a meeting of the Committee. Each Member will have one vote and decisions of the Committee will be made by an affirmative

vote of the majority. The Chairman will not have a deciding or casting vote in the case of an equality of votes. Powers of the Committee may also be exercised by written resolutions signed by all Members.

(e) The Committee may invite from time to time such persons as it sees fit to attend its meetings and to take part in the discussion and consideration of the affairs of the Committee. The Committee will meet in camera without members of management in attendance for a portion of each meeting of the Committee.

(f) In advance of every regular meeting of the Committee, the Chairman, with the assistance of the Secretary, will prepare and distribute to the Members and others as deemed appropriate by the Chairman, an agenda of matters to be addressed at the meeting together with appropriate briefing materials. The Committee may require officers and employees of Delavaco to produce such information and reports as the Committee may deem appropriate in order for it to fulfill its duties.

4.0 Duties and Responsibilities

The duties and responsibilities of the Committee as they relate to the following matters, are as follows:

4.1 ***Financial Reporting and Disclosure***

(a) review and recommend to the Board for approval, the audited annual financial statements, including the auditors' report thereon, the quarterly financial statements, management discussion and analysis, financial reports, and any guidance with respect to earnings per share to be given, prior to the public disclosure of such information, with such documents to indicate whether such information has been reviewed by the Board or the Committee;

(b) review and recommend to the Board for approval, where appropriate, financial information contained in any prospectuses, annual information forms, annual report to shareholders, management proxy circular, material change disclosures of a financial nature and similar disclosure documents prior to the public disclosure of such information;

(c) review with management of Delavaco, and with external auditors, significant accounting principles and disclosure issues and alternative treatments under International Financial Reporting Standards ("**IFRS**"), with a view to gaining reasonable assurance that financial statements are accurate, complete and present fairly Delavaco's financial position and the results of its operations in accordance with IFRS, as applicable;

(d) seek to ensure that adequate procedures are in place for the review of Delavaco's public disclosure of financial information extracted or derived from Delavaco's financial statements, periodically assess the adequacy of those procedures and recommend any proposed changes to the Board for consideration;

(e) review the minutes from each meeting of the Responsible Parties, established pursuant to Delavaco's corporate disclosure policy, since the last meeting of the Committee;

4.2 ***Internal Controls and Audit***

(a) review the adequacy and effectiveness of Delavaco's system of internal control and management information systems through discussions with management and the external auditor to ensure that Delavaco maintains: (i) the necessary books, records and accounts in sufficient detail to accurately and fairly reflect Delavaco's transactions; (ii) effective internal control systems; and (iii) adequate processes for assessing the risk of material misstatement of the financial statement and for detecting control weaknesses or fraud. From time to time the Committee shall assess whether it is necessary or desirable to establish a formal internal audit department having regard to the size and stage of development of Delavaco at any particular time;

(b) satisfy itself that management has established adequate procedures for the review of Delavaco's disclosure of financial information extracted or derived directly from Delavaco's financial statements;

(c) satisfy itself, through discussions with management, that the adequacy of internal controls, systems and procedures has been periodically assessed in order to ensure compliance with regulatory requirements and recommendations;

(d) review and discuss Delavaco's major financial risk exposures and the steps taken to monitor and control such exposures, including the use of any financial derivatives and hedging activities;

(e) review, and in the Committee's discretion make recommendations to the Board regarding, the adequacy of Delavaco's risk management policies and procedures with regard to identification of Delavaco's principal risks and implementation of appropriate systems to manage such risks including an assessment of the adequacy of insurance coverage maintained by Delavaco;

(f) recommend the appointment, or if necessary, the dismissal of the head of Delavaco's internal audit process;

4.3 ***External Audit***

(a) recommend to the Board a firm of external auditors to be nominated for appointment as the external auditor of Delavaco;

(b) ensure the external auditors report directly to the Committee on a regular basis;

(c) review the independence of the external auditors, including a written report from the external auditors respecting their independence and consideration of applicable auditor independence standards;

(d) review and recommend to the Board the fee, scope and timing of the audit and other related services rendered by the external auditors;

(e) review the audit plan of the external auditors prior to the commencement of the audit;

(f) establish and maintain a direct line of communication with Delavaco's external and internal auditors;

(g) meet in camera with only the auditors, with only management, and with only the members of the Committee at every Committee meeting where, and to the extent that, such parties are present;

(h) oversee the performance of the external auditors who are accountable to the Committee and the Board as representatives of the shareholders, including the lead partner of the independent auditors team;

(i) oversee the work of the external auditors appointed by the shareholders of Delavaco with respect to preparing and issuing an audit report or performing other audit, review or attest services for Delavaco, including the resolution of issues between management of Delavaco and the external auditors regarding financial disclosure;

(j) review the results of the external audit and the report thereon including, without limitation, a discussion with the external auditors as to the quality of accounting principles used, any alternative treatments of financial information that have been discussed with management of Delavaco, the ramifications of their use as well as any other material changes. Review a report describing all material written communication between management and the auditors such as management letters and schedule of unadjusted differences;

(k) discuss with the external auditors their perception of Delavaco's financial and accounting

personnel, records and systems, the cooperation which the external auditors received during their course of their review and availability of records, data and other requested information and any recommendations with respect thereto;

(l) discuss with the external auditors their perception of Delavaco's identification and management of risks, including the adequacy or effectiveness of policies and procedures implemented to mitigate such risks;

(m) review the reasons for any proposed change in the external auditors which is not initiated by the Committee or Board and any other significant issues related to the change, including the response of the incumbent auditors, and enquire as to the qualifications of the proposed auditors before making its recommendations to the Board;

(n) review annually a report from the external auditors in respect of their internal quality-control procedures, any material issues raised by the most recent internal quality-control review, or peer review of the external auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the external auditors, and any steps taken to deal with any such issues.

4.4 ***Associated Responsibilities***

(a) review and approve Delavaco's hiring policies regarding employees and partners, and former employees and partners, of the present and former external auditors of Delavaco; and

4.5 ***Non-Audit Services***

(a) pre-approve all non-audit services to be provided to Delavaco or any subsidiary entities by its external auditors or by the external auditors of such subsidiary entities. The Committee may delegate to one or more of its members the authority to pre-approve non-audit services but pre-approval by such member or members so delegated shall be presented to the full Committee at its first scheduled meeting following such pre-approval.

5.0 Oversight Function

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that Delavaco's financial statements are complete and accurate or comply with IFRS and other applicable requirements. These are the responsibilities of Management and the external auditors. The Committee, the Chairman and any Members identified as having accounting or related financial expertise are members of the Board, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of Delavaco, and are specifically not accountable or responsible for the day to day operation or performance of such activities. Although the designation of a Member as having accounting or related financial expertise for disclosure purposes is based on that individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Committee, such designation does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and Board in the absence of such designation. Rather, the role of a Member who is identified as having accounting or related financial expertise, like the role of all Members, is to oversee the process, not to certify or guarantee the internal or external audit of Delavaco's financial information or public disclosure.

6.0 Reporting

The Chairman will report to the Board at each Board meeting on the Committee's activities since the last Board meeting. The Committee will annually review and approve the Committee's report for inclusion in the Annual Information Form. The Secretary will circulate the minutes of each meeting of the Committee to the members of the Board.

7.0 Access to Information and Authority

The Committee will be granted unrestricted access to all information regarding Delavaco that is necessary or desirable to fulfill its duties and all directors, officers and employees will be directed to cooperate as requested by Members. The Committee has the authority to retain, at Delavaco's expense, independent legal, financial and other advisors, consultants and experts, to assist the Committee in fulfilling its duties and responsibilities, including sole authority to retain and to approve any such firm's fees and other retention terms without prior approval of the Board. The Committee also has the authority to communicate directly with internal and external auditors.

8.0 Review of Charter

The Committee will annually review and assess the adequacy of this Charter and recommend any proposed changes to the Board for consideration.

Dated: January 24, 2014

Approved by: Audit Committee

Board of Directors