PARTNERS REIT

ANNUAL INFORMATION FORM

For the Year Ended December 31, 2014

March 31, 2015

TABLE OF CONTENTS

GLOSSARY OF TERMS

The following terms used in this Annual Information Form have the meanings set out below:

"**2011 Debenture Offering**" has the meaning ascribed to such term under "General Development of the Business – Public Offerings – 2011 Debenture Offering";

"2011 Debentures" means the 8.0% extendible convertible unsecured subordinated debentures of the REIT offered by way of short form prospectus dated February 25, 2011;

"**2012 Debenture Offering**" has the meaning ascribed to such term under "General Development of the Business – Public Offerings – 2012 Debenture Offering";

"**2012 Debentures**" means the 6.0% convertible unsecured subordinated debentures of the REIT offered by way of short form prospectus dated August 28, 2012;

"**2012 Meeting**" has the meaning ascribed to such term under "Description of Capital Structure – Declaration of Trust and Description of Units";

"**2013 Debenture Offering**" has the meaning ascribed to such term under "General Development of the Business – Public Offerings – 2013 Debenture Offering";

"**2013 Debentures**" means the 5.5% convertible unsecured subordinated debentures of the REIT offered by way of short form prospectus dated March 5, 2013;

"**ACP**" has the meaning ascribed to such term under "Trustees and Officers – Alternate Compensation Plan";

"**Acquisition Facility**" has the meaning ascribed to such term under "General Development of the Business – – Property Financings and Credit Facilities – Acquisition Facility";

"**Adjusted Unitholders' Equity**" means, at any time, the aggregate of Unitholders' equity and the amount of accumulated depreciation and amortization recorded on the books and records of the REIT in respect of its properties and assets, calculated in accordance with IFRS;

"**affiliate**" has the meaning ascribed thereto for the purposes of Part XX of the *Securities Act* (Ontario);

"**April Transaction**" has the meaning ascribed to such term under "General Development of the Business – Overview – Holyrood Acquisition and Rescission";

"**Beneficial Debenture Owner**" has the meaning ascribed to such term under "Description of Debentures and Indenture – Book-Entry System for Debentures";

"**Beneficial Owner**" has the meaning ascribed to such terms under "Declaration of Trust and Description of Units – Book-Based System";

"**Board of Trustees**" means the board of Trustees of the REIT;

"**Business Day**" means any day except a Saturday, Sunday or statutory holiday in the City of Toronto, Ontario;

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

"**Change of Control**" has the meaning ascribed to such term under "Description of Debentures and Indenture – Change of Control of the REIT";

"**Closing Market Price**" has the meaning ascribed to such term under "Declaration of Trust and Description of Units – Redemption Right";

"**Computershare**" means Computershare Trust Company of Canada;

"**Consolidation**" has the meaning ascribed to such term under "General Development of the Business – Consolidation of Units";

"**Control**" means any change resulting in one entity or a number of commonly controlled entities acquiring 50% or more of the units of the REIT;

"**Consumer Price Index**" means the consumer price index as published by Statistics Canada monthly;

"**CRA**" means the Canada Revenue Agency;

"**Crofton**" means Crofton Moore Management Inc.;

"**Current Market Price**", at any date, means the volume-weighted average trading price for the Units on the TSX for the 20 consecutive trading days ending five trading days prior to the applicable date;

"**Debenture Certificates**" has the meaning ascribed to such term under "Description of Debentures and Indenture – Book-Entry System for Debentures";

"**Debentureholder**" means a holder of Debentures;

"**Debenture Offer**" has the meaning ascribed to such term under "Description of Debentures and Indenture – Change of Control of the REIT";

"**Debenture Offer Price**" has the meaning ascribed to such term under "Description of Debentures and Indenture – Change of Control of the REIT";

"**Debentures**" means the 2011 Debentures, the 2012 Debentures and the 2013 Debentures;

"**Debenture Trustee**" means Computershare Trust Company of Canada;

"**Declaration of Trust**" means the REIT's declaration of trust dated March 27, 2007, as amended and restated with effect as of June 4, 2010 and as further amended and restated with effect as of November 3, 2010, December 15, 2011, March 29, 2012, May 11, 2012, April 8, 2013, May 28, 2014 and March 23, 2015;

"**Distribution**" has the meaning ascribed to such term under "Distributions – Distribution Reinvestment and Optional Unit Purchase Plan";

"**Distribution Payment Date**" means, in respect of a Distribution Period, any date that a distribution is paid to Unitholders in respect of such period, generally being the 15th calendar day of each month (or if such day is not a Business Day, on the next Business Day thereafter) following the Distribution Period;

"**Distribution Period**" means each calendar month, or as otherwise determined by the Trustees;

"**DRIP**" means the REIT's Amended and Restated Distribution Reinvestment Plan dated January 1, 2008, as effective June 16, 2011;

"**Eligible Persons**" has the meaning ascribed to such term under "Trustees and Officers – Unit Option Plan";

"**Epic**" means Epic Realty Partners Inc.;

"**Event of Default**" has the meaning ascribed to such term under "Description of Debentures and Indenture – Events of Default";

"**Exchangeable Securities**" has the meaning ascribed to such term under "Declaration of Trust and Description of Units – Units and Special Voting Units";

"**FCC Loan Facility**" means "General development of the Business – Property Financings and Credit Facilities – FCC Loan Facility";

"**February 2012 Unit Offering**" has the meaning ascribed to such term under "General development of the Business – Public Offerings – February 2012 Unit Offering";

"**Fiscal Year**" means the financial reporting year of the REIT commencing January 1 and ending on December 31 in each calendar year, and any other 12 month reporting period adopted by the Trustees from time to time;

"**Former Manager**" means LAPP Global Asset Management Corp.

"**Former Management Agreement**" means the management agreement dated March 30, 2012 between the Former Manager and the REIT pursuant to which the Former Manager provided management services to the REIT and which was assigned to 1862302 Ontario Ltd., a wholly owned subsidiary of McCowan, on December 27, 2014, and which agreement was terminated as of February 14, 2014 on the internalization of management of the REIT;

"**GLA**" means gross leaseable area;

"**Global Unit Certificates**" has the meaning ascribed to such terms under "Declaration of Trust and Description of Units – Book-Based System";

"**Gross Book Value**" means the purchase cost of an acquired property (for greater certainty whether paid in cash, by the assumption of any mortgage or other indebtedness, the issuance of debt or equity, or in any other manner), including all out-of-pocket costs incurred by the REIT or its Subsidiaries in connection with the acquisition, including legal fees and disbursements, registration and filing fees, land transfer and sales taxes, all calculated, and as may be adjusted from time to time, in accordance with IFRS applicable to the real estate industry, applied on a consistent basis, plus all capital expenditures relating to such Properties since the date of acquisition;

"**Holyrood**" Holyrood Holdings Limited;

"**IGW Public**" means IGW Public Limited Partnership, an affiliate of LAC;

"**IFRS**" means International Financial Reporting Standards;

"**In specie Redemption Price**" has the meaning ascribed to such term under "Declaration of Trust and Description of Units – Redemption Right";

"**Indenture**" means the trust indenture entered into between the REIT and Computershare Trust Company of Canada dated March 8, 2011, as amended by a first supplemental indenture dated March

29, 2012, a second supplemental indenture dated September 5, 2012 and a third supplemental indenture dated March 12, 2013;

“**Independent Trustee**” means a Trustee of the REIT who is “independent” (as defined in Multilateral Instrument 52-110 — *Audit Committee* as in effect on the date hereof and as amended from time to time);

“**Information Circular**” means Charter Realty’s management information circular dated April 3, 2007 in respect of the special meeting of shareholders held on May 3, 2007 to approve, among other things, the Arrangement;

“**Insider Participation Limit**” means the number of Units:

(a) issued to Insiders, within any one year period; and

(b) issuable to Insiders, at any time,

which cannot exceed 10% of the REIT’s total issued and outstanding Units, respectively;

“**Interest Obligation**” has the meaning ascribed to such term under “Description of Debentures and Indenture – Debenture – Interest Payment Option”;

“**Interest Payment Date**” means a date specified in a Debenture as the date on which interest on such Debenture becomes due and payable;

“**January 2013 Unit Offering**” has the meaning ascribed to such term under “General development of the Business – Public Offerings – January 2013 Unit Offering;

“**June 2012 Unit Offering**” has the meaning ascribed to such term under “General development of the Business – Public Offerings – June 2012 Unit Offering;

“**LAC**” means League Assets Corp.;

“**LCBO**” means Liquor Control Board of Ontario;

“**League Assets LP**” means League Assets Limited Partnership, the parent of LAC;

“**LHC**” has the meaning ascribed to such term under “General Development of the Business – Acquisitions – NorRock Assets”;

“**LHC Note**” has the meaning ascribed to such term under “General Development of the Business – Property Dispositions and Acquisitions – NorRock Assets”;

“**Market Price**” has the meaning ascribed to such term under “Declaration of Trust and Description of Units – Redemption Right”;

“**McCowan**” means McCowan and Associates Ltd.;

“**MI 62-104**” means Multilateral Instrument 62-104 – *Take-Over Bids and Issuer Bids*;

“**Monthly Limit**” has the meaning ascribed to such term under “Declaration of Trust and Description of Units – Redemption Right”;

"**Non-Resident**" includes, in the case of a Person other than a partnership, a Person who is not resident in Canada for purposes of the Tax Act and, in the case of a partnership, a partnership that is not a "Canadian partnership" for purposes of the Tax Act;

"**New LP**" has the meaning ascribed to such term under "General Description of the Business";

"**NorRock**" means NorRock Realty Finance Corporation;

"**NorRock Acquisition**" means acquisition of substantially all the assets of NorRock, consisting of cash, cash equivalents, mortgages and other assets from NorRock in exchange for the issuance of Units, certain rights to acquire Units and cash;

"**OBCA**" means the *Business Corporations Act* (Ontario);

"**Optional Cash Payment**" has the meaning ascribed to such term under "Distributions – Distribution Reinvestment and Optional Unit Purchase Plan";

"**Optionee**" has the meaning ascribed to such term under "Trustees and Others – Unit Option Plan";

"**Orange Capital**" means Orange Capital, LLC.

"**Participant**" has the meaning ascribed to such term under "Description of Debentures and Indenture – Debentures – Book-Entry System for Debentures";

"**Person**" includes any individual, firm, partnership, joint venture, venture capital fund, association, trust, trustee, executor, administrator, legal personal representative, estate, group, corporation, unincorporated association or organization, governmental entity, syndicate or other entity, whether or not having legal status and whether acting in an individual, fiduciary or other capacity;

"**Plan Participant**" has the meaning ascribed to such term under "Distributions – Distribution Reinvestment and Optional Unit Purchase Plan";

"**Plans**" means, collectively, 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, and "**Plan**" means any of them;

"**Properties**" means the properties owned, directly or indirectly, by the REIT;

"Redemption Notes" has the meaning ascribed to such term under "Declaration of Trust and Description of Units – Redemption Right";

"**Redemption Price**" has the meaning ascribed to such term under "Declaration of Trust and Description of Units – Redemption Right";

"**Regulatory Authorities**" has the meaning ascribed to such term under "Trustees and Officers – Alternate Compensation Plan";

"**REIT**" means Partners Real Estate Investment Trust, a trust formed under the Declaration of Trust, including where the context requires, the REIT's subsidiaries, and means Charter Real Estate Investment Trust prior to the name change described under "General Development of the Business – Name Change";

"**REIT Exception**" means the exception from the application of the tax regime under the SIFT Rules, which exception applies to real estate investment trusts that meet a series of conditions relating to the nature of their revenue and investments;

"**Revolving Credit Facility**" has the meaning ascribed to such term under "General Development of the Business – Property Financings and Credit Facilities – Revolving Credit Facility";

"**Rights**" has the meaning ascribed to such term under "Trustees and Officers – Unitholder Rights Plan";

"**Rights Plan**" has the meaning ascribed to such term under "Trustees and Officers – Unitholder Rights Plan";

"**RONA**" means RONA Inc.;

"**SAQ**" means Société des Alcools du Québec;

"**Sandalwood**" means Sandalwood Management Services ULC;

"**Securities**" means any security of the REIT and, for greater certainty, includes Units, Unit Options, and Debentures;

"**Securities Commissions**" has the meaning ascribed to such term under "Description of Debentures and Indenture – Reports to Holders of Debentures";

"**Senior Indebtedness**" means the principal, premium (if any), interest (if any) or any other amounts payable thereunder (if any) on:

(a) all indebtedness (including any indebtedness to trade creditors), liabilities and obligations of the REIT (other than the Debentures), whether outstanding on the date of the Indenture or thereafter created, incurred, assumed or guaranteed in the normal course or in connection with the acquisition by the REIT of any businesses, properties or other assets or for monies borrowed or raised by whatever means (including, without limitation, by means of commercial paper, bankers' acceptances, letters of credit, debt instruments, revolving credit facilities, bank debt and financial leases, and any liability evidenced by bonds, debentures, notes or similar instruments) by the REIT or others including, without limitation, any subsidiary of the REIT for payment of which the REIT is responsible or liable, whether absolutely or contingently; and

(b) renewals, extensions, restructurings, refinancings and refundings of any such indebtedness, liabilities or obligations;

unless in each case it is provided by the terms of the instrument creating or evidencing such indebtedness, liabilities or obligations that such indebtedness, liabilities or obligations are *pari passu* with or subordinate in right of payment to debentures that by their terms are subordinated (including the Debentures);

"**shadow anchors**" means anchor tenants that are adjacent to the owned REIT asset but not on the REIT owned assets' land(s);

"**SIFT**" means, in connection with the SIFT Rules, a "specified investment flow-through";

"**SIFT Rules**" means the rules in the Tax Act which tax certain publicly-traded or listed trusts and partnerships in a manner similar to corporations and which tax certain distributions from such trusts or partnerships as taxable dividends from a taxable Canadian corporation;

“**SIQ**” means Société Immobilière Québec;

“**Special Committee**” has the meaning ascribed to such term under “General Development of the Business”;

“**Special Voting Unit(s)**” means non-participating special voting unit(s) of the REIT and, for greater certainty, does not mean Unit(s);

“**Subsidiaries**” means any company, partnership, limited partnership, trust or other entity controlled, directly or indirectly, by the REIT;

“**Tax Act**” means the *Income Tax Act* (Canada), as amended, including the regulations promulgated thereunder;

“**Trustee**” means a trustee of the REIT and “**Trustees**” means all of the trustees of the REIT;

“**Trustees’ Fees**” has the meaning ascribed to such term under “Trustees and Officers – Alternate Compensation Plan”;

“**TSX**” means the Toronto Stock Exchange;

“**TSXV**” means the TSX Venture Exchange;

“**Unit**” means ordinary participating voting unit(s) of the REIT and, for greater certainty, does not mean Special Voting Unit(s);

“**Unitholder(s)**” means the holder(s) of Units;

“**Unit Interest Payment Election**” has the meaning ascribed to such term under “Description of Debentures and Indenture – Interest Payment Option”;

“**Unit Option Plan**” means the plan adopted by the REIT that authorizes the REIT to grant Unit Options;

“**Unit Options**” means options for the purchase of Units under the Unit Option Plan;

“**Voting Unitholders**” means the holders of Units and Special Voting Units; and

“**Voting Units**” means collectively, the Units and Special Voting Units.

PARTNERS REAL ESTATE INVESTMENT TRUST

ANNUAL INFORMATION FORM

In this Annual Information Form, unless otherwise indicated, all dollar amounts are expressed in Canadian dollars and the statistical and financial data are presented as of December 31, 2014.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This Annual Information Form contains "forward-looking statements" that reflect the current expectations of management regarding our future growth, results of operations, performance and business prospects and opportunities. Forward looking statements are only predictions and are not guarantees of performance. Wherever possible, words such as "may", "would", "could", "will", "anticipate", "believe", "plan", "expect", "intend", "estimate", "aim", "endeavour" and similar expressions have been used to identify these forward-looking statements. These statements reflect management's beliefs with respect to future events and are based on information currently available to management. Forward-looking statements involve significant known and unknown risks, uncertainties and assumptions. Important assumptions relating to the forward-looking statements contained in this Annual Information Form include:

- the strategy of the REIT, including
  - the acquisition of "core" assets that are geared to necessity based retailing which include but are not limited to the following retail uses: grocery, pharmacy, liquor/beer, and financial;
  - the acquisition and ownership of institutional grade assets that are accretive to the REIT;
  - the targeting of mid-market assets, namely properties or portfolios of properties valued at up to $50 million
  - the acquisition of accretive properties in less competitive markets;
  - the generation of stable rents via national and regional tenants;
  - our ability to access capital to fund our acquisition strategy; and
  - achieving organic growth through redevelopment and lease renewal activities of our existing centres;
- our ability to generate returns, based on our strategy;
- the REIT's status as a "real estate investment trust";
- maintaining current levels of distributions;
- capital expenditures;
- our expectation regarding our tenants' continued occupation of the premises in accordance with the terms of their leases;
- our ability to lease vacant units on a timely basis and on market terms;
- our expectation that we will be able to improve our occupancy rate in 2015;
- competitive conditions; and
- general economic conditions.

Many factors could cause our actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, without limitation, those listed in the "Risk Factors" section of this Annual Information Form, in our Management's Discussion and Analysis of Operating Results and Financial Position for the year ended December 31, 2014 and elsewhere in our on-going filings with securities regulators.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward looking statements prove incorrect, actual results, performance or achievements could vary materially from those expressed or implied by the forward-looking statements contained in this Annual Information Form.

These factors should be considered carefully and prospective investors should not place undue reliance on the forward-looking statements. Although the forward-looking statements contained in this Annual Information Form are based upon what management currently believes to be reasonable assumptions, we cannot assure prospective investors that actual results, performance or achievements will be consistent with these forward-looking statements.

These forward-looking statements are made as of the date of this Annual Information Form unless otherwise indicated, and we do not intend, and do not assume any obligation, to update these forward-looking statements, except as required by law.

STRUCTURE

Name, Address and Incorporation

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.

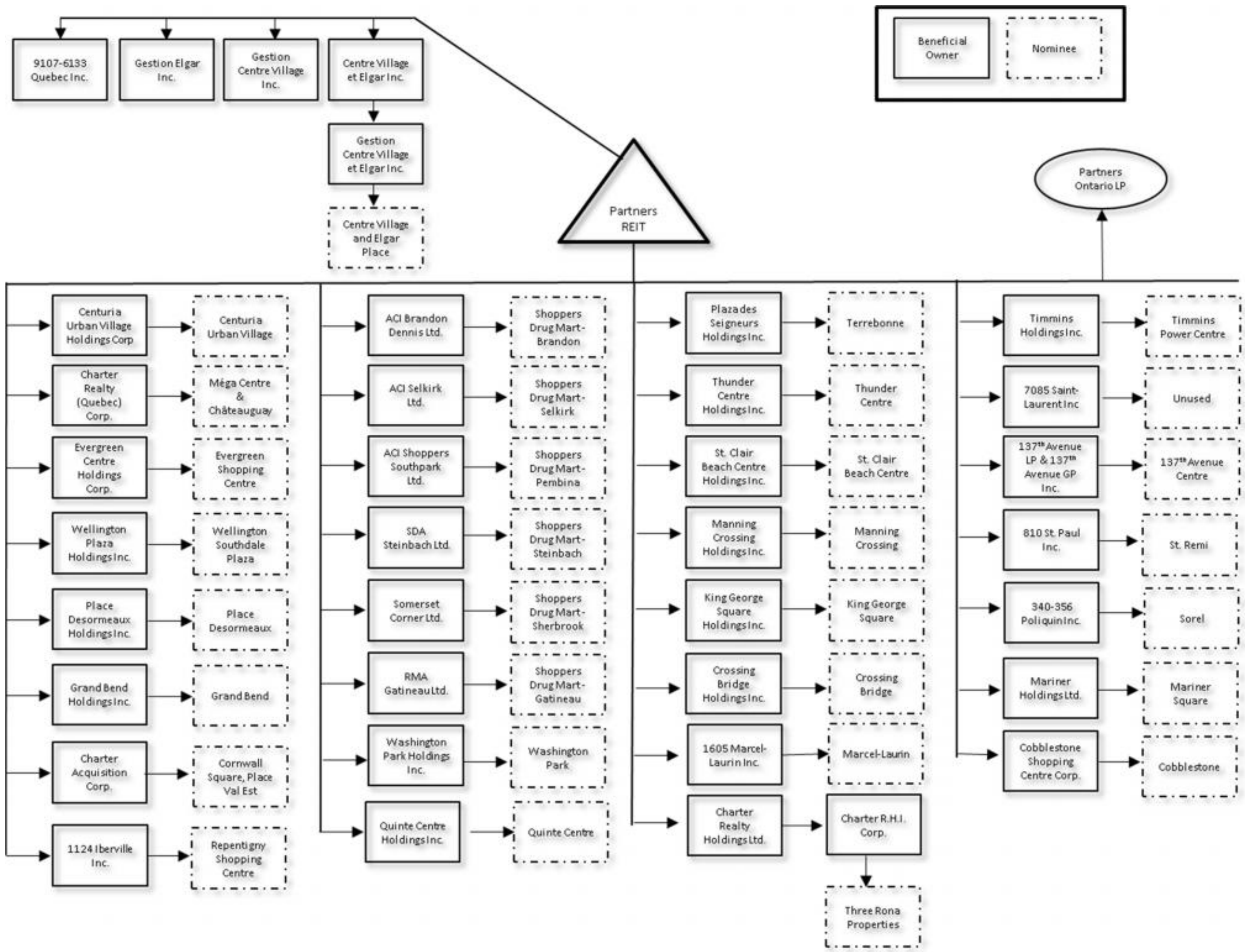
Effective November 3, 2010, the REIT changed its name from “Charter Real Estate Investment Trust” to “Partners Real Estate Investment Trust”.

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

Inter-corporate Relationships

The following chart illustrates the relationship of the REIT to those entities that hold the 36 properties comprising the current portfolio of properties held by the REIT and its controlled entities, as well as the jurisdiction of incorporation or organization of each entity as at the date of this Annual Information Form. The properties listed under each subsidiary of the REIT are held in the name of the applicable subsidiary.

The REIT is the beneficial owner of all of the other properties pursuant to nominee agreements entered into between the REIT and the subsidiary that holds each property. Each of the entities is 100%, directly or indirectly, wholly owned by its parent. Also see “Schedule A” hereto for a list of each subsidiary of the REIT and jurisdiction of incorporation/organization.


9107-6133 Quebec Inc.
Gestion Elgar Inc.
Gestion Centre Village Inc.
Centre Village et Elgar Inc.
Gestion Centre Village et Elgar Inc.
Centre Village and Elgar Place
Beneficial Owner
Nominee
Partners REIT
Partners Ontario LP
Centuria Urban Village Holdings Corp
Centuria Urban Village
Charter Realty (Quebec) Corp.
Méga Centre & Châteauguay
Evergreen Centre Holdings Corp.
Evergreen Shopping Centre
Wellington Plaza Holdings Inc.
Wellington Southdale Plaza
Place Desormeaux Holdings Inc.
Place Desormeaux
Grand Bend Holdings Inc.
Grand Bend
Charter Acquisition Corp.
Cornwall Square, Place Val Est
1124 Iberville Inc.
Repentigny Shopping Centre
ACI Brandon Dennis Ltd.
Shoppers Drug Mart-Brandon
ACI Selkirk Ltd.
Shoppers Drug Mart-Selkirk
ACI Shoppers Southpark Ltd.
Shoppers Drug Mart-Pembina
SDA Steinbach Ltd.
Shoppers Drug Mart-Steinbach
Somerset Corner Ltd.
Shoppers Drug Mart-Sherbrook
RMA Gatineau Ltd.
Shoppers Drug Mart-Gatineau
Washington Park Holdings Inc.
Washington Park
Quinte Centre Holdings Inc.
Quinte Centre
Plaza des Seigneurs Holdings Inc.
Terrebonne
Thunder Centre Holdings Inc.
Thunder Centre
St. Clair Beach Centre Holdings Inc.
St. Clair Beach Centre
Manning Crossing Holdings Inc.
Manning Crossing
King George Square Holdings Inc.
King George Square
Crossing Bridge Holdings Inc.
Crossing Bridge
1605 Marcel-Laurin Inc.
Marcel-Laurin
Charter Realty Holdings Ltd.
Charter R.H.I. Corp.
Three Rona Properties
Timmins Holdings Inc.
Timmins Power Centre
7085 Saint-Laurent Inc
Unused
137th Avenue LP & 137th Avenue GP Inc.
137th Avenue Centre
810 St. Paul Inc.
St. Remi
340-356 Poliquin Inc.
Sorel
Mariner Holdings Ltd.
Mariner Square
Cobblestone Shopping Centre Corp.
Cobblestone

GENERAL DEVELOPMENT OF THE BUSINESS

Overview

Changes to Management and the Board of Trustees in 2014

The Board of Trustees entered into an arrangement in December 2013 to internalize the REIT's management (i.e., by terminating the Former Management Agreement) by no later than February 15, 2014. In addition, the Trustees consented to a proposal from McCowan to the Former Manager pursuant to which McCowan agreed to acquire the rights, duties and obligations of the Former Manager by way of an assignment at a cost to McCowan of $1.5 million and to develop a plan to internalize management no later than February 15, 2014. McCowan agreed to amend the Former Management Agreement to provide that McCowan would accept the termination of its subsidiary as manager of the REIT on February 15, 2014 without further notice and upon payment of a termination fee of $1.5 million, together with accrued and unpaid amounts of the management fee and the reimbursement of any other amounts owing to it under the Former Management Agreement. This negotiated termination fee was approximately $1.9 million less than the termination fee that would otherwise have been payable by the REIT to the Former Manager under the Former Management Agreement on voluntary internalization. On December 29, 2013, McCowan and LAC completed the Court-approved assignment of the Former Management Agreement from the Former Manager to a McCowan subsidiary.

On February 11, 2014, the internalization sub-committee of the Trustees met to review the internalization plan. The REIT also announced the resignation of Patrick Miniutti as Chief Executive Officer and the appointments of Ron McCowan as Interim Chief Executive Officer and President and Derrick W. West as Chief Financial Officer.

On February 14, 2014, the REIT terminated the Former Management Agreement and completed the internalization of management effective February 15, 2014 with the REIT's head office being moved to Barrie, Ontario. Additionally, Marc Charlebois was appointed as Trustee of the REIT and Jane Domenico was appointed Chief Operating Officer of the REIT.

On March 21, 2014, Patrick Miniutti resigned as a Trustee of the REIT.

On April 3, 2014 the REIT announced that Mr. Allen Weinberg had resigned as a Trustee of the REIT and that Mr. Lindsay Adam Weiss and Mr. Kevin VanAmburg had been appointed as Trustees of the REIT. Mr. Weiss resigned from the Board of Trustees on April 30, 2014 and Mr. VanAmburg did not stand for election at the REIT's 2014 annual and special meeting of Unitholders.

On May 4, 2014, the REIT announced that Mr. McCowan had tendered his resignation as Interim Chief Executive Officer and President and that the Board of Trustees had appointed Ms. Jane Domenico, the REIT's Chief Operating Officer, as Acting Chief Executive Officer. The Board of Trustee formed a special committee (the "Special Committee") of the independent trustees to examine the April Transaction (as defined below) and the press release statements made by Orange Capital, each as discussed below. The REIT also announced its intention to rescind the April Transaction as further discussed under "-Holyrood Acquisition and Rescission".

On June 10, 2014, the REIT announced the appointment of Stephen Dulmage and Dexter John as trustees of the REIT.

On July 10, 2014 the REIT announced it moved its head office to its current location at 249 Saunders Road, Unit #3 in Barrie, Ontario and it had mutually agreed to terminate the employee services agreement that it had entered into with McCowan pursuant to the internalization plan on February 14, 2014 and amended effective May 5, 2014.

On July 23, 2014 the REIT announced that Mr. Charlebois did not receive the requisite majority of votes at the REIT's 2014 annual and special meeting of Unitholders and pursuant to the REIT's majority voting policy he tendered his resignation. In accordance with the majority voting policy, the resignation was referred to the Board's Governance and Compensation Committee (the "GCC") for consideration and to make a recommendation to the Board of Trustees as to whether to accept Mr. Charlebois' resignation. The GCC carefully considered all relevant factors, including Mr. Charlebois' significant past contributions to the Board of Trustees, his real estate expertise and role in the ongoing strategic review process, and made a recommendation to the Board of Trustees to reject the resignation. The Board of Trustees considered the GCC's recommendation, along with other relevant factors including numerous expressions of support from Unitholders for Mr. Charlebois to continue as a Trustee, and determined to reject Mr. Charlebois' resignation.

Changes to Management and the Board of Trustees in 2012 and 2013

Effective April 13, 2012, Tony Quo Vadis was appointed as Chief Financial Officer of the REIT, a position which he held until February 13, 2013. On October 18, 2012, Peter D. Morris was appointed as the REIT's Chief Operating Officer, with Patrick Miniutti as President. On February 13, 2013, on the resignation of Tony Quo Vadis, Heather Routly was appointed as Chief Financial Officer. On March 27, 2013, Edward Boomer was appointed as Chief Investment Officer of the REIT. On April 8, 2013, Patrick Miniutti assumed the position of Chief Executive Officer of the REIT, but he ceased to be the President on August 14, 2013, when Edward Boomer was appointed as the REIT's President in addition to his role as Chief Investment Officer.

On November 22, 2013, the Board of Trustees entered into agreements with Edward Boomer and Heather Routly pursuant to which the REIT agreed to hire each of them in their respective capacities if they were to be terminated by the Former Manager. Edward Boomer and Heather Routly were terminated by the Former Manager on November 24, 2013, at which point they became employees of the REIT. Immediately thereafter, they were terminated by the REIT, with severance costs paid to them by the REIT.

On November 28, 2013, the REIT was informed that LAC had obtained a court order under which the Units which it owned had been sold to McCowan. On December 4, 2013, all of the then independent Trustees resigned and Allen Weinberg and Joseph Feldman were appointed as new independent Trustees, serving alongside Patrick Miniutti who remained as a Trustee. Additionally, the Board of Trustees determined to discontinue the previously announced process to evaluate strategic alternatives available to the REIT.

Holyrood Acquisition and Rescission

On October 2, 2014 the REIT announced that it had received an order from the Ontario Superior Court and had completed the rescission of April Transaction (as defined below).

On April 22, 2014, the REIT closed the acquisition of three properties in the Province of Ontario (the "April Transaction") which include the mixed use urban Hamilton City Centre in Hamilton, the multi-tenanted retail property Crossroads Centre in London, and a multi-tenanted retail property in Kemptville (together, the "Holyrood Properties").

The REIT paid Holyrood consideration of approximately $90,100,000 which included $83,200,000 to satisfy the purchase of the Holyrood Properties, with the balance of $6,900,000 as a promissory note receivable generating annualized interest of 5.4%. This consideration was satisfied by (i) the assumption of debt secured by the Holyrood Properties, (ii) the issuance of 1,188,188 Units, issued at an effective price of $5.80 per unit, and (iii) the issuance of 4,813,517 class B units of Partners Ontario Limited Partnership ("Partners LP") for the purposes of completing the acquisition, at an effective price of $5.80 per unit. The class B units were exchangeable for Units on a one-for-one basis and are the economic equivalent of Units and carry the right to vote at the REIT level.

On May 1, 2014, Orange Capital issued a press release concerning, among other things, the April Transaction. Following the disclosure from Orange Capital, the Board of Trustees engaged independent legal counsel and initiated an investigation into these matters. The Board obtained material new information that persuaded the Board of Trustees that Mr. Ron McCowan, the Interim Chief Executive Officer of the REIT, had a close business relationship with Ms. Laura Philp, the owner of Holyrood, sufficient that they should have been considered as acting together under applicable regulation. If the Board of Trustees had been aware of the extent of the dealings between Mr. McCowan and Ms. Philp, they would have required that the April Transaction be submitted to the Unitholders for their approval.

On June 6, 2014 the REIT and Holyrood entered into an agreement (the "Rescission Agreement") to rescind and unwind the April Transaction. Pursuant to the Rescission Agreement, Holyrood and the REIT agreed to rescind each of the transactions contemplated by the April Transaction such that, to the maximum extent practicable, each of Holyrood, Partners LP and the REIT would be in the same position as they were in prior to the completion of the April Transaction. Accordingly, Holyrood would reclaim all of its right, title and interest in and to the assets involved in the April Transaction and the REIT would reclaim and cancel the 4,813,517 class B limited partnership units of Partners LP and the 1,188,188 Units of the REIT that were issued to Holyrood.

Strategic Review

The REIT announced on May 6, 2014 that it commenced a process to review strategic alternatives to maximize value for Unitholders and engaged National Bank Financial as independent financial advisor to the Board to Trustees on May 13, 2014. The Special Committee is continuing to work with National Bank Financial to review the strategic alternatives as of the date hereof.

Orange Capital Tender Offering

On May 28, 2014, Orange Capital announced a premium tender offering to the Unitholders to purchase up to 10% of the outstanding units. The tender offer was extended and clarified by Orange Capital on June 9, 2014 and Orange filed a proxy circular for the solicitation of proxies and proposed its own slate of trustee nominees in connection with the REIT's 2014 annual and special meeting of Unitholders. Orange subsequently withdrew is nominees and tender offer on June 27, 2014.

Uncertified Class Action Lawsuit

As reported on December 4, 2014, a statement of claim dated November 28, 2014 has been issued in the Ontario Superior Court seeking certification of a class action on behalf of persons who held units of the REIT on April 1, 2014. The Plaintiffs allege in the statement of claim that they were harmed by the Defendants' conduct in connection with the REIT's acquisition of three properties from Holyrood Holdings in April 2014 and the subsequent rescission of that transaction. The REIT itself has not been named as a defendant in the statement of claim, although certain former and current trustees and officers of the REIT have been named in the statement of claim and some of the trustees and officers are entitled to indemnification from the REIT. The REIT has "Directors and Officers" liability insurance. The REIT's "Directors and Officers" insurers have been notified of the claim and the primary "Directors and Officers" insurer has provided the REIT with its coverage position regarding the defense of the named trustees and officers.

Property Management 2014

As part of the overall internalization strategy, in January 2014, the REIT terminated its third party property management contracts in Ontario effective April 30, 2014.

In order to allow senior management to focus on the asset management of the REIT's real estate assets, corporate matters, and value enhancing initiatives, the REIT entered into regional property management contracts. As announced on October 2, 2014, the REIT increased the scope of its property management agreement with Epic to include property management services in Ontario. With the exception of Centuria Urban Village which it managed by Coldwell Banker, the REIT's Alberta and British Columbia properties are also managed by Epic. The REIT also announced that it had retained Paul Harris Real Estate Brokerage to handle the leasing from Ontario to British Columbia. In Quebec, the properties are managed by Sandalwood Management and Crofton Moore.

Change of Auditor

On November 9, 2012, the REIT appointed KPMG LLP as the auditor of the REIT. At the request of the REIT, Deloitte LLP resigned as the auditor of the REIT. There were no reservations in Deloitte LLP's audit reports for the fiscal years ended December 31, 2011 and 2010 and there are no reportable events, as such term is defined in National Instrument 51-102, between the REIT and Deloitte LLP. The REIT filed the required reporting package in accordance with National Instrument 51-102 on December 5, 2012.

OTC Marketplace

On October 27, 2012, the REIT began trading on OTCQX International, an over the counter marketplace operated by OTC Markets Group Inc.

Consolidation of Units

Effective February 14, 2012, the REIT consolidated all of its issued and outstanding Units on the basis of one post-consolidation Unit for every four pre-consolidation Units (the "Consolidation").

Property Dispositions and Acquisitions

Canadian Tire Properties

On September 26, 2014, the REIT announced that it has closed on the transaction to sell three properties in Ontario to CT Real Estate Investment Trust ("CT REIT"). The purchase price of these properties equated to $34.9 million, excluding transaction costs.

CT REIT satisfied the $34.9 million purchase price via a combination of cash and the assumption of three mortgages totaling $19.2 million. The total proceeds from this transaction, net of costs, were $15.5 million. The mortgages bear interest at 3.4% and mature January 1, 2018.

The three Ontario properties are all single tenant buildings leased to the Canadian Tire Corporation Limited ("CTC"), and are located in Brockville, Strathroy and Wasaga Beach, Ontario. The properties comprise a total of 192,295 square feet and were originally built by CTC prior to being sold in 2008.

Proceeds from the sale of the three properties to CT REIT were eventually used by the REIT to fully repay its $15 million loan outstanding under the FCC Loan Facility.

Cobblestone Shopping Centre

On August 19, 2013, the REIT completed the acquisition of the Cobblestone Shopping Centre. The purchase price for Cobblestone Shopping Centre was approximately $16.5 million, satisfied through a combination of assumed and new mortgages totalling $11.3 million and the balance in cash. The mortgages mature in January 2018 and bear a combined effective interest rate of 4.03%.

Repentigny Shopping Centre

On May 1, 2013, the REIT completed the acquisition of Repentigny Shopping Centre, an existing 49,366 square foot open-air shopping centre and office space located in Repentigny, Québec. The REIT paid $9.7 million for the property, funded by a new five-year $5.7 million mortgage fixed at 3.34% for a five year term and funds drawn from the REIT's Revolving Credit Facility.

Marcel-Laurin Shopping Centre

On May 1, 2013, the REIT completed the acquisition of Marcel-Laurin Shopping Centre, an existing 122,063 square foot shopping centre with the second floor medical-use only office space located in Montréal, Québec. The REIT paid approximately $35.9 million for the property, funded by a new ten-year $22.0 million mortgage bearing interest at 3.84% and funds drawn from the REIT's Revolving Credit Facility.

Mariner Square Shopping Centre

On April 15, 2013, the REIT completed its acquisition of the Mariner Square Shopping Centre situated in downtown Campbell River on the east coast of Vancouver Island. The purchase price for the Mariner Square Shopping Centre was approximately $25.9 million, satisfied by the assumption of a $14.6 million current mortgage maturing in November 2017, with a mark-to-market interest rate of 5.74%. The balance of the acquisition was funded with cash on hand. See "Description of the Business - Mariner Square Shopping Centre – Vancouver B.C.".

Sorel Shopping Centre

On March 15, 2013, the REIT completed the acquisition of Sorel Shopping Centre, a newly-constructed, 31,136 square foot open-air property, located in the Montréal suburb of Sorel-Tracy, Québec. The REIT paid approximately $9.2 million for the property, funded by a $4.2 million mortgage fixed at 3.70% with the balance paid with funds drawn from the REIT's Revolving Credit Facility.

Saint (St.) Remi Shopping Centre

On March 15, 2013, the REIT completed the acquisition of Saint Remi Shopping Centre, a newly-constructed, 62,300 square foot open-air retail property located in the Montréal suburb of Saint Remi, Québec. The REIT paid approximately $16.9 million for the property, funded by an $11.6 million mortgage fixed at 3.72%, $5.3 million paid with funds drawn from the REIT's Revolving Credit Facility and the remaining balance to be settled at the earlier of either the REIT entering into a future lease agreement or March 2015.

Centre Village and Elgar Place – Nun's Island

On December 21, 2012, the REIT completed the acquisition of two retail centres situated in close proximity on Nun's Island in Montréal, Québec. The purchase price for Centre Village and Elgar Place was approximately $22 million, the funds for which came from cash on hand and approximately $7.5 million drawn from the REIT's Revolving Credit Facility. See "Description of the Business – Centre Village and Elgar Place – Nun's Island, Québec".

Timmins West Power Centre

On December 20, 2012, the REIT completed the acquisition of Timmins West Power Centre, in Timmins, Ontario. The purchase price for the property was approximately $10 million, less a market interest rate adjustment of $225,000, and was funded by cash on hand and by way of assumption of a first mortgage from a Canadian chartered bank for $4.94 million maturing in September 2018 with an effective rate of approximately 4%. See "Description of the Business – Timmins West Power Centre – Timmins, Ontario".

Washington Park Shopping Centre

On June 15, 2012, the REIT completed the acquisition of Washington Park in Courtenay, British Columbia. The purchase price of $11.95 million was satisfied by a $7.5 million first mortgage bearing interest a rate of 3.84% with a 5-year term, with the balance paid in cash from the proceeds of the June 2012 Unit Offering. See "Description of the Business – Washington Park Shopping Centre – Courtenay, British Columbia".

Grand Bend Towne Centre

On April 30, 2012, the REIT completed the acquisition of Grand Bend Towne Centre, located on Main Street East in downtown Grand Bend, Ontario. The REIT paid approximately $8.1 million for the property, prior to an effective $200,000 adjustment for the above market interest rate on the assumed mortgage, for a net acquisition price of $7.9 million. The acquisition price was funded by the assumption of an existing mortgage of approximately $3.2 million, which will mature in July 2017, with a stated interest rate of 5.12%, but with an effective interest rate of 3.85% taking into consideration the $200,000 purchase price adjustment. The mortgage was increased by approximately $0.8 million at an interest rate of 3.6% with the same maturity date. The balance of the acquisition was funded with cash on hand. See "Description of the Business – Grand Bend Towne Centre – Grand Bend, Ontario".

Quinte Crossroads

On March 29, 2012, the REIT completed the acquisition of Quinte Crossroads in Belleville, Ontario. The purchase price of approximately $21.3 million was satisfied in part by cash and in part by a $14.2 million new ten-year mortgage that bears interest at 4.06%. See "Description of the Business – Quinte Cross Roads – Belleville, Ontario".

Properties in Ontario and Alberta

On February 16, 2012, the REIT completed the acquisition of four properties in Ontario from unrelated vendors and one property in Alberta. The aggregate purchase price was approximately $99.0 million and was funded by new bank credit facilities bearing interest at 3.6%, the assumption of existing mortgages bearing effective interest rates between 3.5% to 3.6%, and proceeds from the NorRock transaction (see "NorRock Assets"). The four properties in Ontario are: Crossing Bridge Square; King George Square; St. Clair Beach Towne Centre; and Thunder Centre. The property located in Edmonton, Alberta is Manning Crossing. See "Description of the Business – Properties in Ontario and Alberta".

NorRock Assets

On February 1, 2012, the REIT acquired substantially all of the assets of NorRock, consisting of cash, cash equivalents, eight mortgages, and other assets of NorRock, in exchange for the issuance of Units, certain rights to acquire Units, and cash. On March 29, 2012, the REIT sold three of the mortgage assets with a combined carrying value of approximately $3.7 million for proceeds of $3.2 million. On June 29, 2012, the REIT sold one of the mortgage assets with a carrying value of $1.5 million for proceeds of $1.5 million. On June 30, 2012, the REIT sold the remaining four mortgage assets to a related party, League Holdings Corp ("LHC") for $7.9 million. In exchange for purchasing the mortgage assets, the REIT accepted a full recourse note receivable from LHC due on September 15, 2012 (the "LHC Note"). The former Independent Trustees, on behalf of the REIT, and LHC agreed to extend the maturity date on the LHC Note to May 31, 2013, with the LHC Note bearing interest from September 15, 2012 at the rate of 12% per annum unless repaid by February 28, 2013, in which case the interest rate was to be reduced to 9% retroactively to September 15, 2012. In addition, as part of the agreement to extend the maturity date of the LHC Note, it was secured by certain assets held by LHC indirectly and its repayment was guaranteed by LAC. The LHC Note was repaid on May 31, 2013. On September 28, 2012, an additional 259,993 Units were issued to holders of rights to acquire Units in accordance with the rights indenture dated February 1, 2012 entered into between the REIT and Computershare Trust Company of Canada, as rights agent.

Plaza des Seigneurs

On February 1, 2012, the REIT completed the acquisition of Plaza des Seigneurs for an aggregate purchase price of $4.05 million. The purchase price was funded with a new $2.25 million five-year mortgage that bears interest at 3.5% and the balance paid with cash on hand. See "Description of the Business – Plaza Des Seigneurs —Terrebonne, Québec".

Public Offerings

2013 Debenture Offering

On March 12, 2013, the REIT completed a public offering of $20.0 million of 5.5% convertible unsecured subordinated debentures maturing on March 31, 2018 (the "2013 Debenture Offering"). On March 19, 2013, the underwriters exercised the over-allotment option and the REIT issued an additional $3.0 million of aggregate principal amount of 2013 Debentures for a total issuance of $23 million in outstanding aggregate principal amount of debentures. The 2013 Debentures are convertible into Units of the REIT at the option of the holder at a conversion price of $10.25 per Unit. The REIT received net proceeds of approximately $22.1 million which were used to fund partially the acquisitions of the Repentigny Shopping

Centre, the Marcel-Laurin Shopping Centre, the Sorel Shopping Centre and the St. Remi Shopping Centre. The 2013 Debentures are listed and trade on the TSX under the symbol “PAR.DB.B”. See “Description of Debentures and Indenture”.

January 2013 Unit Offering

On January 10, 2013, the Trust completed a public offering of 3,363,750 Units, including the exercise in full of the over-allotment option, at a price of $7.70 per Unit, for aggregate gross proceeds of approximately $25.9 million (the “January 2013 Unit Offering”). The net proceeds to the REIT were approximately $24.7 million, which were used to partially repay outstanding credit facilities, to fund acquisitions and for general trust purposes.

2012 Debenture Offering

On September 5, 2012, the REIT completed a public offering of $34.5 million, including over-allotment options, of 6.0% convertible unsecured subordinated debentures maturing on September 30, 2017 (the “2012 Debenture Offering”). The 2012 Debentures are convertible into Units of the REIT at the option of the holder at a conversion price of $10.35 per Unit. The net proceeds of approximately $33.1 million were used by the REIT to partially repay outstanding credit facilities. The 2012 Debentures are listed and trade on the TSX under the symbol “PAR.DB.A”. See “Description of Debentures and Indenture”.

June 2012 Unit Offering

On June 13, 2012, the REIT completed a public offering of 2,705,000 Units, at a price of $7.40 per Unit (the “June 2012 Unit Offering”). In connection with this offering, the underwriters also exercised their option to purchase an additional 405,750 Units on the same terms and conditions as the initial offering. The aggregate gross proceeds of the June 2012 Unit Offering were approximately $23.0 million. The net proceeds were used by the REIT to pay down a previous credit facility with Firm Capital Corporation, to partially pay down the balance of the Acquisition Facility and to partially fund the acquisition of Washington Park Shopping Centre.

February 2012 Unit Offering

On February 8, 2012, the REIT completed a public offering of 10,753,000 Units (2,688,250 post-consolidation Units) at a price of $1.86 per Unit ($7.44 per post-consolidation Unit), representing aggregate gross proceeds of approximately $20 million, on a bought deal basis, to a syndicate of underwriters (the “February 2012 Unit Offering”). The REIT granted the underwriters an over-allotment option, exercisable in whole or in part at any time up to 30 days following the closing of the offering, to purchase up to an additional 403,237 post-consolidation Units at the same offering price. On March 5, 2012, the underwriters exercised the over-allotment option to purchase 360,812 over-allotment Units at a purchase price of $7.44 per Unit for gross proceeds of $2.7 million. The net proceeds were used by the REIT to partially fund the acquisitions of Quinte Cross Roads, Plaza des Seigneurs, Crossing Bridge Square, King George Square, Manning Crossing, St. Clair Beach Towne Centre and the Thunder Centre.

2011 Debenture Offering

On March 8, 2011 the REIT completed a public offering of $25 million aggregate principal amount of debentures which included the granting of an over-allotment option equal to 15% of the aggregate principal amount of the debentures to the underwriters (the “2011 Debenture Offering”). The 2011 Debentures mature on March 31, 2016. The 2011 Debentures bear interest at an annual rate of 8.0% payable semi-annually, in arrears, on March 31 and September 30 in each year commencing on September 30, 2011. The 2011 Debentures are listed and trade on the TSX under the symbol “PAR.DB”. See “Description of Debentures and Indenture”. On March 15, 2011, the underwriters exercised the over-allotment option and the REIT issued an additional $3,750,000 aggregate principal amount of 2011

Debentures, for a total issuance of $28,750,000 in outstanding aggregate principal amount of debentures. The net proceeds of the 2011 Debenture Offering were used to purchase the Shoppers Drug Mart Properties and to pay out, without penalty, a $8.6 million credit facility (see “Credit Facilities”).

Property Financings and Credit Facilities

Selkirk, Steinbach and Winnipeg Property Financing

On February 17, 2015 the REIT announced the refinancing of the three properties located in Selkirk, Steinbach, and Winnipeg, Manitoba. Each of the properties is a free standing location anchored by a Shoppers Drug Mart.

The refinancings consist of first mortgages that amount to an aggregate of $5.6 million, and provide the REIT with $4.1 million in additional liquidity to fund previously identified capital investments. These first mortgages carry an average weighted interest rate of 2.88% and an average term to maturity of 5.5 years. These financings were all originated by CMLS Financial Ltd.

Manning Crossing, King George Square, Centre le Village, Centuria Urban Village, and Crossing Bridge Property Financing

On November 3, 2014 the REIT refinanced five properties (Manning Crossing, King George Square, Centre le Village, Centuria Urban Village, and Crossing Bridge) which were originated by First National LP, a wholly owned subsidiary of First National Financial. The first mortgages carry an average weighted interest rate of 3.73% and an average term to maturity of 6.9 years. Proceeds from the refinancing were used to repay amounts outstanding under the Revolving Credit Facility and other mortgages. The balance of $4 million was allocated to projects with an anticipated high return on the investment while improving the quality of the REIT's existing property portfolio.

The refinancing also includes a $10 million line of credit that will be secured by second mortgages on a number of the refinanced properties and will bear interest at a rate of prime plus 2.0% and has a term of two years.

FCC Loan Facility

The REIT entered into a loan facility with Firm Capital Corporation on May 13, 2014 (the "FCC Loan Facility") which provided for a loan of $15 million as a second mortgage secured against certain properties of the REIT located in Manitoba and Quebec. The FCC Loan Facility was repayable without penalty on short notice and included an interest rate payable at the greater of 10% per annum, or prime rate of interest plus 6% per annum. The FCC Loan Facility was repaid from the proceeds of the sale of three properties to CT REIT in September 2014.

Revolving Credit Facility

On September 24, 2012, the REIT entered into a $40 million revolving credit facility with a consortium of Canadian chartered banks (the "Revolving Credit Facility"). On October 4, 2013, the REIT extended and further amended the Revolving Credit Facility such that it could be expanded by an additional $20 million to a $60 million maximum with the securitization of additional unencumbered properties. The Revolving Credit Facility bore interest at prime rate plus 1.0% per annum or the banker's acceptance stamping fee plus 2.25% per annum. Amounts owing under this facility were secured by the REIT's King George Square, Crossing Bridge Square, Centre Village Shopping Centre, Elgar Place and Centuria Urban Village properties. The Trust paid for a portion of the Nun's Island acquisitions with funds drawn from the Revolving Credit Facility. The Revolving Credit Facility was fully repaid from the proceeds of the refinancing announced on November 3, 2014.

Bentall Properties Credit Facility

On February 14, 2012, the REIT entered into a one-year $14.0 million credit facility, as borrower, with a Canadian chartered bank, as initial lender and administrative agent, secured against the King George

Square and Crossing Bridge Square properties. During the year ended December 31, 2012, this facility was repaid and replaced by the Revolving Credit Facility.

Acquisition Facility

On May 16, 2011, the REIT renewed its acquisition facility with a Canadian chartered bank (the "Acquisition Facility"). The REIT specified Centuria Urban Village as security for this facility, providing a maximum amount of up to $5.8 million. The Acquisition Facility bore interest at a rate equal to the Canadian chartered bank's prime rate plus 2.25% per annum or the banker's acceptance stamping fee plus 3.25% per annum. The Acquisition Facility was fully repaid on December 27, 2012 in the amount of $5.0 million.

DESCRIPTION OF THE BUSINESS

Business Overview

Partners 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. As of December 31, 2014 the REIT had 18 full-time employees.

Strategy of the REIT

Partners 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 believes focusing primarily on 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 December 31, 2014, 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	72,105	94.8%	3.0%	$15.99
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%	$17.26
Washington Park Shopping Centre Courtenay, British Columbia	Retail Strip Centre	1992/1993	Great Canadian Superstore, TD Bank	32,603	91.1%	2.0%	$24.88
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%	$26.31
Manning Crossing Edmonton, Alberta	Retail Strip Centre	1993 - 1996	Safeway, RBC	64,528	94.3%	3.9%	$23.86
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%	$19.00
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	80.4%	7.0%	$12.84
Crossing Bridge Square Stittsville, Ontario	Retail Strip Centre	1995	Farm Boy, McDonalds, IDA	45,913	95.2%	2.1%	$18.01
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%	$17.96
Place Val Est Sudbury, Ontario	Retail Strip Centre	1983/1987, 1990, 1998	Metro, LCBO, RBC, Pharmasave	110,577	90.4%	3.4%	$12.47
Quinte Crossroads, Belleville, Ontario	Power Centre	2005 - 2007	The Brick, Best Buy, BMO	85,200	100.0%	4.2%	$18.04
Rona Property Exeter, Ontario	Free Standing	1996/2000	Rona	42,780	100.0%	0.4%	$3.54
Rona Property Seaforth, Ontario	Free Standing	1962/2000	Rona	19,622	100.0%	0.1%	$2.47

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)
Rona Property Zurich, Ontario	Free Standing	1961/2000	Rona	24,400	100.0%	0.1%	$1.49
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	HBC, LCBO, Home Depot, Old Navy, Dollarama	168,087	98.5%	7.6%	$16.90
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%	$19.93
Québec:							
Centre Village Shopping Centre Montréal, Québec	Enclosed Mall	1977, 1991, 2001, 2010, 2012	Loblaws, SAQ	96,257	96.4%	3.7%	$14.76
Châteauguay Montréal, Québec	Mixed-use Strip Centre	1970/1994, 2010	Shoppers Drug Mart, Staples, Quebec Government	115,209	100.0%	3.9%	$12.66
Elgar Place Montréal, Québec	Retail Strip Centre	1969, 1989	Couche Tard	10,120	100.0%	0.4%	$15.60
Marcel Laurin Saint Laurent, Québec	Retail Strip Centre	2011	Metro, Brunet Pharmacy	120,171	97.1%	5.6%	$17.66
Méga Centre Montréal, Québec	Power Centre	1973/1993, 1999, 2000, 2004, 2014	Walmart, Michaels, Brault & Martineau	277,048	97.7%	7.7%	$10.50
Place Desormeaux Longueuil, Québec	Enclosed Mall	1971/1998,2009, 2010	Walmart, Super C, Quebec Government	249,518	95.7%	7.7%	$11.94
Plaza des Seigneurs Terrebonne, Québec	Retail Strip Centre	1998	Uniprix, SAQ, Banque Nationale	20,833	100.0%	1.2%	$20.64
Repentigny Shopping Centre Repentigny, Québec	Mixed Use Strip Centre	1988/2009	Familiprix, Dollarama, Quebec Government	49,371	78.4%	1.7%	$15.93
Saint Remi Shopping Centre Montréal, Québec	Retail Strip Centre	2009 - 2011	SAQ, Tim Hortons	61,704	91.9%	2.7%	$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, Montréal, Québec	Retail Strip Centre	2010 - 2012	IGA, Uniprix, SAQ	31,038	74.9%	1.4%	$22.42
Total				**2,522,974**	**94.3%**	**100%**	**$15.53**

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 December 31, 2014.

(4) Represents the weighted average rent for the portfolio.

British Columbia

Centuria Urban Village — Kelowna, British Columbia

This is a mixed use urban development. The REIT owns the majority of the commercial units and 13% of the total corporation units of Centuria Urban Village. The retail space owned totals 32,625 square feet and includes designated underground parking space as limited common property. At December 31, 2014, the property was 100% occupied under long-term leases with Nesters Buy-Low Foods (15,392 sq. ft.), Shoppers Drug Mart (12,569 sq. ft.), the British Columbia Nurses Union (1,843 sq. ft.), and a salon and spa (2,821 sq. ft.). The two large tenants, the grocery and the pharmacy, have lease commitments for another 8 and 4 years respectively. In the next five years, leases representing the percentage of leased retail square feet will expire as follows:

Year	Leased sq. ft. expiring	% of square feet
2015	1,843	5.6%
2016	-	-
2017	-	-
2018	2,821	8.6%
2019	12,569	38.5%

Given the nature of the strata, the REIT's tenants are managed directly by the REIT while the Strata Corporation is managed by Coldwell Banker.

Evergreen Shopping Centre — Sooke, British Columbia

Evergreen Shopping Centre is an 72,105 sq. ft. neighbourhood retail plaza. The centre has two free standing pads and had three multi-tenant retail strips, two of which had second storey office and/or storage space. In the summer of 2013, one on the multi-tenanted buildings was destroyed by fire. The REIT is in the process of rebuilding this building at the property. The property is anchored by a new, 18,656 sq. ft. Shoppers Drug Mart Store. Other major tenants include Western Foods, a Vancouver Island based grocer (14,271 sq. ft.), A&W (1,889 sq. ft.) and the BC Liquor Commission (4,300 sq. ft.). At December 31, 2014, the property was 94.8% leased.

The average term to maturity of existing leases is approximately five years. In the next five years, leases representing the percentage of leased retail square feet will expire as follows:

Year	Leased sq. ft. expiring	% of square feet
2015	8,421	11.7%
2016	1,580	2.2%
2017	673	0.9%
2018	-	-

2019	21,818	30.3%

Epic provides the REIT with property management services pursuant to property management agreement. Such services are provided for a management fee of 2.0% of gross revenues and other customary property management fees on market terms.

Mariner Square Shopping Centre – Campbell River, British Columbia

Mariner Square Shopping Centre is a 100,257 square foot open air-retail centre, anchored by a Save-On Foods grocery store (47,244 sq. feet), London Drugs (24,139 sq. ft.) and a BC Liquor Store (8,397 sq. ft.). The centre is well situated in downtown Campbell River on the east coast of Vancouver Island about 260 kilometers north of Victoria, British Columbia.

As at December 31, 2014, the Mariner Square Shopping Centre was 100% occupied. The average term to maturity of existing leases is approximately 10 years. In the next five years, leases representing the percentage of leased retail square feet will expire as follows:

Year	**Leased sq. ft. expiring**	**% of square feet**
2015	-	-
2016	-	-
2017	21,859	21.8%
2018	3,072	3.1%
2019	2,269	2.3%

Epic provides the REIT with property management services pursuant to property management agreement. Such services are provided for a management fee of 2.0% of gross revenues and other customary property management fees on market terms.

Washington Park Shopping Centre – Courtenay, British Columbia

Washington Park Shopping Centre ("Washington Park") is a two-building 32,603 square foot open-air shopping centre located in Courtenay, British Columbia on the east coast of Vancouver Island approximately 220 kilometres north of Victoria. Washington Park is anchored by a Tim Hortons (2,387 sq. ft.) and a TD bank (5,683 sq. ft.). Washington Park is shadow anchored by a Great Canadian Superstore. As at December 31, 2014, Washington Park was 91.1% occupied.

The average term to maturity of existing leases is approximately four years. In the next five years, leases representing the percentage of leased retail square feet will expire as follows:

Year	**Leased sq. ft. expiring**	**% of square feet**
2015	5,514	16.9%

2016	848	2.6%
2017	3,151	9.7%
2018	11,523	35.3%
2019	4,668	14.3%

Epic provides the REIT with property management services pursuant to property management agreement. Such services are provided for a management fee of 2.0% of gross revenues and other customary property management fees on market terms.

Alberta

137th Avenue — Edmonton, Alberta

137th Avenue is a 3.76 acre property with two free standing single tenant buildings. The two tenants are Shoppers Drug Mart and Part Source.

Shoppers Drug Mart occupies 15,922 sq. ft. and their lease expires in 2018, with five five-year renewal options. Part Source has a 40 year land lease for 0.93 acres that expires in 2043.

Epic provides the REIT with property management services pursuant to property management agreement. Such services are provided for a management fee of 1.5% of gross revenues and other customary property management fees on market terms.

Cobblestone Shopping Centre – Grand Prairie, Alberta

Cobblestone Shopping Centre is a three-building 42,980 square foot shopping centre located in Grand Prairie, Alberta. It is anchored by Shoppers Drug Mart (16,537 sq. ft.), TD Canada Trust (5,440 sq. ft.), Starbucks (1,735 sq. ft.), Liquor Depot (3,450 sq. ft.) and Aurora Eye Care (5,153 sq. ft.). The centre is well situated in Grand Prairie, Alberta**.**

As at December 31, 2014, Cobblestone Shopping Centre was 100% occupied. The average term to maturity of existing leases is approximately 4 years. In the next five years, leases representing the percentage of leased retail square feet will expire as follows:

Year	Leased sq. ft. expiring	% of square feet
2015	2,112	4.9%
2016	-	-
2017	25,427	59.2%
2018	5,293	12.3%
2019	3,337	7.9%

Epic provides the REIT with property management services pursuant to property management agreement. Such services are provided for a management fee of 2.0% of gross revenues and other customary property management fees on market terms.

Manning Crossing — Edmonton, Alberta

Manning Crossing is a retail strip with restaurant pad development of 64,528 sq. ft. shadow anchored by a Canada Safeway grocery store, occupying a well-exposed location in Northeast Edmonton. Regional and national chains provide 64.8% of the in place income, with major tenants including a branch of the Royal Bank of Canada (6,278 sq. ft.), Tim Hortons (2,280 sq. ft.), and Smitty's (5,029 sq. ft.). Safeway is a shadow anchor at Manning Crossing. As at December 31, 2014, the centre was 94.3% leased, having two vacant units to fill.

The average term to maturity of existing leases is approximately four years. In the next five years, leases representing the percentage of leased retail square feet will expire as follows:

Year	Leased sq. ft. expiring	% of square feet
2015	4,533	7.0%
2016	8,858	13.7%
2017	16,775	26.0%
2018	6,839	10.6%
2019	1,997	3.1%

Epic provides the REIT with property management services pursuant to property management agreement. Such services are provided for a management fee of 2.0% of gross revenues and other customary property management fees on market terms.

Manitoba

Shoppers Drug Mart Properties (Manitoba)

The REIT acquired six the Shoppers Drug Mart properties in March of 2011. The Shoppers Drug Mart Properties are located in Manitoba and Québec. The six leases governing the Shoppers Drug Mart Properties are each for an initial term of 15 years. Except as discussed below, all common area maintenance costs are recoverable under the terms of the individual leases.

The Brandon Shoppers Drug Mart property is located at 139 Victoria Avenue, Brandon, Manitoba. It was built in 2005 and has 16,986 square feet of rentable area on 1.21 acres. Brandon is Manitoba's second largest city. The property occupies a prominent corner along the major arterial route and benefits from high traffic volume and ease of access from the primary market area. The property is in immediate proximity to Brandon Regional Hospital. It is 100% leased to Shoppers Drug Mart under a 15 year lease with more than 5 years remaining on the term. Contract rent is at market levels and includes a rent step in year 10 of the lease agreement. Due to the increase in the Consumer Price Index and specific exclusions to operating expense recoveries set out in the lease agreement, there is a slight shortfall in common area maintenance recovery costs.

The Selkirk Shoppers Drug Mart property is located at 230 Main Street, Selkirk, Manitoba. It was built in 2004 and has 16,685 square feet of rentable area on 1.30 acres. The property is situated along an established retail corridor, in a suburban community approximately 34 km north of Winnipeg. It is 100% leased to Shoppers Drug Mart under a 15 year lease with more than 5 years remaining on the term. Contract rent is at market levels and includes a rent step in years 5 and 10 of the lease agreement. Due to the Consumer Price Index and specific exclusions to operating expense recoveries set out in the lease agreement, there is a slight shortfall in common area maintenance recovery costs.

The Steinbach Shoppers Drug Mart property is located at 383 & 390 Main Street Steinbach, Manitoba. It was built in 2006 and has 21,005 square feet of rentable area on 3.27 acres. The property is situated along an established retail corridor, in a suburban community approximately 54 km southeast of Winnipeg. It is 100% leased to two medical tenants and Shoppers Drug Mart. The lease with Shoppers Drug Mart is a 15 year lease with more than 6 years remaining on the term. Contract rent is at market levels and includes a rent step in year 10 of the lease agreement. Due to specific exclusions to operating expense recoveries set out in the lease agreement, there is a slight shortfall in common area maintenance recovery costs.

The Sherbrook Shoppers Drug Mart property is located at 777 Sherbrook Street, Winnipeg, Manitoba. It was built in 2005 and has 16,839 square feet of rentable area on 1.46 acres. The property is situated along an established retail corridor located northwest of the downtown core and benefits from exposure to a high volume of traffic and ease of access from the primary market area. It is 100% leased to Shoppers Drug Mart under a 15 year lease with more than 5 years remaining on the term, providing good long-term income security. Contract rent is at market levels and includes a rent step in year 10 of the lease agreement. Due to specific exclusions to operating expense recoveries set out in the lease agreement, there is a slight shortfall in common area maintenance recovery costs.

The Pembina Shoppers Drug Mart property is located at 2211 Pembina Highway, Winnipeg, Manitoba. It was built in 2004 and has 15,780 square feet of rentable area on 1.61 acres. Located at the northwest corner of Pembina Highway and Southpark Drive, the property occupies a prominent corner situated along an established retail corridor in the south portion of the city. It is 100% leased to Shoppers Drug Mart under a 15 year lease with more than 4 years remaining on the term. Contract rent is at market levels and includes a rent step in year 10 of the lease agreement. Due to the increase in the Consumer Price Index and specific exclusions to operating expense recoveries set out in the lease agreement, there is a slight shortfall in common area maintenance recovery costs.

Epic provides the REIT with property management services pursuant to property management agreement. Such services are provided for a management fee of 1.5% of gross revenues and other customary property management fees on market terms.

Ontario

Cornwall Square Shopping Centre — Cornwall, Ontario

Cornwall Square is a two-level enclosed shopping centre located on One Water Street East in Cornwall, Ontario. Cornwall Square was originally built in 1979 and was expanded in 1989 with the addition of a food court. The property comprises 251,092 square feet of commercial retail space and 1,419 square feet of rentable storage space and administration offices. Cornwall Square is anchored by a 96,909 square foot Sears store and a 41,058 square foot vacant grocery store. There are approximately 55 additional retail tenants, including seven food court users. Non-anchor tenants include Shoppers Drug Mart, Le Chateau, Stitches, Cleo, Garage Clothing Company, La Senza, the Toronto Dominion Bank, Coles, Payless Shoes, Bentley Leather and Ardene. At December 31, 2014 the centre was 80.4% leased, including anchor tenants.

The average term to maturity of existing leases is approximately four years. In the next five years, leases representing the percentage of leased retail square feet will expire as follows:

Year	Leased sq. ft. expiring	% of square feet
2015	24,365	9.8%
2016	20,736	8.3%
2017	18,411	7.3%
2018	2,800	1.1%
2019	104,481	41.6%

Epic provides the REIT with property management services for Cornwall Square pursuant to property management agreement. Such services are provided for a management fee of $108,000 annually and other customary property management fees on market terms.

Crossing Bridge Square — Stittsville, Ontario

Crossing Bridge Square is a 45,913 sq. ft. retail plaza located in the Stittsville neighbourhood of western Ottawa. The plaza is anchored by Farm Boy, an eastern Ontario based grocery chain which occupies a newly renovated and expanded 14,102 sq. ft. store. Other major tenants include an IDA Pharmacy (6,289 sq. ft.), Pet Valu Canada (2,400 sq. ft.), McDonald's Restaurants of Canada (2,674 sq. ft.), M&M Meats (1,150 sq. ft.), and the Cooperators' Group (995 sq. ft.). At December 31, 2014, the property was 95.2% leased.

In 2013 and 2014, there were significant number of lease roll-overs. In the next five years, leases representing the percentage of leased retail square feet will expire as follows:

Year	Leased sq. ft. expiring	% of square feet
2015	-	-
2016	10,763	23.4%
2017	-	-
2018	7,115	15.5%
2019	8,885	19.4%

Epic provides the REIT with property management services pursuant to property management agreement. Such services are provided for a management fee of 2.0% of gross revenues and other customary property management fees on market terms.

Grand Bend Towne Centre — Grand Bend, Ontario

Grand Bend Towne Centre is an existing 41,605 square foot shopping centre comprised of a Sobeys grocery store (25,851 sq. ft.) with a lease extending to April 2023 and a Shoppers Drug Mart (10,249 sq. ft.) with a lease extending to September 2017 located on Main Street East in downtown Grand Bend, Ontario.

As at December 31, 2014, the centre was 85.8% leased, having two vacant units; 2,405 sq. ft. and 3,100 sq. ft. The average term to maturity of existing leases is approximately six years. In the next five years, leases representing the percentage of leased retail square feet will expire as follows:

Year	Leased sq. ft. expiring	% of square feet
2014	-	-
2015	-	-
2016	-	-
2017	10,249	24.6%
2018	-	-

Epic provides the REIT with property management services pursuant to property management agreement. Such services are provided for a management fee of 2.0% of gross revenues and other customary property management fees on market terms.

King George Square — Brantford, Ontario

King George Square is a 66,983 sq. ft. retail plaza located in Brantford, Ontario. The plaza has one freestanding pad and two single storey multi-tenant retail buildings. Major tenants include Shoppers Drug Mart (20,800 sq. ft.) and Dollarama (10,423 sq. ft.), and the plaza's tenants also include several national tenants including The Bulk Barn (4,982 sq. ft.) and Pita Pit (1,333 sq. ft.). The plaza has two vacant units to fill: 2,170 sq. ft., and 1,223 sq. ft.

At December 31, 2014, the property was 94.9% leased. The average term to maturity of existing leases is approximately seven years. In the next five years, leases representing the percentage of leased retail square feet will expire as follows:

Year	Leased sq. ft. expiring	% of square feet
2015	5,319	7.9%
2016	1,245	1.9%
2017	3,788	5.7%
2018	1,304	1.9%
2019	1,852	2.8%

Epic provides the REIT with property management services pursuant to property management agreement. Such services are provided for a management fee of 2.0% of gross revenues and other customary property management fees on market terms.

Place Val Est — Sudbury, Ontario

Place Val Est, located on 3140 Highway 69 North, is a 110,577 square foot food-anchored retail strip centre located in the north section of Sudbury (Valley East). At December 31, 2014, the property was 90.4% leased and had the dominant grocery store (Metro) in that area. The property was originally developed in 1983 and has seen many additions over the last 20 years. Tenants include a Metro grocery store (33,063 square feet), Rossy (22,662 square feet), Dollar Tree (9,450 square feet), PharmaSave (6,547 square feet), the Royal Bank of Canada (4,989 square feet), LCBO (3,603 square feet), and Tim Hortons (2,488 square feet).

The average term to maturity of existing leases is approximately five years. In the next five years, leases representing the percentage of leased retail square feet will expire as follows:

Year	Leased sq. ft. expiring	% of square feet
2015	3,351	3.0%
2016	9.792	8.9%
2017	-	-
2018	7,602	6.9%
2019	38,467	34.8%

Epic provides the REIT with property management services for Place Val Est pursuant to property management agreement. Such services are provided for a management fee of 2% of gross revenues and other customary property management fees on market terms.

Quinte Cross Roads — Belleville, Ontario

Quinte Crossroads is a newly developed 85,200 square foot power centre consisting of four recently constructed buildings on 14.26 acres in Belleville, Ontario. The centre is shadow-anchored by The Home Depot.

As at December 31, 2014, the centre was fully leased and occupied. The average term to maturity of existing leases is approximately seven years. In the next five years, leases representing the percentage of leased retail square feet will expire as follows:

Year	**Leased sq. ft. expiring**	**% of square feet**
2015	-	-
2016	29,601	34.7%
2017	-	-
2018	19,963	23.4%
2019	-	-

Epic provides the REIT with property management services pursuant to property management agreement. Such services are provided for a management fee of 2.0% of gross revenues and other customary property management fees on market terms.

The RONA Properties

The Exeter RONA property is located at 265 Main Street North in Exeter, Ontario (approximately 50 kilometres northwest of London, Ontario), directly across the street from the main shopping complex servicing the local area, which houses a Canadian Tire, Your Independent Grocer and Shoppers Drug Mart, among other retailers. The retail portion of the Exeter Property has 16,000 square feet of finished sales area. Additionally, the Exeter Property includes three enclosed warehouse spaces, covering an aggregate of 26,780 square feet. The Exeter Property is leased to RONA, pursuant to the terms of a triple-net lease.

The Seaforth RONA property is located at 198 Main Street South in Seaforth, Ontario (approximately 70 kilometres northwest of London, Ontario), just south of the Seaforth “Main Street” retail area. The retail portion of the Seaforth Property has 10,154 square feet of finished sales area, and an additional enclosed warehouse area of 9,468 square feet is attached to the retail building. The Seaforth Property is leased to RONA pursuant to the terms of a triple-net lease.

The Zurich RONA property is located at 72821 Blind Line in Zurich, Ontario (approximately 70 kilometres northwest of London, Ontario), which is just off Highway No. 84, directly east of the Zurich “Main Street” retail area. The retail portion of the Zurich Property has 8,400 square feet of finished sales area. Additionally, two warehouse buildings of 11,560 square feet and 4,440 square feet, respectively, are also located on the Zurich Property. The Zurich Property is leased to RONA pursuant to the terms of a triple-net lease.

The Exeter lease, Seaforth lease, and Zurich lease are all leased for a term of 5 years, expiring on March 12, 2020.

The RONA leases are triple-net leases, with the tenant responsible for all common area charges associated with the properties as well as the maintenance and repair of the properties. Realty taxes are paid by directly to the municipalities. Leasing and property management services are handled directly by the REIT.

St. Clair Beach Town Centre —Tecumseh, Ontario

St. Clair Beach Town Centre is a 40,088 sq. ft. plaza anchored by Shoppers Drug Mart (20,029 sq. ft.) located on Lake St. Clair, Tecumseh, just east of Windsor. National tenants provide 85.5% of the in place income. Swiss Chalet (5,735 sq. ft.) provides another strong draw to the centre, and a chiropractor (1,700 sq. ft.) and a dentist (1,840 sq. ft.) provide built in clientele for Shoppers Drug Mart. There is currently three vacant units totaling 9,358 sq. ft. (23.3%). The Shoppers Drug Mart lease runs into 2025 and the Swiss Chalet lease both expire in 2019. At December 31, 2014, the property was 76.7% leased.

The average term to maturity of existing leases is approximately seven years. In the next five years, leases representing the percentage of leased retail square feet will expire as follows:

Year	**Leased sq. ft. expiring**	**% of square feet**
2015	-	-
2016	-	-
2017	-	-
2018	-	-
2019	10,701	26.7%

Epic provides the REIT with property management services pursuant to property management agreement. Such services are provided for a management fee of 2.0% of gross revenues and other customary property management fees on market terms.

Thunder Centre —Thunder Bay, Ontario

Thunder Centre is a 168,087 sq. ft. power centre located in the heart of Thunder Bay's primary retail node. The existing tenant profile at the centre is very strong, with national and regional chains representing 94.7% of the income in place. Major tenants include Home Outfitters (Hudson's Bay Company - 31,568 sq. ft.), Michaels (21,885 sq. ft.), Old Navy (14,913 sq. ft.) and Marks (Canadian Tire Corp. 14,626 sq. ft.). The centre has shadow anchors in the form of the neighbouring Home Depot and Canadian Tire stores. At December 31, 2014, the property was 98.5% leased.

The average term to maturity of existing leases is approximately five years. In the next five years, leases representing the percentage of leased retail square feet will expire as follows:

Year	Leased sq. ft. expiring	% of square feet
2015	16,405	9.8%
2016	37,061	22.0%
2017	2,460	1.5%
2018	9,494	5.6%
2019	29,539	17.6%

Epic provides the REIT with property management services pursuant to property management agreement. Such services are provided for a management fee of 2.0% of gross revenues and other customary property management fees on market terms.

Timmins West Power Centre – Timmins, Ontario

Timmins West Power Centre is a 43,774 square foot retail centre in Timmins, Ontario. The Timmins West Power Centre is an open-air centre that benefits from the close proximity to the centre of a Canadian Tire store, Home Depot outlet and Timmins Square. The property includes three separate buildings individually occupied by Michaels (17,665 sq. ft.), Mark's Work Wearhouse (16,054 sq. ft.) and Reitmans (10,055 sq. ft.).

As of December 31, 2014, Timmins West Power Centre was 100% leased. The average term to maturity of existing leases is approximately four years. In the next five years, leases representing the percentage of leased retail square feet will expire as follows:

Year	Leased sq. ft. expiring	% of square feet
2015	-	-
2016	-	-
2017	16,054	36.7%
2018	27,720	63.3%
2019	-	-

Epic provides the REIT with property management services pursuant to property management agreement. Such services are provided for a management fee of 2.0% of gross revenues and other customary property management fees on market terms

Wellington Southdale —London, Ontario

Wellington Southdale is an 86,241 square foot, cinema-anchored retail strip centre located on 977-995 Wellington Road South, near the intersection of Wellington Road and Southdale Road. Wellington Road is a major arterial route through London which provides heavy exposure to vehicular traffic in excess of 40,000 vehicles per day. At December 31, 2014, Wellington Southdale was 97.5% leased. The total size of the property is 6.97 acres with four freestanding buildings. The site benefits from five access points. Wellington Southdale was built in 1986 and was renovated in 2000, 2004 and 2006. Tenants include: Landmark Theatres (33,949 square feet), Dollarama (9,375 square feet), and Moxies (8,009 square feet).

The average term to maturity of existing leases is approximately two years. In the next five years, leases representing the percentage of leased retail/office square feet set out below will expire as follows:

Year	Leased sq. ft. expiring	% of square feet
2015	45,210[1]	52.4%
2016	12,143	14.1%
2017	12,668	14.7%
2018	1,066	1.2%
2019	2,250	2.6%

[1] Includes lease expiry of anchor tenant (Empire) at the centre.

Epic provides the REIT with property management services pursuant to property management agreement. Such services are provided for a management fee of 2.0% of gross revenues and other customary property management fees on market terms

Québec

Centre Village – Nun's Island, Québec

Centre Village is a 96,257 square foot retail property anchored by a Loblaws grocery store (41,649 sq. ft.) and a SAQ liquor store (17,940 sq. ft.), as well as a branch of the Royal Bank of Canada. The REIT has entered into a land lease with Starbucks to undertake a pad development.

As at December 31, 2014, Centre Village was 96.4% occupied. The average term to maturity of existing leases is approximately five years. In the next five years, leases representing the percentage of leased retail square feet will expire as follows:

Year	Leased sq. ft. expiring	% of square feet
2015	1,645	1.7%
2016	1,856	1.9%
2017	48,662	50.4%
2018	684	0.7%
2019	9,854	10.2%

The REIT has entered into a property management agreement with Sandalwood to provide property management and leasing services for Centre Village. Such services are provided for a management fee of 5.0% of gross revenues, and leasing fees ranging from $1.25 to $4.00 per square foot and other customary property management fees on market terms. The property management agreement is for a term of two years, automatically renewable unless terminated in accordance with the provisions of the agreement and can be terminated by either party on 60 days' notice.

Châteauguay —Châteauguay (Montréal), Québec

Châteauguay is a two-storey, 115,209 square-foot mixed-use retail property located on 160–180 Anjou Boulevard, in Châteauguay (Montréal), Québec. At December 31, 2014, Châteauguay was 100% leased. The property contains a total of 67,943 square feet of ground level retail space and 47,266 square feet of second floor office space. Châteauguay is anchored by Pharmaprix (Shoppers Drug Mart) and Staples on the ground floor, and by two different branches of the Québec government (44,629 square feet) on the second floor.

The average term to maturity of existing leases is approximately four years. In the next five years, leases representing the percentage of leased retail/office square feet will expire as follows:

Year	**Leased sq. ft. expiring**	**% of square feet**
2015	33,495	29.1%
2016	39,656	34.4%
2017	-	-
2018	1,800	1.6%
2019	5,951	5.2%

Pursuant to a property management agreement between Charter Realty and Crofton (as subsequently assigned by Charter Realty to the REIT), Crofton provides property management services for Méga Centre. Such services are provided for a management fee of 2.5% of gross revenues, leasing fees ranging from $0.50 to $3.00 per square foot and other customary property management fees on market terms. The property management agreement is terminable by either party on 60 days' notice.

Elgar Place – Nun's Island, Québec

Elgar Place is 10,120 square foot retail centre located in Nun's Island nearby Centre Village and is anchored by a Couche-Tard convenience store (2,160 sq. ft.).

As at December 31, 2014, Elgar Place was 100% occupied. The average term to maturity of existing leases is approximately three years. In the next five years, leases representing the percentage of leased retail square feet will expire as follows:

Year	**Leased sq. ft. expiring**	**% of square feet**
2015	1,088	10.8%
2016	2,401	23.7%

2017	2,160	21.3%
2018	2,382	23.5%
2019	2,089	20.6%

The REIT has entered into a property management agreement with Sandalwood to provide property management and leasing services for Place Elgar under similar terms to those of Centre Village.

Marcel Laurin Shopping Centre – Montréal, Québec

Marcel Laurin Shopping Centre is a newly-constructed 120,171 square foot open-air retail property, anchored by a Metro grocery store (46,576 sq. ft.) and a Brunet pharmacy (4,003 sq. ft.). The centre is prominently located in the primary retail node and access roads in Saint Laurent, Québec, a suburb of Montréal.

As at December 31, 2014, the Saint Laurent Shopping Centre was 97.1% occupied. The average term to maturity of existing leases is approximately 11 years. In the next five years, leases representing the percentage of leased retail square feet will expire as follows:

Year	**Leased sq. ft. expiring**	**% of square feet**
2015	-	-
2016	-	-
2017	-	-
2018	-	-
2019	1,719	1.4%

The REIT has entered into a property management agreement with Sandalwood to provide property management and leasing services for Marcel Laurin under similar terms to those of Centre Village.

Méga Centre Côte-Vertu — St. Laurent (Montréal), Québec

Méga Centre is a shopping centre located on 3800 Côte Vertu Boulevard, at the intersection of Côte-Vertu Boulevard and Rue Bégin in St. Laurent (Montréal), Québec and is visible from Highway 40. The total size of the Méga Centre property is approximately 19.0 acres, including 277,048 square feet of rentable space and surrounding lands. Méga Centre was built in 1973 and was substantially renovated in 1993, 1999, 2000 and 2004. As at December 31, 2014, the retail space in Méga Centre was 97.7% leased after substantial re-merchandize of the retail mix. Tenants include Walmart (91,428 square feet), Brault & Martineau (77,318 square feet), Michaels (29,307 sq. ft.), Staples (24,860 square feet), and L'Oreal (23,550 square feet). A 110,000 square foot RONA home improvement store is located adjacent to the property and acts as a shadow anchor, drawing customers to Méga Centre.

The average term to maturity of existing leases is approximately seven years. In the next five years, leases representing the percentage of leased retail square feet will expire as follows:

Year	Leased sq. ft. expiring	% of square feet
2015	-	-
2016	81,942	29.6%
2017	23,550	8.5%
2018	2,406	0.9%
2019	7,800	2.8

Crofton provides property management services for Mega Centre under similar terms to those for Chateauguay.

Place Desormeaux — Longueuil, Québec

Place Desormeaux is an enclosed community shopping centre of 249,518 sq. ft. Anchored by Walmart (81,221 sq. ft.), Super C (51,253 sq. ft.), the SAAQ (18,245 sq. ft.) and SIQ (24,839 sq. ft.). The property includes branches of the Bank of Montreal and the National Bank of Canada (9,826 sq. ft.), Dollarama (10,997 sq. ft.) and Pharmaprix (8,231 sq. ft.). These anchor tenants occupy 81.9% of the total rentable area and generate 72.6% of gross revenue. Management believes that Place Desormeaux also offers the opportunity to enhance income through the remerchandising of the current uses and the development of new retail pad sites.

Walmart Canada acquired the Zellers lease, and signed a five year lease extension with numerous renewal options. Walmart Canada took possession of the 81,221 sq. ft. space in May 2012 and opened for business in September 2012.

In the next five years, leases representing the percentage of leased retail square feet will expire as follows:

Year	Leased sq. ft. expiring	% of square feet
2015	3,397	1.4%
2016	96,202	38.6%
2017	8,449.5	3.4%
2018	53,743	21.5%
2019	46,978	18.8%

The REIT has entered into a property management agreement with Sandalwood to provide property management and leasing services for Marcel Laurin under similar terms to those of Centre Village.

Plaza Des Seigneurs—Terrebonne, Québec

Plaza Des Seigneurs is a three tenant retail strip centre with a total of 20,833 sq. ft. The three tenants are the SAQ, who occupies 7,914 sq. ft., a branch of the National Bank of Canada (6,719 sq. ft.) and Uniprix (6,200 sq. ft.).

The SAQ lease expired and renewed in 2015. National Bank recently renewed until 2020 and Uniprix also renewed until 2019, and they have, at their discretion to renew, a two fixed rate option that would extend the lease term to 2029.

Crofton provides the REIT with property accounting services for Plaza Des Seigneurs under terms similar to those for Mega Centre.

Repentigny Shopping Centre – Montréal, Québec

Repentigny Shopping Centre is a 49,371 square foot open-air stabilized retail centre, anchored by a Familiprix (7,691 sq. ft.), Dollarama (9,174 sq. ft.) and Banque Nationale Du Canada (4,716 sq. ft.). The centre is well-located on Boulevard Iberville in Repentigny, Québec, a suburb of Montréal.

As at December 31, 2014, the Repentigny Shopping Centre was 78.4% occupied. The average term to maturity of existing leases is approximately 4 years. In the next five years, leases representing the percentage of leased retail square feet will expire as follows:

Year	**Leased sq. ft. expiring**	**% of square feet**
2015	-	-
2016	14,932	30.2%
2017	2,200	4.5%
2018	-	-
2019	4,716	9.6%

The REIT has entered into a property management agreement with Sandalwood to provide property management and leasing services for Repentigny under similar terms to those of Centre Village.

Saint Remi Shopping Centre – Montréal, Québec

Saint Remi Shopping Centre is a newly-constructed, 61,704 square foot open-air retail property, anchored by an IGA grocery store (42,325 sq. ft.), a Uniprix (8,930 sq. ft.), an SAQ liquor store (2,949 sq. ft.) and a Tim Hortons coffee shop (2,500 sq. ft.). The centre is well-situated in a primarily residential neighbourhood in a prime retail node of Saint Remi, Québec, located 30 minutes south of downtown Montréal. There are additional development lands which are being actively marketed to retailers.

As at December 31, 2014, the Saint Remi Shopping Centre was 91.9% occupied. The average term to maturity of existing leases is approximately fourteen years. There are no lease expiries until 2022.

The REIT has entered into a property management agreement with Sandalwood to provide property management and leasing services for Saint Remi under similar terms to those of Centre Village.

Shoppers Drug Mart Properties (Québec)

The REIT acquired the Shoppers Drug Mart Properties in March of 2011. The Shoppers Drug Mart Properties are located in Manitoba (as discussed above) and Québec.

The Gatineau Shopper Drug Mart property is located at 465 Boulevard de l'Hôpital, Gatineau, Québec. It was built in 2006 and has 17,028 square feet of rentable area on 1.61 acres. The property occupies a prominent corner location with high traffic volume and is in immediate proximity to l'Hôpital du Gatineau and various medical buildings. It is 100% leased to Shoppers Drug Mart under a 15 year lease with more than 6 years remaining on the term. Contract rent is at market levels and includes a rent step in year 10 of the lease agreement. Due to the increase in the Consumer Price Index and specific exclusions to operating expense recoveries set out in the lease agreement, there is a slight shortfall in common area maintenance recovery costs.

Sorel Shopping Centre – Montréal, Québec

Sorel Shopping Centre is a newly-constructed, 31,038 square foot open-air property, anchored by an SAQ liquor store (9,652 sq. ft.) and a Tim Hortons coffee shop (2,432 sq. ft.). Sorel is located 45 minutes northeast of downtown Montréal. The property is strongly-positioned and is located adjacent to the busy Highway 30.

As at December 31, 2014, Sorel was 74.9% occupied. The average term to maturity of existing leases is approximately seven years. There are no lease expiries until 2020.

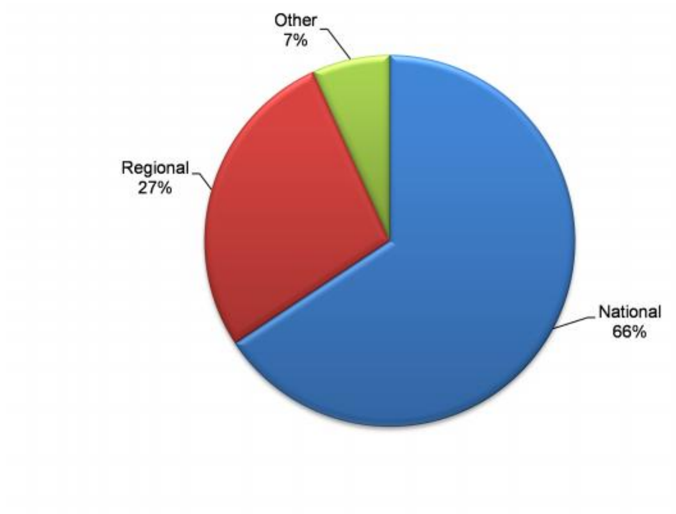
The REIT has entered into a property management agreement with Sandalwood to provide property management and leasing services for Sorel under similar terms to those of Centre Village.

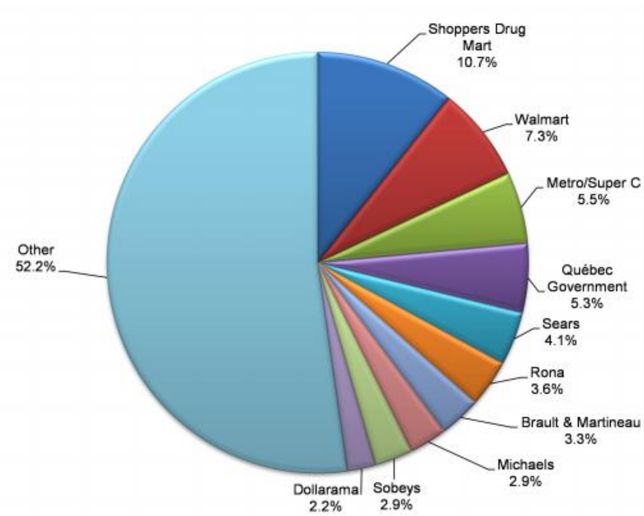
Tenant Mix

The following charts show the ten largest tenants by GLA of the Properties at December 31, 2014:

Tenant	Property	Occupied GLA	% of Total Retail GLA	Lease Expiry Date
Shoppers Drug Mart	6 Shoppers Drug Mart Properties / Cornwall Square / Châteauguay / Centuria / Evergreen / Place Desormeaux / 137th Ave / St. Clair / King George / Grand Bend	254,700	10.70%	June, 2016 – May, 2026
Walmart	Méga Centre / Place Desormeaux	172,649	7.30%	May, 2021 - March, 2028
Metro/Super C	Marcel-Laurin/ Place Desormeaux/ Place Val Est	130,892	5.50%	April 2018 - September, 2031
Québec Government (SAQ and SIQ)	Châteauguay / Place Desormeaux / Plaza des Seigneurs / Centre Village / Sorel / Saint Remi	126,248	5.30%	March, 2015 – November, 2026
Sears	Cornwall Square	96,909	4.10%	October, 2019
RONA	RONA Properties	86,802	3.60%	March, 2020
Brault & Martineau	Mega Centre	77,318	3.30%	May, 2016
Michaels	Mega Centre / Thunder Centre / Timmins	68,857	2.90%	February, 2016 – February, 2025
Sobeys	Grand Bend / Saint Remi	68,176	2.90%	May, 2023 - November, 2030
Dollarama	Wellington / Place Desormeaux / King George / Thunder Centre / Repentigny	51,990	2.20%	December, 2017 – November, 2021
Total		**1,134,541**	**47.80%**	

The REIT believes it has a strong mix of national and regional tenants. The tenant mix for the properties at December 31, 2014, are as follows (based on total leased square feet excluding storage):





Lease Maturities

The weighted average term to maturity of existing leases is approximately six years. The table below shows the lease expiration schedule of the properties as a percentage of leased square feet for 2015 and beyond:

	(sq.ft.)	(%)
2015	178,936	7.1%
2016	372,116	14.7%
2017	216,586	8.6%
2018	183,548	7.3%
2019	343,960	13.6%
Thereafter	1,084,860	43.0%
Vacant	142,967	5.7%
Total	2,522,974	100.0%

The weighted average contractual net rent per square foot expiring in the REIT's portfolio is outlined in the following table**:**

Year		**Retail**
2015		14.71
2016		12.91
2017		18.23
2018		18.11
2019		13.06
Thereafter		16.36
Average	$	15.53
Weighted average remaining lease term (years)		**6.12**

Leasing Activity and Occupancy

Lease expiries for 2014, new leasing and renewals completed by the date of this Annual Information Form are as follows:

Three months ended	31-Mar-14	30-Jun-14	30-Sep-14	31-Dec-14	**Total 2014**	Total 2013
Lease expiries	63,745	62,832	155,705	189,306	**471,588**	176,232
Base rent per square foot(1)	$ 10.46	$ 18.90	$ 7.16	$ 7.99	**$ 9.50**	$ 15.83
Lease renewals - completed	60,405	50,021	130,287	139,363	**380,076**	135,198
Base rent per square foot(1)	$ 10.85	$ 16.56	$ 8.96	$ 5.96	**$ 9.07**	$ 15.47
Uncommitted vacancies	3,340	12,811	25,418	49,943	**91,512**	41,034
Base rent per square foot(1)	$ 15.00	$ 15.43	$ 11.24	$ 11.21	**$ 11.95**	$ 17.98
New leasing	10,067	48,079	13,606	7,699	**79,451**	6,539
Base rent per square foot(1)	$ 15.96	$ 14.99	$ 18.87	$ 16.18	**$ 15.89**	$ 12.02

(1) weighted average

In the regular course of operations, the REIT occasionally encounters tenants who vacate their space before the lease is scheduled to expire due to financial difficulties or corporate restructuring. The REIT monitors tenants closely to avoid these situations, but when an unexpected vacancy occurs and a suitable long-term tenant is not readily available, the REIT endeavors to occupy the space with short-term tenants in order to minimize lost revenues. When short-term tenants are signed to short-term leases or, in some cases, month-to-month leases, the REIT does not include them as an expiry, renewal or new lease in the above chart and continues to show the space as vacancy.

GLA and occupancy of the Properties on a quarter by quarter basis over the last two years is as follows:

Quarter Ended	Gross Leasable Area (sq. ft.)	Occupied (sq.ft.)	Occupancy (%)
December 31, 2014	2,522,974	2,380,007	94.3%
September 30, 2014	2,518,523	2,418,895	96.0%
June 30, 2014	2,711,464	2,623,747	96.8%
March 31, 2014	2,716,951	2,619,958	96.4%
December 31, 2013	2,716,328	2,619,855	96.4%
September 30, 2013	2,718,913	2,612,860	96.1%
June 30, 2013	2,712,868	2,603,432	96.0%
March 31, 2013	2,427,320	2,330,506	96.0%
Average	2,630,668	2,526,157	96.0%

Management remains committed to actively pursuing new leases and lease renewals with the objective of increasing occupancy and weighted average rental income per square foot of gross leasable area. One of the REIT's goals is to generate organic growth through redevelopment and lease renewal activities at its existing centres. As at the date of this Annual Information Form, the REIT had lease renewals commencing in 2014of 321,065 square feet.

Competitive Conditions

The real estate business in which the REIT operates is competitive. Numerous other developers, managers and owners of properties compete with the REIT both in respect of seeking tenants and acquisitions. See "Risk Factors – Risks Relating to the REIT – Competition".

MANAGEMENT OF THE REIT

Management Team of the REIT

The current management team is Jane Domenico, Acting Chief Executive Officer and Chief Operating Officer and Derrick W. West, Chief Financial Officer. See biographies under “Trustees and Officers” below.

Former Management Agreement

Until February 14, 2014 the REIT was managed by the Former Manager pursuant to the Former Management Agreement. Operational and administrative functions were provided to the REIT by the Former Manager pursuant to the Former Management Agreement, including:

(a) advising the Trustees on strategic matters relating to properties, potential acquisitions, dispositions and development, and Unit value maximization;

(b) searching for, identifying, introducing, evaluating and screening property acquisition opportunities;

(c) conducting and/or managing due diligence with respect to potential acquisitions;

(d) structuring, sourcing, negotiating and organizing the financing of acquisitions;

(e) organizing and coordinating the completion of investments, including structuring and negotiating the business terms on which acquisitions are made;

(f) monitoring and maintaining the REIT’s properties (including retaining property management and leasing agents) and advising the REIT with respect to all capital projects that are required or recommended to be implemented with respect to any of the REIT’s properties;

(g) overseeing the lease negotiations and providing leasing guidelines with respect to the leasing of the REIT’s properties;

(h) redeveloping or reselling the REIT’s properties;

(i) providing investor relations services to the REIT;

(j) providing advice and assistance in connection with the REIT’s borrowings, raising of capital and issuance of securities, including representing the REIT in its dealings with banks and other lenders, investment dealers, institutions and investors;

(k) conducting day-to-day relations on behalf of the REIT with third parties, including property managers, suppliers, joint venturers, lenders, brokers, consultants, advisors, accountants, lawyers, insurers and appraisers; and

(l) managing and providing direction to the REIT’s property manager(s) and negotiating arrangements for the engagement of any new property manager(s) or the renewal of the arrangements with existing property manager(s).

Fees

Pursuant to the Former Management Agreement, the REIT incurred management fees of $218,415 and property management and accounting fees of $95,342 from January 1, 2014 until the internalization of the asset management functions and termination of the Former Management Agreement. A payment of $1.5 million, together with the reimbursement $432,947 of costs incurred by McCowan under the Former Management Agreement was made to McCowan upon the termination of the Former Management Agreement.

INVESTMENT GUIDELINES AND OPERATING POLICIES

Investment Guidelines

The Declaration of Trust provides for certain restrictions on investments which may be made directly or indirectly by the REIT. The assets of the REIT may be invested directly or indirectly only in accordance with the following investment guidelines:

(a) subject to the other investment guidelines of the REIT set out below, the REIT may only invest, directly or indirectly, in:

  (i) interests (including fee ownership and leasehold interest) in income-producing real property;

  (ii) corporations, trusts, partnerships or other persons which principally have interests (including the ownership of leasehold interests) in income-producing real property (or activities relating or ancillary thereto); and

  (iii) such other activities, properties or assets as are consistent with the other investment guidelines of the REIT or as may be approved by Unitholders in accordance with the terms of the Declaration of Trust;

(b) notwithstanding anything in the investment guidelines or operating policies of the REIT, the REIT shall not make any investment, take any action or omit to take any action that would result in Units not being units of a "mutual fund trust" within the meaning of the Tax Act;

(c) the REIT may, directly or indirectly, invest in a joint venture arrangement for the purposes of owning interests or investments otherwise permitted to be held by the REIT; provided that such joint venture arrangement contains terms and conditions which, in the opinion of the Trustees, are commercially reasonable, including without limitation such terms and conditions relating to restrictions on transfer and the acquisition and sale of the REIT's and any joint venturer's interest in the joint venture arrangement, provisions to provide liquidity to the REIT, such as buy-sell mechanisms and provisions that limit the liability of the REIT to third parties. For purposes of this provision, a joint venture arrangement is an arrangement between the REIT and one or more other persons ("joint venturers") pursuant to which the REIT, directly or indirectly, conducts an undertaking for one or more of the purposes set out above and in respect of which the REIT may hold its interest jointly or in common or in another manner with others either directly or through the ownership of securities of a corporation or other entity (a "joint venture entity"), including without limitation a general partnership, limited partnership or limited liability company;

(d) except for temporary investments held in cash, deposits with a Canadian chartered bank or trust company registered under the laws of Canada or of a province of Canada, short-term government debt securities, or receivables under instalment receipt agreements or money market instruments of, or guaranteed by, a Schedule I Canadian bank maturing within one year from the date of issue or except as permitted pursuant to paragraphs (a), (c), (f), (h) and (i) of these investment guidelines, the REIT may not hold securities other than:

(i) securities of any issuer referred to in paragraph (a) above;

(ii) securities of a joint venture entity;

(iii) securities of an entity wholly-owned by the REIT, which has been formed and operated solely for the purpose of holding a particular real property or real properties; and

(iv) securities of persons described in paragraph (f) and provided further that, notwithstanding anything contained in the Declaration of Trust to the contrary, the REIT may acquire securities of other real estate investment trusts;

(e) the REIT shall not invest in rights to or interests in mineral or other natural resources, including oil or gas, except as incidental to an investment in real property;

(f) notwithstanding the provisions of paragraph (d) above or any other provision of the Declaration of Trust, the REIT may invest in operating businesses which are ancillary to the REIT's ownership of real property or acquire interests in limited partnerships or corporations which may operate businesses related to the REIT's real estate investments, provided that such investments would not result in the REIT failing or ceasing to qualify as a "mutual fund trust" within the meaning of the Tax Act and provided that the REIT shall use its reasonable best efforts not to be a SIFT trust;

(g) the REIT shall not invest directly in raw land for development and ownership or for other development projects, except:

(i) for the purpose of renovating or expanding existing properties or facilities on adjacent properties; or

(ii) for the purpose of developing new properties which will be or are expected to be, upon completion, income producing, provided that the aggregate value of investments in raw land for such purpose will not, after giving effect to the proposed investment, exceed 10% of the Adjusted Unitholders' Equity;

(h) the REIT shall invest in a mortgage or a mortgage bond (including a participating or convertible mortgage) only where:

(i) the real property which is security therefor is income-producing real property which otherwise meets the general investment guidelines of the REIT contained in these investment guidelines; and

(ii) the aggregate value of the investments of the REIT in mortgages and mortgage bonds, after giving effect to the proposed investment, will not exceed 20% of the Adjusted Unitholders' Equity;

(i) notwithstanding any of the provisions of paragraph (h) above, the REIT may invest in any mortgage which is not a first ranking mortgage, including mezzanine financings, for purposes of providing, directly or indirectly, financing in connection with a transaction in which the REIT is the vendor or with the intention of using such mortgage as part of a method for subsequently acquiring an interest in or control of a property or a portfolio of properties that would otherwise meet the investment guidelines of the REIT; provided that the aggregate value of the investments of the REIT in these mortgages, after giving effect to the proposed investments, will not exceed 20% of the Gross Book Value; and

(j) the REIT may invest, from time to time, an amount (which, in the case of an amount invested to acquire real property, is the purchase price less the amount of any indebtedness assumed or incurred by the REIT and secured by a mortgage on such property) up to 15% of the Adjusted Unitholders' Equity of the REIT in investments which do not comply with one or more of paragraphs (d) or (g) above.

Operating Policies

The Declaration of Trust provides that the operations and affairs of the REIT shall be conducted in accordance with the following operating policies:

(a) the REIT shall not purchase, sell, market or trade in currency or interest rate futures contracts otherwise than for hedging purposes where, for the purposes hereof; the term "hedging" shall have the meaning ascribed thereto by National Instrument 81-102 adopted by the Canadian Securities Administrators, as amended from time to time;

(b) (i) any written instrument creating an obligation which is or includes the granting by the REIT of a mortgage, and (ii) to the extent management of the REIT determines to be practicable, any written instrument which is, in the judgment of management of the REIT, a material obligation, shall contain a provision or be subject to an acknowledgement in the form provided by the Declaration of Trust;

(c) the REIT may engage (i) in construction or development of real property in order to maintain its real properties in good repair and/or to enhance the income-producing potential of properties in which the REIT has an interest; and (ii) in the development of raw land and/or other development projects; provided that investments by the REIT in such developments are within the investment guidelines;

(d) title to each real property shall be held by and registered in the name of the REIT, the Trustees or in the name of a corporation or other entity owned, directly or indirectly, by the REIT or jointly-owned, directly or indirectly, by the REIT, with joint venturers or a corporation which is a nominee of the REIT which holds registered title to such real property pursuant to a nominee agreement with the REIT;

(e) the REIT may directly or indirectly guarantee indebtedness or liabilities of a third party, provided that such guarantee is related to the direct or indirect ownership or acquisition by the REIT of real property that would otherwise comply with the REIT's investment guidelines and operating policies;

(f) the REIT will obtain an independent appraisal of each property that it intends to acquire;

(g) the REIT shall obtain and maintain at all times insurance coverage in respect of potential liabilities of the REIT and the accidental loss of value of the assets of the REIT 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 and the cost of such coverage; and

(h) the REIT shall obtain or review a Phase I environmental audit of each real property to be acquired by it, dated within twelve months of the proposed date of acquisition, and, if the Phase I environmental audit report recommends or recommended a Phase II environmental audit be obtained, the REIT shall obtain or review a Phase II environmental audit, in each case prepared by an independent environmental consultant.

For the purposes of the foregoing investment guidelines and operating policies, the assets, liabilities and transactions of a corporation or other entity wholly or partially owned by the REIT will be deemed to be those of the REIT on a proportionate, consolidated basis. In addition, any references in the foregoing investment guidelines and operating policies to investment in real property will be deemed to include an investment in a joint venture entity.

Amendments to Investment Guidelines and Operating Policies

Pursuant to the Declaration of Trust, all of the investment guidelines set out under the heading "Investment Guidelines" and the operating policies contained in subparagraph (b) under the heading "Operating Policies" may be amended only with the approval of at least two-thirds of the votes cast by Voting Unitholders of the REIT at a meeting of Voting Unitholders called for such purpose. The remaining operating policies may be amended with the approval of a majority of the votes cast by holders of Voting Units at a meeting of Voting Unitholders called for such purpose.

RISK FACTORS

The risks described below are not the only ones facing the REIT and Unitholders. Additional risks not currently known to the REIT or that the REIT currently deems immaterial may also impair business operations. The business, financial condition, revenues or profitability of the REIT could be materially adversely affected by any of these risks. The trading price of the Units could decline due to any of these risks. This Annual Information Form contains forward-looking statements that involve risks and uncertainties. The REIT's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by the REIT described below and elsewhere in this Annual Information Form. See "Caution Regarding Forward-Looking Statements".

Risks Relating to the REIT

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 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.

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 of December 31, 2014 the REIT was in technical violation of financial covenants on three mortgages and the line of credit with First National LP. The REIT has obtained written waivers with respect to the line of credit and one of the three mortgages and does not expect the lenders to trigger an event default under the two remaining mortgages. The occurrence of an event of default could have a material adverse effect on the REIT.

Debt Financing

The REIT has incurred both unsecured debt and mortgage debt by obtaining loans secured by some or all of the 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.

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 December 31, 2014, the REIT had vacancies of 142,967 square feet. As well, the REIT has 178,936 square feet of lease expiries in 2015.

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 steady, however there will be some disruption as a result of Target's announced departure from Canada, store closures by Future Shop and other recent bankruptcies, 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 December 31, 2014, 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 areas 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 will 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. Some 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 March 30, 2015, the REIT had drawn upon. (see "General Development of the Business - Property Financings and Credit Facilities). Mr. Moray Tawse, a significant unitholder of the REIT, has an interest in First National Financial.

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 Our Ability to Operate Effectively

Our operations are dependent upon the participation of our key executives. While we believe that we 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 our 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. The global recessionary economic conditions and the global financial liquidity crisis have resulted in persistent interruptions in the credit and capital markets, devaluations of assets directly or indirectly linked to the Canadian real estate finance markets and the concurrent elimination of long and short-term liquidity from the capital markets. These conditions have had, and the REIT expects will continue to have, an adverse effect on the REIT as well as the assets the REIT has invested in.

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 Units may not be or may cease to be qualified investments for Plans (with the result that 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 under the 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, we cannot assure you that the application taxation authorities will not seek to challenge the tax treatment applied to the April Transaction and the subsequent rescission thereof which may have an adverse effect on the REIT or its Unitholders or Debenture holders.

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 or Debenture.

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 March 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 we 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 OBCA 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.

Restriction on Ownership of Debentures

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. As a result, the Indenture contains provisions limiting the ownership of Debentures by Non-Residents. These restrictions may limit or remove the rights of certain Debentureholders, including Non-Residents. As a result, these restrictions may limit the demand for Debentures from certain Debentureholders and thereby adversely affect the liquidity and market value of the Debentures.

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 Plans, 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. See “Declaration of Trust and Description of Units — Redemption Right”.

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 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 the Debentures on a timely basis or at all. The likelihood that purchasers will receive the payments owing to them in connection with the Debentures will be dependent upon the financial health and creditworthiness of the REIT and the ability of the REIT to earn revenues.

Market for the Debentures

There can be no assurance that a secondary market for trading in the Debentures will develop or that any secondary market which does develop will continue. Also, there can be no assurance that any such secondary market will be active. To the extent that an active trading market for the Debentures does not develop, the liquidity and the trading prices for the Debentures may be adversely affected.

Absence of Covenant Protection

The Indenture will not restrict the REIT or any of its subsidiaries from incurring additional indebtedness for borrowed money or otherwise from mortgaging, pledging or charging their real or personal property or properties to secure any indebtedness or other financing. The Indenture will not contain any provisions specifically intended to protect holders of the Debentures in the event of a future leveraged transaction involving the REIT or any of its subsidiaries.

Redemption Prior to Maturity

The Debentures may be redeemed at the REIT's option, subject to certain conditions prior to the respective maturity date of each Debenture in whole or in part, at a redemption price equal to the principal amount thereof, together with any accrued and unpaid interest. Holders of Debentures should assume that this redemption option will be exercised if the REIT is able to refinance at a lower interest rate or it is otherwise in the interest of the REIT to redeem the Debentures.

Conversion Following Certain Transactions

In the event of certain transactions, pursuant to the terms of the Indenture, each Debenture will become convertible into securities, cash or property receivable by a Unitholder in such transactions. This change could substantially reduce or eliminate any potential future value of the conversion privilege associated with the Debentures.

Subordination of Debentures

The Debentures are unsecured obligations of the REIT and are subordinate in right of payment to all of the REIT's existing and future Senior Indebtedness. The Debentures will also be effectively subordinate to claims of the creditors of the REIT's subsidiaries relating to all indebtedness, liabilities and obligations of the REIT or its subsidiaries for the payment of which the REIT is responsible or liable, whether absolutely or contingently. This subordination may significantly reduce the possibilities for purchasers of obtaining payment of the amounts owed under the Debentures. In the event of the insolvency, bankruptcy, liquidation, reorganization, dissolution or winding up of the REIT, the assets of the REIT would be made available to satisfy the obligations of the creditors of such Senior Indebtedness, whether those obligations are secured or unsecured, before being available to pay the REIT's obligations to holders of Debentures. Accordingly, all or a substantial portion of the REIT's assets could be unavailable to satisfy the claims of the Debentures.

Credit Rating

The REIT does not have a credit rating and has no current plans to apply for a credit rating.

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 REITs 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 assure holders of Debentures 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.

Market Price of the Debentures

The market price of the Debentures will be based on a number of factors, including: (a) the prevailing interest rates being paid by borrowers similar to the REIT; (b) the overall condition of the financial and credit markets; (c) prevailing interest rates and interest rate volatility; (d) the markets for similar securities; (e) the financial condition, results of operation and prospects of the REIT; (f) the publication of earnings estimates or other research reports and speculation in the press or investment community; (g) the market price and volatility of the Units; (h) changes in the industry and competition affecting the Trust; and (i) general market and economic conditions.

The condition of the financial and credit markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. Fluctuations in these factors could have an adverse effect on the market price of the Debentures.

Volatility of Market Price of Units and Debentures

The market price of the Units and Debentures may be volatile. The volatility may affect the ability of holders of Debentures to sell the Debentures at a favourable price. Additionally, volatility in the market price of Units may result in greater volatility in the market price of the Debentures than would be expected for nonconvertible debt securities. Market price fluctuations in the Units and Debentures may be due to the REIT's operating results failing to meet the expectations of securities analysts or investors in any quarter, downward revision in securities analysts' estimates, governmental regulatory action, adverse change in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by the REIT or its competitors, along with a variety of additional factors, including, without limitation, those set forth under "*Caution Regarding Forward-Looking Statements*". In addition, the market price for securities in the stock markets, including the TSX, recently experienced significant price and trading fluctuations. These fluctuations have resulted in volatility in the market prices of securities that often has been unrelated or disproportionate to changes in operating performance. These broad market fluctuations may adversely affect the market prices of the Debentures and the Units.

Restriction on Ownership of Debentures

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. As a result, the Indenture contains provisions limiting the ownership of Debentures by non-residents. These restrictions may limit or remove the rights of certain-holders of Debentures, including non-residents. As a result, these restrictions may limit the demand for Debentures and thereby adversely affect the liquidity and market value of the Debentures.

DISTRIBUTIONS

Distribution Policy

The amount of the REIT's cash distributions is determined by, or in accordance with, guidelines established from time to time by the Trustees. It is the intention of the Trustees that the aggregate amount of cash distributions made in respect of a calendar year not be less than the amount necessary to ensure that the REIT will not be liable to pay income tax under Part I of the Tax Act for such year. The Trustees of the REIT have discretion in declaring distributions and review these distributions on a regular basis. Distributions are paid monthly in the month following declaration.

Distributions

For the financial year ended December 31, 2014, the REIT declared distributions to Unitholders totalling $0.39569 per Unit. For 2014, all of the distributions made will not be included in the income of a Unitholder for tax purposes but will reduce the adjusted cost base of that Unitholder's Units. The monthly distributions declared by the REIT in each month during the fiscal years 2012, 2013 and 2014 are shown below on a post-consolidation basis. Also shown are the distributions declared in 2015 as of the date of this Annual Information Form.

Month	2012 ($/unit)	2013 ($/unit)	2014 ($/unit)	2015 ($/unit)
January	$0.05333	$0.05333	$0.04167	$0.02087
February	$0.05333	$0.05333	$0.04167	$0.02087
March	$0.05333	$0.05333	$0.04167	$0.02087
April	$0.05333	$0.05333	$0.04167	-

Month	2012 ($/unit)	2013 ($/unit)	2014 ($/unit)	2015 ($/unit)
May	$0.05333	$0.05333	$0.04167	-
June	$0.05333	$0.05333	$0.04167	-
July	$0.05333	$0.05333	$0.04167	-
August	$0.05333	$0.05333	$0.02087	-
September	$0.05333	$0.05333	$0.02087	-
October	$0.05333	$0.05333	$0.02087	-
November	$0.05333	$0.04167	$0.02087	-
December	$0.05333	$0.04167	$0.02087	-
TOTAL:	**$0.64000**	**$0.61664**	**$0.39604**	

Distribution Reinvestment and Optional Unit Purchase Plan

On January 11, 2008, the REIT adopted the DRIP to permit eligible Unitholders to reinvest monthly distributions (each a “Distribution”) in additional Units. To the extent permitted by applicable law and regulatory rulings, a participating Unitholder (a “Plan Participant”) also has the option to purchase Units with additional cash payments (each an “Optional Cash Payment”), provided that Optional Cash Payments by any Plan Participant shall not be less than $1,000 per Distribution Payment Date and not more than $12,000 per calendar year. Plan Units will be issued directly from the treasury of the REIT at a price based on the volume-weighted average of the closing price for the 20 trading days immediately preceding the relevant distribution date. Plan Participants will receive “bonus units” in an amount equal in value to 5% of each cash distribution.

To enrol in the DRIP, beneficial Unitholders must contact their broker who is a CDS participant and who holds the Unitholder’s uncertificated Units. Registered Unitholders must contact Computershare Trust Company of Canada. Once enrolled, participation in the DRIP will continue automatically unless terminated. At this time Non-Residents are not eligible. Subject to any relevant agreement governing the account in which Units are held, participation in the DRIP may be terminated at any time prior to the CDS cut-off date in respect of a Distribution.

The REIT may issue up to 500,000 Units under the DRIP. As at March 30, 2015, the REIT has approximately 319,701 Units reserved for issuance under the DRIP. The REIT may increase the number of Units available to be issued under the DRIP at any time subject to the approval of the stock exchange upon which the Units trade.

As of the date of this Annual Information Form, holders of approximately 18.9% of the issued and outstanding Units have enrolled in the DRIP.

DESCRIPTION OF CAPITAL STRUCTURE

The REIT’s capital structure is comprised of Units, Special Voting Units and the Debentures, each of which is described below.

DECLARATION OF TRUST AND DESCRIPTION OF UNITS

The following is a summary of the material attributes and characteristics of the Units and certain provisions of the Declaration of Trust, which summary does not purport to be complete. Reference is made to the Declaration of Trust for a complete description of the Units and the full text of its provisions.

The Declaration of Trust was amended effective December 15, 2011 by special resolution of the Unitholders in connection with Unitholder approval of the NorRock Acquisition and the Consolidation. On March 29, 2012 the Declaration of Trust was further amended to require TSX approval of transfer restrictions for exchangeable securities, as required by the TSX. On May 11, 2013, a the Declaration of Trust was further amended to give Trustees more flexibility in declaring distributions on a more frequent basis, to clarify voting rights of the Independent Trustees, to include language that allows the REIT to send notices to Unitholders through a recognized wire service or any other electronic means and to clarify permitted exceptions to the tax status of the REIT. On May 28, 2014 the Declaration of Trust was further amended to give the Trustees more flexibility with respect to setting the date for annual meetings of Unitholders. On March 23, 2015 the Declaration of Trust was further amended to provide for changes to the meeting notice provisions set out in appendix A thereto and described below under the heading "-Advance Notice Provisions".

As of March 31, 2015, there were 26,443,002 issued and outstanding Units and no issued and outstanding Special Voting Units.

Rights of Unitholders

The rights of the Unitholders are established by the Declaration of Trust. Although the Declaration of Trust confers upon a Unitholder many of the same protections, rights and remedies an investor would have as a shareholder of a corporation governed by the OBCA, significant differences exist, some of which are described below. Many OBCA requirements relating to the governance and management of a corporation have been incorporated in the Declaration of Trust. For example, Unitholders are entitled to exercise voting rights in respect of their holdings of Units in a manner comparable to shareholders of an OBCA corporation and to elect the Trustees and appoint the auditors of the REIT. The Declaration of Trust also includes provisions comparable to those of the OBCA dealing with the calling and holding of meetings of Voting Unitholders and Trustees, and procedures at such meetings and the right of Voting Unitholders to participate in the decision-making process when certain fundamental actions are proposed. The matters in respect of which Voting Unitholder approval is required under the Declaration of Trust are generally less extensive than the rights conferred on shareholders of an OBCA corporation. Such Voting Unitholder approval rights are supplemented by securities laws that are generally applicable to issuers (whether corporations, trusts or other entities) that are "reporting issuers" or the equivalent or listed on the Exchange.

The Declaration of Trust contains "conflicts of interest" provisions similar to those contained in the OBCA that serve to protect Unitholders without creating undue limitations on the REIT. See "Trustees and Officers — Board of Trustees — Conflict of Interest Restrictions and Provisions". Unitholders do not have recourse to dissent rights under which shareholders of an OBCA corporation are entitled to receive the fair value of their shares if certain fundamental changes affecting the corporation are undertaken (such as an amalgamation, a continuance under the laws of another jurisdiction, the sale of all or substantially all of its property, a going private transaction or the addition, change or removal of provisions restricting (i) the business that the corporation can carry on, or (ii) the issue, transfer or ownership of shares). As an alternative, Unitholders seeking to terminate their investment in the REIT are entitled to receive, subject to certain conditions and limitations, their pro rata share of the REIT's net assets through the exercise of the redemption rights provided by the Declaration of Trust as described under "Redemption Right" below. Unitholders similarly do not have recourse to the statutory oppression remedy available to shareholders of an OBCA corporation where a corporation's actions are oppressive, unfairly prejudicial or disregard the interests of securityholders and certain other parties. Shareholders of an OBCA corporation may also apply to a court to order the liquidation and dissolution of the corporation in such circumstances, whereas

Unitholders may rely only on the general provisions of the Declaration of Trust, which permit the dissolution of the REIT pursuant to a special resolution. Shareholders of an OBCA corporation may also apply to a court for the appointment of an inspector to investigate the manner in which the business of a corporation and its affiliates is carried on where there is reason to believe that fraudulent, dishonest or oppressive conduct has occurred. The Declaration of Trust does not allow Unitholders to pass resolutions appointing an inspector to investigate the Trustees' performance of their responsibilities and duties. The OBCA also permits shareholders to bring or intervene in derivative actions in the name of the corporation or any of its subsidiaries, with the leave of a court. The Declaration of Trust does not include a comparable right of the Unitholders to commence or participate in legal proceedings with respect to the REIT.

Units and Special Voting Units

The beneficial interests in the REIT are divided into interests of two classes, described and designated as "Units" and "Special Voting Units", respectively. An unlimited number of Units and Special Voting Units are issuable pursuant to the Declaration of Trust. Each Unit is transferable and represents an equal undivided beneficial interest in the REIT, in any distributions from the REIT whether of net income, net realized capital gains or other amounts and in the net assets of the REIT in the event of a termination or winding-up of the REIT. Units are not subject to future calls or assessments and entitle a holder thereof to one vote for each whole Unit held at all meetings of Voting Unitholders or in respect of any written resolution of Voting Unitholders. Except as set out under "Redemption Right" below, the Units have no conversion, retraction, redemption or pre-emptive rights.

Special Voting Units may only be issued in connection with or in relation to securities exchangeable, directly or indirectly, for Units ("Exchangeable Securities"), in each case for the purpose of providing voting rights with respect to the REIT to the holders of such securities. Currently, there are no Special Voting Units outstanding. However, if the Trustees so determine, Special Voting Units may be issued in the future in conjunction with, and will be attached to Exchangeable Securities to which they relate, and will be evidenced only by the certificates representing such Exchangeable Securities. Special Voting Units will not be transferable separately from the Exchangeable Securities to which they are attached. Each Special Voting Unit will entitle the holder thereof to that number of votes at any meeting of Voting Unitholders that is equal to the number of Units that may be obtained upon the exchange (direct or indirect) of the Exchangeable Security to which it is attached. Upon the exchange, redemption or conversion of an Exchangeable Security for Units, the Special Voting Unit that is attached to such Exchangeable Security will immediately be cancelled without any further action of the Trustees, and the former holder of such Special Voting Unit will cease to have any rights with respect thereto. Issued and outstanding Units and Special Voting Units may be subdivided or consolidated from time to time by the Trustees without the approval of Voting Unitholders. Any exchange agreement entered into in respect of Special Voting Units will be subject to the requirements of the TSX.

Fractions of Units may be issued, including pursuant to distributions of additional Units to all Unitholders. No certificates will be issued for fractional Units. Fractional Units shall not, except to the extent that they may represent in the aggregate one or more whole Units, entitle the holder thereof to notice of, or to attend or to vote at meetings of Unitholders. Subject to the foregoing, fractions of Units will carry the rights and be subject to the provisions hereof applicable to whole Units in the proportion that they bear to one Unit. The Units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under the provisions of such 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.

Trustees

The Declaration of Trust provides that the REIT shall have a minimum of three and no more than 11 Trustees, a majority of whom must be Independent Trustees and must be "resident in Canada" for purposes of the Tax Act.

Trustees will be elected at each annual meeting of Voting Unitholders to hold office for a term expiring at the close of the next annual meeting of Voting Unitholders following such election. A quorum of Trustees may designate an individual to fill a vacancy in the Trustees, except a vacancy resulting from an increase in the number of Trustees (other than as noted below) or from a failure of the Voting Unitholders to elect the required number of Trustees at a meeting of Voting Unitholders called for such purpose. If the vacancy has arisen from a failure of the Voting Unitholders to elect the required number of Trustees at a meeting of Voting Unitholders called for such purpose, the Trustees will promptly call a special meeting of Voting Unitholders to fill the vacancy. If the Trustees fail to call that meeting or if there are not Trustees then in office, any Voting Unitholder may call the meeting. The Trustees may, between annual meetings of Voting Unitholders, appoint one or more additional Trustees to serve until the next annual meeting of Voting Unitholders, but the number of additional Trustees so appointed may not at any time exceed one-third of the number of Trustees who held office at the expiration of the immediately preceding annual meeting of Voting Unitholders.

A Trustee may resign upon written notice to the REIT and/or may be removed by a resolution passed by a majority of the Voting Unitholders. A vacancy created by the removal or resignation of a Trustee may be filled at the same meeting of Voting Unitholders, failing which it may be filled by the remaining Trustees. The Declaration of Trust provides that, subject to its terms and conditions, the Board of Trustees shall have full, absolute and exclusive power, control and authority over the assets of the REIT and over the affairs of the REIT to the same extent as if the Trustees were the sole and absolute legal and beneficial owners of the assets of the REIT in their own right, and may, in respect of the assets of the REIT, exercise any and all rights, powers and privileges that could be exercised by a legal and beneficial owner thereof. The Trustees are responsible for, among other things:

(a) supervising the activities and managing the investments and the affairs of the REIT;

(b) maintaining records and providing reports to Voting Unitholders;

(c) effecting payments of distributions from the REIT to Unitholders;

(d) lending and borrowing money or other property on behalf of the REIT; and

(e) appointing the officers of the REIT.

The Declaration of Trust provides that the Trustees, in exercising the powers and authority conferred upon them, must act honestly and in good faith with a view to the best interests of the REIT and in connection therewith must exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Declaration of Trust provides that each Trustee, as well as former Trustees, and their respective heirs and legal representatives, or any other person acting in a similar capacity, will be entitled to indemnification from the REIT in respect of the exercise of that person's powers, and the discharge of that person's duties, provided that the person acted honestly and in good faith with a view to the best interests of the REIT and the Unitholders and, in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, where the person had reasonable grounds for believing that his or her conduct was lawful.

Meetings of Voting Unitholders

The Declaration of Trust provides that meetings of Voting Unitholders will be required to be called and held annually on a day on or before June 30 in each year, at a time and at a place in Canada set by the Trustees, for the purpose of (a) presenting the audited financial statements of the REIT for the immediately preceding fiscal year; (b) appointing Trustees; (c) appointing auditors of the REIT; and (d) transacting such other business as the Trustees may determine or as may be properly brought before the meeting.

A meeting of Voting Unitholders may be convened at any time and for any purpose by the Trustees and must be convened, except in certain circumstances, if requisitioned in writing by the Voting Unitholders representing not less than 10% of the votes attached to all outstanding Voting Units. A requisition must state in reasonable detail the business proposed to be transacted at the meeting. Voting Unitholders may attend and vote at all meetings of the Voting Unitholders either in person or by proxy and a proxyholder need not be a Voting Unitholder. Two persons present in person or represented by proxy and representing in the aggregate at least 10% of the votes attached to all outstanding Voting Units shall constitute a quorum for the transaction of business at all such meetings. At any meeting at which a quorum is not present within 30 minutes after the time fixed for the holding of such meeting, the meeting, if convened upon the request of the Voting Unitholders, shall be terminated (and not adjourned), but in any other case, the meeting will stand adjourned to a day not less than seven days later and to a place and time as may be appointed by the Chair of the meeting, and if at such adjourned meeting a quorum is not present, the Voting Unitholders present either in person or by proxy shall be deemed to form a quorum.

The Declaration of Trust provides that without approval by special resolution at a meeting of Voting Unitholders called for such purpose, the Trustees shall not, among other things, authorize:

(a) any combination, merger, amalgamation or arrangement of the REIT or any of the REIT's subsidiaries, as the case may be, any sale of all or substantially all of the assets of the REIT or any of the REIT's subsidiaries, as the case may be, or the liquidation or dissolution of the REIT or any of the REIT's subsidiaries, as the case may be, (other than in each case as part of an internal reorganization of the assets of the REIT and/or any of the REIT's subsidiaries, as the case may be, as approved by the Trustees);

(b) any amendment to the investment guidelines or any amendment contained in paragraph (b) of the REIT's operating policies, provided that the other operating policies may be amended by ordinary resolution;

(c) an exchange, reclassification or cancellation of all or part of the Units or Special Voting Units;

(d) the addition, change or removal of the rights, privileges, restrictions or conditions attached to the Units or Special Voting Units;

(e) the termination of the REIT; or

(f) the constraint on the issue, transfer or ownership of Units or Special Voting Units or the change or removal of such constraint.

Advance Notice Provisions

The Declaration of Trust includes certain advance notice provisions (the "Advance Notice Provisions"), which will facilitate orderly and efficient annual or special meetings, ensure that Unitholders receive adequate notice of trustee nominations and sufficient information with respect to all nominees and to allow Unitholders to register an informed vote.

Only persons who are nominated in accordance with the Advance Notice Provisions and otherwise in accordance with the other provisions of the Declaration of Trust shall be eligible for election as trustees of the REIT. Nominations of persons for election as trustees of the REIT may be made at any annual meeting of unitholders (or at any special meeting of unitholders if one of the purposes for which the special meeting was called was the election of trustees) only as follows: (i) by or at the direction of the Trustees, including pursuant to a notice of meeting; (ii) by or at the direction or request of one or more Unitholders pursuant to subsection 12.1(3) of the Declaration of Trust; or (iii) by any person (a

“Nominating Unitholder”): (A) who, at the close of business on the date of the giving of the notice provided for the Advance Notice Provisions and on the record date for notice of such meeting, is entered in the securities register of the REIT as a holder of one or more Units carrying the right to vote at such meeting or who beneficially owns units that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth below in the Advance Notice Provisions.

In addition to any other applicable requirements, for a nomination to be made by a Nominating Unitholder, the Nominating Unitholder must have given timely notice thereof in proper written in accordance with the Advance Notice Provisions.

To be timely, a Nominating Unitholder’s notice to the chairman of the REIT must be made:(A) in the case of an annual meeting of unitholders, not less than 30 days prior to the date of the annual meeting of unitholders; provided, however, that in the event that the annual meeting of unitholders is called for a date that is less than 50 days after the date on which the first public announcement (as defined below) of the date of the annual meeting was made (the “Notice Date”), notice by the Nominating Unitholder may be made not later than the close of business on the tenth (10th) day following the later of (i) the Notice Date and (ii) the first public announcement of the amendment to the Declaration of Trust pursuant to which the Advance Notice Provisions became part of the Declaration of Trust; and (B) in the case of a special meeting (which is not also an annual meeting) of unitholders called for the purpose of electing trustees (whether or not called for other purposes), notice by the Nominating Unitholder may be made not later than the close of business on the fifteenth (15th) day following the later of (i) the day on which the first public announcement of the date of the special meeting of unitholders was made, and (ii) the first public announcement of the amendment to the Declaration of Trust pursuant to which the Advance Notice Provisions became part of the Declaration of Trust.

The chairman of the REIT shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the Advance Notice Provisions and, if any proposed nomination is not in compliance with such Advance Notice Provisions, to declare that such defective nomination shall be disregarded. in such event the chairman will provide prompt notice to the Nominating Unitholder.

Notwithstanding any of the Advance Notice Provisions, the Trustees may, in their sole discretion, waive any requirement of the Advance Notice Provisions.

Purchases of Units

The REIT may from time to time purchase Units (or other securities of the REIT which may be issued and outstanding from time to time) for cancellation in accordance with the requirements of applicable securities legislation and the rules prescribed under applicable stock exchange or regulatory policies.

Redemption Right

Units are redeemable at any time on demand by the Unitholders thereof upon delivery to the REIT of a duly completed and properly executed notice requesting redemption in a form approved by the Trustees specifying the number of Units to be redeemed. For Units issued in book-entry form, a Unitholder who wishes to exercise the redemption right will be required to obtain a redemption notice form from the Unitholder’s investment dealer, who will be required to deliver the completed redemption notice form to the REIT at its head office and to CDS. As of the close of business on the date the Units are surrendered for redemption, all rights to and under the Units tendered for redemption shall (subject to the following) be surrendered and the Unitholder thereof shall be entitled to receive a price per Unit (the “Redemption Price”) equal to the lesser of:

(a) 90% of the Market Price (defined below) of the Units on the principal stock exchange on which the Units are listed (or, if the Units are not listed on any stock exchange, on the principal market on which the Units are quoted for trading) during the 10 trading day period ending immediately prior to the date on which the Units were surrendered to the REIT for redemption; and

(b) the Closing Market Price (defined below) of the Units on the date on which the Units were surrendered to the REIT for redemption on the principal stock exchange on which Units are listed (or, if Units are not listed on any stock exchange, on the principal market on which the Units are quoted for trading).

For the purposes of determining the Redemption Price, "Market Price" will be the amount equal to the weighted average of the trading prices of the Units on the applicable market or exchange for each of the trading days on which there was a trade during the specified trading day period; provided that if there was trading on the applicable exchange or market for fewer than five of the trading days during the specified trading day period, "Market Price" will be the average of the following prices established for each of the trading days during the specified trading day period: the average of the last bid and ask prices for each trading day on which there was no trading and the weighted average trading prices of the Units for each trading day on which there was trading. For the purposes of determining the Redemption Price, "Closing Market Price" will be: (i) an amount equal to the closing price of the Units on the applicable market or exchange if there was a trade on the specified date and the applicable market or exchange provides a closing price; (ii) an amount equal to the average of the highest and lowest prices of Units on the applicable market or exchange if there was trading on the specified date and the applicable market or exchange provides only the highest and lowest trading prices of Units traded on a particular day; or (iii) the average of the last bid and ask prices on the applicable market or exchange if there was no trading on the specified date.

The aggregate Redemption Price payable by the REIT in respect of any Units surrendered for redemption during any calendar month will be satisfied by way of a cash payment by the REIT no later than the last day of the calendar month following the calendar month in which the Units were tendered for redemption, provided that the entitlement of the Unitholders to receive cash upon the redemption of their Units will not be applicable to Units tendered for redemption by a Unitholder, if:

(a) the total amount payable in cash by the REIT in respect of such Units and all other Units tendered for redemption in the same calendar month exceeds $50,000 (the "Monthly Limit"), provided that the Trustees may, in their sole discretion, waive such limitation in respect of all Units tendered for redemption in any calendar month;

(b) on the date the Units are tendered for redemption, the outstanding Units are not listed for trading or quoted on any stock exchange or market that the Trustees consider, in their sole discretion, to provide a representative fair market value price for the Units;

(c) on the date the Units are tendered for redemption or if, for more than five trading days during the 10 trading day period immediately prior to the date on which such Units were tendered for redemption, the normal trading of the outstanding Units is suspended or halted on any stock exchange on which the Units are listed for trading or, if not so listed, on any market on which the Units are quoted for trading; or

(d) the redemption of the Units will result in the delisting of the Units on the principal stock exchange on which the Units are listed.

If a Unitholder is not entitled to receive cash upon the redemption of the Units as a result of the Monthly Limit, then such holder of Units shall, instead of the Redemption Price per Unit otherwise payable in respect of such Units, be entitled to receive a price per Unit (the "In specie Redemption Price") equal to the fair market value of a Unit as determined by the Trustees, and the In specie Redemption Price shall, subject to all necessary regulatory approvals, be paid and satisfied by the REIT issuing redemption notes ("Redemption Notes") having an aggregate principal amount equal to the aggregate In specie Redemption Price of the Units tendered for redemption. In the event of distributions of Redemption

Notes, each Redemption Note so distributed to the redeeming holder of Units shall be in the principal amount of $100 or such other amount as may be determined by the Trustees. The term of such Redemption Notes would be no later than five years and would bear an interest equal to the market rate of interest as determined at the time of issuance by the Trustees. No fractional Redemption Notes shall be distributed and where the number of Redemption Notes to be received upon redemption by a holder of Units would otherwise include a fraction, that number shall be rounded down to the next lowest whole number.

It is anticipated that the redemption right described above will not be the primary mechanism for Unitholders to dispose of their Units. The Redemption Notes that may be distributed in specie to Unitholders in connection with a redemption will not be listed on any stock exchange, no market is expected to develop in Redemption Notes and such Redemption Notes may be subject to an indefinite “hold period” or other resale restrictions under applicable securities laws.

Issuance of Units

Subject to the investment guidelines and operating policies of the REIT, the REIT may issue new Units and other securities of the REIT (including Special Voting Units issued in conjunction with the issuance of Exchangeable Securities) from time to time, in such manner, for such consideration and to such person, persons or class of persons as the Trustees shall determine. Unitholders do not have any pre-emptive rights whereby securities proposed to be issued are first offered to existing Unitholders.

Any income of the REIT that is unavailable for cash distribution will, to the extent necessary to ensure that the REIT does not have any income tax liability under Part I of the Tax Act, be distributed to Unitholders in the form of additional Units. Such additional Units will be issued pursuant to exemptions under applicable securities laws, discretionary exemptions granted by applicable securities regulatory authorities or a prospectus or similar filing. The Declaration of Trust provides that immediately after any pro rata distribution of Units to all Unitholders in satisfaction of any non-cash distribution, the number of outstanding Units will be consolidated such that each Unitholder will hold after the consolidation the same number of Units as the Unitholder held before the non-cash distribution (except where tax was required to be withheld in respect of the Unitholder’s share of the distribution as described below). In this case, the number of Units held by a Unitholder prior to the non-cash distribution will be deemed to represent the same number of Units held by the Unitholder after the non-cash distribution and the consolidation. Where amounts so distributed represent income, Non-Resident Unitholders will be subject to withholding tax and the consolidation will not result in such Non-Resident Unitholders holding the same number of Units.

Limitation on Ownership

The REIT will not be considered a “mutual fund trust” under the Tax Act if, among other things, it is established or maintained primarily for the benefit of non-residents of Canada for purposes of the Tax Act unless all or substantially all of its property is property other than "taxable Canadian property" as defined in the Tax Act. Accordingly, the Declaration of Trust and the Indenture provide that the Trustees may require declarations as to the jurisdictions in which beneficial owners of Units and Debentures are resident. The Trustees may require the REIT to refuse to accept a subscription for securities of the REIT (including Units and Debentures) from, or issue or register a transfer of securities of the REIT to, a person (including a partnership or trust) unless the person provides a declaration that the securities of the REIT to be issued or transferred to such person will not when issued or transferred be beneficially owned by a Non-Resident. The Trustees may send a notice to Non-Resident holders of Debentures or Units, chosen in inverse order to the order of acquisition or registration of the Debentures or Units, as the case may be, or in such manner as the Trustees may consider equitable and practicable, requiring them to sell such Debentures or Units or a specified portion thereof within a specified period of not less than 60 days or such shorter period as may be required to preserve the status of the REIT as a mutual fund trust under the Tax Act. If the Debenture holders or Unitholders receiving such notice have not sold the specified number of Debentures or Units, as the case may be, or provided the Trustees with satisfactory evidence that the Debentures or Units are not beneficially owned by Non-Residents within such period, the

Trustees may, on behalf of such registered Debentureholder or Unitholder, as the case may be, sell such Debentures or Units and, in the interim and to the extent applicable, suspend the rights attached to such Debentures or Units.

The Trustees may take such actions as the Trustees determine, in their sole discretion, are appropriate in the circumstances that will reduce or limit the number of securities of the REIT held by Non-Residents. These restrictions may limit or remove the rights of certain Debentureholders and Unitholders, including Non-Residents. As a result, these restrictions may limit the demand for Debentures and Units from certain holders and thereby adversely affect the liquidity and market value of the Debentures and Units.

Information and Reports

The REIT will furnish to Voting Unitholders such financial statements (including quarterly and annual financial statements) and other reports as are from time to time required by applicable law, including prescribed forms needed for the completion of Voting Unitholders' tax returns under the Tax Act and equivalent provincial legislation. Prior to each annual or special meeting of Voting Unitholders, the Trustees will provide the Voting Unitholders (along with notice of such meeting) information similar to that required to be provided to shareholders of a public corporation governed by the OBCA. In preparing its management's discussion and analysis of financial results, the REIT will provide, to the extent possible, comparative financial information.

Amendments to Declaration of Trust

The Declaration of Trust may be amended or altered from time to time. Certain amendments require approval by special resolution at a meeting of the Voting Unitholders called for such purpose. Other amendments to the Declaration of Trust require approval by a majority of the votes cast in respect of the amendment at a meeting of the Voting Unitholders called for such purpose. The Trustees may, without the approval of the Voting Unitholders, make certain amendments to the Declaration of Trust, including amendments:

(a) aimed at ensuring continuing compliance with applicable laws, regulations, requirements or policies of any governmental authority having jurisdiction over (i) the Trustees or the REIT, (ii) the status of the REIT as a "mutual fund trust" under the Tax Act, or (iii) the distribution of Voting Units, and to the extent reasonably practicable, ensuring the REIT will not be a SIFT Trust for the purposes of the SIFT Rules or any final legislation implementing the SIFT Rules;

(b) which, in the opinion of the Trustees, provide additional protection or added benefits for the Voting Unitholders;

(c) to remove any conflicts or inconsistencies in the Declaration of Trust or to make minor corrections which are, in the opinion of the Trustees, necessary or desirable and not prejudicial to the Voting Unitholders;

(d) which, in the opinion of the Trustees, are necessary or desirable to remove conflicts or inconsistencies between the disclosure in the Information Circular and the Declaration of Trust;

(e) which, in the opinion of the Trustees, are necessary or desirable as a result of changes in generally accepted accounting principles (including accounting guidelines) or taxation or other laws or the administration or enforcement thereof;

(f) which, in the opinion of the Trustees, are necessary or desirable to enable the REIT to issue Units for which the purchase price is payable on an instalment basis; or

(g) for any purpose (except one in respect of which a vote is specifically otherwise required) which, in the opinion of the Trustees, is not prejudicial to Voting Unitholders and is necessary or desirable.

Book-Based System

Although the REIT may issue Units directly to Unitholders in registered certificate form, the Units held by most Unitholders will be represented in the form of one or more fully registered global unit certificates (the "Global Unit Certificates") held by, or on behalf of, CDS, as depository for the participants of CDS, registered in the name of CDS or its nominee, and registration of ownership and transfers of such Units will be effected only through the book-based system administered by CDS. No holder of a beneficial interest in a Unit (a "Beneficial Owner") represented by a Global Unit Certificate will be entitled to a certificate or other instrument from the REIT or CDS evidencing that holder's ownership thereof, and no Beneficial Owner will be shown on the records maintained by CDS except through book-entry accounts of a participant of CDS acting on behalf of the Beneficial Owners. CDS will be responsible for establishing and maintaining book-entry accounts for its participants having interests in the Global Unit Certificates. Sales of interests in the Global Unit Certificates can only be completed through participants in the depository services of CDS.

The REIT has the option to terminate registration of the Units through the CDS book-based system, in which case certificates for the Units in fully registered form would be issued to beneficial owners of those Units or their nominees.

Term of the REIT

The REIT has been established for a term ending 21 years after the date of death of the last surviving issue of Her Majesty, Queen Elizabeth II, alive on March 27th, 2007. On a date selected by the Trustees that is not more than two years prior to the expiry of the term of the REIT, the Trustees are obligated to commence to wind-up the affairs of the REIT so that it will terminate on the expiration of the term. In addition, at any time prior to the expiry of the term of the REIT, the Voting Unitholders may, by special resolution, require the Trustees to commence the termination, liquidation or wind-up of the affairs of the REIT.

The Declaration of Trust provides that, upon being required to commence the termination, liquidation or winding-up of the affairs of the REIT, the Trustees will give notice thereof to the Voting Unitholders, which notice shall designate the time or times at which the Voting Unitholders shall surrender their Units and Special Voting Units for cancellation and the date at which the register of Units and Special Voting Units will be closed. After the date the register is closed, the Trustees will proceed to wind up the affairs of the REIT as soon as may be reasonably practicable and for such purpose will, subject to any direction to the contrary in respect of a termination authorized by a resolution of the Voting Unitholders, cause the REIT to fulfill or discharge the contracts of the REIT, perform or cause the auditor of the REIT to perform any final audit of the REIT's assets, cause the REIT to collect its assets, sell, convey, assign, exchange, transfer or otherwise dispose of all or any part of its remaining assets, to one or more persons in one transaction or a series of transactions at public or private sale for consideration that may consist in whole or in part of cash, securities or other property of any kind, discharge or pay its liabilities, and do all other acts appropriate to liquidate the REIT. After paying, retiring, discharging or making provision for payment, retirement or discharge of all known liabilities and obligations of the REIT and to provide for indemnity against any other outstanding liabilities and obligations, the Trustees will distribute the remaining part of the proceeds of the sale of the Units, the Redemption Notes and other assets comprising the REIT together with any cash forming part of the assets of the REIT among the Unitholders in accordance with their pro rata interests. If the REIT is unable to sell all or any of the Units, the Redemption Notes or other assets which comprise part of the REIT by the date set for termination, the Trustees may distribute the remaining Units, Redemption Notes or other assets in specie directly to the Unitholders in accordance with their pro rata interests subject to obtaining all required regulatory approvals.

Transfer and Exchange of Units

Transfers of beneficial ownership of Units represented by Global Unit Certificates will be effected through records maintained by the depositary for such Global Unit Certificates or its nominees (with respect to interests of participants) and on the records of participants (with respect to interests of persons other than participants). Unless the REIT elects, in its sole discretion, to prepare and deliver definitive Unit certificates, Beneficial Owners who are not participants in the depository's book-entry system, but who desire to purchase, sell or otherwise transfer ownership of or other interest in Global Unit Certificates, may do so only through participants in the depository's system.

The ability of a Beneficial Owner of an interest in a Unit represented by a Global Unit Certificate to pledge the Unit or otherwise take action with respect to such owner's interest in the Unit represented by a Global Unit Certificate (other than through a participant) may be limited due to the lack of a physical certificate.

DESCRIPTION OF DEBENTURES AND INDENTURE

The following is a summary of the material attributes and characteristics of the Debentures. This summary does not purport to be complete and is subject to, and qualified in its entirety by reference to the Indenture.

Debentures

General

The Debentures were issued under and pursuant to the provisions of the Indenture. The REIT may, from time to time, without the consent of the holders of the outstanding debentures of the REIT, issue additional debentures.

The Debentures are available for delivery in book-entry form only through the facilities of CDS. Holders of beneficial interests in the Debentures will not have the right to receive physical certificates evidencing their ownership of Debentures except under certain circumstances described under "Book-Entry System for Debentures". No fractional Debentures will be issued.

The principal amount of the Debentures is payable in lawful money of Canada or, at the option of the REIT and subject to applicable regulatory approval, by the issuance of Units as further described under "— Payment upon Redemption or Maturity". The interest on the Debentures is payable in lawful money of Canada including, at the option of the REIT and subject to applicable regulatory approval, in accordance with the Unit Interest Payment Election as described under "— Interest Payment Option". The interest on the Debentures is paid on a semi-annual basis in March and September of each year.

The Debentures are direct obligations of the REIT and are not secured by any mortgage, pledge, hypothec or other charge and are subordinated to other liabilities of the REIT as described under "— Subordination". The Indenture does not restrict the REIT from incurring additional indebtedness for borrowed money or from mortgaging, pledging or charging its properties to secure any indebtedness.

Conversion Privilege

At a specified conversion price per Unit, the Debentures are convertible at the holder's option into fully paid and non-assessable Units at any time prior to the close of business on the earlier of the day the Debentures mature and the business day immediately preceding the date specified by the REIT for redemption of the Debentures, subject to adjustment upon the occurrence of certain events in accordance with the provisions of the Indenture. For the 2011 Debentures, holders converting their Debentures will receive accrued and unpaid interest from the last Interest Payment Date to, but not including, the date of conversion. For the 2012 Debentures and the 2013 Debentures, holders converting their Debentures will receive accrued and unpaid interest from the last Interest Payment Date to and including: (a) if the REIT is making monthly distributions to holders of the Units, the last record date set by the REIT prior to the date of conversion for determining the Unitholders entitled to receive a monthly distribution on the Units; and (b) if the REIT is not making monthly distribution to Unitholders, the date of conversion.

Subject to the provisions thereof, the Indenture provides for the adjustment of the conversion price in certain events including: (a) the subdivision or consolidation of the outstanding Units; (b) the distribution of Units or securities exchangeable or convertible into Units to holders of all or substantially all of the outstanding Units by way of distribution or otherwise; (c) the issuance of options, rights or warrants to all or substantially all holders of Units entitling them to acquire Units or other securities convertible into Units at less than 95% of the then Current Market Price of the Units; and (d) the distribution to all holders of Units of any securities or assets. There is no adjustment of the conversion price in respect of certain events described in (b), (c) or (d) above if the holders of the Debentures are allowed to participate as though they had converted their Debentures prior to the applicable record date or effective date, as the case may be. The REIT is not required to make adjustments in the conversion price unless the cumulative effect of such adjustments would change the conversion price by at least 1%.

In the case of any reclassification or capital reorganization (other than a change resulting from consolidation or subdivision) of the Units or in the case of any consolidation, amalgamation, merger, arrangement, acquisition or business combination of the REIT with or into any other entity, or in the case of any sale or conveyance of the properties and assets of the REIT as, or substantially as, an entirety to any other entity, or a liquidation or termination of the REIT, the terms of the conversion privilege shall be adjusted so that each holder of a Debenture will, after such reclassification, capital reorganization, consolidation, merger, arrangement, business combination, acquisition, sale or conveyance or liquidation or termination, be entitled to receive the number of Units or other securities or property on the exercise of the conversion right such holder would be entitled to receive if on the effective date thereof, it had been the registered holder of the number of Units into which the Debenture was convertible prior to the effective date of such reclassification, capital reorganization, consolidation, merger, arrangement, business combination, acquisition, sale or conveyance or liquidation or termination.

No fractional Units will be issued on any conversion but in lieu thereof the REIT will satisfy fractional interests by a cash payment equal to the Current Market Price of any fractional interest.

Redemption and Purchase

The Debentures are redeemable at the option of the REIT in certain circumstances. See" — Terms of Outstanding Debentures".

In the case of redemption of less than all of the Debentures, the Debentures to be redeemed will be selected by the Debenture Trustee on a pro rata basis or in such other manner as the Debenture Trustee deems equitable.

Provided that the REIT is not in default under the Indenture, the REIT will have the right to purchase Debentures in the market, by tender or by private contract.

Payment upon Redemption or Maturity

On the date of redemption or maturity, the REIT will repay the indebtedness represented by the Debentures by paying to the Debenture Trustee in lawful money of Canada an amount equal to the aggregate principal amount of the outstanding Debentures which are to be redeemed or which have matured, together with accrued and unpaid interest thereon. The REIT may, at its option, on not more than 60 and not less than 40 days prior notice, subject to applicable regulatory approval and provided no Event of Default has occurred and is continuing, elect to satisfy its obligation to pay the principal amount of the Debentures which are to be redeemed or the principal amount of the Debentures which are due on maturity, as the case may be, by issuing freely tradeable Units to the holders of the Debentures. The number of Units to be issued will be determined by dividing the aggregate principal amount of the outstanding Debentures which are to be redeemed or which have matured by 95% of the Current Market Price of the Units on the date of redemption or maturity, as the case may be.

No fractional Units will be issued on redemption or maturity but in lieu thereof the REIT shall satisfy fractional interests by a cash payment equal to the Current Market Price of any fractional interest.

Cancellation

All Debentures converted, redeemed or purchased will be cancelled and may not be reissued or resold.

Subordination

The payment of the principal of, and interest on, the Debentures is subordinated in right of payment, as set forth in the Indenture, to the prior payment in full of all Senior Indebtedness. Subject to statutory or preferred exceptions or as may be specified by the terms of any particular securities, each debenture issued under the Indenture ranks *pari passu* with each other debenture except for sinking fund provisions (if any) applicable to different series of debentures.

The Indenture provides that in the event of any insolvency or bankruptcy proceedings, or any receivership, liquidation, reorganization or other similar proceedings relative to the REIT, or to its property or assets, or in the event of any proceedings for voluntary liquidation, dissolution or other winding-up of the REIT, whether or not involving insolvency or bankruptcy, or any marshalling of the assets and liabilities of the REIT, then those holders of Senior Indebtedness will receive payment in full before the holders of Debentures will be entitled to receive any payment or distribution of any kind or character, whether in cash, property or securities, which may be payable or deliverable in any such event in respect of any of the Debentures or any unpaid interest accrued thereon. The Indenture also provides that the REIT will not make any payment, and the holders of the Debentures will not be entitled to demand, institute proceedings for the collection of, or receive any payment or benefit (including without any limitation by set-off, combination of accounts or realization of security or otherwise in any manner whatsoever) on account of indebtedness represented by the Debentures (a) in a manner inconsistent with the terms (as they exist on the date of issue) of the Debentures, (b) at any time when a default, an event of default or an acceleration has occurred under any credit facility of the REIT, as amended, restated or replaced from time to time, or (c) at any time when a default with respect to any Senior Indebtedness permitting the holders thereof to accelerate the maturity thereof has occurred under the Senior Indebtedness and is continuing and the notice of the event of default has been given by or on behalf of the holders of Senior Indebtedness to the REIT, unless the Senior Indebtedness has been repaid in full.

The Debentures are also effectively subordinate to claims of creditors of the REIT and the REIT's subsidiaries relating to all indebtedness, liabilities and obligations of the REIT or its subsidiaries for the payment of which the REIT is responsible or liable, whether absolutely or contingently. Specifically, the Debentures are subordinated and postponed in right of payment to the prior payment in full of all indebtedness under any credit facility of the REIT.

Change of Control of the REIT

Within 30 days following the occurrence of a Change of Control, the REIT will be required to make an offer in writing to purchase all of the Debentures then outstanding (the "Debenture Offer"), at a price equal to 101% of the principal amount thereof plus accrued and unpaid interest thereon (the "Debenture Offer Price"). A "Change of Control" is defined in the Indenture as the acquisition by any Person, or group of Persons acting jointly or in concert, of voting control or direction over an aggregate of 66-2/3% or more of the outstanding Units of the REIT or securities convertible into or carrying the right to acquire Units of the REIT.

The Indenture contains notification and repurchase provisions requiring the REIT to give written notice to the Debenture Trustee of the occurrence of a Change of Control within 30 days of such event together with the Debenture Offer. The Debenture Trustee will thereafter promptly mail to each holder of Debentures a notice of the Change of Control together with a copy of the Debenture Offer to repurchase all the outstanding Debentures.

If 90% or more of the aggregate principal amount of the Debentures outstanding on the date of the giving of notice of the Change of Control have been tendered to the REIT pursuant to the Debenture Offer, the REIT will have the right to redeem all the remaining Debentures at the Debenture Offer Price. Notice of such redemption must be given by the REIT to the Debenture Trustee within ten days following the expiry of the Debenture Offer, and as soon as possible thereafter, by the Debenture Trustee to the holders of the Debentures not tendered pursuant to the Debenture Offer.

Interest Payment Option

Unless an Event of Default has occurred and is continuing, the REIT may elect, from time to time, subject to applicable regulatory approval, to satisfy its obligation to pay interest on the Debentures (the "Interest Obligation"), on an Interest Payment Date, (i) in cash; (ii) by delivering sufficient freely tradeable Units to the Debenture Trustee, for sale, to satisfy the Interest Obligation on the Interest Payment Date, in which event holders of the Debentures will be entitled to receive a cash payment equal to the interest payable from the proceeds of the sale of such Units (the "Unit Interest Payment Election"); or (iii) any combination of (i) and (ii) above.

The Indenture provides that, upon the REIT making a Unit Interest Payment Election, the Debenture Trustee shall (i) accept delivery from the REIT of Units; (ii) accept bids with respect to, and consummate sales of, such Units, each as the REIT shall direct in its absolute discretion through the investment banks, brokers or dealers identified by the REIT; (iii) invest the proceeds of such sales in securities issued or guaranteed by the Government of Canada which mature prior to the applicable Interest Payment Date, and use the proceeds received from investment in such permitted government securities, together with any additional cash provided by the REIT, to satisfy the Interest Obligation; and (iv) perform any other action necessarily incidental thereto.

The Indenture sets forth the procedures to be followed by the REIT and the Debenture Trustee in order to effect the Unit Interest Payment Election. If a Unit Interest Payment Election is made, the sole right of a holder of Debentures in respect of interest will be to receive a cash payment equal to the interest owed on their Debentures from the Debenture Trustee out of the proceeds of the sale of Units (plus any amount received by the Debenture Trustee from the REIT) in full satisfaction of the Interest Obligation, and the holder of such Debentures will have no further recourse to the REIT in respect of the Interest Obligation.

Neither the REIT's making of the Unit Interest Payment Election nor the consummation of sales of Units will (a) result in the holders of the Debentures not being entitled to receive on the applicable Interest Payment Date cash in an aggregate amount equal to the interest payable on such Interest Payment Date; or (b) entitle such holders to receive any Units in satisfaction of the Interest Obligation.

Events of Default

The Indenture provides that an event of default ("Event of Default") in respect of the Debentures will occur if any one or more of the following described events has occurred and is continuing with respect to the Debentures: (a) failure for 15 days to pay interest on the Debentures when due, (b) failure to pay principal or premium, if any, on the Debentures when due whether at maturity, upon redemption, by declaration or otherwise (whether such payment is due in cash, Units or other securities or property or a combination thereof), (c) if a decree or order of a court having jurisdiction is entered adjudging the REIT a bankrupt or insolvent under the *Bankruptcy and Insolvency Act* (Canada) or any other bankruptcy, insolvency or analogous laws, or issuing sequestration or process of execution against, or against any substantial part of, the property of the REIT, or appointing a receiver of, or of any substantial part of, the property of the

REIT or ordering the winding-up or liquidation of its affairs, and any such decree or order continues unstayed and in effect for a period of 60 days, (d) if the REIT institutes proceedings to be adjudicated a bankrupt or insolvent, or consents to the institution of bankruptcy or insolvency proceedings against it under the *Bankruptcy and Insolvency Act* (Canada) or any other bankruptcy, insolvency or analogous laws, or consents to the filing of any such petition or to the appointment of a receiver of, or of any substantial part of, the property of the REIT or makes a general assignment for the benefit of creditors, or admits in writing its inability to pay its debts generally as they become due, (e) if a resolution is passed for the winding-up or liquidation of the REIT, except in the course of carrying out or pursuant to a transaction in respect of which certain conditions are duly observed and performed, (f) if, after the date of the Indenture, any proceedings with respect to the REIT are taken with respect to a compromise or arrangement with respect to creditors of the REIT generally, under the applicable legislation of any jurisdiction, (g) default in the delivery, when due, of all cash and any Units or other consideration payable on conversion with respect to the Debentures, which default continues for 15 days, (h) the REIT fails to comply with the restrictions on amalgamation, merger and sale of certain assets pursuant to Article 12 of the Indenture, or (i) default in the observance or performance of a material covenant contained in certain sections of the Indenture regarding covenants of the REIT by the REIT for a period of 30 days after notice in writing has been given by the Debenture Trustee to the REIT specifying such default and requiring the REIT to remedy such default. If an Event of Default has occurred and is continuing, the Debenture Trustee may, in its discretion, and shall, upon request of holders of not less than 25% in principal amount of the debentures issued under the Indenture, declare the principal of and interest on all outstanding debentures issued under the Indenture to be immediately due and payable. In certain cases, the holders of debentures representing more than 50% of the outstanding principal amount of the debentures issued under the Indenture may, on behalf of the holders of all the debentures issued under the Indenture, waive any Event of Default and/or cancel any such declaration upon such terms as such holders shall prescribe.

Offers for Debentures

The Indenture contains provisions to the effect that if an offer is made for Debentures which would be a take-over bid for Debentures within the meaning of MI 62-104 if Debentures were considered equity securities and not less than 90% of the debentures issued under the Indenture (other than debentures held at the date of the take-over bid by or on behalf of the offeror or associates or affiliates of the offeror) are taken up and paid for by the offeror, the offeror will be entitled to acquire the debentures issued under the Indenture held by the holders of debentures issued under the Indenture who did not accept the offer on the terms offered by the offeror.

Modification

The rights of the holders of the Debentures as well as any other series of debentures that may be issued under the Indenture may be modified in accordance with the terms of the Indenture. For that purpose, among others, the Indenture contains certain provisions which will make binding on all Debentureholders resolutions passed at meetings of the holders of debentures by votes cast thereat by holders of debentures representing not less than 66 2/3% of the principal amount of the debentures present at the meeting or represented by proxy, or rendered by instruments in writing signed by the holders of not less than 66 2/3% of the principal amount of the debentures. In certain cases, the modification will, instead or in addition, require assent by the holders of the required percentage of debentures of each affected series.

Book-Entry System for Debentures

Except as described below, the Debentures will be issued in “book-entry only” form and must be purchased or transferred through a participant in the depository service of CDS (a “Participant”). The Debenture Trustee caused the Debentures to be delivered to CDS and registered in the name of its nominee.

Unless the book-entry only system is terminated as described below, a purchaser acquiring a beneficial interest in the Debentures (a “Beneficial Debenture Owner”) will not be entitled to receive a certificate for Debentures, or, unless requested, for the Units issuable on the conversion of the Debentures. Purchasers of Debentures will not be shown on the records maintained by CDS, except through a Participant.

Beneficial interests in Debentures will be represented solely through the book-entry only system and such interests will be evidenced by customer confirmations of purchase from the registered dealer from which the applicable Debentures are purchased in accordance with the practices and procedures of that registered dealer. In addition, registration of interests in and transfers of the Debentures will be made only through the depository service of CDS.

Investors should be aware that they (subject to the situations described below): (a) may not have Debentures registered in their name; (b) may not have physical certificates representing their interest in the Debentures; (c) may not be able to sell the Debentures to institutions required by law to hold physical certificates for securities they own; and (d) may be unable to pledge Debentures as security.

The Debentures will be issued to Beneficial Debenture Owners thereof in fully registered and certificate form (the “Debenture Certificates”) only if: (a) required to do so by applicable Law; (b) the book-entry only system ceases to exist; (c) CDS advises the Debenture Trustee that CDS is no longer willing or able to properly discharge its responsibilities as depository with respect to the Debentures and the REIT is unable to locate a qualified successor; (d) the REIT, at its option, decides to terminate the book-entry only system through CDS; or (e) after the occurrence of an Event of Default, Participants acting on behalf of Beneficial Debenture Owners representing, in the aggregate, more than 25% of the aggregate principal amount of the Debentures then outstanding advise CDS in writing that the continuation of a book-entry only system through CDS is no longer in their best interest provided the Debenture Trustee has not waived the Event of Default in accordance with the terms of the Indenture.

Upon the occurrence of any of the events described in the immediately preceding paragraph, the Debenture Trustee must notify CDS, for and on behalf of Participants and Beneficial Debenture Owners, of the availability through CDS of Debenture Certificates. Upon surrender by CDS of the global certificates representing the Debentures, and receipt of instructions from CDS for the new registrations, the Debenture Trustee will deliver the Debentures in the form of Debenture Certificates and thereafter the REIT will recognize the holders of such Debenture Certificates as Debentureholders under the Indenture.

Interest on the Debentures will be paid directly to CDS while the book-entry only system is in effect. If Debenture Certificates are issued, interest will be paid by cheque drawn on the REIT and sent by prepaid mail to the registered holder or by such other means as may become customary for the payment of interest. Payment of principal, including payment in the form of Units if applicable, and the interest due, at maturity or on a redemption date, will be paid directly to CDS while the book-entry only system is in effect. If Debenture Certificates are issued, payment of principal, including payment in the form of Units if applicable, and interest due, at maturity or on a redemption date, will be paid upon surrender thereof at any office of the Debenture Trustee or as otherwise specified in the Indenture.

The REIT will not assume any liability for: (a) any aspect of the records relating to the Beneficial Debenture Owners or the Debentures held by CDS or any payments relating thereto; (b) maintaining, supervising or reviewing any records relating to the Debentures; or (c) any advice or representation made by or with respect to CDS and contained in this short form prospectus and relating to the rules governing CDS or any action to be taken by CDS or at the direction of a Participant. The rules governing CDS provide that it acts as the agent and depository for the Participants. As a result, Participants must look solely to CDS and Beneficial Debenture Owners must look solely to Participants for any payments relating to the Debentures, paid by or on behalf of the REIT to CDS.

Reports to Holders of Debentures

The REIT shall file with the Debenture Trustee, within 15 days after the filing thereof with the securities commission or securities regulatory authority in the provinces and territories in which the REIT is a reporting issuer (the "Securities Commissions"), copies of the REIT's information, documents and other reports that the REIT is required to file with the Securities Commissions and deliver to Unitholders. Notwithstanding that the REIT may not be required to remain subject to the reporting requirements of the Securities Commissions, the REIT shall provide to the Debenture Trustee (a) within 90 days after the end of each fiscal year (or such later date as may be permitted by the principal Canadian securities regulator for the REIT), the annual financial statements of the REIT, and (b) within 45 days after the end of each of the first three fiscal quarters of each fiscal year (or such later date as may be permitted by such regulator), interim financial statements of the REIT which shall, at a minimum, contain such information as is required to be provided in annual filings and quarterly reports under the laws of Canada or any province thereof to security holders of a reporting issuer with securities listed on the Exchange, whether or not the REIT has any of its securities so listed. Each of such reports will be prepared in accordance with Canadian disclosure requirements for Canadian reporting issuers. The REIT will provide copies of such information, documents and reports to holders of Debentures upon request.

Governing Law

Each of the Indenture and the Debentures are governed by, and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein applicable to contracts executed and to be performed entirely in such Province.

Terms of Outstanding Debentures

Series	Principal Amount	Date Issued	Maturity Date	Interest Rate	Conversion Price	Redemption
2011 Debentures	$28,750,000	March 8, 2011	March 31, 2016	8.0%	$8.80	On or after March 31, 2014 and prior to March 31, 2015, in whole or in part at the option of the REIT, at a price equal to their principal amount plus accrued unpaid interest, provided that the volume weighted average of the Units on the TSX during the 20 consecutive trading days ending on the fifth day prior to the date of the notice of redemption is at least 125% of conversion price. Redeemable in whole or in part from time to time on and after March 31, 2015 and prior to maturity at a price equal to their principal amount plus accrued and unpaid interest.
2012 Debentures	$34,500,000	September 5, 2012	Septembe r 30, 2017	6.0%	$10.35	On or after September 30, 2015 and prior to September 30, 2016, in whole or in part at the option of the REIT, at a price equal to their principal amount plus accrued unpaid interest, provided that the volume weighted average of the Units on the TSX during the 20 consecutive trading days ending on the fifth day prior to the date of the notice of redemption is at least 125% of conversion price. Redeemable in whole or in part from time to time on and after

Series	Principal Amount	Date Issued	Maturity Date	Interest Rate	Conversion Price	Redemption
						September 30, 2016 and prior to maturity at a price equal to their principal amount plus accrued and unpaid interest.
2013 Debentures	$23,000,000	March 12, 2013	March 31, 2018	5.5%	$10.25	On or after March 31, 2016 and prior to March 31, 2017, in whole or in part at the option of the REIT, at a price equal to their principal amount plus accrued unpaid interest, provided that the volume weighted average of the Units on the TSX during the 20 consecutive trading days ending on the fifth day prior to the date of the notice of redemption is at least 125% of conversion price. Redeemable in whole or in part from time to time on and after March 31, 2017 and prior to maturity at a price equal to their principal amount plus accrued and unpaid interest.

MARKET FOR SECURITIES

The Units are listed and posted for trading on the TSX under the symbol "PAR.UN". The following table sets forth, for the periods indicated, the reported high and low closing trading prices and aggregate volume of trading of the Units on the TSX.

Period	High ($)	Low ($)	Volume (#)
2014			
January	5.97	5.30	822,871
February	5.86	5.52	496,259
March	5.73	5.52	494,519
April	5.67	4.31	2,631,536
May	4.94	3.94	2,387,911
June	5.00	4.80	1,757,458
July	5.27	4.92	1,754,570
August	5.15	3.98	1,776,198
September	4.25	3.48	867,181

Period	High ($)	Low ($)	Volume (#)
October	4.30	3.95	482,460
November	4.44	4.12	554,597
December	4.23	3.62	674,034
2015			
January	3.96	3.60	610,450
February	3.76	3.51	479,048
March 1- 30	3.78	3.36	591,237

The 2011 Debentures are listed and posted for trading on the TSX under the symbol "PAR.DB". The following table sets forth, for the periods indicated, the reported high and low closing trading prices and aggregate volume of trading of the 2011 Debentures on the TSX.

Period	High ($)	Low ($)	Volume (#)
2014			
January	101.75	99.10	8,440
February	101.52	99.95	11,300
March	102.00	101.75	760
April	101.90	100.00	9,550
May	101.50	99.51	18,830
June	101.20	100.25	4,620
July	101.00	100.30	18,400
August	101.55	100.01	5,260
September	101.00	100.02	7,910
October	102.00	100.00	4,040
November	102.99	101.5	2,850
December	101.60	97.02	3,170
2015			
January	102.00	100.00	1,650
February	100.29	99.10	3,480
March 1 - 30	100.12	97.01	2,480

On September 5, 2012, the 2012 Debentures were listed and posted for trading on the TSX under the symbol "PAR.DB.A". The following table sets forth, for the periods indicated, the reported high and low closing trading prices and aggregate volume of trading of the 2012 Debentures on the TSX.

Period	High ($)	Low ($)	Volume (#)
2014			
January	96.10	93.84	2,430
February	98.50	95.75	3,070
March	100.50	99.25	2,100
April	100.00	97.00	6,860
May	98.50	92.86	6,465
June	97.00	95.00	6,220
July	98.11	95.00	1,860
August	98.75	95.50	2,930
September	97.96	91.00	4,350
October	94.00	89.01	1,780
November	94.20	91.51	1,380
December	93.00	90.03	2,060
2015			
January	97.00	92.50	3,450
February	96.50	93.00	2,600
March 1 - 30	95.02	88.00	4,640

On March 12, 2013, the 2013 Debentures were listed and posted for trading on the TSX under the symbol "PAR.DB.B". The following table sets forth, for the periods indicated, the reported high and low closing trading prices and aggregate volume of trading of the 2013 Debentures on the TSX.

Period	High ($)	Low ($)	Volume (#)
2014			
March	97.00	94.00	2,010
April	97.00	94.70	4,240

Period	High ($)	Low ($)	Volume (#)
May	96.00	90.00	5,590
June	95.40	92.00	2,350
July	94.50	93.16	1,270
August	95.60	94.00	3,030
September	94.75	92.00	70
October	93.21	91.27	1,550
November	92.01	88.00	650
December	90.01	88.00	640
2015			
January	92.01	88.00	8,650
February	93.00	92.00	240
March 1 - 30	90.00	80.23	1,510

TRUSTEES AND OFFICERS

Board of Trustees

General

The investment guidelines and operating policies of the REIT are subject to the control and direction of the Board of Trustees, a majority of whom must be resident Canadians and a majority of whom must be Independent Trustees.

The standard of care and duties of the Trustees provided in the Declaration of Trust are similar to those imposed on directors of a corporation governed by the OBCA. Accordingly, each Trustee is required to exercise the powers and discharge the duties of his or her office honestly, in good faith and in the best interests of the REIT and, in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Conflict of Interest Restrictions and Provisions

The Declaration of Trust contains "conflict of interest" provisions to protect Unitholders without creating undue limitations on the REIT. As the Trustees are engaged in a wide range of real estate and other activities, the Declaration of Trust contains provisions, similar to those contained in the OBCA, that require each Trustee to disclose to the REIT any interest in a material contract or transaction or proposed material contract or transaction with the REIT (including a contract or transaction involving the making or disposition of any investment in real property or a joint venture agreement) or the fact that such person is a director or officer of, or otherwise has a material interest in, any person who is a party to a material contract or transaction or proposed material contract or transaction with the REIT. Such disclosure is required to be made at the first meeting at which a proposed contract or transaction is considered. In any case, a Trustee who has made disclosure to the foregoing effect is not entitled to vote on any resolution to approve the contract or transaction unless the contract or transaction is one relating to (i) his or her remuneration as a Trustee, director or officer of the REIT or a subsidiary thereof, or (ii) insurance or indemnity.

Mandate of the Board of Trustees

The role of the REIT's Board of Trustees is one of stewardship and oversight of the REIT and its business. The Board of Trustees is responsible for overseeing management and approving major decisions. In fulfilling its mandate, the Board of Trustees is responsible, among other things, for: (i) participating in the development of and approving the strategy of the REIT; (ii) identifying and managing risk exposure; (iii) ensuring the integrity and adequacy of the REIT's internal controls and management information systems; (iv) defining the roles and responsibilities of management; (v) reviewing and approving the business and investment objectives to be met by management of the REIT; (vi) assessing the performance of management; (vii) reviewing the REIT's debt management strategy; (viii) succession planning; (ix) ensuring effective and adequate communication with the Unitholders and other stakeholders as well as the public at large; and (x) establishing committees of the Board of Trustees, where required or prudent, and defining their mandate.

Relationship of the Board of Trustees and Management

The REIT's Board of Trustees has in place appropriate structures to ensure that it can function independently of management, including the requirement that all committees, with the exception of the Audit Committee, be comprised of a majority of Independent Trustees. The Audit Committee will be comprised entirely of Independent Trustees.

The responsibilities of the Chair of the Board of Trustees includes overseeing the Board of Trustee's discharge of its responsibilities. The Chair's role and responsibility is to manage the affairs of the Board of Trustees and monitor its effectiveness.

Management's responsibilities are determined by the REIT's Board of Trustees. All major policy decisions relating to the business of the REIT are made by the Board of Trustees or a committee thereof.

Corporate Governance of the REIT

The REIT's Governance Committee is comprised of three Independent Trustees. The Governance Committee consists of Dexter John, Stephen Dulmage, and Joseph Feldman, with Mr. John serving as Chair. The Governance Committee is responsible for assessing the effectiveness of the Board of Trustees, each of its committees and individual Trustees, assessing the performance of management and overseeing the recruitment and selection of candidates as.

Audit Committee

Form 52-110F1 – *Audit Committee Information Required in an AIF* is attached to this Annual Information Form as "Schedule B".

The REIT's Audit Committee is comprised of three Independent Trustees. The Audit Committee consists of Stephen Dulmage, Marc Charlebois, and Joseph Feldman, with Mr. Dulmage serving as Chair. All members of the Audit Committee are financially literate. The Audit Committee assists the Trustees in fulfilling their responsibilities of oversight and supervision of the accounting and financial reporting practices and procedures of the REIT, the adequacy of internal accounting controls and procedures, and the quality and integrity of financial statements of the REIT. In addition, the Audit Committee is responsible for directing the auditors' examination of specific areas and for the selection of independent auditors to be appointed by the holders of Voting Units.

Investment Committee

The REIT's Investment Committee is comprised of three Trustees and consists of Marc Charlebois, Dexter John, and Jane Domenico, with Mr. Charlebois serving as Chair. The Investment Committee is responsible for assessing the investment and strategic options of the REIT.

Remuneration of Trustees

Each of the Trustees who are not officers of the REIT, and is a Chair of a committee, receive from the REIT an annual retainer initially in the amount of $35,000 per year plus a fee of $1,000 for each meeting of the Trustees attended; otherwise, the annual retainer is $20,000 per year plus a fee of $1,000 for each meeting of the Trustees attended. Trustees are also reimbursed for reasonable travel and other expenses incurred by them in attending meetings of the Trustees or any committee meeting thereof or in connection with their services as Trustees. The Trustees may also be granted Unit Options from time to time.

Trustees and Officers

The following table sets forth the name of each Trustee and executive officer of the REIT, their province or state and country of residence, their position(s) with the REIT, their principal occupation during the preceding five years, the date they first became a Trustee, and the number of Securities held, directly or indirectly, by such Trustee or officer of the REIT.

Name and Residence	**Position(s) with the REIT**	**Principal Occupation During Past Five Years**	**Trustee/ Officer Since(1)**	**Number of Securities Owned/ Controlled**
Marc Charlebois(2)(4)(8) Toronto, Ontario	Trustee	Mr. Charlebois served as the Chief Executive Officer at Rodenbury Investments Limited, a private company investing in commercial real estate from November, 2010 – November, 2013, and as the Chief Operating Officer at Calloway Real Estate Investment Trust from September 2005 to September, 2008.	Trustee since February, 2014	Nil
Stephen Dulmage(2)(3)(6) Toronto, Ontario	Trustee	Mr. Dulmage has acted as a corporate director for various companies since 2010, including Xmet Inc. from May 2010 until May 2014, Orefinder Resources Inc. from February 2012 to February 2015 and Triumph Ventures II Corporation form September 2011 to November 2014.	Trustee since June 2014	Nil
Joseph Feldman(2)(3)(5) Toronto, Ontario	Chair and Trustee	Mr. Feldman is the President of Joseph Feldman Consulting Services Inc. that has provided consulting services since 2008.	Trustee since December, 2013	Nil

Name and Residence	Position(s) with the REIT	Principal Occupation During Past Five Years	Trustee/ Officer Since[(1)]	Number of Securities Owned/ Controlled
Dexter John[(3)(4)(7)] Toronto, Ontario	Trustee	Mr. John is an Executive Vice President with D.F. King & Co., a proxy solicitation firm, and has been in such position since July 1, 2014. Prior to that, Mr. John was Senior Vice President of CST Phoenix Advisors, a predecessor of D.F. King & Co., since August 2010. Mr. John was Executive Vice President and General Counsel at Kingsdale Shareholder Services from December 2008 until August 2010.	Trustee since June 2014	Nil
Jane Domenico[(4)]	Trustee, Acting – Chief Executive Office and Chief Operating Officer	Ms. Domenico has served as the REIT Acting CEO since May 2014 and the REIT's COO since February 2014. Prior that, Ms. Domenico served as the REIT's Vice President of Asset Management since May 2013. Prior to that, Ms. Domenico was Vice President, Asset Management Triovest Realty Advisors Inc. and its predecessor company, Redcliff Realty Advisors Inc. from 2008 to 2012.	COO since February, 2014, Acting CEO since May 2014 and Trustee since July, 2014	Nil
Derrick W. West	Chief Financial Officer and Corporate Secretary	Mr. West has served as the REIT's CFO and Corporate Secretary since February 2014. Mr. West acted as an independent financial consultant to junior mining companies from June 2012 to January 2014. Prior to that, Mr. West was the Chief Financial Officer of Landdrill International Inc. March 2008 to June 2012.	February, 2014	Nil

Notes:

1 Under the Declaration of Trust, each Trustee holds office until the next annual meeting of Unitholders.

2 Member of the Board of Trustees' Audit Committee.

3 Member of the Board of Trustees' Governance Committee.

4 Member of the Board of Trustees' Investment Committee.

5 Chair of the Board of Trustees.

6 Chair of the Board of Trustees' Audit Committee.

7 Chair of the Board of Trustees' Governance Committee.

8 Chair of the Board of Trustees' Investment Committee.

As of March 30, 2015, the Trustees and officers of the REIT as a group, did not, directly or indirectly, beneficially own or exercise voting control over any Units.

The following are biographies of the Trustees and officers of the REIT:

Marc Charlebois --- Marc Charlebois is an Independent Trustee. Mr. Charlebois became a Trustee on February 14, 2014. Mr. Charlebois possesses more than 20 years of experience in the real estate industry. He recently served as the Chief Executive Officer at Rodenbury Investments Limited, a private company investing in commercial real estate, and as the Chief Operating Officer at Calloway Real Estate Investment Trust, one of Canada's leading publicly traded retail real estate investment trusts. Mr. Charlebois is a past serving officer in the Canadian Armed Forces. He holds a Bachelor of Engineering degree from the Royal Military College of Canada and an MBA specializing in finance and marketing from Queens University.

Stephen Dulmage --- Stephen Dulmage is an Independent Trustee and became a Trustee on June 10, 2014. Mr. Dulmage brings over 40 years of experience in the Canadian investment industry from both an employee and a shareholder perspective. For 16 years, until 1988, he was the Chief Financial Officer of RBC Dominion Securities. Mr. Dulmage is currently a director and chair of the audit committee of the Mint Corporation. He holds a Bachelor of Arts degree and is a member of the Canadian Institute of Chartered Accountants, having earned his CA designation with Price Waterhouse. Mr. Dulmage is a chair of the REIT's Audit Committee and a member of the REIT's Governance Committee

Joseph Feldman --- Joseph Feldman is an Independent Trustee and Chairman of the Board of Trustees. Mr. Feldman became a Trustee on December 4, 2013. Mr. Feldman is the President of Joseph Feldman Consulting Services Inc., an Ontario consulting firm that has provided consulting services and business advice since 2008. As a former partner in a mid-sized law firm, Mr. Feldman advised many small and medium-sized businesses primarily engaged in the real estate industry in Ontario. Mr. Feldman has served as a member of the board of directors of TSX and TSXV-listed companies and is currently a member of the audit committee of a TSXV-listed company.

Dexter John --- Dexter John is an Independent Trustee and became a Trustee on June 10, 2014. Mr. John is an Executive Vice President with D.F. King & Co, , a proxy solicitation firm, and has been in such position since July 1, 2014. Prior to that, Mr. John was Senior Vice President of CST Phoenix Advisors, a predecessor of D.F. King & Co., since August 2010 where, among other responsibilities, he managed its corporate governance services platform. He has over 15 years of experience in the capital markets and spent six years in structured finance where he executed over $4 billion in transactions including $1 billion in Commercial and Residential Mortgage Backed Securities. Mr. John previously served as Executive Vice President & General Counsel at a proxy services provider and as counsel at a large Canadian law firm. He serves as a director of Augustine Ventures Inc. and holds a Bachelor of Arts, a LL.B. designation and the ICD designation from the Institute of Corporate Directors. Mr. John is chair of the REIT's Governance Committee.

Jane Domenico --- Jane Domenico is the Acting Chief Executive Officer of the REIT since May 2014 and Chief Operating Officer of the REIT since February 2014. She previously served as the REIT's Vice President of Asset Management. Ms. Domenico possesses more than 20 years of experience in the real estate industry. This experience includes management of more than $13 billion in retail assets, as well as responsibility for more than $1.5 billion in development capital investments, and more than $500 million in operating capital expenditures. Ms. Domenico has significant experience with Canada's largest pension fund developers. She was the joint venture partner with Cadillac Fairview and Oxford. She has worked directly with Ivanhoe Cambridge and Oxford. While at Oxford, Ms. Domenico performed asset management for Primaris REIT. She has worked as a third party advisor alongside some of the nation's largest pension fund real estate investors, notably the Canada Pension Plan Investment Board and Greystone Management. Ms. Domenico holds a Bachelor of Commerce Degree from McMaster University.

Derrick W. West --- Derrick West is the Chief Financial Officer and Corporate Secretary of the REIT. Mr. West was appointed as Chief Financial Officer and Corporate Secretary on February 11, 2014. Mr. West most recently served as the Chief Financial Officer of an international mining corporation with operations in Canada, Russia, Mongolia and Mexico. Mr. West has amassed over 15 years of experience in financial reporting, tax planning and compliance, treasury management, business development and internal control compliance. Mr. West has additional experience in the commercial real estate sector and previously served as the Vice President of Accounting and Administration for Plazacorp Retail Properties Limited. Mr. West is a Chartered Accountant and holds a Bachelor of Commerce degree from Mount Allison University.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Other than as follows, no Trustee or executive officer of the REIT is, as at the date hereof, or was within 10 years before the date hereof, a trustee, director, chief executive officer or chief financial officer of any trust or company (including the REIT) that was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant issuer access to any exemption under securities legislation that (a) was in effect for a period of more than 30 consecutive days (a “Cease Trade Order”) that was issued while the Trustee or executive officer was acting in the capacity as trustee, director, chief executive officer or chief financial officer of such issuer, or (b) was subject to a Cease Trade Order that was issued after the Trustee or executive officer ceased to be a trustee, director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as trustee, director, chief executive officer or chief financial officer.

Other than as follows, no Trustee or executive officer of the REIT nor, to the knowledge of the REIT, any Unitholder holding a sufficient number of securities of the REIT to affect materially the control of the REIT (a) is, as at the date hereof, or has been within the 10 years before the date hereof, a trustee, director or executive officer of any trust or company (including the REIT) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such trustee, director, executive officer or securityholder.

Derrick West, the REIT’s Chief Financial Officer, was previously the Chief Financial Officer of Landdrill International Inc. (“Landdrill”) from March, 2008 to June 4, 2012. Landdrill’s common shares are listed on the TSX Venture Exchange. Subsequent to Mr. West’s resignation, a secured creditor of Landdrill provided notice of default to Landdrill. Landdrill sought protection from the secured credit under the CCAA in August, 2012.

No Trustee or executive officer of the REIT nor, to the knowledge of the REIT, any Unitholder holding a sufficient number of securities of the REIT to affect materially the control of the REIT, has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Potential Conflicts of Interest

The REIT may become involved in transactions which conflict with the interests of its trustees and the officers who may from time to time deal with persons, firms, institutions or corporations with which the REIT may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons could conflict with those of the REIT. From time to time, these persons may be competing with the REIT for available investment opportunities. Conflicts of interest, if any, will be subject to the procedures and remedies provided under the Declaration of Trust, which are similar to those set out in the OBCA.

Unit Option Plan

The REIT has adopted the Unit Option Plan that authorizes the REIT to grant Unit Options to any employee, officer, Trustee, director or consultant of the REIT, its subsidiaries and/or the Manager to whom Unit Options can be granted in reliance on a prospectus and registration exemption under applicable securities laws ("Eligible Persons", and each such person holding Unit Options and participating in the Unit Option Plan is hereinafter referred to as an "Optionee"). The number of Unit Options issuable under the Unit Option Plan is subject to the following restrictions:

(a) No single Optionee may be granted Unit Options to purchase a number of Units equalling more than 5% of the issued Units in any one 12-month period;

(b) Unit Options shall not be granted if the exercise thereof could result in the issuance of more than 2% of the issued Units in any one 12-month period to any one consultant of the REIT or its subsidiaries;

(c) Unit Options shall not be granted if the exercise thereof could result in the issuance of more than 2% of the issued Units in any one 12-month period to persons employed to provide "Investor Relations Activities" (as such terms are defined in the policies of the applicable stock exchange) for the REIT. Unit Options granted to consultants performing Investor Relations Activities for the REIT will contain vesting provisions such that vesting occurs over at least 12 months with no more than 25% of the options vesting in any three month period; and

(d) The number of Units reserved for issuance under the Unit Option Plan to Eligible Persons, at any time, cannot exceed 10% of issued and outstanding securities.

The Unit Option Plan provides that the terms of the Unit Options granted and the Unit Option prices shall be fixed by the Trustees subject to the price and other restrictions imposed by the relevant regulatory authorities, but shall not be less than the market price per Unit at the time of grant less the permissible discount permitted by the rules of any stock exchange or other regulatory body having jurisdiction. Unit Options granted under the Unit Option Plan are not transferable or assignable. Unit Options granted under the Unit Option Plan shall be for a term determined by the Trustees but in any event must be exercisable for a period not in excess of five years. Unit Options granted under the Unit Option Plan shall vest in such a manner as determined by the Trustees and the exercise price must be paid in full upon exercise of the Unit Option. The administration and operation of the Unit Option Plan may be delegated by the Board of Trustees to a committee of the Trustees, any officer of the REIT or to a duly appointed manager of the affairs of the REIT.

If an Optionee ceases to be an Eligible Person for any reason other than death, retirement or permanent disability, the Optionee will have a period not in excess of 90 days from the date the person ceased to be an Eligible Person to exercise Unit Options held to the extent that the Optionee was entitled to exercise the Unit Options at the date of such cessation. In the event of death of the Optionee, Unit Options previously granted are exercisable for a period not in excess of 180 days next succeeding such death to the extent that the Optionee was entitled to exercise the Unit Option at the date of death. In the event of termination of employment by reason of retirement or disability, the Optionee will have a period not in excess of 90 days from the date the person ceased to be an Eligible Person to exercise the Unit Options held to the extent that the Optionee was entitled to exercise the Unit Options at the date of such cessation, provided that if the Optionee dies during such period, then such period shall be extended for 90 days following death. Notwithstanding the foregoing, Unit Options granted to an Optionee engaged or employed by the REIT in investor relations must expire within 30 days after the Optionee ceases to be engaged or employed by the REIT to provide investor relations activities. The Board of Trustees may at any time discontinue the Unit Option Plan and, subject to applicable regulatory approval, may amend the terms of the Unit Option Plan, provided that no amendment may be made without the consent of an Optionee, if it in any manner adversely affects an Optionee's rights under any option previously granted to such Optionee under the Unit Option Plan.

In connection with the REIT's graduation to the TSX, the terms of the Unit Option Plan were amended to reflect the requirements of the TSX and such amendments were approved by the Unitholders at the 2012 Meeting.

As at March 30, 2015, the REIT has no Unit Options outstanding, leaving unallocated Unit Options with respect to an aggregate of 2,644,300 Units available for future grants (representing approximately 10.00% of the issued and outstanding Units), based on the number of currently outstanding Units.

Unitholder Rights Plan

Unitholders affirmed adoption of the Rights Plan by resolution at the 2014 annual and special meeting on July 15, 2014. The Rights Plan expires on July 15, 2017, subject to affirmation every three years. A copy of the Rights Plan is available on the REIT's SEDAR profile at www.sedar.com.

On November 19, 2013, the REIT adopted the Rights Plan to provide the Unitholders and Trustees with adequate time to consider and evaluate any unsolicited bid for the REIT and to provide the Board of Trustees with time to identify, develop and negotiate value-enhancing alternatives, if appropriate, to any such unsolicited bid. On December 18, 2013, the REIT amended the terms of the Rights Plan to permit Units to be issued as consideration for the direct or indirect acquisition of real estate on terms approved by the Trustees. On February 25, 2014, the REIT further amended the terms of the Rights Plan to increase the triggering threshold from 15% to 20%.

Subject to the terms of the Rights Plan, the rights ("**Rights**") will become exercisable in the event any person, together with any person related to it or acting jointly with it, beneficially owns or announces its intention to acquire or beneficially own 20% or more of the outstanding Units without complying with the "Permitted Bid" provisions of the Rights Plan. Should a non-Permitted Bid be launched, each Right would entitle each Unitholder (other than the acquiring person and persons related to it or acting jointly with it) to purchase additional Units at a 50% discount to the prevailing market price. Under the Rights Plan, a bid that, among other things, is made to all Unitholders for all of their Units on identical terms and conditions and that is open for at least 60 days may constitute a "Permitted Bid". The Trustees also have the discretion to defer the time at which the Rights become exercisable to a later date determined by the Trustees and to waive the application of the Rights Plan or redeem the Rights if the Trustees determine it is in the best interest of the REIT to do so. On November 19, 2013, the REIT issued one Right per outstanding Unit to Unitholders as of that date in order to implement the Rights Plan.

Alternate Compensation Plan

At the 2012 Meeting, the Unitholders approved the REIT's proposed alternate compensation plan (the "ACP") which allows Trustees to elect to receive their fees for acting as Trustees in Units or a combination of cash and Units, at their election. The ACP took effect on April 13, 2012. The Board of Trustees or such other committee designated by the Board of Trustees, administer the ACP.

Under the ACP, Trustees have the option to have fees payable to them in their capacity as Trustees ("Trustees' Fees") by the allotment and issuance from treasury to Trustees of such number of Units as will be equivalent to the cash value of the Trustees' Fees elected by the Trustee to be paid in Units.

The maximum number of Units reserved for issuance under the ACP is 1% of the issued and outstanding Units and the maximum number of Units reserved under the ACP and all equity compensation plans of the REIT shall not exceed 10% of the REIT's issued and outstanding Units at any given time.

The issue price of Units issued under the ACP shall be the closing price of the Units on the market with the largest trading volume of the Units on the last trading date preceding the date of issuance to Trustees. If there is no trading on that date, the issue price shall be the closing price on the next previous day on which trading took place preceding the date of issuance to Trustees or such other amount as shall be determined by the Board of Trustees and permitted by the stock exchange upon which the Units are from time to time listed for trading and any other applicable regulatory authority (collectively, the "Regulatory Authorities").

The Board of Trustees may amend, suspend or terminate the ACP without unitholder approval provided it first obtains any required approval of any Regulatory Authority. The Board of Trustees may not, however, without unitholder approval, make amendments to the ACP that:

(a) remove or exceed the Insider Participation Limit;

(b) increase the maximum number of Units that may be issued pursuant to the ACP; and

(c) amend the amendment provisions of the ACP.

Trustees' and Officers' Liability Insurance and Indemnification

Under the REIT's trustees', directors' and officers' insurance coverage, the REIT will be reimbursed for payments made under indemnity provisions on behalf of their respective Trustees, directors and officers contained in its and its subsidiaries' respective constating documents, subject to a deductible for each loss. Individual Trustees, directors and officers will also be reimbursed for losses arising during the performance of their duties for which they are not indemnified by the REIT, subject to a deductible that will be paid by the REIT. The Declaration of Trust also provides for the indemnification in certain circumstances of Trustees, directors and officers and persons serving in an equivalent capacity from and against liability and costs in respect of any action or suit against them in respect of the execution of their duties of office. The Trustees and officers have also entered into contractual indemnities with regard to the above indemnification obligations.

PROMOTER

There were no promoters of the REIT within the two years immediately preceding the date of this Annual Information Form.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The REIT and its subsidiaries may be subject to certain claims and lawsuits from time to time in the course of carrying on business. Other than with respect to the statement of claim dated November 28, 2014 and discussed under the heading "General Development of the Business – Overview - Uncertified Class Action Lawsuit" above, management is not aware of any material litigation or regulatory actions outstanding, threatened or pending as of the date of this Annual Information Form by or against the REIT.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

An affiliate of the Former Manager was a significant unitholder of the REIT and provided the various management services to the REIT pursuant to the Former Management Agreement. McCowan acquired the units held by the Former Manager in November 2013 and McCowan received the assignment of the Former Management Agreement in December 2013 as further described above under the heading

“General Development of the Business – Overview – Changes to Management and the Board of Trustees in 2014”.

Pursuant to the employee services agreement entered into with McCowan in connection with the internalization plan on February 14, 2014, employees of the REIT performed certain specified property and facility management services, administrative and support services on an as-needed basis to McCowan. The then Interim Chief Executive Officer of the REIT and significant unitholder of the REIT, Mr. Ron McCowan, had an interest in such transaction. Mr. McCowan resigned as Interim Chief Executive Officer on May 6, 2014 and the employee services agreement was terminated on July 10, 2014.

On November 3, 2014, the REIT entered into a financing arrangement with a subsidiary of First National Financial. Mr. Moray Tawse, a significant unitholder of the REIT, has an interest in First National Financial.

Other than as described in the preceding paragraphs and elsewhere in this Annual Information Form, no Trustee, executive officer or Unitholder that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the issued securities of the REIT, or any of their respective associates or affiliates, has any material interest, direct or indirect, in any transaction which has materially affected or is reasonably expected to materially affect the REIT within the three years preceding the date of this Annual Information Form.

REGISTRAR AND TRANSFER AGENT

The transfer agent and registrar for the Units is Computershare at its principal offices located in Toronto, Canada. The transfer agent for the Debentures is Computershare at its principal offices located in Toronto, Canada.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, the only material contracts which the REIT has entered into since the beginning of the most recently completed financial year, or before the most recently completed financial year but still in effect, are as follows:

(a) the Declaration of Trust (see “Declaration of Trust and Description of Units”); and

(b) the Indenture (see “Description of Debentures and Indenture”).

Copies of the foregoing may be inspected at the head office of the REIT during normal business hours upon reasonable prior notice.

INTEREST OF EXPERTS

KPMG LLP of Vancouver, British Columbia are the REIT’s auditors. KPMG LLP were appointed as the REIT’s auditors on November 9, 2012. See “General Development of the Business – Change of Auditor”. KPMG LLP is independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Alberta.

ADDITIONAL INFORMATION

Additional information relating to the REIT may be found on the System for Electronic Document Analysis and Retrieval which can be accessed at www.sedar.com. Additional information, Trustees’ and officers’ remuneration and indebtedness, principal holders of Units and securities authorized for issuance under equity compensation plans, if applicable, will be contained in the REIT’s information circular for its annual meeting of Unitholders anticipated to be held in June of 2015. Additional financial information is also provided in the REIT's financial statements and management's discussion and analysis for the year ended December 31, 2014 and its on-going filing with securities regulators.

SCHEDULE A – LIST OF SUBSIDIARIES

The following is a list of the subsidiaries of the REIT and the jurisdiction of incorporation/organization:

1124 Iberville Inc. (QB)
137th Avenue GP Inc. (BC)
137th Avenue Limited Partnership (BC)
1605 Marcel-Laurin Inc. (QB)
340-356 Poliquin Inc. (QB)
7085 Saint-Laurent Inc. (QB)
810 Saint-Paul Inc. (QB)
9107-6133 Quebec Inc. (QB)
ACI Brandon Dennis Ltd. (MB)
ACI Selkirk Ltd. (MB)
ACI Shoppers Southpark Ltd. (MB)
Centre Village et Elgar Inc. (QB)
Centuria Urban Village Holdings Corp. (BC)
Charter Acquisition Corp. (ON)
Charter Realty (Quebec) Corp. (ON)
Charter Realty Holdings Ltd. (AB)
Charter R.H.I. Corp.
Cobblestone Shopping Centre Corp. (AB)
Gestion Centre Village et Elgar Inc. (QB)
Gestion Centre Village Inc. (QB)
Gestion Elgar Inc. (QB)
Crossing Bridge Holdings Inc. (ON)
Evergreen Centre Holdings Corporation (BC)
Grand Bend Town Centre Holdings Inc. (ON)
King George Square Holdings Inc. (ON)
Manning Crossing Holdings Inc. (AB)
Mariner Holdings Ltd. (BC)
Place Desormeaux Holdings Inc. (QB)
Plaza des Seigneurs Holdings Inc. (QB)
Quinte Centre Holdings Inc. (ON)
RMA Gatineau Ltd. (MB)
S.D.A. Steinbach Ltd. (MB)
Somerset Corner Ltd. (MB)
St. Clair Beach Town Centre Holdings Inc. (ON)
Thunder Centre Holdings Inc. (ON)
Timmins Holdings Inc. (ON)
Washington Park Holdings Corp. (BC)
Wellington Plaza Holdings Inc. (ON)

SCHEDULE B – FORM 52-110F1

AUDIT COMMITTEE INFORMATION REQUIRED IN AN AIF

Audit Committee Charter

Exhibit "A" sets out the full text of the charter of the Audit Committee.

Composition and Education

At the date of this Annual Information Form, the Audit Committee was composed of the persons named in the table below. The education and experience of each Audit Committee member that is relevant to such members' responsibilities as a member of the Audit Committee are also set out below.

Name	Relevant Education and Experience
MARC CHARLEBOIS....	• Bachelor of Engineering degree from the Royal Military College of Canada • Masters of Business Administration degree specializing in finance and marketing from Queens University
JOSEPH FELDMAN......	• Bachelor of Arts degree from the University of Toronto • Master of Arts degree from the University of Kent • Bachelor of Law degree from Queens University • Masters of Law degree from Osgoode Hall Law School. • Served as a member of the board of directors of TSX and TSXV-listed companies • Currently a member of the audit committee of a TSXV-listed company.
STEPHEN DULMAGE...	• Bachelor of Arts degree and is a member of the Canadian Institute of Chartered Accountants • Served as a member of the board of directors of TSX and TSXV-listed companies • Currently a member of the audit committee of a TSXV-listed company.

The Board has determined that each member of the Audit Committee is "independent" and "financially literate" as defined in Multilateral Instrument 52-110 – *Audit Committees*.

Reliance on Certain Exemptions

At no time since May 10, 2007 (the date of formation of the REIT) has the REIT relied on any exemptions set forth in National Instrument 52-110 — *Audit Committees*.

Pre-approval Policies and Procedures

The Audit Committee approves, on a case by case basis, all non-audit services provided to the REIT thereof by the REIT's external auditors.

External Auditor Service Fees (By Category)

The fees paid or payable by the REIT to Deloitte & Touche LLP, the REIT's former external auditors, and to KPMG LLP, the REIT's current external auditors, for the periods noted below for audit and non-audit services were as follows:

	2014	2013
Deloitte & Touche LLP		
Audit Fees[(1)]	$nil	$nil
Audit-Related Fees[(2)]	nil	nil
Tax Fees[(3)]	nil	nil
All Other Fees[(4)]	nil	6,000
Total	$nil	$6,000

	2014	2013
KPMG LLP		
Audit Fees[(1)]	$182,000	$183,000
Audit-Related Fees[(2)]	151,000	104,000
Tax Fees[(3)]	87,000	73,000
All Other Fees[(4)]	nil	nil
Total	$420,000	$360,000

	2014	2013
Grant Thornton LLP		
Audit Fees[(1)]	$nil	$nil
Audit-Related Fees[(2)]	40,000	26,000
Tax Fees[(3)]	nil	nil
All Other Fees[(4)]	79,000	nil
Total	$119,000	$26,000

Notes:

(1) This category is intended to capture all fees in respect of services performed in order to comply with Canadian generally accepted auditing standards ("GAAS"). In some cases, these may include an appropriate allocation of fees for tax services or accounting consultations, to the extent such services were necessary to comply with GAAS.

(2) This category generally consists of fees in respect of assurance and related services reasonably related to the performance of the audit or review of the financial statements not reported under "audit fees". Included are such things as employee benefit plan audits, due diligence relating to mergers and acquisitions, accounting consultations and audits in connection with acquisitions, internal control reviews, attest services that are not required by statute or regulation, and consultation concerning financial accounting and reporting standards.

(3) This category includes all fees in respect of services performed by the auditors' tax professionals, except those services required in order to comply with GAAS which are included under "audit fees".

(4) This category captures fees in respect of all services not falling under any of the foregoing three categories. Included are amounts incurred with regard to common area maintenance audits for properties owned by the REIT, 2012 stand alone IFRS Statements and for the Canadian Public Accountability Board's assessment fees.

EXHIBIT "A"

PARTNERS REIT

PARTNERS REAL ESTATE INVESTMENT TRUST

AUDIT COMMITTEE CHARTER

Adopted by the Board of Trustees on March 23, 2015

The Audit Committee (the "Committee") of the Board of Trustees (the "Board") of Partners Real Estate Investment Trust (the "Trust") shall, in accordance with the responsibilities and duties set out in this Charter, assist the Board in discharging the Board's responsibilities relating to oversight of the financial reporting process for the Trust. This Charter is subject to and shall be interpreted in a manner consistent with the Trust's Declaration of Trust and with any applicable law.

PART I
COMPOSITION OF AUDIT COMMITTEE AND APPOINTMENT OF CHAIR

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1. Composition and Term

The Committee shall be composed of members of the Board in such number as is determined by the Board with regard to the Declaration of Trust, applicable laws, rules and regulations and any other relevant consideration, subject to a minimum requirement of three members. The members of the Committee shall be appointed annually by the Board, having considered the recommendation of the Governance, Compensation and Nominating Committee, and shall serve at the pleasure of the Board until the member resigns, is removed, or ceases to be a member of the Board.

2. Independence of Members

The members of the Committee shall be independent within the meaning of the provisions of National Instrument 52-110 – *Audit Committees*, as may be amended from time to time ("NI 52-110").

3. Qualification and Financial Literacy of Members

In addition to the qualities set out in the Declaration of Trust and in the Policy of Practices for Trustees appended to the Mandate of the Board of Trustees of the Trust, all members of the Committee should be financially literate or be willing and able to acquire the necessary knowledge within a reasonable period of time following appointment. While the Board shall determine the definition of and criteria for financial literacy, this shall, at a minimum, include the ability to read and understand financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Trust's financial statements. Committee members will enhance their familiarity with the Trust's business as well as with financial, accounting and other areas relevant to their responsibilities by participating in educational sessions or other opportunities for development provided by the Board.

4. Appointment of Committee Chair

A chair of the Committee (the "Chair") will be appointed by the Board upon recommendation of the Governance, Compensation and Nominating Committee from among the independent Trustees failing which the members of the Committee may designate a Chair by majority vote of the full Committee membership. The Committee may from time to time delegate to its Chair certain powers or responsibilities that the Committee itself may have hereunder. The Chair will have the responsibilities described in Part 4 hereto.

PART 2
AUDIT COMMITTEE PROCEDURE AND AUTHORITY

5. Frequency of Meetings

The Committee shall meet at least once per quarter, or more frequently as necessary to carry out its duties and responsibilities.

6. Quorum

No business may be transacted by the Committee at a meeting unless a quorum of the Committee is present. Unless otherwise set by the Board, a majority of members of the Committee, present in person, by teleconferencing, or by videoconferencing will constitute a quorum.

7. Calling of Meetings

The Chair, any member of the Committee, the chair of the Board, the Chief Executive Officer, the Chief Financial Officer, or the external auditor may call a meeting of the Committee by notifying the Chair of the Committee who will notify the members of the Committee. The Chair shall chair all Committee meetings that he or she attends, and in the absence of the Chair, the members of the Committee present may appoint a chair from their number for a meeting.

8. Procedure

The procedures for calling, holding, conducting and adjourning meetings of the Committee shall be in compliance with the Declaration of Trust.

9. Attendance of Non-Members

The Committee may invite any trustee, officer or employee of the Trust, the Trust's counsel, the external auditor or any other person, as appropriate, to attend meetings of the Committee to assist in the discussion and examination of the matters under consideration by the Committee but who shall not vote. The Committee may also exclude from its meetings any persons it deems appropriate in order to carry out its responsibilities. The Committee will meet at the end of each meeting with only members of the Committee present.

10. Access to Management

In fulfilling the responsibilities set out in this Charter, the Committee has the authority to conduct any investigation and access any officer, employee or agent of the Trust appropriate to fulfilling its responsibilities, including the external auditor.

11. Outside Advisors

The Committee may at any time retain any external legal, accounting or other advisor, at the expense of the Trust, to assist it in fulfilling its responsibilities and in that regard, may set the compensation of such advisor. The Committee shall inform the Chairman of the Board of the retention of an advisor.

12. Minutes

The Committee shall maintain minutes or other records of meetings and activities of the Committee in sufficient detail to convey the substance of all discussions held. Upon approval of the minutes by the Committee, the minutes shall be circulated to the members of the Board. The Chair shall also report to the Board on all material matters considered by the Committee at the first Board meeting after the Committee's meeting. However, the Chair may report orally to the Board on any matter in his or her view requiring the immediate attention of the Board.

13. Committee Decisions

Decisions at the meetings of the Committee shall be determined by a vote of the majority of those present and eligible to vote. The Chair of the meeting shall not have a second or casting vote. Any decision or recommendation of the Committee shall not become effective as a decision of the Board until such decision or recommendation is either confirmed or otherwise extended or amended by the Board, unless the Board has expressly delegated a particular matter to be finalized by the Committee without requiring the subsequent confirmation by the Board. The Committee shall submit all its decisions for approval to the next meeting of the Board.

PART 3
MANDATE OF AUDIT COMMITTEE

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14. Duties and Responsibilities

The Committee shall have the duties and responsibilities set out below as well as any other functions that are specifically delegated to the Committee by the Board and that the Board is authorized to delegate by applicable laws and the Trust's Declaration of Trust. In addition to these functions and responsibilities, the Committee shall perform the duties required of it by any exchange upon which securities of the Trust are traded, or any governmental or regulatory body exercising authority over the Trust, as are in effect from time to time.

(a) **Financial Reporting and Disclosure**

(i) Audited Annual Financial Statements: Review the audited annual financial statements, all related MD&A, and profit or loss press releases for submission to the Board for approval.

(ii) Quarterly Review: Following their review by the external auditor, review the quarterly financial statements, the related management discussion and analysis ("MD&A"), and profit or loss press releases for submission to the Board for approval.

(iii) Significant Accounting Principles and Disclosure Issues: Review with management and the external auditor, significant accounting principles and disclosure issues, including complex or unusual transactions, highly judgmental areas such as reserves or estimates, significant changes to accounting principles, and alternative treatments under Canadian generally accepted accounting principles ("GAAP") for material transactions. This shall be undertaken with a view to understanding their impact on the financial statements, and to gaining reasonable assurance that the statements are accurate, complete, do not contain any misrepresentations, and present fairly the Trust's financial position and the results of its operations in accordance with Canadian GAAP.

(iv) Compliance: Confirm through discussions with management that Canadian GAAP and all applicable laws or regulations related to financial reporting and disclosure have been complied with.

(v) Legal Events: Review any actual or anticipated litigation or other events, including tax assessments, which could have a material current or future effect on the Trust's financial statements, and the manner in which these have been disclosed in the financial statements.

(vi) Off-Balance-Sheet Transactions: Discuss with management the effect of any off-balance-sheet transactions, arrangements, obligations and other relationships with unconsolidated entities or other persons that may have a material current or future effect on the Trust's financial condition, changes in financial condition, results of operations, liquidity, capital expenditures, capital resources, or significant components or revenues and expenses.

(vii) Other Disclosures: Satisfy itself that adequate procedures are in place for the review of the Trust's public disclosure of financial information, other than the public disclosure of the information referred to in subsections (i) and (ii) above, and periodically assess the adequacy of those procedures.

(b) **Oversight of Internal Controls**

(i) Review and Assessment: Review and assess with management:

A. the Trust's guidelines and policies with respect to risk assessment;

B. the adequacy and effectiveness of the Trust's system of internal control and management information systems, including through discussions with the external auditor;

C. the Trust's major financial risk exposures and the steps management has taken to monitor and control such exposures; and

D. all related party transactions and the development of policies and procedures related to those transactions.

(ii) Oversight: Oversee system of internal control, by:

A. monitoring and reviewing policies and procedures for internal accounting, internal audit, financial control and management information;

B. consulting with the external auditor regarding the adequacy of the Trust's internal controls;

C. reviewing with management its philosophy with respect to internal controls and, on a regular basis, all significant control-related findings together with management's response; and

D. obtaining from management adequate assurances that all statutory payments and withholdings have been made.

(iii) Fraud: Oversee investigations of alleged fraud and illegality relating to the Trust's finances.

(iv) Complaints: Review the Trust's Policy for Receipt of Complaints and Whistleblower Protection Policy with management to ensure appropriate procedures exist for the receipt, retention and treatment of complaints received by the Trust regarding accounting, internal accounting controls or auditing matters, the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters, and for the protection from retaliation of those who report such complaints in good faith.

(c) **Oversight of External Auditor**

(i) Appointment or Replacement: Recommend the appointment or replacement of the external auditor to the Board, who will consider the recommendation prior to submitting the nomination to the shareholders for their approval.

(ii) Compensation: Review with management, and make recommendations to the Board, regarding the compensation of the external auditor. In making a recommendation with respect to compensation, the Committee shall consider the number and nature of reports issued by the external auditor, the quality of internal controls, the size, complexity and financial condition of the Trust, and the extent of internal audit and other support provided by the Trust to the external auditor.

(iii) Reporting Relationships: The external auditor will report directly to the Committee.

(iv) Performance: Review with management, on a regular basis, the terms of the external auditor's engagement, accountability, experience, qualifications and performance. Evaluate the experience and qualifications of the senior members of the external auditor's team. Evaluate the performance of the external auditor.

(v) Transition: Review management's plans for an orderly transition to a new external auditor, if required.

(vi) Audit Plan: Review the audit plan and scope of the external audit with the external auditor and management, and consider whether the nature and scope of the planned audit procedures can be relied upon to detect weaknesses in internal controls, frauds or other illegal acts.

(vii) Audit Plan Changes: Discuss with the external auditor any significant changes required in the approach or scope of their audit plan, management's handling of any proposed adjustments identified by the external auditor, and any actions or inactions by management that limited or restricted the scope of their work.

(viii) Review of Results: Review, in the absence of management, the results of the annual external audit, the audit report thereon and the auditor's review of the related MD&A, and discuss with the external auditor the quality (not just the acceptability) of accounting principles used, any alternative treatments of financial information that have been discussed with management, the ramifications of their use and the auditor's preferred treatment, and any other material communications with management.

(ix) Disagreements with Management: Resolve any disagreements between management and the external auditor regarding financial reporting.

(x) Material Written Communications: Review all other material written communications between the external auditor and management, including the post-audit management letter containing the recommendations of the external auditor, management's response and, subsequently, follow up identified weaknesses.

(xi) Interim Financial Statements: Engage the external auditor to review all interim financial statements and review, in the absence of management, the results of the auditor's review of the interim financial statements and the auditor's review of the related MD&A.

(xii) Other audit matters: Review any other matters related to the external audit that are to be communicated to the Committee under generally accepted auditing standards.

(xiii) Meeting with External Auditor: Meet with the external auditor in the absence of management at least quarterly to discuss and review specific issues as appropriate as well as any significant matters that the auditor may wish to bring to the Committee for its consideration.

(xiv) Correspondence: Review with management and the external auditor any correspondence with regulators or governmental agencies, employee complaints or published reports that raise material issues regarding the Trust's financial statements or accounting policies.

(xv) Independence: At least annually, and before the external auditor issues its report on the annual financial statements, review and confirm the independence of the external auditor through discussions with the auditor on their relationship with the Trust, including details of all non-audit services provided. Consider the safeguards implemented by the external auditor to minimize any threats to their independence, and take action to eliminate all factors that might impair, or be perceived to impair, the independence of the external auditor. Consider the number of years the lead audit partner has been assigned to the Trust, and consider whether it is appropriate to recommend to the Board a policy of rotating the lead audit partner more frequently than every five years, as is required under the rules of the Canadian Public Accountability Board.

(xvi) Non-Audit/Audit Services: Pre-approve any non-audit services to be provided to the Trust or its subsidiaries by the external auditor, with reference to compatibility of the service with the external auditor's independence.

(xvii) Hiring Policies: Review and approve the policies of the Trust regarding the hiring of partners, employees and former partners and employees of the present and former external auditor.

(d) **Board Relationship and Reporting**

(i) Adequacy of Charter: Review and assess the adequacy of this Charter annually, taking into account all legislative and regulatory requirements applicable to the Committee as well as any best practice guidelines recommended by regulators or stock exchanges with whom the Bank has a reporting relationship, and submit such amendments as the Committee proposes to the Governance, Compensation and Nominating Committee.

(ii) Disclosure: Oversee appropriate disclosure of the Committee's Charter, and other information required to be disclosed by applicable legislation, in the Trust's Annual Information Form and all other applicable disclosure documents.

(iii) Reporting: Report regularly to the Board on Committee activities, issues and related recommendations.

PART 4
RESPONSIBILITIES OF COMMITTEE CHAIR

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15. Responsibilities of the Chair

The role and responsibilities of the Chair are set out below:

(a) attend and preside over Committee meetings;

(b) provide direction with respect to the dates, locations and frequencies of Committee meetings;

(c) coordinate with the chair of the Board to enhance the overall functioning of the Board;

(d) liaise with the Trust's officers, as appropriate, to information relevant to the Committees duties and responsibilities and to communicate decisions and conclusions of the Committee;

(e) liaise with the external auditor, appointed actuaries, and representatives of the Trust's regulators, as appropriate;

(f) set the agenda for Committee meetings with, where required, input from the chair of the Board, other members of the Committee, the Trust's officers or other persons whose input is necessary to discharge to duties and responsibilities of the Committee;

(g) distribute an agenda and meeting materials in advance of each meeting to allow members sufficient time to review and consider the matters to be discussed;

(h) set the tone for meetings, focus discussion on agenda topics and provide effective leadership to the Committee in the execution of its obligations and responsibilities with a goal of building consensus among Committee members;

(i) lead the Committee in determining areas for focus from time to time and satisfy himself or herself that the Committee is provided with appropriate information and access to resources (in particular timely and relevant information) in order to effectively complete a review of any such topic;

(j) report to the Board on material matters considered by the Committee (a member of the Committee may be designated as the liaison member to report on the deliberations of the Committee to the Board as a result of the inability of the Chair to perform such task);

(k) lead the Committee in annually reviewing and assessing the adequacy of its charter, and evaluating its contribution and effectiveness in fulfilling its charter; as well as leading it in a constructive discussion of any resulting action plans;

(l) work with the chair of the Board and any persons assigned by the board to assist the committee to lead the committee in keeping up-to-date on governance and other matters relevant to it, and in determining education sessions to be held from time to time;

(m) meet with any new trustee appointed to serve on the Committee as part of his or her overall orientation session;

(n) work with the chair of the Board to provide input on succession planning in respect of the Committee Chair position and membership of the Committee generally;

(o) co-ordinate with the other committee chairs to discuss issues in common including ongoing efforts to further enhance board and committee processes;

(p) designate a secretary of the Committee (the “Secretary”) who will maintain the minutes of all Committee meetings and deliberations. In the event the Secretary is unable to attend a meeting, the Chair may designate a person (who need not be a committee member) to act as Secretary of the meeting; and

(q) monitor Committee activities to ensure the work is undertaken is consistent with this charter and does not interfere with management’s responsibilities.