

YOUR RIGHTS CERTIFICATE IS ENCLOSED. PLEASE READ THIS MATERIAL CAREFULLY AS YOU ARE REQUIRED TO MAKE A DECISION PRIOR TO 5:00 P.M. (TORONTO TIME) ON OCTOBER 21, 2015.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. The offer of these securities is being made only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. The securities offered hereunder have not been and will not be registered under the United States Securities Act of 1933, as amended (“U.S. Securities Act”) and they will not be offered or sold in the United States or to U.S. Persons (as defined in Regulation S of the U.S. Securities Act), except in exempt transactions under the U.S. Securities Act. This offering does not constitute an offer to sell or a solicitation of an offer to buy any of those securities in the United States. In addition, the offering is not being made in jurisdictions where the REIT is not eligible to make such offer. See “Details of the Rights Offering – Non-Qualified Holders”.

Rights Offering Circular

August 20, 2015



Partners Real Estate Investment Trust

Offer of Rights to Subscribe for up to 6,649,364 Units

Subscription Price: \$3.10 per Unit

Partners Real Estate Investment Trust (the “REIT”) is issuing to holders (“Unitholders”) of its outstanding units (“Units”) of record as at 5:00 p.m. (Toronto time) on September 14, 2015 (the “Record Date”) rights (“Rights”) to subscribe for additional Units (the “Rights Offering”). A Unitholder is entitled to receive one Right for each Unit held on the Record Date. As of the date of this rights offering circular (this “Circular”), there are 26,597,456 Units outstanding. If all Rights issued in connection with the Rights Offering are exercised, the REIT expects to issue 6,649,364 Units following the Expiry Date (as defined below), based on the number of Units outstanding as of the date of this Circular. The Rights are transferable and will be represented by rights certificates (“Rights Certificates”). **This offering is not subject to any minimum subscription level.**

Eligible Holders (as defined below) can exercise some or all of their Rights (the “Basic Subscription Privilege”) on the basis that for every four Rights held, an Eligible Holder will be entitled to subscribe for one Unit from September 14, 2015 (the “Commencement Date”) until 5:00 p.m. (Toronto time) (the “Expiry Time”) on October 21, 2015 (the “Expiry Date”), at a price of \$3.10 per Unit (the “Subscription Price”).

Eligible Holders that exercise their Basic Subscription Privilege in full are entitled to subscribe for additional Units (the “Additional Units”), if available, up to a holder’s *pro rata* share of the total number of Additional Units available for additional subscription, prior to the Expiry Time, pursuant to an additional subscription privilege (the “Additional Subscription Privilege”). See “Details of the Rights Offering – Additional Subscription Privilege”.

Rights not exercised by the Expiry Date will be void and of no value and no longer exercisable for any Units.

SUMMARY OF RIGHTS OFFERING

The following is a summary of the principal features of the Rights Offering and should be read together with, and is qualified in its entirety by, the more detailed information and statements contained elsewhere in this Circular, including the section entitled “Questions and Answers Relating to the Rights Offering and the Rights”.

Number of Rights:	26,597,456
Record Date:	September 14, 2015
Expiry Date:	October 21, 2015
Expiry Time:	5:00 p.m. (Toronto time) on the Expiry Date. Rights not exercised before the Expiry Time will be void and have no value and no longer exercisable for any Units.
Subscription Price:	The Subscription Price is \$3.10 per Unit.
Issue Size:	A maximum of 6,649,364 Units. The Rights Offering is not subject to any minimum subscription level.
Maximum Gross Proceeds:	Approximately \$20.6 million, before deduction of estimated expenses of approximately \$200,000, and assuming exercise in full of the Rights.
Minimum Amount of Proceeds:	The Rights Offering is not conditional on the REIT receiving any minimum amount of gross proceeds.
Basic Subscription Privilege:	For every four Rights held, an Eligible Holder will be entitled to subscribe for one Unit from the Commencement Date until the Expiry Time, upon payment of the Subscription Price. See “ <i>Details of the Rights Offering — Basic Subscription Privilege and Record Date</i> ”.
Additional Subscription Privilege:	Holder of Rights that exercise in full the Basic Subscription Privilege for their Rights are also entitled to subscribe for additional Units, if any, not otherwise purchased by other holders of Rights pursuant to the Basic Subscription Privilege. The maximum number of Additional Units for which an Eligible Holder will be able to subscribe pursuant to the Additional Subscription Privilege will be limited to such holder’s <i>pro rata</i> share of the total amount of Additional Units available for additional subscription. If a Subscriber is entitled to fewer Additional Units than the number subscribed for, any excess Subscription Payment will be returned. See “ <i>Details of the Rights Offering — Additional Subscription Privilege</i> ”.
Dilution to Existing Unitholders:	The current percentage ownership in the REIT of those registered holders of Units who do not exercise their Rights will be diluted by the issue of Units under the Rights Offering.
Estimated Expenses:	Expenses and fees of the REIT relating to the Rights Offering are estimated to be approximately \$200,000, which fees and expenses are payable by the REIT.
Use of Proceeds:	The REIT intends to use the net proceeds of the Rights Offering to reduce debt and for general corporate purposes. See “ <i>Use of Proceeds</i> ”.

The Rights issued hereunder are offered for distribution in all of the provinces and territories of Canada (collectively, the “**Qualified Jurisdictions**”). The REIT will mail or cause to be mailed to each Unitholder holding Units in registered form (a “**Registered Unitholder**” and, collectively, the “**Registered Unitholders**”) that resides in a Qualified Jurisdiction a Rights Certificate evidencing the number of Rights issued to the holder thereof, together with a copy of this Circular. Registered Unitholders will be presumed to be resident in the place of their address of record, unless evidence to the contrary is shown to the REIT’s satisfaction. The Offered Securities (as defined below) are not qualified under the securities laws of any jurisdiction other than the Qualified Jurisdictions (each, a “**Non-Qualified Jurisdiction**”), and Rights may not be exercised by or on behalf of a holder of Rights resident in a Non-Qualified Jurisdiction (each, a “**Non-Qualified Holder**”), except under the circumstances where the REIT determines, in its sole discretion, that the offering to and subscription by such person (each, a “**Additional Qualified Holder**”) is lawful and in compliance with all securities and other laws applicable in the Non-Qualified Jurisdiction where such person is resident. Only a holder of Rights with an address of record in a Qualified Jurisdiction (each, a “**Qualified Holder**”) or an Additional Qualified Holder is entitled to exercise Rights. In this Circular, Qualified Holders and Additional Qualified Holders are collectively referred to as “**Eligible Holders**”. See “*Details of the Rights Offering — Non-Qualified Holders*”.

The Rights will be listed on the Toronto Stock Exchange (the “**TSX**”) under the symbol “PAR.RT” and will be posted for trading on the TSX until 12:00 noon (Toronto time) on the Expiry Date at which time they will be halted from trading. The TSX has

approved the listing of the Units issuable upon the exercise of the Rights (the “Offered Securities”). The currently outstanding Units are listed and posted for trading on the TSX under the symbol “PAR.UN”. On August 19, 2015, the closing price for the Units on the TSX was \$3.36 per Unit.

If a Unitholder does not fully exercise its Rights pursuant to the Basic Subscription Privilege, or if a Unitholder sells or transfers its Rights, the Unitholder’s current ownership percentage may be significantly diluted by the issuance of Units pursuant to the exercise of Rights by other holders of such Rights. See “*Risk Factors – Risks Related to the Rights Offering – Unitholders may suffer significant dilution in connection with the Rights Offering*”.

You should be aware that the acquisition or disposition of the securities described in this Circular and the expiry of an unexercised Right may have tax consequences in Canada and/or elsewhere, depending on your specific circumstances. Such consequences may not be described fully herein. You should read the tax discussions in this Circular and consult your own tax advisors with respect to such tax considerations.

An investment in Rights and the Units underlying the Rights is subject to a number of risks. The risk factors outlined herein should be carefully reviewed and considered by prospective purchasers in connection with an investment in Rights or the Units underlying the Rights. See “*Risk Factors*”.

Any subscription for Units will be irrevocable once submitted.

The REIT’s head and registered office is located at Unit #3, 249 Saunders Road, Barrie, Ontario, L4N 9A3.

There is currently no market through which the Rights may be sold and purchasers may not be able to resell the Rights offered under this Circular. This may affect the pricing of the Rights in the secondary market, the transparency and availability of trading prices, the liquidity of the Rights and the extent of issuer regulation. See “*Risk Factors – Risks Related to the Rights Offering – No prior trading market exists for the Rights*”.

Computershare Investor Services Inc. (the “**Subscription Agent**”), at its principal office in Toronto, Ontario (the “**Subscription Office**”), is the subscription agent for the Rights Offering. See “*Subscription Agent and Transfer Agent*”.

In order to exercise the Rights represented by the Rights Certificate pursuant to the Basic Subscription Privilege, an Eligible Holder must complete Form 1 on the Rights Certificate. In order to also exercise the Additional Subscription Privilege, an Eligible Holder must complete Form 2 on the Rights Certificate. The Eligible Holder must then deliver the Rights Certificate, together with the applicable aggregate Subscription Price for the Rights exercised (the “**Subscription Payments**” and, with respect to each Subscriber, the “**Subscription Payment**”), to the Subscription Agent in the manner and upon the terms set out in this Circular. See “*How to Exercise the Rights*”.

A Non-Qualified Unitholder who wishes to participate in the Rights Offering must, prior to October 9, 2015 (i) notify the Subscription Agent, in writing, that it wishes to participate in the Rights Offering; and (ii) provide evidence satisfactory to the REIT that among other things, the exercise of the Rights and purchase of the Subscription Receipts upon the exercise of the Rights (a) is lawful and in compliance with all securities and other laws applicable in the jurisdiction where such Unitholder is resident, and (b) do not require the REIT to file any documents, make any application, or pay any amount in any jurisdiction outside of the Qualified Jurisdictions. If the REIT is satisfied, in its sole discretion, that the Unitholder is eligible to participate in the Rights Offering, the REIT shall deliver a notice of this decision to the Subscription Agent. See “*Details of the Rights Offering – Non-Qualified Holders*”.

As a condition to a purchase of any Units under the Rights Offering, each holder that exercises Rights (each, a “**Subscriber**” and, collectively, “**Subscribers**”) other than an Additional Qualified Holder will be deemed to have represented and warranted that it is resident in a Qualified Jurisdiction, and this representation and warranty will be relied upon by the REIT and the Subscription Agent.

Eligible Holders that wish to exercise Rights issued in respect of Units held through a securities broker or dealer, bank, trust company, custodian or other intermediary (each, a “**Participant**”) that participates directly or indirectly in the book-entry system administered by CDS Clearing and Depository Services Inc. (“**CDS**”) should contact such Participant to determine how such Rights may be exercised. For Units of an Eligible Holder held through a Participant, the Eligible Holder may exercise the Rights issued in respect of such Units by: (a) instructing the Participant holding such Rights to exercise all or a specified number of such Rights pursuant to the Basic Subscription Privilege, and if desired by such holder, pursuant to the Additional Subscription Privilege, and (b) forwarding to such Participant the Subscription Price for each Unit that such holder wishes to subscribe for in accordance with the terms of the Rights Offering.

The entire Subscription Price for any Rights exercised must be paid at the time of subscription and must be received by the Subscription Agent at the Subscription Office prior to the Expiry Time. **Accordingly, Subscribers must provide the**

Participant holding their Rights with instructions and the required payment sufficiently in advance of the Expiry Date to permit proper exercise of their Rights. Participants will have an earlier deadline for receipt of instructions and payment than the Expiry Time. See “*Details of the Rights Offering – Units Held in Registered Form and Book-Entry Form*”.

The REIT reserves the right to treat as invalid any exercise or purported exercise of any Rights that appears to the REIT to have been exercised, effected or dispatched in a manner which may involve a breach of the laws or regulations of any jurisdiction or if the REIT believes, or if the REIT’s agents believe, that the same may violate or be inconsistent with the procedures and terms set out in this Circular or in breach of the representation and warranty that a holder exercising its Rights is resident in a Qualified Jurisdiction, as described herein.

Holders of Rights that reside outside of Canada and any persons (including any Participants) that have a contractual or legal obligation to forward this document to a jurisdiction outside a Qualified Jurisdiction should read the section titled “*Details of the Rights Offering – Non-Qualified Holders*”.

In this Circular, references to “\$” or “dollars” are to Canadian dollars and all amounts in this Circular are stated in Canadian dollars unless otherwise indicated.

TABLE OF CONTENTS

FORWARD-LOOKING STATEMENTS	1
QUESTIONS AND ANSWERS RELATING TO THE RIGHTS OFFERING AND THE RIGHTS	2
KEY DATES AND TIMES OF THE RIGHTS OFFERING.....	6
SUMMARY DESCRIPTION OF THE BUSINESS OF THE REIT	7
DETAILS OF THE RIGHTS OFFERING	10
ATTRIBUTES OF UNITS	14
REGISTRATION AND DELIVERY OF UNITS CERTIFICATES	15
SUBSCRIPTION AGENT AND TRANSFER AGENT	16
HOW TO EXERCISE THE RIGHTS.....	16
INTENTION OF INSIDERS TO EXERCISE RIGHTS.....	18
OWNERSHIP OF SECURITIES.....	18
USE OF PROCEEDS	18
STATEMENT AS TO RESALE RESTRICTIONS	18
CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS	19
ELIGIBILITY FOR INVESTMENT.....	21
RISK FACTORS	21
WEBSITE.....	31
ENQUIRIES	31

FORWARD-LOOKING STATEMENTS

Certain statements made in this Circular may contain forward-looking statements and information within the meaning of applicable securities legislation. These forward-looking statements reflect management's current beliefs and are based on assumptions and information currently available to management of the REIT. In some cases, forward-looking statements can be identified by terminology such as "may", "would", "could", "will", "expect", "anticipate", "believe", "intend", "plan", "forecast", "predict", "estimate", "outlook", "potential", "continue", "should", "likely", or the negative of these terms or other comparable terminology, and are not historical fact. Although management believes that the anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements and information because they involve assumptions, known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the REIT to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking statements and information.

In making the forward-looking statements in this Circular, the REIT has applied material assumptions including, but not limited to, the assumption that: (1) commercial real estate markets continue to remain fluid; (2) demand for vacant space at the REIT's properties remains strong enabling the REIT to generate additional rents and enhance recovery ratios; and (3) the REIT is able to refinance maturing debt at favourable interest rates. Other assumptions are discussed throughout this Circular; in particular under the section titled "*Risk Factors*". Forward-looking statements include statements related to acquisitions, development and capital expenditure activities, future maintenance and leasing expenditures, financing, the availability of financing sources and income taxes.

Factors that could cause actual results, performance, or achievements to differ materially from those set forth in the forward-looking statements and information include, but are not limited to: general economic conditions, local real estate conditions, including the development of properties in close proximity to the REIT's properties, timely leasing of newly developed properties and releasing of occupied square footage upon expiration, dependence on tenants' financial condition, changes in operating costs, government regulations and taxation, the uncertainties of real estate development and acquisition activity, the ability to effectively integrate acquisitions, interest rates, availability of equity and debt financing, the ability of the REIT to maintain stable cash flows and distributions and other risks and factors described from time to time in the documents filed by the REIT. The REIT undertakes no obligation to publicly update or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, except as required by law. Additional information about these risks and uncertainties and any corresponding plan to mitigate these risks, where possible, is contained in the REIT's filings with securities regulators, including the REIT's most recently filed Annual Information Form, which is available on www.sedar.com.

These forward-looking statements are made as of August 20, 2015 and disclosure of this material information is current to that date, unless otherwise noted.

QUESTIONS AND ANSWERS RELATING TO THE RIGHTS OFFERING AND THE RIGHTS

The following are examples of what the REIT anticipates will be common questions about the Rights Offering. The following questions and answers do not contain all of the information that may be important to you and may not address all of the questions that you may have about the Rights Offering. This Circular contains more detailed descriptions of the terms and conditions of the Rights Offering and provides additional information about the REIT and the REIT's business, including potential risks related to the REIT's business, the Rights Offering and the Offered Securities.

What is the Rights Offering?

The REIT is issuing to Unitholders as of 5:00 p.m. (Toronto time) on the Record Date, at no charge, one Right for each Unit held by such Unitholder on the Record Date. The Rights will be evidenced by Rights Certificates, and such certificates will be mailed to all Registered Unitholders that reside in a Qualified Jurisdiction.

Why is the REIT engaging in the Rights Offering?

The board of trustees of the REIT, all of whom are independent trustees, has unanimously approved the Rights Offering, and the REIT intends to apply the proceeds raised from the Rights Offering to reduce outstanding debts and for general corporate purposes. See *"Use of Proceeds"*.

What is a Right?

Every four Rights held will entitle an Eligible Holder to subscribe for one Unit pursuant to the Basic Subscription Privilege at the Subscription Price (being \$3.10 per Unit), upon delivery of the required documents and payment of the Subscription Price, and to subscribe for additional Units at the Subscription Price pursuant to the Additional Subscription Privilege, provided such holder's Basic Subscription Privilege is fully exercised. Subscriptions for Units will be irrevocable and Subscribers will be unable to withdraw their subscriptions for Units once submitted.

What is the Basic Subscription Privilege?

The Basic Subscription Privilege entitles each Eligible Holder to maintain, through the full exercise of Rights issued to such holder, such holder's current proportionate equity interest in the REIT. See *"Details of the Rights Offering – Basic Subscription Privilege and Record Date"* for a description of how to exercise the Basic Subscription Privilege.

What is the Additional Subscription Privilege?

The REIT does not anticipate that all Rights will be exercised pursuant to the Basic Subscription Privilege. By extending the Additional Subscription Privilege, the REIT is providing those holders that exercise their Basic Subscription Privilege in full with the opportunity to purchase those Units that are not purchased by virtue of other holders not exercising their Basic Subscription Privilege in full. The Additional Subscription Privilege entitles you, if you fully exercise your Basic Subscription Privilege, to subscribe for Additional Units at the Subscription Price. The maximum number of Additional Units for which you will be able to subscribe pursuant to your Additional Subscription Privilege will be limited to your *pro rata* share of the total amount of Additional Units available for additional subscription. If you subscribe for a greater number of Units than the *pro rata* share available to you, you will be allocated such lesser number of Additional Units and any excess Subscription Payment will be returned to you. See *"Details of the Rights Offering – Additional Subscription Privilege"* for details on how to exercise the Additional Subscription Privilege.

Am I required to exercise any or all of the Rights I receive in the Rights Offering?

No. You may choose to exercise any number of your Rights, or you may choose not to exercise any of your Rights. If you do not exercise any of your Rights prior to the Expiry Time, such Rights will be void and of no value and will no longer be exercisable for Units. You should be aware that your proportionate ownership interest in the REIT will be diluted to the extent that you do not exercise your Rights and others exercise their Rights. See *"Risk Factors – Risks Related to the Rights Offering – Unitholders may suffer significant dilution in connection with the Rights Offering"*. To the extent that you do not wish to exercise all of your Rights, you may elect to dispose of your unexercised Rights prior to the Expiry Time by completing Form 3 on the Rights Certificate or, if such Rights are held through a Participant, by consulting with the Participant. See *"Details of the Rights Offering – Sale or Transfer of Rights"*.

What should I do if I receive a Rights Certificate and want to exercise some of my Rights now while retaining the ability to exercise more of my Rights at a later point in time but before the Expiry Time?

If you want to exercise some but not all of the Rights represented by a Rights Certificate and retain the ability to exercise the balance of the unexercised Rights represented by a Rights Certificate, you must first complete and submit to the Subscription Agent Form 4 on the Rights Certificate in order to divide the Rights and be issued two separate Right Certificates: one certificate representing the number of Rights that you wish to exercise in the first instance (which should then be completed and delivered to the Subscription Agent), and a second certificate representing the balance of unexercised Rights available for future exercise prior to the Expiry Time. Alternatively, you may elect to dispose of the balance of the unexercised Rights prior to the Expiry Time by completing Form 3 on the Rights Certificate or, if such Rights are held through a Participant, by consulting with the Participant. See “*Details of the Rights Offering – Sale or Transfer of Rights*”.

Is there a minimum subscription level in order for the Rights Offering to be completed?

No. The Rights Offering is not subject to any minimum subscription level.

How soon must I act to exercise my Rights?

The Rights may be exercised from the Commencement Date until the Expiry Time. If you elect to exercise any Rights, the Subscription Agent must receive all required documents and payments from you or your broker or nominee at or before the Expiry Time. The REIT recommends that Unitholders act early to allow sufficient time for the exercise of their Rights prior to the Expiry Time. See “*Details of the Rights Offering – Units Held in Registered Form and Book-Entry Form*”.

When will I receive my Rights Certificate?

As soon as practicable following the Record Date, the REIT will mail or cause to be mailed to each Registered Unitholder that resides in any of the Qualified Jurisdictions a Rights Certificate evidencing the number of Rights issued to the holder thereof, together with a copy of this Circular. See “*Registration and Delivery of Unit Certificates*”.

However, if you hold your Units through a securities broker or dealer, bank, trust company, custodian or other intermediary, you will not receive an actual Rights Certificate. Instead, as described in this Circular, you must instruct such Participant whether or not to exercise Rights on your behalf through a Beneficial Owner Election Form that such Participant has been instructed to provide to you. See “*Details of the Rights Offering – Units Held in Registered Form and Book-Entry Form*”.

Will I be able to exercise my Rights if I live in a Non-Qualified Jurisdiction?

Exercises of Rights will only be accepted from holders of Rights resident in a Qualified Jurisdiction, except where the REIT determines that the subscription by a holder of Rights in a Non-Qualified Jurisdiction is lawfully made by an Additional Qualified Holder in compliance with all securities and other laws applicable in the Non-Qualified Jurisdiction where such holder is resident. Rights will be issued to Non-Qualified Holders, but Rights Certificates will not be mailed to Non-Qualified Holders. Registered Unitholders that wish to be recognized as Additional Qualified Holders must contact the Subscription Agent at the earliest possible time, but in any event prior to 4:00 p.m. (Toronto time) on October 9, 2015, in order to satisfy the REIT that such holders are Additional Qualified Holders. See “*Details of the Rights Offering – Non-Qualified Holders*”.

May I sell or transfer my Rights?

The Rights will be listed on the Toronto Stock Exchange (the “TSX”) under the symbol “PAR.RT” and will be posted for trading on the TSX until 12:00 noon (Toronto time) on the Expiry Date at which time they will be halted from trading. The TSX has approved the listing of the Units issuable upon the exercise of the Rights (the “Offered Securities”). The currently outstanding Units are listed and posted for trading on the TSX under the symbol “PAR.UN”. On August 19, 2015, the closing price for the Units on the TSX was \$3.36 per Unit. During the Rights Offering, the Units will continue to trade on the TSX under the symbol “PAR.UN”.

Eligible Holders that do not wish to exercise their Rights may sell or transfer their Rights through usual investment channels, such as investment dealers and brokers, at the expense of the holder. In addition, Registered Unitholders may transfer their Rights through the Subscription Agent as described in this Circular. See “*Details of the Rights Offering – Sale or Transfer of Rights*”. Eligible Holders may elect to exercise only some of their Rights and dispose of the remainder of them. See “*Details of the Rights Offering – Rights and Partial Exercises*” and “*Details of the Rights Offering – Sale or Transfer of Rights*”.

As a Registered Unitholder, how do I exercise my Rights? What forms and payment are required to purchase the Units?

If you are a Registered Unitholder who is an Eligible Holder and you wish to participate in the Rights Offering, you must take the following steps:

- deliver a properly completed Rights Certificate (with a completed Form 1 to exercise the Basic Subscription Privilege and, if desired, a completed Form 2 to exercise the Additional Subscription Privilege) to the Subscription Agent before the Expiry Time; and
- deliver payment to the Subscription Agent using the methods outlined in this Circular. See “*How to Exercise the Rights*”.

If you do not indicate the number of Rights being exercised, or do not forward the full Subscription Payment for the number of Rights that you indicate are being exercised, then you will be deemed to have exercised the maximum number of Rights that may be exercised with the Subscription Payment you delivered to the Subscription Agent. If the delivered Subscription Payment is greater than the amount you owe for your subscription, the Subscription Agent will return the excess amount to you by mail, without interest or deduction, promptly after the closing date, which is anticipated to occur on or about October 22, 2015 (the “**Closing Date**”).

What should I do if I want to participate in the Rights Offering, but my Units are held in the name of a Participant?

If you hold your Units in the name of a Participant, such as a securities broker or dealer, bank, trust company, custodian or other intermediary, then such Participant is the record holder of the Units you own. The Participant must exercise Rights on your behalf.

If you wish to participate in the Rights Offering and purchase Units underlying the Rights, please promptly contact your Participant. You should receive a Beneficial Owner Election Form from your Participant with the other Rights Offering materials. You should complete and return to your Participant any form required by your Participant to effect the exercise of Rights, including any Beneficial Owner Election Form, together with the applicable Subscription Payment. You should contact your Participant if you do not receive such a form, but you believe you are entitled to participate in the Rights Offering. The REIT is not responsible if you do not receive the form from your Participant or if you receive it without sufficient time to respond. The REIT recommends that Unitholders act early to allow sufficient time for the exercise of their Rights prior to the Expiry Time. See “*Details of the Rights Offering – Units Held in Registered Form and Book-Entry Form*”.

When will I receive my Units?

If you are a Registered Unitholder and you exercise your Rights and subscribe for any Units pursuant to the Rights Offering, the REIT will deliver your Units to you as soon as practicable after the Closing Date. The REIT expects that such Units will generally be delivered within three business days following the Closing Date. If your Units are held through a Participant, the Units purchased pursuant to the Rights Offering will also be held through your Participant. Please contact your Participant or other financial intermediary to determine when Units purchased in the Rights Offering will be allocated to your account.

Are there risks associated with exercising my Rights?

Yes. The exercise of your Rights involves risks. Exercising your Rights means buying Units and should be considered as carefully as you would consider any other equity investment.

You should carefully read the section titled “*Risk Factors*” in this Circular, and all of the other information included in this Circular, in its entirety before you decide whether to exercise your Rights.

Will the Rights trade on a stock exchange?

The Rights will be listed on the Toronto Stock Exchange (the “**TSX**”) under the symbol “**PAR.RT**” and will be posted for trading on the TSX until 12:00 noon (Toronto time) on the Expiry Date at which time they will be halted from trading. The TSX has approved the listing of the Units issuable upon the exercise of the Rights (collectively, the “*Offered Securities*”). The currently outstanding Units are listed and posted for trading on the TSX under the symbol “**PAR.UN**”. On August 19, 2015, the closing price for the Units on the TSX was \$3.36 per Unit.

During the Rights Offering, the Units will continue to trade on the TSX under the symbol “**PAR.UN**”.

What are the intentions of the trustees and officers of the REIT in respect of the Rights?

The Trustees who currently own Units have indicated that they intend to exercise at least their Basic Subscription Rights to acquire Additional Units. The Chief Executive Officer of the REIT and several of the Trustees who do not currently own Units have advised the REIT that they intend, subject to market conditions, to purchase Units in advance of the Record Date and then to exercise the Rights they receive to subscribe for Additional Units.

How many Units will be outstanding after the Rights Offering?

26,597,456 Units are outstanding as of the date of this Circular. If the Rights Offering is fully subscribed, an additional 6,649,364 Units will be issued pursuant to the Rights Offering.

What fees or charges will I have to pay if I exercise Rights to purchase Units?

Apart from the Subscription Payment payable in connection with the exercise of your Rights, neither the REIT nor the Subscription Agent is charging you any fee or sales commission to issue Rights to you or to issue Units underlying exercised Rights. Notwithstanding the foregoing, payment of any service charge, commission or other fee payable (including those of brokers) in connection with the issuance, purchase, sale or transfer of Rights (other than the fees for the services to be performed by the Subscription Agent described herein) will be the responsibility of the Subscriber. Subscribers must also pay all stamp, issue, registration or other similar taxes or duties contingent upon the issue or delivery of Units to or for the order of a third party. See *“Details of the Rights Offering – Fees Payable By Subscribers”*.

What are the Canadian federal income tax consequences of receiving or exercising Rights?

You should consult your tax advisor as to the particular consequences to you of the Rights Offering. A summary of certain material Canadian federal income tax consequences of receiving or exercising the Rights is contained in the section of this Circular titled *“Certain Canadian Federal Income Tax Considerations”*.

To whom should I send my forms and payment?

If you are a Registered Unitholder, then you should send your properly completed Rights Certificate and Subscription Payment to the Subscription Agent by hand delivery, mail or courier service as follows:

By Mail:
Computershare Investor Services Inc.
PO Box 7021
31 Adelaide St E
Toronto, Ontario M5C 3H2
Attention: Corporate Actions

By Hand or Courier:
Computershare Investor Services Inc.
100 University Avenue, 8th Floor
Toronto, Ontario M5J 2Y1
Attention: Corporate Actions

The method used to deliver a completed Rights Certificate and Subscription Payment is at the option and risk of the Subscriber, and delivery will be deemed effective only when such certificate and payment are actually received by the Subscription Agent. Delivery by hand, or registered mail or courier service with return receipt requested and which is properly insured, allowing sufficient time to ensure timely delivery, is recommended.

If your Units are held in the name of a Participant, then you should send a properly completed Beneficial Owner Election Form and Subscription Payment to such Participant in accordance with the instructions you receive from them.

Whom should I contact if I have other questions?

If you have any questions, you should contact the Subscription Agent, Computershare Investor Services Inc., toll-free at 1-800-564-6253 or 1-514-982-7555 or by email at corporateactions@computershare.com. For a more complete description of the Rights Offering, see *“Details of the Rights Offering”*.

KEY DATES AND TIMES OF THE RIGHTS OFFERING

	<u>Date</u>
Date that Rights will be listed for trading on the TSX.....	September 10, 2015
Record Date for participation in the Rights Offering.....	September 14, 2015
Expected Mailing Date of this Circular and Rights Certificates	September 18, 2015
End of trading of Rights on the TSX	12:00 p.m. (Toronto time) on October 21, 2015
Expiry Time and Expiry Date	5:00 p.m. (Toronto time) on October 21, 2015
Expected Closing Date of the Rights Offering.....	October 22, 2015

SUMMARY DESCRIPTION OF THE BUSINESS OF THE REIT

The REIT

The REIT is an unincorporated open-ended real estate investment trust established by a declaration of trust dated March 27, 2007, as amended and restated, and governed by the laws of the Province of Ontario. The REIT's head and registered office is located at Unit #3, 249 Saunders Road, Barrie, Ontario, L4N 9A3. If you have any questions with respect to this Rights Offering, you should contact the Subscription Agent, Computershare Investor Services Inc., toll-free at 1-800-564-6253 or 1-514-982-7555 or by email at corporateactions@computershare.com.

The REIT's Business

The REIT is focused on the acquisition and management of a geographically diversified portfolio of retail and mixed-use retail community and neighbourhood shopping centres. These properties are located in both primary and secondary markets throughout Canada, and are primarily mid-market assets with values up to approximately \$50 million.

Management is of the view that necessity based retail centres represent attractive investments due to their stable cash flows. The majority of rents at these types of properties are derived from national and regional retailers with multi-year leases. Management's long term plans include pursuing opportunities to acquire assets that are accretive on a per unit basis at attractive capitalization rates. As the portfolio develops and becomes increasingly accretive, the REIT aims to steadily implement sustainable increases to its cash distributions.

Currently, the REIT's portfolio consists of 36 properties located in British Columbia, Alberta, Manitoba, Ontario and Québec and in total, these properties comprise approximately 2.5 million square feet of GLA. The REIT currently has 18 full-time employees. The property management function at each of the REIT's properties is carried out by third party managers retained by the REIT.

Strategy of the REIT

The REIT's stated mission is to "reward its unitholders with sustainable, long-term returns by developing a retail real estate portfolio that features open-air or standalone properties located in stable primary and secondary markets which are anchored by necessity based retailers. The REIT derives value from this portfolio by prioritizing superior client service, focused leasing activities, and active asset management."

Management is of the view that necessity based retail shopping centres in these markets will provide opportunities for the REIT to obtain high quality, stable retail properties with growth potential. These centres are typically up to 250,000 square feet and anchored by discount retailers and/or supermarkets. The REIT intends to maximize the value of its centres by remerchandising, redeveloping, or renewing leases on these properties wherever possible. The REIT's goal is to own either "institutional-grade" properties or properties that offer the potential to become "institutional-grade" through redevelopment and lease renewals.

Accretive opportunities in less competitive markets: The REIT applies an acquisition strategy whereby it seeks to acquire high quality properties in less competitive markets. Management believes that focusing upon secondary real estate markets offers the REIT the opportunity to acquire well-tenanted retail properties with strong national and regional retailers at attractive capitalization rates. By combining assets in the secondary market and primary market, management believes that the REIT will generate higher returns with lower risk than if the REIT were to focus exclusively on one or the other real estate markets.

Targeting the mid-market: The REIT focuses on acquiring properties or portfolios of properties valued at up to \$50 million, which allows it to minimize competition from large real estate investment trusts, corporations, pension funds, and institutions. The REIT also considers larger acquisitions that do not fall into the investment parameters of larger real estate investment trusts or institutions, but still provide accretive investment opportunities.

Stable rents via national and regional tenants: The REIT focuses on acquiring retail properties with national and regional retail tenants. These tenants are most likely to fulfill the lease terms to which they have committed, and thus offer a stable source of cash flows.

Institutional grade properties: The REIT focuses on acquiring properties that are of institutional grade. These properties tend to generate more interest from national and regional retailers, resulting in more stable cash flows. These properties also tend to be more highly sought after, and thus offer greater value should the REIT elect to dispose of a particular asset. Finally, focusing on assets that fit this definition allows the REIT to obtain property financing at reliable market rates.

Property Portfolio

As at June 30, 2015, the REIT owned 36 retail and mixed use retail properties in British Columbia, Alberta, Manitoba, Ontario and Québec as follows:

Property and location	Property type	Date built /redeveloped	Anchor and shadow anchor tenants	Retail (sq.ft.) ⁽¹⁾	Occupancy ⁽²⁾ ₍₃₎	% of annualized base rental revenue ⁽³⁾	Weighted average rent ⁽⁴⁾
British Columbia:							
Centuria Urban Village Kelowna, British Columbia	Mixed Use Commercial/ Residential	2007	Nesters Market, Shoppers Drug Mart	32,625	100.0%	2.0%	\$22.59
Evergreen Shopping Centre Sooke, British Columbia	Retail Strip Centre	1978/2010	Western Foods, Shoppers Drug Mart, BC Liquor	68,877	94.2%	2.8%	\$16.17
Mariner Square Shopping Centre Campbell River, British Columbia	Retail Strip Centre	2006/2007	Save-On Foods, Starbucks, London Drugs, BC Liquor	100,257	100.0%	4.7%	\$17.33
Washington Park Shopping Centre Courtenay, British Columbia	Retail Strip Centre	1992/1993	Great Canadian Superstore, TD Bank	32,652	92.9%	2.0%	\$25.05
Alberta:							
137th Ave. Edmonton, Alberta	Free Standing	2003	Shoppers Drug Mart, PartSource	15,922	100.0%	0.8%	\$17.84
Cobblestone Shopping Centre Grand Prairie, Alberta	Retail Strip Centre	2006/2007	Shoppers Drug Mart, TD Bank, Starbucks	42,980	100.0%	3.1%	\$26.64
Manning Crossing Edmonton, Alberta	Retail Strip Centre	1993 - 1996	Safeway, RBC	64,544	100.0%	4.1%	\$23.81
Manitoba:							
Shoppers Drug Mart Property Brandon, Manitoba	Free Standing	2005	Shoppers Drug Mart	16,986	100.0%	1.0%	\$21.75
Shoppers Drug Mart Property Selkirk, Manitoba	Free Standing	2005	Shoppers Drug Mart	16,685	100.0%	0.9%	\$20.00
Shoppers Drug Mart Property Steinbach, Manitoba	Free Standing	2006	Shoppers Drug Mart, Medical Practitioners	21,005	100.0%	1.2%	\$21.01
Shoppers Drug Mart Property Winnipeg (Pembina), Manitoba	Free Standing	2003	Shoppers Drug Mart	15,780	100.0%	1.2%	\$27.40
Shoppers Drug Mart Property Winnipeg (Sherbrook), Manitoba	Free Standing	2005	Shoppers Drug Mart	16,839	100.0%	1.2%	\$26.50
Ontario:							
Cornwall Square Cornwall, Ontario	Enclosed Mall	1979/1989	Sears, Shoppers Drug Mart	251,092	78.4%	6.8%	\$12.83
Crossing Bridge Square Stittsville, Ontario	Retail Strip Centre	1995	Farm Boy, McDonalds, IDA	45,913	95.2%	2.1%	\$18.28
Grand Bend Towne Centre, Grand Bend, Ontario	Retail Strip Centre	2002	Sobey's, Shoppers Drug Mart	41,605	86.8%	1.6%	\$16.62
King George Square Brantford, Ontario	Retail Strip Centre	1988	Shoppers Drug Mart, Dollarama	66,983	94.9%	3.1%	\$18.25
Place Val Est Sudbury, Ontario	Retail Strip Centre	1983/1987, 1990, 1998	Metro, LCBO, RBC, Pharmasave	110,577	90.4%	3.3%	\$12.50
Quinte Crossroads, Belleville, Ontario	Power Centre	2005 - 2007	The Brick, Home Depot Best Buy, BMO	85,200	100.0%	4.1%	\$18.03
Rona Property Exeter, Ontario	Free Standing	1996/2000	Rona	42,780	100.0%	0.4%	\$3.86
Rona Property Seaforth, Ontario	Free Standing	1962/2000	Rona	19,622	100.0%	0.1%	\$2.69

Property and location	Property type	Date built /redeveloped	Anchor and shadow anchor tenants	Retail (sq.ft.) ⁽¹⁾	Occupancy ⁽²⁾ ₍₃₎	% of annualized base rental revenue ⁽³⁾	Weighted average rent ⁽⁴⁾
Ontario (continued)							
Rona Property Zurich, Ontario	Free Standing	1961/2000	Rona	24,400	100.0%	0.1%	\$1.63
St. Clair Beach Towne Centre Tecumseh, Ontario	Retail Strip Centre	2004	Shoppers Drug Mart	40,088	76.7%	1.9%	\$23.09
Thunder Centre Thunder Bay, Ontario	Power Centre	2004 - 2007	Home Outfitters, LCBO, Home Depot, Old Navy, Dollarama, Mark's	168,087	98.5%	7.6%	\$17.06
Timmins West Power Centre Timmins, Ontario	Retail Strip Centre	2007 - 2009	Michaels, Mark's	43,774	100.0%	2.0%	\$17.29
Wellington Southdale London, Ontario	Retail Strip Centre	1986, 2000, 2004, 2006	Landmark Theatres, Dollarama	86,241	97.5%	4.5%	\$20.05
Québec:							
Centre Village Shopping Centre Nuns Island, Montréal, Québec	Enclosed Mall	1977, 1991, 2001, 2010, 2012	Loblaws, SAQ	96,957	95.7%	3.7%	\$14.76
Châteauguay Montréal, Québec	Mixed-use Strip Centre	1970/1994, 2010	Shoppers Drug Mart, Staples, Québec Government	115,295	100.0%	4.0%	\$12.85
Elgar Place Nuns Island, Montréal, Québec	Retail Strip Centre	1969, 1989	Couche Tard	10,121	100.0%	0.4%	\$15.82
Marcel Laurin Saint Laurent, Québec	Retail Strip Centre	2011	Metro, Brunet Pharmacy	120,171	97.1%	5.5%	\$17.54
Méga Centre Montréal, Québec	Power Centre	1973/1993, 1999, 2000, 2004, 2014	Walmart, Michaels, Brault & Martineau	276,820	100.0%	8.0%	\$10.74
Place Desormeaux Longueuil, Québec	Enclosed Mall	1971/1998, 2009, 2010	Walmart, Super C, Québec Government	249,518	95.7%	7.7%	\$12.05
Plaza des Seigneurs Terrebonne, Québec	Retail Strip Centre	1998	Uniprix, SAQ, Banque Nationale	20,833	100.0%	1.2%	\$22.16
Repentigny Shopping Centre Repentigny, Québec	Mixed Use Strip Centre	1988/2009	Familiprix, Dollarama, Québec Government	49,365	79.9%	1.7%	\$15.86
Saint Remi Shopping Centre Saint Remi, Québec	Retail Strip Centre	2009 - 2011	Sobey's, SAQ, IGA Uniprix, Tim Hortons	61,704	91.9%	2.6%	\$17.34
Shoppers Drug Mart Property Gatineau, Québec	Free Standing	2007	Shoppers Drug Mart	17,028	100.0%	1.1%	\$24.00
Sorel Shopping Centre, Sorel, Québec	Retail Strip Centre	2010 - 2012	Uniprix, SAQ	31,038	74.9%	1.4%	\$22.01
Total				2,520,364	94.6%	100%	\$15.64

Notes:

- (1) Includes office space in mixed-use retail properties.
- (2) Excluding storage space.
- (3) Includes square footage of all material executed leases, regardless of occupancy date, and excludes square footage of all documented material lease terminations updated through June 30, 2015.
- (4) Represents the weighted average rent for the portfolio.

Recent Developments

On June 17, 2015, at the REIT's Annual General Meeting of Unitholders, the following trustees of the REIT were elected: Marc Charlebois, Dexter D.S. John, Allan Kimberley, Simon Nyilassy and C. Ian Ross.

On July 14, 2015, the REIT announced the appointment of Jane Domenico as the REIT's President and Chief Executive Officer. Ms. Domenico had served as the REIT's interim Chief Executive Officer since May 4, 2014, and as the REIT's Chief Operating Officer since February 14, 2014.

For further information about the business and operations of the REIT, including the REIT's AIF, its audited annual financial statements for the year ended December 31, 2014, the quarterly financial statements, and related management's discussion and analysis, please refer to the continuous disclosure documents filed by the REIT with Canadian securities regulatory authorities at www.sedar.com.

DETAILS OF THE RIGHTS OFFERING

Basic Subscription Privilege and Record Date

All Unitholders as at 5:00 p.m. (Toronto time) on the Record Date of September 14, 2015 will be issued Rights to subscribe for Units pursuant to the Rights Offering. A Unitholder is entitled to receive one Right for each Unit held. Rights are only exercisable from the Commencement Date until the Expiry Time.

Only an Eligible Holder may exercise Rights. For every four Rights held, an Eligible Holder will be entitled under the Basic Subscription Privilege to subscribe for one Unit. Holders of Rights that exercise their Basic Subscription Privilege in full are also entitled under the Additional Subscription Privilege to subscribe for Additional Units, if any, that are not otherwise subscribed for by other holders of Rights under the Rights Offering pursuant to the Basic Subscription Privilege, as detailed below.

Holders of Rights that elect to purchase Units in the Rights Offering must act promptly to ensure that the entire Subscription Payment for any Rights exercised is paid at the time of subscription and must be received by the Subscription Agent at the Subscription Office prior to the Expiry Time. Accordingly, Subscribers that hold Rights through a Participant must provide the Participant holding their Rights with instructions and the required payment sufficiently in advance of the Expiry Time to permit proper exercise of their Rights. Participants will have an earlier deadline for receipt of instructions and payment than the Expiry Time. If an Eligible Holder fails to complete and sign the required subscription forms, sends an incorrect Subscription Payment, or otherwise fails to follow the subscription procedures that apply to the exercise of Rights by the holder, the Subscription Agent may, depending on the circumstances, reject the subscription or accept it only to the extent of the payment received.

Neither the REIT nor the Subscription Agent undertakes to Subscribers that it will, or will attempt to, correct an incomplete or incorrect subscription form or payment. The REIT has the sole discretion to determine whether an exercise of Rights properly follows the subscription procedures. Rights not properly exercised by the Expiry Time will be void and of no value and no longer exercisable for Units.

As soon as practicable after the Expiry Date, the Subscription Agent will send to each Subscriber that has exercised the Basic Subscription Privilege a certificate evidencing the number of Units subscribed for by such Subscriber under the Basic Subscription Privilege. See "*Registration and Delivery of Unit Certificates*".

For information on how to exercise Rights, see "*How to Exercise the Rights*".

Additional Subscription Privilege

Any holder of a Rights Certificate that exercises in full the Basic Subscription Privilege in respect of that Rights Certificate (and all other Rights Certificates held by such holder) is entitled to subscribe for Additional Units subject to allotment and certain limitations described below. The Additional Units will be those, if any, that have not been subscribed for and paid for under the Basic Subscription Privilege.

To exercise the Additional Subscription Privilege, any holder of a Rights Certificate that completes Form 1 for the maximum number of Units that can be subscribed for under the Basic Subscription Privilege with the number of Rights evidenced by that Rights Certificate must also complete Form 2 and specify the number of Additional Units for which the holder desires to subscribe. The maximum number of Additional Units to which a holder will be entitled pursuant to the Additional Subscription Privilege will be limited to such holder's *pro rata* share of the total amount of Additional Units available for additional subscription. If a holder subscribes for a greater number of Units than the *pro rata* share available, the holder will be allocated such lesser number of Additional Units and any excess Subscription Payment will be returned to the holder without interest or deduction. **The completion of Form 2 constitutes a binding commitment by the holder of a Rights Certificate to subscribe for the number of Additional Units specified (or such lesser amount as may be allocated, as described below). The aggregate Subscription Price for Additional Units must accompany the Rights Certificate when it is delivered to the**

Subscription Agent and is payable in Canadian funds in accordance with the Subscription Price by certified cheque or bank draft payable to the order of “Computershare Investor Services Inc.”.

Funds for the Additional Units will be placed in a segregated non-interest bearing account pending allocation of the Additional Units in the manner contemplated in this Circular, and any funds in excess of the Subscription Price for the Additional Units so allocated will be returned by mail, without interest or deduction. If there are sufficient Additional Units to satisfy all subscriptions made by Subscribers pursuant to the Additional Subscription Privilege, each such Subscriber will be allotted the number of Additional Units for which he or she has subscribed.

Each Subscriber that exercises the Basic Subscription Privilege in full and that exercises the Additional Subscription Privilege will be entitled to receive the number of Additional Units that is the lesser of:

- (a) the number of Additional Units subscribed for by the Subscriber under the Additional Subscription Privilege; and
- (b) the number of Additional Units (disregarding fractions) obtained by multiplying the total number of Units not subscribed for under the Basic Subscription Privilege by a fraction (i) the numerator of which is the number of Rights exercised by such Subscriber under the Basic Subscription Privilege, and (ii) the denominator of which is the aggregate number of Rights exercised under the Basic Subscription Privilege by all Subscribers that are exercising the Additional Subscription Privilege.

If any holder has subscribed for fewer Additional Units than the number resulting from the application of the formula in (b) above, then the excess Additional Units will be allocated in the manner described above among the holders that were allocated fewer Additional Units than they subscribed for.

As soon as practicable after the Expiry Date, the Subscription Agent will send to each Subscriber that has exercised the Additional Subscription Privilege a certificate evidencing the number of Additional Units allocated to such Subscriber and will return to the Subscriber any excess funds paid, without interest or deduction. See “*Registration and Delivery of Unit Certificates*”.

For information on how to exercise Rights, see “– *Units Held in Registered Form and Book-Entry Form*” below.

Subscription Price

The Subscription Price for the Rights Offering of \$3.10 per Unit was determined by the REIT prior to the filing of this Circular and represents a discount of approximately 10% to the average closing price of the Units for the 20 trading days on the TSX ending on the last trading day prior to the announcement of the Rights Offering. The Subscription Price does not necessarily bear any relationship to the book value of the REIT’s assets, past operations, cash flows, losses, financial condition, net worth or any other established criteria for value. Holders of Rights should not consider the Subscription Price to be an indication of the REIT’s value or the value of the Units to be offered in the Rights Offering. See “*Risk Factors – Risks Related to the Rights Offering – The Subscription Price is not necessarily an indication of value*”.

The Rights Offering is not Subject to any Minimum Subscription Level

The completion of the Rights Offering is not subject to any minimum subscription level. Rights are transferable. A Right does not entitle the holder thereof to any rights whatsoever as a securityholder of the REIT other than to subscribe for and purchase Units as described herein.

Dilution to Existing Unitholders

If a Unitholder wishes to retain its current ownership percentage, and assuming all the Rights are exercised, a Unitholder should exercise the Basic Subscription Privilege in respect of all of the Rights issued to such Unitholder. If a Unitholder does not exercise its Rights and the Rights Offering is completed, such Unitholder’s percentage interest in the REIT may be substantially diluted upon the exercise of Rights by other Unitholders. See “*Risk Factors – Risks Related to the Rights Offering – Unitholders may suffer significant dilution in connection with the Rights Offering*”.

Expiry of Rights

The Rights will expire at the Expiry Time of 5:00 p.m. (Toronto time) on the Expiry Date of October 21, 2015. Rights not exercised prior to the Expiry Time will be void and of no value and will no longer be exercisable for any Units. There is no stand-by commitment for the Rights Offering.

Fees Payable by Subscribers

Apart from the Subscription Payment payable in connection with the exercise of Rights under the Basic Subscription Privilege and, if applicable, the Additional Subscription Privilege, there will be no fee or sales commission charged by the REIT or the Subscription Agent on the issuance of Rights to Unitholders or upon the exercise of such Rights. Notwithstanding the foregoing, payment of any service charge, commission or other fee payable (including those of brokers) in connection with the purchase or sale of Rights (other than the fees for the services to be performed by the Subscription Agent, see "*Subscription Agent and Transfer Agent*") will be the responsibility of the Subscriber. Subscribers must also pay all stamp, issue, registration or other similar taxes or duties contingent upon the issuance or delivery of Units to or for the order of a third party.

Rights and Partial Exercises

Four Rights are required to be exercised by a Subscriber to subscribe for one Unit pursuant to the Basic Subscription Privilege. Only subscriptions for whole Units will be accepted. The smallest increment that Rights may be exercised in is four, with four Rights entitling the holder to subscribe for one Unit.

Rights will be eligible for exercise at any time from the Commencement Date to the Expiry Time. If an Eligible Holder wants to exercise some but not all of the Rights represented by a Rights Certificate and such holder wishes to retain the ability to exercise the balance of the unexercised Rights represented by a Rights Certificate, such holder must first complete and submit to the Subscription Agent Form 4 on the Rights Certificate in order to divide the Rights and be issued two separate Rights Certificates: one certificate representing the number of Rights that the holder wishes to exercise in the first instance (which should then be completed and delivered to the Subscription Agent) and a second certificate representing the balance of unexercised Rights available for future exercise prior to the Expiry Time. For information on how to exercise Rights, see "*Units Held in Registered Form and Book-Entry Form*" below.

Eligible Holders that are unsure how to exercise their Rights should contact the Subscription Agent or their Participant. See "*Inquiries*" below.

Deemed Representation and Warranty of Each Subscriber

As a condition to a purchase of any Units in the Rights Offering, each Subscriber other than an Additional Qualified Holder will be deemed to have represented and warranted to the REIT that it is resident in a Qualified Jurisdiction, and this representation and warranty will be relied upon by the REIT and the Subscription Agent.

Units Held in Registered Form and Book-Entry Form

At the Commencement Date, the Rights will be evidenced by Rights Certificates registered in the name of the Registered Unitholder entitled thereto. Each Registered Unitholder, other than a Non-Qualified Holder, will receive a Rights Certificate evidencing the total number of Rights to which such Unitholder is entitled. Subject to certain exceptions described in this Circular, Rights Certificates may not be held directly by, and subscriptions for Units will not be accepted from, Non-Qualified Holders. See "*Non-Qualified Holders*" below.

Non-Registered Unitholders that hold their Units through a Participant will not receive physical Rights Certificates evidencing their ownership of Rights. Instead, on the Record Date, one or more global Rights Certificates representing the total number of Rights to which all such non-Registered Unitholders are entitled pursuant to the terms of the Rights Offering will be issued in registered form to, and in the name of CDS (or one of its nominees) and will be delivered to CDS. The REIT expects that each such non-Registered Unitholder will receive a confirmation of the number of Rights issued to it from its respective Participant in accordance with the practices and procedures of that Participant. CDS will be responsible for establishing and maintaining book-entry accounts for Participants holding Rights.

Holders that wish to exercise Rights issued in respect of Units held through a Participant should contact such Participant to determine how Rights may be exercised. For Units held through a Participant, an Eligible Holder may exercise the Rights issued in respect of such Units by: (a) delivering to the Participant a properly completed Beneficial Owner Election Form required by its Participant to effect the exercise of such Rights, and (b) forwarding to such Participant the Subscription Price for each Unit that such holder wishes to subscribe for in accordance with the terms of the Rights Offering.

The Subscription Price for Rights held through a Participant is payable in Canadian dollars by way of wire transfer, cheque or bank draft payable to the Participant, by direct debit from the Subscriber's brokerage account or by electronic funds transfer or other similar payment mechanism. The entire Subscription Payment for the exercise of any Rights exercised must be paid at the time of subscription and must be received by the Subscription Agent at the Subscription Office prior to the Expiry Time.

Accordingly, Subscribers must provide the Participant holding their Rights with the Beneficial Owner Election Form and the corresponding Subscription Payment sufficiently in advance of the Expiry Time to permit proper exercise of their Rights. Participants will have an earlier deadline for receipt of the Beneficial Owner Election Form and corresponding Subscription Payment than the Expiry Time.

Subscriptions for Units made through a Participant will be irrevocable and Subscribers will be unable to withdraw their subscriptions for Units once submitted.

Neither the REIT nor the Subscription Agent will have any liability for: (a) the records maintained by CDS or by Participants relating to the Rights or the book-entry accounts maintained by them; (b) maintaining, supervising or reviewing any records relating to such Rights; or (c) any advice or representations made or given by CDS or by Participants with respect to the rules and regulations of CDS or any action to be taken by CDS or by Participants, as the case may be. The ability of a person having an interest in Rights held through a Participant to pledge such interest or otherwise take action with respect to such interest (other than through a Participant) may be limited due to the lack of a physical Rights Certificate. Holders of Rights that hold such Rights through a Participant must arrange exercises, sales or transfers of Rights through their Participant. It is anticipated by the REIT that each such purchaser of a Unit or Right will receive a customer confirmation of issuance or purchase, as applicable, from the Participant through which such Right is issued or such Unit is purchased in accordance with the practices and policies of such Participant. See “–*Sale or Transfer of Rights*” below.

Undeliverable Rights

Rights Certificates returned to the Subscription Agent as undeliverable will be held by the Subscription Agent until the Expiry Time, after which time the Rights represented by such Rights Certificate will be void and of no value and no longer be exercisable for any Units. As a result, the Subscription Agent will not sell or attempt to sell such undelivered Rights and no proceeds of sale will be credited to holders of such Rights.

Sale or Transfer of Rights

A holder of Rights in registered form may sell or transfer some or all of such Rights to any person resident in a Qualified Jurisdiction. A holder of Rights in registered form that wishes to sell or transfer some or all of its Rights must complete Form 3 on the Rights Certificate and have its signature guaranteed in accordance with the procedures outlined in “*How to Exercise the Rights*”. Holders that hold their Rights through a Participant must arrange purchases or transfers of Rights through their Participant. It is anticipated by the REIT that each transferor or transferee of a Right will receive a customer confirmation of transfer from the Participant through which such Right is transferred in accordance with the practices and policies of such Participant. See “–*Units Held in Registered Form and Book-Entry Form*” above.

Holders of Rights that hold such Rights through a Participant must arrange exercises, sales or transfers of Rights through their Participant.

The TSX has approved the listing of the Rights and the Units issuable upon the exercise of the Rights.

Holders that do not wish to exercise their Rights may sell or transfer their Rights through usual investment channels, such as investment dealers and brokers, at the holder’s own expense. **It is expected that the Rights will cease trading on the TSX at noon (Toronto time) on the Expiry Date.**

Persons interested in selling or purchasing Rights should be aware that the exercise of Rights by holders that are located in Non-Qualified Jurisdictions will not be permitted unless the person exercising the Rights meets the conditions and satisfies the procedures described under “–Non-Qualified Holders” below.

Non-Qualified Holders

Holders of Rights that reside outside of Canada and any persons (including any Participants) that have a contractual or legal obligation to forward this document to a jurisdiction outside a Qualified Jurisdiction should carefully read this section.

This Circular covers the distribution of the Offered Securities in the Qualified Jurisdictions only. Rights Certificates will not be sent to any Unitholders with addresses of record in a Non-Qualified Jurisdiction and, except as described herein, Rights may not be exercised by or on behalf of any holder of Rights with addresses of record in a Non-Qualified Jurisdiction.

Notwithstanding any of the foregoing, subscriptions from Additional Qualified Holders will be accepted. Unitholders that have not received Rights Certificates but are resident in a Qualified Jurisdiction or that wish to be recognized as Additional Qualified Holders must contact the Subscription Agent at the earliest possible time.

A Non-Qualified Unitholder who wishes to participate in the Rights Offering must, prior to October 9, 2015 (i) notify the Subscription Agent, in writing, that it wishes to participate in the Rights Offering; and (ii) provide evidence satisfactory to the REIT that among other things, the exercise of the Rights and purchase of the Subscription Receipts upon the exercise of the Rights (a) is lawful and in compliance with all securities and other laws applicable in the jurisdiction where such Unitholder is resident, and (b) do not require the REIT to file any documents, make any application, or pay any amount in any jurisdiction outside of the Qualified Jurisdictions. If the REIT is satisfied, in its sole discretion, that the Unitholder is eligible to participate in the Rights Offering, the REIT shall deliver a notice of this decision to the Subscription Agent.

Holders of Rights that are not resident in Canada should be aware that the acquisition and disposition of any of the Offered Securities may have tax consequences in the jurisdiction in which they reside, which are not described in this Circular. Such holders should consult their own tax advisors about the specific tax consequences of acquiring, holding and disposing of the Offered Securities.

Validity and Rejection of Subscriptions

Any Eligible Holders that fail to complete their subscription in accordance with the instructions herein prior to the Expiry Time will forfeit their Rights under the Basic Subscription Privilege and the Additional Subscription Privilege.

All questions as to the validity, form, eligibility (including time of receipt) and acceptance of any subscription will be determined by the REIT in the REIT's sole discretion, which determination will be final and binding. All subscriptions are irrevocable. Subject to applicable laws and the rules of the TSX, the REIT reserves the absolute right to reject any subscription if such subscription is not in proper form or if the acceptance thereof or the issuance of Units upon the exercise of the Rights could be deemed unlawful. The REIT also reserves the right to waive any defect with regard to any particular subscription. Neither the REIT nor the Subscription Agent will be under any duty to give any notification of any defect or irregularity in such subscriptions, nor will either of the REIT nor the Subscription Agent incur any liability for failure to give such notification.

The REIT reserves the right to treat as invalid any exercise or purported exercise of any Rights that appears to the REIT to have been exercised, effected or dispatched in a manner which may involve a breach of the laws or regulations of any jurisdiction or if the REIT believes, or if the REIT's agents believe, that the same may violate or be inconsistent with the procedures and terms set out in this Circular or in breach of the representation and warranty that a holder exercising its Rights is resident in a Qualified Jurisdiction.

Inquiries

If you have any questions, you should contact the Subscription Agent, Computershare Investor Services Inc., toll-free at 1-800-564-6253 or 1-514-982-7555 or by email at corporateactions@computershare.com.

ATTRIBUTES OF UNITS

The REIT is authorized to issue an unlimited number of Units. There are no authorized classes of securities of the REIT other than the Units. As of the date of this Circular, the REIT had 26,597,456 Units issued and outstanding as fully paid and non-assessable.

Holders of Units are entitled to receive notice of any meetings of Unitholders, to attend and to cast one vote per Unit at all such meetings. Unitholders are entitled to receive on a pro-rata basis such dividends, if any, as and when declared by the REIT's board of trustees at its discretion from funds legally available therefore and upon the liquidation, dissolution or winding-up of the REIT are entitled to receive on a pro-rata basis those of the REIT's assets subject to the rights, privileges, restrictions and conditions attaching to any shares ranking in priority to the Units with respect to dividends or liquidation. The Units have no conversion, retraction, pre-emptive or subscription rights, nor do they contain any sinking or purchase fund provisions.

The Units are listed on the TSX under the symbol “PAR.UN”. The following table shows the range of high and low prices per Unit as at the close of market (TSX) and total monthly volumes of Units traded on the TSX during the year ended December 31, 2014 and through to July 31, 2015.

Month	<u>Price per Unit (\$)</u>		Total Volume
	High	Low	
January 2014	5.97	5.30	822,871
February 2014	5.86	5.52	496,259
March 2014	5.73	5.52	494,519
April 2014	5.67	4.31	2,631,536
May 2014	4.94	3.94	2,387,911
June 2014	5.00	4.80	1,757,458
July 2014	5.27	4.92	1,754,570
August 2014	5.15	3.98	1,776,198
September 2014	4.25	3.48	867,181
October 2014	4.30	3.95	482,460
November 2014	4.44	4.12	554,597
December 2014	4.23	3.62	674,034
January 2015	3.96	3.60	610,450
February 2015	3.76	3.51	479,048
March 2015	3.78	3.36	600,578
April 2015	3.92	3.50	429,699
May 2015	4.02	3.58	698,546
June 2015	3.83	3.52	609,526
July 2015	3.80	3.43	254,054

REGISTRATION AND DELIVERY OF UNITS CERTIFICATES

Any Units issued in connection with the exercise of Rights pursuant to the Rights Offering will be registered in the name of the person to whom the Rights Certificate was issued or to whom the Rights have been properly and duly transferred. The certificates representing such Units will be delivered by mail to the address of the Subscriber as it appears on the Rights Certificate, unless otherwise directed, or to the address of the transferee, if any, indicated on the appropriate form on the Rights Certificate as soon as practicable after the Closing Date. It is expected that such certificates will generally be delivered within three business days following the Closing Date. Except as otherwise described under “*Details of the Rights Offering – Non-Qualified Holders*”, Units will not be issued to or on behalf of any holder of Rights with addresses of record in a Non-Qualified Jurisdiction, other than Additional Qualified Holders that exercise their Rights.

Holders of Rights that hold their Rights through a Participant will not receive physical certificates evidencing their ownership of Units issued upon the exercise of the Basic Subscription Privilege or Additional Subscription Privilege. At the Closing Date, one or more global certificates representing such Units will be issued in registered form to, and in the name of, CDS, or its nominee.

SUBSCRIPTION AGENT AND TRANSFER AGENT

Subscription Agent

Computershare Investor Services Inc., in its role as Subscription Agent, has been appointed to (i) receive subscriptions for Units and Subscription Payments directly from Registered Unitholders or indirectly through Participants, and (ii) to perform certain services relating to the exercise and transfer of Rights. Completed Rights Certificates and Subscription Payments under the Rights Offering should be delivered by hand delivery, mail or courier service as follows:

By Mail:
Computershare Investor Services Inc.
PO Box 7021
31 Adelaide St E
Toronto, Ontario M5C 3H2

Attention: Corporate Actions

By Hand or Courier:
Computershare Investor Services Inc.
100 University Avenue, 8th Floor
Toronto, Ontario M5J 2Y1

Attention: Corporate Actions

The method used to deliver a completed Rights Certificate and Subscription Payment is at the option and risk of the Subscriber, and delivery will be deemed effective only when such certificate and payment are actually received by the Subscription Agent. Delivery by hand, or registered mail or courier service with return receipt requested and which is properly insured, allowing sufficient time to ensure timely delivery, is recommended.

If you have any questions, you should contact the Subscription Agent, Computershare Investor Services Inc., toll-free at 1-800-564-6253 or 1-514-982-7555 or by email at corporateactions@computershare.com.

The REIT will pay the fees and expenses of the Subscription Agent.

Transfer Agent

Computershare Investor Services Inc. through its principal office in Toronto, Ontario, is the transfer agent and registrar for the Units.

HOW TO EXERCISE THE RIGHTS

Registered Unitholders in a Qualified Jurisdiction will be mailed a copy of this Circular and a Rights Certificate representing the total number of Rights that each such Unitholder is entitled to receive. In order to exercise Rights represented by the Rights Certificate, Subscribers must complete and deliver the Rights Certificate in accordance with the instructions set out below. Holders of Rights that hold such Rights through a Participant must arrange exercises, sales or transfers of Rights through their Participant.

How to Complete the Rights Certificate

1. **Form 1 – Basic Subscription Privilege.** Every four Rights entitle the holder thereof to subscribe for one Unit pursuant to the Basic Subscription Privilege. The maximum number of Rights that may be exercised pursuant to the Basic Subscription Privilege is shown in the box on the upper right-hand corner of the face of the Rights Certificate. Form 1 must be completed and signed to exercise all or some of the Rights represented by the Rights Certificate pursuant to the Basic Subscription Privilege. If an Eligible Holder wants to exercise some but not all of its Rights pursuant to the Basic Subscription Privilege and such holder wishes to retain the ability to exercise the balance of its unexercised Rights pursuant to the Basic Subscription Privilege, such holder must first complete and submit to the Subscription Agent Form 4 on the Rights Certificate in order to divide the Rights and be issued two separate Right Certificates: one certificate representing the number of Rights that the holder wishes to exercise in the first instance (which should then be completed and delivered to the Subscription Agent) and a second certificate representing the balance of unexercised Rights available for future exercise pursuant to the Basic Subscription Privilege prior to the Expiry Time.

Completion of Form 1 of the Rights Certificate constitutes a representation by the holder thereof that the holder, other than in the case of an Additional Qualified Holder, is not a resident of a Non-Qualified Jurisdiction or an agent of a person that is a resident of a Non-Qualified Jurisdiction.

2. **Form 2 – Additional Subscription Privilege.** Subscribers that exercise their Basic Subscription Privilege in full are entitled to subscribe for Additional Units, if any, by completing Form 2 of the Rights Certificate and specifying the

number of Additional Units for which they desire to subscribe. Only a Subscriber that wishes to exercise the Additional Subscription Privilege should complete and sign Form 2 of the Rights Certificate. See “*Details of the Rights Offering – Additional Subscription Privilege*” for details pertaining to the Additional Subscription Privilege.

3. **Form 3 – Transfer of Rights.** Rights Certificates are in registered form. Only a holder of Rights that wishes to transfer the Rights represented by a Rights Certificate should complete and sign Form 3 on the Rights Certificate. To complete a transfer, a registered holder of Rights must complete Form 3 on the Rights Certificate and have its signature guaranteed by one of the following methods:
 - **Holders in Canada:** A Medallion Guarantee obtained from a member of an acceptable Medallion Guarantee Program (STAMP, SEMP or MSP). Many banks, financial institutions, credit unions, savings associations and broker-dealers are members of a Medallion Guarantee Program. The guarantor must affix a stamp in the designated space bearing the actual words “**Medallion Guaranteed**”. As an alternative to a Medallion Guarantee, holders in Canada may obtain a Signature Guarantee from a major Canadian Schedule I bank that is not a member of a Medallion Guarantee Program. The guarantor must affix a stamp in the appropriate space bearing the actual words “**Signature Guaranteed**”.
 - **Holders outside Canada:** A Non-Qualified Holder that is an Additional Qualified Holder must obtain a guarantee from a local financial institution that has a corresponding affiliate in Canada that is a member of an acceptable Medallion Guarantee Program. The corresponding Canadian affiliate must over-guarantee the guarantee provided by the local financial institution.

It is not necessary for a transferee to obtain a new Rights Certificate to exercise the Rights, but the signatures of the transferee on Form 1 and Form 2, if applicable, must correspond in every particular with the name of the transferee on Form 3 (or the bearer if no transferee is specified) as the absolute owner of the Rights Certificate for all purposes. If Form 3 is completed, the REIT and the Subscription Agent will treat the transferee as the absolute owner of the Rights Certificate for all purposes and will not be affected by notice to the contrary.

4. **Form 4 – Dividing or Combining.** Only a holder of Rights that wishes to divide or combine the Rights represented by a Rights Certificate should complete and sign Form 4 on the Rights Certificate. Rights Certificates need not be endorsed if the new Rights Certificate(s) will be issued in the same name. The Subscription Agent will then issue new Rights Certificate(s) in such denominations (totalling the same number of Rights as represented by the Rights Certificate(s) being divided or combined) as are requested by the Rights Certificate holder. Rights Certificates must be surrendered for division or combination in sufficient time prior to the Expiry Time to permit the new Rights Certificate(s) to be issued to and used by the Rights Certificate holder. The Subscription Agent will facilitate any divisions or combinations until 5:00 p.m. (Toronto time) on October 16, 2015, three trading days prior to the Expiry Date.
5. **Payment.** The Subscription Price per Unit is payable by way of certified cheque or bank draft payable to the order of “Computershare Investor Services Inc.”. Payment must include the total Subscription Price for the aggregate number of Units subscribed for pursuant to the Basic Subscription Privilege and, if applicable, the Additional Subscription Privilege. If the number of Additional Units issued to a Subscriber that has exercised the Additional Subscription Privilege is less than the number of Additional Units that such Subscriber subscribed for, the Subscription Agent will, when mailing the share certificate for the Units issued to such Subscriber, refund (without interest or deduction) the excess portion of the total Subscription Price paid by such Subscriber.
6. **Delivery.** Holders of Rights that exercise their Rights for Units must complete and mail the Rights Certificate to the Subscription Agent, together with the applicable Subscription Payment, in the enclosed return envelope. The completed Rights Certificate and the applicable Subscription Payment must be received by the Subscription Agent by no later than the Expiry Time. The method used to deliver a completed Rights Certificate and Subscription Payment is at the option and risk of the Subscriber, and delivery will be deemed effective only when such certificate and payment are actually received by the Subscription Agent. Delivery by hand, or registered mail or courier service with return receipt requested and which is properly insured, allowing sufficient time to ensure timely delivery, is recommended. Deposit in the mail **DOES NOT** constitute delivery to the Subscription Agent.

The signature of the holder of a Rights Certificate (or a transferee of Rights exercising such Rights) must correspond in every particular with the name that appears on the face of the Rights Certificate (or the name of the transferee which appears in Form 3). Signatures by a trustee, executor, administrator, guardian, attorney, general partner, officer or director of a REIT or any person acting in a fiduciary or representative capacity should be accompanied by evidence of authority satisfactory to the Subscription Agent.

Subscriptions for Units will be irrevocable and Subscribers will be unable to withdraw their subscriptions for Units once submitted.

Any Eligible Holder that fails to complete their subscription in accordance with the foregoing instructions prior to the Expiry Time will forfeit their Rights under the Basic Subscription Privilege and, to the extent it applies, the Additional Subscription Privilege attaching to those Rights.

INTENTION OF INSIDERS TO EXERCISE RIGHTS

The Trustees who currently own Units have indicated that they intend to exercise at least their Basic Subscription Rights to acquire Additional Units. The Chief Executive Officer of the REIT and several of the Trustees who do not currently own Units have advised the REIT that they intend, subject to market conditions, to purchase Units in advance of the Record Date and then to exercise the Rights they receive to subscribe for Additional Units.

OWNERSHIP OF SECURITIES

As of the date of this Circular, to the REIT's knowledge and based on publicly available information, no person beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class or series of voting securities of the REIT, except as follows:

Name	Number of Units beneficially owned or over which control or direction is exercised	Percentage of Total Units
Ronald Anthony McCowan	4,419,836 Units	16.62%
Moray Tawse	3,548,214 Units	13.34%

USE OF PROCEEDS

The gross proceeds from the Rights Offering are estimated to be approximately \$20,600,000, and the net proceeds (after deducting expenses related to the Rights Offering) are estimated to be approximately \$20,400,000. The REIT intends to use the net proceeds of the Rights Offering to reduce outstanding debt. The REIT has \$28,750,000 of 8% debentures maturing in March 2016 and expects to apply proceeds from the Rights Offering, together with other funds, for that purpose. The REIT also has a loan outstanding under its credit facility and in the short term expects to apply funds from the Rights Offering to reduce that debt. A small portion of the proceeds, less than 15%, may be used for general corporate purposes.

The completion of the Rights Offering is not conditional upon the REIT receiving any minimum amount of subscriptions from Unitholders. The REIT intends to spend the available funds as set forth above. However, there may be circumstances where, for sound business reasons, a reallocation of the available funds may be necessary. In any event the available funds will be used by the REIT in furtherance of its business and consistent with its stated business plan.

STATEMENT AS TO RESALE RESTRICTIONS

Rights offered to holders in the Qualified Jurisdictions and the Units issuable on exercise of such Rights may be resold without hold period restrictions under the applicable securities laws of the Qualified Jurisdictions by such holders provided that: (i) the REIT is and has been a "reporting issuer" in a jurisdiction of Canada for four months immediately preceding the trade; (ii) the sale is not a "control distribution", as defined in securities legislation; (iii) no unusual effort is made to prepare the market or create a demand for the security that is the subject of the trade; (iv) no extraordinary commission or consideration is paid to a person or REIT in respect of the trade; and (v) if the selling security holder is an insider or officer of the REIT, the selling security holder has no reasonable grounds to believe that the REIT is in default of securities legislation. If such conditions have not been met, then the Rights and the Units may not be resold except in compliance with the prospectus requirement or pursuant to a prospectus exemption, which may only be available in limited circumstances.

Neither the Rights nor the Units issuable on exercise of the Rights have been or will be registered under the U.S. Securities Act and they may not be offered or re-offered or sold or re-sold within the United States except pursuant to an exemption from the registration requirements of the U.S. Securities Act.

Each holder is urged to consult their professional advisor to determine the exact conditions and restrictions applicable to the right to trade in securities.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of McCarthy Tétrault LLP, counsel to the REIT, the following is a general summary, as of the date hereof, of the principal Canadian federal income tax considerations arising in respect of the receipt and exercise of Rights under the Rights Offering and the acquisition, holding and disposition of Units acquired pursuant to the exercise of Rights. This summary is applicable only to a person who acquires such Rights pursuant to the Rights Offering in its capacity as a Unitholder and who, for purposes of the *Income Tax Act* (Canada) and the regulations thereunder, as amended (the “**Tax Act**”) and any applicable income tax treaty or convention, and at all relevant times (i) is or is deemed to be, resident in Canada; (ii) holds Units, and will hold Rights and any Units issued pursuant to the exercise of the Rights, as capital property; and (iii) deals at arm’s length with, and is not affiliated with, the REIT (a “**Holder**”). Generally, the Rights and Units issued pursuant to the exercise of the Rights will be considered capital property to a Holder provided that the Holder does not use or hold the Rights or Units in or in the course of carrying on a business of buying and selling securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Holders who might not otherwise be considered to hold Units as capital property may, in certain circumstances, be entitled to have such Units and all other “Canadian securities”, as defined in the Tax Act, owned or subsequently acquired by them (but not Rights) treated as capital property by making the irrevocable election contained in subsection 39(4) of the Tax Act.

This summary does not apply to a holder (i) that is a “financial institution” for the purposes of the mark-to-market rules in the Tax Act, (ii) an interest in which is, or for whom a Unit would be, a “tax shelter investment” (as defined in the Tax Act), (iii) that is a “specified financial institution” (as defined in the Tax Act), (iv) that has elected to report its “Canadian tax results” (as defined in the Tax Act) in a currency other than the Canadian currency, or (v) that enters into, with respect to the Units, a “derivative forward agreement” (as defined in the Tax Act).

This summary is based on the current provisions of the Tax Act and our understanding of the administrative policies and assessing practices of the Canada Revenue Agency (“**CRA**”) published in writing by it prior to the date hereof. This summary takes into account all proposed amendments to the Tax Act that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “**Proposed Amendments**”) and assumes that such Proposed Amendments will be enacted substantially as proposed. However, no assurance can be given that the Proposed Amendments will be enacted in the form proposed, or at all. Except for the Proposed Amendments, this summary does not take into account or anticipate any other changes in law or any changes in the CRA’s administrative policies and assessing practices, whether by judicial, governmental or legislative action or decision, nor does it take into account other federal or any provincial, territorial or foreign tax legislation or considerations, which may differ from the Canadian federal income tax considerations described herein.

This summary assumes that the REIT will qualify and continue to qualify as a “mutual fund trust” under the provisions of the Tax Act while the Units or Rights remain outstanding.

This summary is not exhaustive of all possible Canadian federal income tax considerations of receiving the Units upon the exercise of Rights. This summary is of a general nature only and is not intended to be, and should not be construed to be, legal, business or tax advice to any particular Holder. Holders should consult their own tax advisors as to the tax consequences applicable to them having regard to their own particular circumstances.

Distribution of Rights

The tax consequences of the receipt of a Right are unclear. The provisions of the Tax Act suggest that there are two possible treatments. First, the value, if any, of a Right issued hereunder may be required to be included in income by the Holder as a taxable benefit from the REIT. Alternatively, the issuance of a Right may be considered to be an amount distributed in respect of a Holder’s capital interest in the REIT such that the fair market value thereof, if any, will be deducted from the adjusted cost base of the Holder’s existing Units. Under either of those two scenarios, the Rights should have a cost to the Holder equal to their fair market value at the time of issuance. However, the CRA’s current published administrative position is that where a trust grants an option to acquire units of the trust that are to be issued by the trust, there are no tax consequences to the trust or the recipient of the option. Applying this administrative position, the issuance of the Rights should have no immediate tax consequences for a Holder and the Holder would be deemed to acquire the Rights at a cost of nil. Holders should note that the CRA is not bound by its administrative positions and may change such positions at any time.

A Right acquired by a Holder otherwise than pursuant to this offering will be regarded as identical to every other Right held by the Holder at that time as capital property. For the purpose of determining the adjusted cost base of each Right held by a Holder, the cost of Rights so acquired must be averaged with the adjusted cost base to the Holder of all other Rights held as capital property immediately prior to such acquisition.

Exercise of Rights

The exercise of Rights will not constitute a disposition of property for purposes of the Tax Act and, consequently, no gain or loss will be realized by a Holder upon the exercise of Rights. A Unit acquired by a Holder upon the exercise of Rights will have a cost to the Holder equal to the aggregate of the subscription price paid for such Unit and the adjusted cost base, if any, to the Holder of the Rights so exercised. The cost of a Unit acquired by a Holder upon the exercise of Rights generally will be averaged with the adjusted cost base to the Holder of all other Units held at that time as capital property to determine the adjusted cost base of each such Unit to the Holder.

Expiry and Disposition of Rights

Upon the expiry of an unexercised Right, the Holder of such Right will be considered to have disposed of the Right for purposes of the Tax Act for nil proceeds of disposition and will generally realize a capital loss equal to the adjusted cost base to the holder of the Right, if any, immediately before its expiry.

Upon the disposition by a Holder of a Right, other than pursuant to the exercise thereof, the Holder will realize a capital gain (or capital loss) to the extent that the proceeds of disposition exceed (or are exceeded by) the aggregate adjusted cost base to the Holder of such Right and any reasonable costs of disposition. The taxation of gains and losses is discussed below under “*Taxation of Capital Gains and Losses*”.

Taxation of Holders of Units

Distributions

A Holder will generally be required to include in income for a particular taxation year the portion of the net income of the REIT for the taxation year of the REIT ending on or before the taxation year of the Holder, including net realized taxable capital gains, that is paid or payable to the Holder in the particular taxation year, whether that amount is received in cash, additional Units or otherwise.

Provided that appropriate designations are made by the REIT, that portion of the net realized taxable capital gains as is paid or payable to a Holder will effectively retain their character and be treated as taxable capital gains in the hands of the Holder for purposes of the Tax Act.

The non-taxable portion of any net realized taxable capital gains of the REIT that is paid or payable to a Holder in a taxation year will not be included in computing the Holder’s income for the year. Any other amount in excess of the net income and net taxable capital gains of the REIT that is paid or payable to a Holder in that year will generally not be included in the Holder’s income for the year. However, where such an amount is paid or payable to a Holder (other than as proceeds in respect of the redemption of Units), the Holder will be required to reduce the adjusted cost base of the Units by that amount. Where reductions to a Holder’s adjusted cost base of Units for a year would result in the adjusted cost base becoming a negative amount, such amount will be treated as a capital gain realized by the Holder in that year and the Holder’s adjusted cost base of the Units will then be nil.

The cost to a Holder of additional Units received in lieu of a cash distribution of income will be the amount of income distributed by the issue of those Units. For the purpose of determining the adjusted cost base to a Holder, when a Unit is acquired, the cost of the newly-acquired Unit will be averaged with the adjusted cost base of all of the Units owned by the Holder as capital property immediately before that acquisition.

Purchase of Units

Since the net income of the REIT will be distributed on a monthly basis, a purchaser of a Unit may become taxable on a portion of the net income of the REIT accrued or realized by the REIT in a month before the Unit was purchased but which was not paid or made payable to Holders until the end of the month and after the Unit was purchased. A similar result may apply on an annual basis in respect of a portion of capital gains accrued or realized by the REIT in a year before the Unit was purchased but which is paid or made payable to Holders at year end and after the Unit was purchased.

Dispositions of Units

On the disposition or deemed disposition of a Unit, whether on a redemption or otherwise, the Holder will realize a capital gain (or capital loss) equal to the amount by which the Holder’s proceeds of disposition exceed (or are less than) the aggregate of the adjusted cost base of the Unit and any reasonable costs of disposition. Proceeds of disposition will not include any amount that is otherwise required to be included in the Holder’s income such as amounts treated as having been paid to the Holder out of

income or capital gains of the REIT. The taxation of gains and losses is discussed below under “*Taxation of Capital Gains and Losses*”.

Where the redemption proceeds of Units are paid by the distribution of securities and/or obligations of the REIT to the redeeming Holder, the proceeds of disposition to the Holder of the Units will be equal to the fair market value of the securities so distributed. The cost of any security and/or obligation distributed by the REIT to a Holder upon a redemption of Units will be equal to the fair market value of that security and/or obligation at the time of the transfer less, in the case of a debt security, any accrued interest on the debt security. The Holder will thereafter be required to include in income interest on any debt security so acquired in accordance with the provisions of the Tax Act. To the extent that the Holder is thereafter required to include in income any interest accrued to the date of the acquisition of a debt security by the Holder, an offsetting deduction will be available.

Taxation of Capital Gains and Losses

Generally, one half of any capital gain (a “**taxable capital gain**”) realized in a taxation year must be included in the income of the Holder for the year, and one half of any capital loss (an “**allowable capital loss**”) realized by a Holder in a taxation year must be deducted from taxable capital gains realized by the Holder in that year. Allowable capital losses for a taxation year in excess of taxable capital gains for that year generally may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against taxable capital gains realized in such years, to the extent and under the circumstances described in the Tax Act.

A Holder that, throughout the relevant taxation year, is a “Canadian-controlled private corporation” as defined in the Tax Act, may be liable to pay an additional refundable tax of 6 $\frac{2}{3}$ % on certain investment income, including taxable capital gains.

The amount of any capital loss realized on the disposition or deemed disposition of Units by a Holder that is a corporation may be reduced by the amount of dividends received or deemed to be received by it on such Units to the extent and in the circumstances prescribed by the Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns such Units or where a trust or partnership of which a corporation is a beneficiary or a member is a member of a partnership or a beneficiary of a trust that owns any such Units. Holders to whom these rules may be relevant should consult their own tax advisors.

Capital gains realized by a Holder who is an individual (other than certain trusts) may result in such Holder being liable for alternative minimum tax under the Tax Act. Such Holders should consult their own income tax advisors with respect to their particular circumstances.

ELIGIBILITY FOR INVESTMENT

In the opinion of McCarthy Tétrault LLP, counsel to the REIT, based on the current provisions of the Tax Act, the Units and Rights, if issued on the date hereof, would be “qualified investments” under the Tax Act for trusts governed by registered retirement savings plans (“**RRSPs**”), registered retirement income funds (“**RRIFs**”), deferred profit sharing plans, registered education savings plans, registered disability savings plans, and tax-free savings accounts (“**TFSA**s”), *provided that* (i) in the case of the Units, either the Units are listed on a “designated stock exchange” in Canada for the purposes of the Tax Act (which currently includes the TSX) or the REIT qualifies as a “mutual fund trust”, as defined in the Tax Act, and (ii) in the case of the Rights, either the Rights or Units are listed on a “designated stock exchange” or the REIT qualifies as a “mutual fund trust”, as defined in the Tax Act.

Notwithstanding the foregoing, if the Units or Rights are a “prohibited investment” for the purposes of a TFSA, a RRSP or a RRIF, the holder of such TFSA or the annuitant of such RRSP or RRIF, as the case may be, will be subject to a penalty tax as set out in the Tax Act. The Units and Rights will not be a prohibited investment for a TFSA, RRSP or RRIF provided the holder or annuitant thereof, as the case may be, (i) deals at arm’s length with the REIT for purposes of the Tax Act, and (ii) does not have a “significant interest” (as defined in the Tax Act) in the REIT. In addition, the Units and Rights will not be a “prohibited investment” for a TFSA, RRSP or RRIF if such Units are “excluded property” as defined in the Tax Act for trusts governed by such TFSA, RRSP or RRIF. Prospective purchasers who intend to hold Units and Rights in a TFSA, RRSP or RRIF are advised to consult their own tax advisors.

RISK FACTORS

A prospective purchaser of Offered Securities should carefully consider the risk factors set forth below as well as the other information contained in this Circular before investing in any of the Offered Securities, including by exercising Rights and acquiring additional Units. The following is a summary description of the material risks and uncertainties to which the REIT is

subject. Some of the following statements are forward-looking and actual results may differ materially from the results anticipated in these forward-looking statements. Please refer to the section titled “*Forward-Looking Statements*” in this Circular. If any of such risks or risks not currently known to the REIT actually occurs or materializes, the REIT’s business, financial condition or results of operations could be adversely affected, even materially adversely affected.

Risks Related to the Rights Offering

The REIT may issue additional Units diluting existing Unitholders’ interests

The REIT’s articles authorize the REIT to issue an unlimited number of Units for such consideration and on such terms and conditions as will be established by the REIT’s board of trustees without the approval of any Unitholders (although there are regulatory requirements for unitholder approval for certain large private placements or related party transactions). Unitholders will have no pre-emptive rights in connection with such further issues, any of which may have the effect of significantly diluting existing Unitholders’ interests in the REIT.

Unitholders may suffer significant dilution in connection with the Rights Offering.

If a Unitholder does not exercise its Rights for Units pursuant to the Basic Subscription Privilege, or if a Unitholder sells or transfers its Rights, the Unitholder’s current ownership percentage may be significantly diluted by the issuance of Units pursuant to the exercise of Rights by other holders of such Rights.

The REIT has 26,597,456 issued and outstanding Units as of the date of this Circular. Assuming the Rights Offering is fully subscribed, the REIT expects to issue 6,649,364 Units on the Closing Date.

No prior trading market exists for the Rights.

Even upon listing of the Rights on the TSX, holders may not be able to resell Rights acquired. There can be no assurance that an active trading market will develop in the Rights on the TSX or, if developed, that such market will be sustained. To the extent an active trading market for the Rights does not develop, the pricing of the Rights in the secondary market, the transparency and availability of trading prices and liquidity of the Rights would be adversely affected, which may have a material adverse impact on the REIT and its share price.

Exercises of Rights may not be revoked.

If the Unit trading price declines below the Subscription Price for the Units, effectively resulting in a loss of some or all of the Subscribers’ Subscription Payment, Subscribers may not revoke or change the exercise of Rights after they send in their subscription forms and payment.

If the Rights Offering does not proceed, neither the REIT nor the Subscription Agent will have any obligation to you except to return any Subscription Payments paid.

If the Rights Offering does not proceed for any reason, although any Subscription Payments paid in connection with the exercise of Rights would be returned promptly to Subscribers by the Subscription Agent without interest or deduction, all outstanding Rights would cease to be exercisable for Units and would lose all of their value. In such circumstances, any person who had purchased Rights in the market would lose the entire purchase price paid to acquire such Rights.

A large number of Units may be issued and subsequently sold upon the exercise of the Rights.

To the extent that Subscribers that exercise Rights sell the Units underlying such Rights, the market price of the REIT’s Units may decrease due to the additional selling pressure in the market. The risk of dilution from issuances of Units underlying the Rights may cause Unitholders to sell their Units, which may have a material adverse impact on the REIT and its share price. Sales by Unitholders might also make it more difficult for the REIT to sell equity securities at a time and price that it deems appropriate.

The sale of Units issued upon exercise of the Rights could encourage short sales by third parties, which could depress the price of the Units.

Any downward pressure on the price of Units caused by the sale of Units underlying the Rights could encourage short sales by third parties. In a short sale, a prospective seller borrows Units from a Unitholder or broker and sells the borrowed Units. The prospective seller hopes that the Unit price will decline, at which time the seller can purchase Units at a lower price for delivery

back to the lender. The seller profits when the Unit price declines because it is purchasing Units at a price lower than the sale price of the borrowed Units. Such sales could place downward pressure on the price of the Units by increasing the number of Units being sold, which may have a material adverse impact on the REIT and its share price.

The Subscription Price is not necessarily an indication of value.

The Subscription Price does not necessarily bear any relationship to the book value of the REIT's assets, past operations, cash flows, losses, financial condition, net worth or any other established criteria for value. Holders of Rights should not consider the Subscription Price to be an indication of the REIT's value or of the Units to be offered in the Rights Offering, and the Units may trade at prices above or below the Subscription Price.

A decline in the market price of the Units may occur.

The trading price of the Units in the future may decline below the Subscription Price. The REIT can give no assurance that the Subscription Price will remain below any future trading price for the Units. Future prices of the Units may adjust positively or negatively depending on various factors, including the REIT's future revenues, cash flows and operations and overall conditions affecting the REIT's business, economic trends and the securities markets and changes in the estimated value and prospects for the REIT's projects.

The trading price of the Units has been and may continue to be subject to large fluctuations, which may result in losses to investors.

The price of the Units is likely to be affected by factors such as fluctuations in the REIT's operating results, the result of any public announcements made by us, and general market conditions can also have an adverse effect on the market price of the REIT's securities. The trading price of the Units has been and may continue to be subject to large fluctuations, which may result in losses to investors. The high and low closing sale prices of the Units on the TSX were \$5.97 and \$3.48 in 2014 and \$4.02 and \$3.36 in 2015 to date, respectively.

Risks Relating to the REIT

Uncertified Class Action Statement of Claim

Although the REIT itself has not been named as a defendant in the statement of claim dated November 28, 2014 seeking certification of a class action on behalf of persons who held units of the REIT on April 1, 2014, certain former and current trustees and former officers of the REIT have been named in the statement of claim. These trustees and officers are entitled to indemnification from the REIT, subject to exceptions including where it is determined that there has been a failure to act honestly and in good faith. While the REIT has insurance which it expects to be applicable in these circumstances, the REIT may ultimately have financial obligations related to such indemnifications which could be material to the REIT.

Holyrood Rescission and Loan Guarantee

As a condition of closing the Holyrood Rescission in October 2014, the REIT has provided a \$35.0 million loan guarantee to the lender of a loan to Holyrood Holdings Ltd. The loan was scheduled to mature June 30, 2015. The REIT has been advised that the loan was not repaid at maturity and that Holyrood is in the process of refinancing the loan with another lender. The current lender has advised that all interest payments on the loan are up-to-date and that the loan is being extended on a short-term basis. Should the lender make a demand on the REIT as a guarantor, the REIT may at its sole discretion purchase the lender's interest in the loan thus granting the REIT a first charge over Hamilton City Centre. The REIT currently has a registered second mortgage on the property. There is a risk that Holyrood does not refinance the loan, that the current lender demands to be repaid, that the lender seeks payment from the REIT under the guarantee, and that the security available proves to be insufficient. The REIT has no ongoing interest in the Hamilton City Centre and does not intend to guarantee any debt in connection with Holyrood's refinancing of the property.

Restrictive Covenants

Mortgage indebtedness and/or other credit facilities obtained by the REIT will contain covenants, including limitations on the REIT's ability to incur secured and unsecured indebtedness, sell all or substantially all of its assets and engage in mergers and consolidations and various acquisitions. In addition, mortgage indebtedness and other credit facilities will contain limitations on the REIT's ability to transfer or encumber the mortgaged properties without lender consent. These provisions may restrict the REIT's ability to pursue business initiatives or acquisition transactions that may be in its best interest. They also may prevent the REIT from selling properties at times when, due to market conditions, it may be advantageous to do so. In addition, failure to

meet any of the covenants could cause an event of default under and/or acceleration of some or all of the REIT's indebtedness, which could have a material adverse effect on the REIT.

As at June 30, 2015, the REIT was in technical violation of year end financial covenants on the line of credit with First National LP and on two mortgages. The REIT has obtained a written waiver with respect to the line of credit and does not expect the lenders under the two mortgages to trigger an event of default. The occurrence of an event of default could have a material adverse effect on the REIT.

The REIT intends to use the net proceeds of the Rights Offering to reduce outstanding debts and for general corporate purposes.

Debt Financing

The REIT has incurred both unsecured debt and mortgage debt by obtaining loans secured by some or all of its properties. In addition, the REIT may borrow funds if necessary to make distributions to Unitholders. Future debt may harm its business and operating results by:

- (a) requiring the REIT to use a substantial portion of its cash flow from operations to pay principal and interest, which will reduce the amount available for distributions;
- (b) making the REIT more vulnerable to economic and industry downturns and reducing its flexibility in responding to changing business and economic conditions; and
- (c) limiting the REIT's ability to borrow more money for operating or capital needs or to finance acquisitions in the future.

In addition to the risks discussed above and those normally associated with debt financing, including the risk that the REIT's cash flow will be insufficient to meet required payments of principal and interest, the REIT will also be subject to the risk that it will not be able to refinance the existing indebtedness on its facilities and that the terms of any refinancing it could obtain would not be as favourable as the terms of its existing indebtedness. If the REIT is not successful in refinancing debt when it becomes due, it may be forced to dispose of facilities or assets on disadvantageous terms, which might adversely affect its ability to service other debt and to meet its other obligations.

The REIT intends to use the net proceeds of the Rights Offering to reduce outstanding debts and for general corporate purposes.

Occupancy and Rental Rates

Delays in lease renewals of properties and/or units of properties as vacancies arise would reduce the REIT's revenues and could adversely affect its operating performance. In addition, lower than expected rental rates could adversely affect the REIT's rental revenues and impede its growth. At June 30, 2015, the REIT had vacancies of 137,205 square feet.

Retail Real Estate in Canada

The REIT is reliant on the retail shopping centre market in Canada. Fundamentals in retail real estate in Canada are expected to remain stable, however there has been some disruption as a result of Target's departure from Canada, store closures by Future Shop, Loblaws, Sobeys and Canadian Tire and recent bankruptcies and CCAA filings which have created a more cautious environment with retailers. While the REIT does not expect a direct impact from these announcements, the ability to attract high quality retailers and maintain a high level of occupancy depends, in part, on the continued popularity of open-concept centres as shopping destinations. The internet and other technologies may play a more significant role in consumer preferences and shopping patterns in the future, which could present a competitive risk to the REIT that is not easily assessed at this time. Significant deterioration of the retail shopping centre market in general as well as any changes in consumer shopping patterns could have an adverse effect on the REIT's business, financial condition or results of operations.

Investment Concentration

As at June 30, 2015, Place Desormeaux, Méga Centre, Châteauguay, Plaza des Seigneurs, Elgar Place, Centre Village, Sorel, Saint Remi, Repentigny and Marcel-Laurin accounted for approximately 36% of the REIT's base rental revenues on an annualized basis. As a result, the REIT is particularly susceptible to adverse market conditions in the area of greater Montréal, Québec, such as business layoffs or downsizing, industry slowdowns, relocations of businesses, changing demographics and other factors. Any adverse economic or real estate developments in the area of greater Montréal, Québec, or in the future in any

of the other markets in which the REIT operates, or any decrease in demand for commercial retail real estate space resulting from the local economic or business climate could adversely affect the REIT's rental revenues, which could impair its ability to satisfy its debt service obligations and generate stable positive cash flow from its operations. In addition, because the REIT's investments consist mainly of commercial retail real estate interests, it will be subject to risks inherent in investments in a single industry and will not benefit from diversification by property type. Demand for commercial retail real estate space could be adversely affected by weakness in the national, regional and local economies, changes in supply of, or demand for, similar or competing properties in an area and the excess amount of commercial retail real estate space in a particular market. In addition, under certain circumstances, some tenants are permitted under the terms of their leases to cease business operations at the premises leased to them provided that they continue to pay the same rent for such premises. While such clauses are not uncommon in leases with key tenants of commercial retail properties, if any key tenant were to cease business operations at the premises leased to them, it could have a material adverse effect on the relevant property. To the extent that any of these conditions occur, they are likely to affect market rents for space, which could cause a decrease in the REIT's rental revenue from any of its properties at the expiry of the initial terms of any leases. Any such decrease could impair the REIT's ability to satisfy any debt service obligations and generate stable positive cash flow from its operations.

Acquisition Strategy

The REIT's business strategy involves expansion of its rental property asset base through acquisitions and, potentially in the future, development of projects for rental purposes. These activities require the REIT to identify acquisition or development candidates or investment opportunities that meet its criteria and are compatible with its growth strategy. The REIT may not be successful in identifying commercial retail real estate facilities that meet its acquisition or development criteria or in completing acquisitions, developments or investments on satisfactory terms. The REIT may also not be able to raise the funds necessary to complete an acquisition, development or investment. Failure to identify or complete acquisitions or developments will slow the REIT's growth. The REIT could also face significant competition for acquisitions and development opportunities. Many of the REIT's competitors have greater financial resources than the REIT and, accordingly, have a greater ability to borrow or raise funds to acquire properties. These competitors may also be willing and/or able to accept more risk than the REIT can prudently manage, including risks with respect to the geographic concentration of investments and the payment of higher prices to acquire properties. This competition for investments may reduce the number of suitable investment opportunities available to the REIT, may increase acquisition costs and may reduce demand for commercial retail real estate space in certain areas where the REIT's real estate properties are located and, as a result, may adversely affect the REIT's operating results. In addition, even if the REIT were successful in identifying suitable acquisitions or development projects, newly acquired real estate properties may fail to perform as expected and management of the REIT may underestimate the costs associated with the integration of the acquired facilities. In addition, any property expansions the REIT undertakes in the future are subject to a number of risks, including, but not limited to, construction delays or cost overruns that may increase project costs, financing risks, the failure to meet anticipated occupancy or rent levels, failure to receive required zoning, land use and other governmental permits and authorizations and changes in applicable zoning and land use laws. If any of these problems occur, expansion costs for a project will increase, and there may be significant costs incurred for projects that are not completed. In deciding whether to acquire or expand a particular property, the REIT will make certain assumptions regarding the expected future performance of that property. If the REIT's acquisition or expansion facilities fail to perform as expected or incur significant increases in projected costs, the REIT's rental revenues could be lower, and its operating expenses higher, than expected.

Integration of Additional Properties

The REIT intends to acquire additional properties in the future. The REIT cannot assure securityholders that it will be able to successfully integrate these additional properties into its existing portfolio without operating disruptions or unanticipated costs. As the REIT acquires or develops additional properties, the REIT will be subject to risks associated with managing new properties, including tenant retention and mortgage default. In addition, acquisitions or developments may cause disruptions in the REIT's operations and divert management's attention away from day-to-day operations. Furthermore, the REIT's profitability may suffer because of acquisition related costs or amortization costs for acquired intangible assets. The REIT's failure to successfully integrate any future properties into its portfolio could have an adverse effect on the REIT's operating costs and its ability to generate stable positive cash flow from its operations.

Potential Undisclosed Liabilities Associated with Acquisitions

The REIT expects to acquire properties that are subject to existing liabilities, some of which may be unknown at the time of the acquisition or which the REIT may fail to uncover in its due diligence. Unknown liabilities might include liabilities for clean-up or remediation of undisclosed environmental conditions, claims by tenants, vendors or other persons dealing with the vendor or predecessor entities (that have not been asserted or threatened to date), tax liabilities, and accrued but unpaid liabilities incurred in the ordinary course of business. While in some instances the REIT may have the right to seek reimbursement against an insurer or another third party for certain of these liabilities, the REIT may not have recourse to the vendor of the properties for any of these liabilities.

Potential Conflicts of Interest

The REIT entered into a financing arrangement with a subsidiary of First National Financial which includes a \$10 million line of credit which, as of June 30, 2015, the REIT had drawn upon. Mr. Moray Tawse, a significant unitholder of the REIT, has an interest in First National Financial. Mr. Tawse is not a trustee or officer of the REIT.

Competition

The REIT competes with numerous developers, owners and operators in the commercial retail real estate industry, some of which own or may in the future own facilities that compete directly with the REIT's properties, and some of which may have greater capital resources. If the REIT's competitors build new facilities that compete with the REIT's properties or offer space at rental rates below current market rates or below the rental rates the REIT charges its tenants, the REIT may lose existing and potential tenants and it may be pressured to discount its rental rates below those it would otherwise charge in order to retain tenants. As a result, the REIT's rental revenues may decrease, which could impair the REIT's ability to satisfy its debt service obligations and to pay distributions to Unitholders. In addition, increased competition for tenants may require the REIT to make capital improvements to facilities that it would not have otherwise made. Any unbudgeted capital improvement the REIT undertakes may reduce cash available for distributions to Unitholders.

Losses of Key Personnel May Affect the REIT's Ability to Operate Effectively

The REIT's operations are dependent upon the participation of its key executives. While the REIT believes that it could find replacements for these key executives, the loss of their services and the REIT's inability to attract and retain qualified and experienced personnel may materially affect the REIT's ability to operate and expand.

Litigation

In addition to the uncertified class action, the REIT may become subject to disputes with tenants or other commercial parties with whom it maintains relationships or other parties with whom it does business. Any such dispute could result in litigation between the REIT and the other parties. Whether or not any dispute actually proceeds to litigation, the REIT may be required to devote significant resources, including management time and attention, to its successful resolution (through litigation, settlement or otherwise), which would detract from management's ability to focus on the REIT's business. Any such resolution could involve the payment of damages or expenses by the REIT, which may be significant. In addition, any such resolution could involve the REIT's agreement to certain settlement terms that restrict the operation of its business.

Risks Relating to Current Economic Conditions

Canadian real estate investment trusts are subject to risks generally incident to the Canadian real estate, credit, capital, interest rates and financial markets. Sensitivity to the global economic conditions, and their impact in Canada, may negatively affect the income received from the REIT's real property assets. Inherent illiquidity may limit the REIT's ability to vary its portfolio in response to changes in the global, national and/or local economic conditions and may ultimately prevent the REIT from implementing its acquisition and investment strategies. Increased vacancy rates and difficulties re-leasing properties, commonly associated with recessionary economic conditions, may occur and may adversely affect the income received from the REIT's real property assets. All of these conditions could have an adverse effect on the REIT including causing an event of default under any of the REIT's mortgage indebtedness and/or credit facilities. Finally, the extent to which the REIT relies on debt or equity financing and the difficulty associated with obtaining such financing increases the likelihood the REIT will be unable to raise equity capital for its ongoing operations or its acquisition and investment strategies, refinance existing indebtedness or result in the REIT receiving less favourable terms than that of existing financing arrangements.

Joint Venture Investments

Although the REIT does not presently have any joint venture investments, it may in the future co-invest with third parties through joint ventures. In any such joint venture, the REIT may not be in a position to exercise sole decision making authority regarding the properties owned through joint ventures. Investments in joint ventures may, under certain circumstances, involve risks not present when a third party is not involved, including the possibility that joint venture partners might become bankrupt or fail to fund their share of required capital contributions. Joint venture partners may have business interests or goals that are inconsistent with the REIT's business interests or goals and may be in a position to take actions contrary to the REIT's policies or objectives. Such investments also have the potential risk of impasse on strategic decisions, such as a sale, because neither the REIT nor the joint venture partner would have full control over the joint venture. Any disputes that may arise between the REIT and its joint venture partners could result in litigation or arbitration that could increase the REIT's expenses and distract its

officers and/or trustees from focusing their time and effort on the REIT's business. In addition, the REIT might in certain circumstances be liable for the actions of its joint venture partners.

Tax Risks Related to the REIT's Tax Status

If the REIT does not qualify or ceases to qualify as a "mutual fund trust" under the Tax Act, adverse consequences may arise including that: (i) the REIT may become liable to pay certain additional tax liabilities (with the result that the amount of cash available for distribution by the REIT would be reduced and Unitholders may otherwise be adversely affected), and, (ii) if at such time the Units are also not listed or cease to be listed on the TSX (or other prescribed stock exchange), the Rights and Units may not be or may cease to be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, deferred profit sharing plans, registered disability savings plans and tax-free savings accounts, each as defined in the Tax Act (with the result that such a plan or its annuitants may become liable to pay additional tax or penalties or may be otherwise adversely affected).

The REIT's qualification for the REIT exception (the "REIT Exception") under the "specified investment flow-through" rules in the Tax Act ("SIFT Rules") will depend upon the REIT's ability to meet and the REIT meeting, through actual annual operating results, the various REIT conditions imposed by the SIFT Rules. If the REIT does not qualify or ceases to qualify as a "real estate investment trust" under the REIT Exception, adverse consequences could arise including that a non-deductible distributions amount would be taxable to the REIT (with the result that the amount of cash available for distribution by the REIT would be reduced) and such amount would also be included in the income of Unitholders for purposes of the Tax Act as taxable dividends.

There can be no assurances that Canadian federal income tax laws respecting the treatment of mutual fund trusts and of REITs will not be changed, or that administrative and assessing practices of the CRA will not develop, in a manner which adversely affects the REIT or its Unitholders

Other Tax Related Risks

The tax treatment of investment and real estate activities has a material effect on the advisability of an investment in the Units.

The after-tax return from an investment in Units to Unitholders who are subject to Canadian income tax can be made up of both a return on and a return of capital, and will depend, in part, on the composition for tax purposes of distributions paid by the REIT (portions of which may be fully or partially taxable or may be tax deferred). The composition for tax purposes of those distributions may change over time, thus affecting the after-tax return to Unitholders. Subject to the SIFT Rules and the REIT qualifying for the REIT Exception, income (i.e. return on capital) is generally taxed as ordinary income, capital gains or as dividends in the hands of a Unitholder. Amounts in excess of the income of the REIT that are paid or payable by the REIT to a Unitholder (i.e. returns of capital) are generally non-taxable to a Unitholder (and reduce the Unitholder's cost base in the Unit for tax purposes). The extent to which distributions will be tax deferred in the future as returns of capital will depend on the extent to which the REIT can shelter its taxable income by claiming capital cost allowances and other available deductions. Unitholders are advised to consult their own tax advisers with respect to the implications of the foregoing in their own circumstances.

As the Trust Declaration provides that the REIT shall, subject to the trustees resolving otherwise, distribute to Unitholders in each year an amount of net income and net realized capital gains in order to eliminate the REIT's liability for tax under Part I of the Tax Act, where the amount of net income and net realized capital gains of the REIT in a taxation year exceeds the cash available for distribution in the year, such excess net income and net realized capital gains may be distributed to Unitholders in the form of additional Units. Unitholders will generally be required to include an amount equal to the fair market value of those Units in their taxable income, notwithstanding that they do not directly receive a cash distribution.

Management believes that it has complied all applicable provisions of the Tax Act and applicable goods and services tax legislation and regulations; however, the REIT cannot assure you that the applicable taxation authorities will not seek to challenge the tax treatment applied to the acquisition of certain properties from Holyrood Holdings Limited and the subsequent rescission thereof in October 2014 which may have an adverse effect on the REIT or its Unitholders.

There can be no assurance that income tax laws (or the judicial interpretation thereof or the administrative and assessing practices of CRA) and/or the treatment of "mutual fund trusts" or "real estate investment trusts" will not be changed in a manner which would adversely affect the REIT or Unitholders.

Investors should consult their own professional advisors as to the tax consequences to them of making an investment in, and of holding, Units.

Risks Related to the Structure of the REIT

Reliance on External Sources of Capital

Because the REIT expects to make regular cash distributions, it may not be able to fund all of its future capital needs, including capital for acquisitions and property development, with income from operations. The REIT therefore will have to rely on third-party sources of capital, which may or may not be available on favourable terms, if at all. The REIT's access to third-party sources of capital depends on a number of things, including the current state of capital markets, the market's perception of the REIT, and its current and potential future earnings. If the REIT is unable to obtain third-party sources of capital, it may not be able to acquire or develop assets when strategic opportunities exist, satisfy its debt obligations or make regular distributions to Unitholders.

Interest Rate Risk and Financing Risk

The REIT attempts to stagger the maturities of its debt portfolio evenly over a ten year time horizon in order to effectively manage both interest rate and liquidity risks. The REIT has an on-going obligation to access debt markets to refinance maturing debt as it becomes due. There is a risk that lenders will not refinance such maturing debt on terms and conditions that are acceptable to the REIT or on any terms at all. The REIT's strategy of staggering the maturities of its debt portfolio attempts to limit the exposure to excessive amounts of debt maturing in any one year.

There is interest rate risk associated with two of the REIT's variable rate mortgages since the interest rate is impacted by changes in the bank rate. There is also interest rate risk associated with the REIT's fixed interest rate and term mortgages and unsecured debentures due to the expected requirement to refinance such debts in the year of maturity.

The REIT's strategy to mitigate interest rate price risk for its fixed rate mortgages is to enter into interest rate swap arrangements when deemed necessary. As at June 30, 2015, the REIT has not entered into any swap arrangements. The REIT does not use swaps for speculative purposes.

If the debt of the REIT cannot be extended, renewed or refinanced on favourable terms as it becomes due, this would have a material adverse effect on the REIT.

Cash Distributions Are Not Guaranteed and May Fluctuate with the REIT's Performance

Although the REIT currently intends, to the extent possible, to make equal monthly cash distributions of income to the Unitholders, such cash distributions are not guaranteed and may fluctuate with its performance. The REIT will depend on revenue generated from its properties to make such distributions. There can be no assurance regarding the amount of revenue that will be generated by its properties. The amount of distributions may exceed actual cash available to the REIT from time to time and will depend upon numerous factors, including the profitability of its properties, funds used to fund the REIT's growth initiatives, fluctuations in working capital, interest rates, capital expenditures, principal repayments, redemption of Units, if any, and other factors which may be beyond the control of the REIT. The REIT may be required to borrow funds in order to accommodate any such items, including distributions. If the trustees determine that it would be in the best interests of the REIT, they may reduce for any period the distributions to be made to the Unitholders.

Structural Subordination of Units

In the event of a bankruptcy, liquidation or reorganization of the REIT or any of its subsidiaries, holders of certain of their indebtedness and certain trade creditors will generally be entitled to payment of their claims from the assets of the REIT and those subsidiaries before any assets are made available for distribution to the Unitholders. The Units will be effectively subordinated to most of the indebtedness and other liabilities of the REIT and its subsidiaries. Neither the REIT nor any of its subsidiaries will be limited in its ability to incur additional secured or unsecured indebtedness.

Unitholder Liability

The Declaration of Trust provides that no Unitholder shall be subject to any liability whatsoever to any person in connection with a holding of Units. However, in certain jurisdictions, there remains a risk, which is considered by the REIT to be remote in the circumstances, that a Unitholder could be held personally liable, despite such statement in the Declaration of Trust to the contrary, for the obligations of the REIT to the extent that claims are not satisfied out of the assets of the REIT. The affairs of the REIT are conducted to minimize such risk wherever possible, but the REIT cannot assure you that Unitholders may not be liable.

Nature of Investment

A Unit is not a share of a body corporate. Holders of Units do not have statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring “oppression” or “derivative” actions. The rights of holders of Units will be based primarily on the Declaration of Trust. There is no statute governing the affairs of the REIT equivalent to the *Business Corporations Act* (Ontario) or the *Canada Business Corporations Act* which sets out the rights and entitlements of shareholders of corporations in various circumstances. The Units are not “deposits” within the meaning of the *Canada Deposit Insurance Corporation Act*, nor are they insured under the provisions of that Act or any other legislation. Furthermore, the REIT is not a trust company and, accordingly, is not registered under any trust and loan company legislation as it does not carry on or intend to carry on the business of a trust company.

Dilution

The number of Units the REIT is authorized to issue is unlimited. The REIT may, in its sole discretion, issue additional Units from time to time, and the interests of the holders of Units may be diluted thereby.

Potential Volatility of Unit Price

The market price of the Units may be volatile and could be subject to wide fluctuations due to a number of factors, including but not limited to: actual or anticipated fluctuations in the REIT’s results of operations; changes in estimates of the REIT’s future results of operations by management or securities analysts; and general industry changes. In addition, the financial markets have in the past experienced significant price and value fluctuations that have particularly affected the market prices of equity securities of many Exchange and real estate issuers and that sometimes have been unrelated to the operating performance of these companies. Broad market fluctuations, as well as economic conditions generally and in the real estate industry specifically, may adversely affect the market price of the Units.

Limited Prior Public Market

The REIT cannot predict at what price the Units will trade and there can be no assurance that an active trading market will be maintained or, if maintained, that such a market will be sustained. A publicly traded REIT will not necessarily trade at values determined solely by reference to the underlying value of its assets.

Restriction on Ownership of Units

Pursuant to the terms of the Declaration of Trust, the REIT must not be established or maintained primarily for the benefit of non-residents of Canada for purposes of the Tax Act. These restrictions may limit or remove the rights of certain Unitholders, including Non-Residents. As a result, these restrictions may limit the demand for Units from certain holders and thereby adversely affect the liquidity and market value of the Units.

Restrictions on Redemptions

It is anticipated that the redemption right will not be the primary mechanism for holders of Units to liquidate their investments. Redemption Notes (as defined in the Declaration of Trust) which may be distributed in specie to holders of Units in connection with a redemption will not be listed on any stock exchange and no established market is expected to develop for such securities, and such securities may be subject to an indefinite “hold period” or other resale restrictions under applicable securities laws. Redemption Notes so distributed may not be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, deferred profit sharing plans, registered disability savings plans and tax-free savings accounts, each as defined in the Tax Act, depending upon the circumstances at the time. Regulatory approvals will be required in connection with the distribution of Redemption Notes in specie to holders of Units in connection with redemption.

The entitlement of Unitholders to receive cash upon the redemption of their Units will not be applicable to Units tendered for redemption if: (i) the total amount payable by the REIT in respect of such Units and all other Units tendered for redemption in the same calendar month exceeds \$50,000 (provided that such limitation may be waived at the discretion of the trustees); (ii) at the time such Units are tendered for redemption, the outstanding Units are not listed for trading on a stock exchange or traded or quoted on another market which the trustees consider, in their sole discretion, provides fair market value prices for the Units; (iii) the trading of Units is suspended or halted on any stock exchange on which the Units are listed (or, if not listed on a stock exchange, on any market on which the Units are quoted for trading) on the redemption date or for more than five trading days during the 10 day trading period prior to the redemption date; and (iv) the redemption of Units would result in the delisting of the Units on the principal stock exchange on which the Units are listed.

Risks Relating to Real Property Ownership

General

The REIT is subject to risks generally incident to the ownership of real property. The underlying value of its properties and the REIT's income and ability to make distributions to Unitholders will depend on the ability of the REIT to maintain or increase revenues from its properties and to generate income in excess of operating expenses. Income from the REIT's properties may be adversely affected by changes in national or local economic conditions, changes in interest rates and in the availability, cost and terms of mortgage financing, the impact of present or future environmental legislation and compliance with environmental laws, the ongoing need for capital improvements, particularly in older structures, changes in real estate assessed values and taxes payable on such values (including as a result of possible increased assessments caused by the acquisition of properties by the REIT) and other operating expenses, changes in governmental laws, regulations, rules and fiscal policies, changes in zoning laws, civil unrest, acts of God, including earthquakes and other natural disasters and acts of terrorism or war (which may result in uninsured losses). Certain significant expenditures, including property taxes, maintenance costs, mortgage payments, insurance costs and related charges must be made throughout the period of ownership of real property regardless of whether the property is producing income. In addition, a significant number of leases require payment by the tenant of operating costs at a fixed rate with an annual fixed adjustment or an annual adjustment for changes in the Consumer Price Index. Actual increases or decreases in operating costs may vary significantly from the amounts recoverable in respect thereof and could result in operating the property at a loss.

When interest rates increase, the cost of acquiring, developing, expanding or renovating real property increases and real property values may decrease as the number of potential buyers decreases. Similarly, as financing becomes less available, it becomes more difficult to both acquire and to sell real property. Finally, governments can expropriate or take real property for less compensation than an owner believes a property is worth. Almost all of these factors are beyond the REIT's control.

Government Regulation and Environmental Matters

The REIT is subject to federal, provincial and local environmental regulations that apply generally to the ownership of real property. If it fails to comply with those laws, the REIT could be subject to significant fines or other governmental sanctions. Under various federal, provincial and local laws, ordinances and regulations, an owner or operator of real estate may be required to investigate and clean up hazardous or toxic substances or petroleum product releases at a property and may be held liable to a governmental entity or to third parties for property damage and for investigation and clean-up costs incurred by such parties in connection with contamination. Such liability may be imposed whether or not the owner or operator knew of, or was responsible for, the presence of these hazardous or toxic substances. The cost of investigation, remediation or removal of such substances may be substantial, and the presence of such substances, or the failure to properly remediate such substances, may adversely affect the owner's ability to sell or rent such property or to borrow using such property as collateral. In addition, in connection with the ownership, operation and management of real properties, the REIT could potentially be liable for property damage or injuries to persons and property.

In order to assess the potential for liabilities arising from the environmental condition at its properties, the REIT is required to obtain or examine environmental assessments prepared by environmental consulting firms. The environmental assessments received in respect of the REIT's properties did not reveal, nor is the REIT aware of, any environmental liability that the REIT believes will have a material adverse effect on it. However, the REIT cannot assure Unitholders that any environmental assessments performed have identified or will identify all material environmental conditions, that any prior owner of any property did not create a material environmental condition not known to the REIT or that a material environmental condition does not or will not otherwise exist with respect to its properties.

Illiquidity

Real estate investments are relatively illiquid, with the degree of liquidity generally fluctuating in relation to demand for and the perceived desirability of such investments. Such illiquidity may limit the REIT's ability to vary its portfolio promptly in response to changing economic or investment conditions. If the REIT were to need to sell a property, the proceeds to the REIT might be significantly less than the aggregate carrying value of such property.

Uninsured Losses

The Declaration of Trust requires that the REIT obtain and maintain at all times insurance coverage in respect of its potential liabilities and the accidental loss of value of its assets from risks, in amounts, with such insurers, and on such terms as the trustees consider appropriate, taking into account all relevant factors including the practices of owners of comparable properties. There are, however, certain types of risks, generally of a catastrophic nature, such as wars, acts of terrorism or environmental contamination, which are either uninsurable or not insurable on an economically viable basis. Should an uninsured or under-

insured loss occur, the REIT could lose its investment in, and anticipated profits and cash flows from, the affected property, but the REIT would continue to be obliged to repay any recourse mortgage indebtedness on such property. There can be no assurance that a claim in excess of the insurance coverage or claims not covered by insurance coverage will not arise or that the liability coverage will continue to be available on acceptable terms. A successful claim against the REIT not covered by, or in excess of, the insurance coverage could have a material adverse effect on the REIT's business, financial condition or results of operations and distributions.

Risks Related to the Debentures

The REIT may not be Able to Satisfy Payments of Interest and Principal on the Debentures

There is no guarantee that the REIT will have sufficient cash available to make interest and principal payments on its outstanding unsecured subordinated debentures (the "Debentures") on a timely basis or at all.

Dilution upon Redemption of Debentures

The REIT may determine to redeem any outstanding Debentures for Units or to repay outstanding principal amounts thereunder at maturity of the Debentures by issuing additional Units. The issuance of additional Units may have a dilutive effect on the REIT's Unitholders and an adverse impact on the price of Units.

Limitation in the REIT's Ability to Finance Purchase of Debentures

The REIT is required to make an offer to holders of the Debentures to purchase all or a portion of their Debentures for cash in the event of certain Changes of Control. The REIT cannot be certain that, if required, it would have sufficient cash or other financial resources at that time or would be able to arrange financing to pay the purchase price of the Debentures in cash. The REIT's ability to purchase the Debentures in such an event may be limited by law, by the Indenture governing the Debentures, by the terms of other present or future agreements relating to the REIT's credit facilities and other indebtedness and agreements that the REIT may enter into in the future which may replace, supplement or amend the REIT's future debt. The REIT's future credit agreements or other agreements may contain provisions that could prohibit the purchase by the REIT of the Debentures without the consent of the lenders or other parties thereunder. If the REIT's obligation to offer to purchase the Debentures arises at a time when the REIT is prohibited from purchasing or redeeming the Debentures, the REIT could seek the consent of lenders to purchase the Debentures or could attempt to refinance the borrowings that contain this prohibition. If the REIT does not obtain consent or refinance these borrowings, the REIT could remain prohibited from purchasing the Debentures under its offer.

The REIT's failure to purchase the Debentures would constitute an event of default under the Indenture, which might constitute a default under the terms of the REIT's other indebtedness at that time.

WEBSITE

Copies of the audited financial statements, quarterly unaudited financial statements, annual information form and other continuous disclosure documents filed by the REIT with securities regulatory authorities may be obtained on the REIT's profile at www.sedar.com.

ENQUIRIES

Enquiries relating to the Rights Offering and this Circular should be addressed to:

Computershare Investor Services Inc.
Toll-free at 1-800-564-6253 or 1-514-982-7555
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