



PARTNERS REAL ESTATE INVESTMENT TRUST

AMENDED AND RESTATED DEFERRED UNIT PLAN

November 1, 2016

**PARTNERS REAL ESTATE INVESTMENT TRUST
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ARTICLE 1– PURPOSE

The purpose of this Amended and Restated Deferred Unit Plan (the “**Plan**”) is to advance the interests of Partners Real Estate Investment Trust (the “**REIT**”) by enhancing the ability of the REIT to attract, motivate and retain trustees and officers of the REIT and to reward such Persons for their sustained contributions and to encourage such Persons to take into account the long-term performance of the REIT.

ARTICLE 2 – DEFINITIONS

The following terms used in this Plan have the meanings set out below:

- (a) “**Additional Deferred Unit Market Value**” means the volume-weighted average of the closing price for a board lot (100 Units) of Units of the REIT on the TSX for the 20 trading days immediately preceding the relevant date;
- (b) “**Affiliate**” has the meaning given to it in Section 1.3 of National Instrument 45-106 – *Prospectus and Registration Exemptions*;
- (c) “**Annual Retainer**” means the annual retainer paid by the REIT to a Trustee in a calendar year for service on the Board expressed in Canadian dollars;
- (d) “**Applicable Withholding Taxes**” means any and all taxes and other source deductions or other amounts that the REIT is required by law to withhold from any amounts to be paid or credited under the Plan;
- (e) “**Award Date**” means the date during the year on which Deferred Units are granted;
- (f) “**Board**” means the Board of Trustees of the REIT;
- (g) “**Business Day**” means a day on which there is trading on the Toronto Stock Exchange or such other stock exchange on which the Units are then listed and posted for trading, and if none, a day that is not Saturday or Sunday or a national legal holiday in Ontario;
- (h) “**Cause**” means cause as such term is interpreted from time to time by the courts of Ontario or, where cause is defined in the employment agreement of a Participant;
- (i) “**Deferred Unit**” means a bookkeeping entry, equivalent in value to a Unit, credited to a Participant’s Deferred Unit Account in accordance with the terms and conditions of the Plan;
- (j) “**Deferred Unit Account**” has the meaning ascribed thereto in Section 9.03;

- (k) **“Distribution Reinvestment Plan”** means the amended and restated distribution reinvestment plan of the REIT dated January 1, 2008, as amended effective March 1, 2016, as may be amended or restated from time to time;
- (l) **“Elected Amount”** in respect of a payment of (i) the Trustee Fees, shall be an amount, as elected by the Trustee, in accordance with the terms hereof and applicable tax law, between 0% and 100% of the Trustee Fees otherwise payable, or (ii) the Officer Bonus, shall be an amount, as elected by the Officer, in accordance with the terms hereof and applicable tax law, between 0% and 100% of the Officer Bonus otherwise payable;
- (m) **“Electing Person”** means a person who is a Trustee or Officer on the applicable Election Date;
- (n) **“Election Date”** means the date on which the Electing Person files an Election Notice in accordance with Section 6.02 or Section 7.02, as applicable;
- (o) **“Election Notice”** has the meaning ascribed thereto in Section 6.02 and 7.02, as applicable;
- (p) **“Governance Committee”** means the Governance, Compensation and Nominating Committee of the Board;
- (q) **“Insider”** has the meaning given to such term in the TSX Company Manual, as such manual may be amended, supplemented or replaced from time to time;
- (r) **“Market Value”** of a Unit means the volume weighted average price of all Units traded on the TSX for the five trading days immediately preceding such date (or, if such Units are not listed and posted for trading on the TSX, on such stock exchange on which such Units are listed and posted for trading as may be selected for such purpose by the Board). In the event that the Units are not listed and posted for trading on any stock exchange, the market value shall be the fair market value of the Units expressed in Canadian dollars as determined by the Board in its sole discretion;
- (s) **“Officer Bonus”** means any annual cash bonus awarded to an Officer by the Governance Committee;
- (t) **“Officer”** means an officer of the REIT appointed pursuant to the REIT’s declaration of trust, as amended from time to time, and as designated by the Governance Committee;
- (u) **“Participant”** has the meaning ascribed thereto in Section 5.01;
- (v) **“Person”** means any individual, partnership, corporation, company, association, trust, joint venture, limited liability company, unincorporated organization, entity or division, or any government, governmental department or agency or political subdivision thereof;
- (w) **“Plan”** means this Deferred Unit Plan;

- (x) **“Redemption Date”** has the meaning ascribed thereto in Section 11.02;
- (y) **“Security Based Compensation Arrangement”** means an option, option plan, employee unit purchase plan, long-term incentive plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Units to one or more directors, Trustees or officers of the REIT or any Subsidiary, current or past full-time or part-time employees of the REIT or any Subsidiary, Insiders or service providers or consultants of the REIT or any Subsidiary including a Unit purchase from treasury by one or more Trustees, officers or directors of any Subsidiary, current or past full-time or part-time employees of the REIT or any Subsidiary, Insiders or service providers or consultants of the REIT or any Subsidiary which is financially assisted by the REIT or any Subsidiary by way of a loan, guarantee or otherwise;
- (z) **“Subsidiary”** means any entity controlled by the REIT;
- (aa) **“Trustee”** means a trustee of the REIT;
- (bb) **“Trustee Fees”** means the Annual Retainer, meeting fees and additional compensation paid by the REIT to a Trustee in a calendar year for service on the Board expressed in Canadian dollars;
- (cc) **“TSX”** means the Toronto Stock Exchange;
- (dd) **“Unit”** means units of the REIT;
- (ee) **“Unitholder”** means a holder of Units; and

ARTICLE 3– CONSTRUCTION AND INTERPRETATION

3.01 The effective date of the Plan is November 1, 2016.

3.02 The Plan shall be governed and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

3.03 If any provision of the Plan or part hereof is determined to be void or unenforceable in whole or in part, such determination shall not affect the validity or enforcement of any other provision or part hereof.

3.04 In the Plan, references to any gender include all genders; reference to the singular shall include the plural and vice versa, as the context shall require.

3.05 Headings wherever used herein are for reference purposes only and do not limit or extend the meaning of the provisions herein contained.

ARTICLE 4 - ADMINISTRATION

4.01 The Plan shall be administered by the Board and the Governance Committee.

4.02 The Governance Committee is authorized, subject to the provisions of the Plan, to establish such rules and regulations as it deems necessary for the proper administration of the Plan, and to make determinations and take such other action in connection with or in relation to the Plan as it deems necessary or advisable. Each determination or action made or taken pursuant to the Plan, including interpretation of the Plan, shall be final and conclusive for all purposes and binding on all parties, absent manifest error.

4.03 The REIT will be responsible for all costs relating to the administration of the Plan.

4.04 The Governance Committee may review and confirm the terms of the Plan from time to time and may, subject to applicable stock exchange rules, amend or suspend the Plan in whole or in part as well as terminate the Plan without prior notice as it deems appropriate; provided, however, that any amendment to the Plan that would, among other things, result in any increase in the number of Deferred Units issuable under the Plan or permit Deferred Units granted under the plan to be transferable or assignable other than for normal estate settlement purposes will be subject to the approval of Unitholders. Without limitation, the Governance Committee may, without obtaining the approval of Unitholders, but subject to the rules of the TSX, make changes: (a) to correct errors, immaterial inconsistencies or ambiguities in the Plan; (b) necessary or desirable to comply with applicable laws or regulatory requirements, rules or policies (including stock exchange requirements); (c) to the vesting provisions applicable to Deferred Units issued under the Plan; (d) to add a provision permitting the REIT to match a percentage of the Elected Amount for each Participant such that the aggregate number of Deferred Units issued to each such Participant annually shall be increased by such percentage; and (e) any other amendment that does not require unitholder approval under applicable laws or rules of the TSX. However, subject to the terms of the Plan, no amendment may adversely affect the Deferred Units previously granted under the Plan without the consent of the affected Participant.

4.05 If the Governance Committee terminates the Plan, Deferred Units previously credited to Participants shall remain outstanding and in effect and shall be settled subject to and in accordance with the applicable terms and conditions of the Plan in effect immediately prior to the termination.

4.06 Unless otherwise determined by the Governance Committee, the Plan shall remain an unfunded obligation of the REIT and the rights of Participants under the Plan shall be general unsecured obligations of the REIT.

4.07 A Participant shall be solely responsible for all federal, provincial, state and local taxes resulting from his or her participation in the Plan. In this regard, the REIT shall be able to deduct from any payments hereunder (whether in the form of securities or cash) or from any other remuneration otherwise payable to a Participant all Applicable Withholding Taxes or to require the Participant, as a condition to receiving entitlements under the Plan, to make arrangements satisfactory to the REIT to enable the REIT to satisfy its withholding obligations. Each Participant agrees to indemnify and save the REIT harmless from any and all amounts payable or incurred by the REIT or any of its Subsidiaries if it is subsequently determined that any greater amount should have been withheld in respect of taxes or any other statutory withholding.

ARTICLE 5 – ELIGIBILITY

5.01 Officers and Trustees of the REIT are eligible to participate in the Plan (“**Participants**”).

5.02 Nothing herein contained shall be deemed to give any person the right to be retained as a Trustee or Officer of the REIT or its Subsidiaries.

ARTICLE 6 – ELECTIONS BY TRUSTEES

6.01 Each Trustee is given, subject to the conditions stated herein, the right to elect in accordance with Section 6.02 to participate in the Plan and receive their Elected Amount in the form of Deferred Units.

The “**Elected Amount**” in respect of a payment of the Trustee Fees, shall be an amount, as elected by the Trustee, in accordance with applicable tax law, between 0% and 100% of the Trustee Fees otherwise payable.

6.02 Each Electing Person who elects to participate in the Plan and receive their Elected Amount in the form of Deferred Units will be required to file a notice of election in the form of Schedule A-1 hereto (the “**Election Notice**”) with the Chief Financial Officer of the REIT: (i) in the case of an existing Electing Person, by December 31st in the year prior to the year to which such election is to apply; and (ii) in the case of a newly appointed Electing Person, within 30 days of such appointment with respect to compensation paid for services to be performed after such date. If no election is made within the foregoing time frames, the Electing Person shall be deemed to have elected to be paid the entire amount of his or her Trustee Fees in cash. The portion of any entitlement in excess of the Elected Amount will be payable in cash.

6.03 Subject to Section 6.04, the election of an Electing Person under Section 6.02 shall be deemed to apply to all of the Trustee Fees paid subsequent to the filing of the Election Notice, and such Electing Person is not required to file another Election Notice for subsequent calendar years.

6.04 Each Electing Person participating in the Plan is entitled once per calendar year to terminate his or her participation in the Plan by filing with the Chief Financial Officer of the REIT a notice in the form of Schedule A-2 hereto electing to terminate the receipt of additional Deferred Units. Such termination shall be effective immediately upon receipt. Thereafter, any portion of such Electing Person’s Trustee Fees payable or paid in the same calendar year and, subject to complying with Section 6.02, in all subsequent calendar years shall be paid in cash. For greater certainty, to the extent an Electing Person terminates his or her election under this Article 6, he or she will only be entitled to file a new Election Notice pursuant to Section 6.02 which will be applicable for the calendar year following the year in which the termination notice is delivered.

6.05 Any Deferred Units granted under the Plan prior to the delivery of a termination notice pursuant to Section 6.04 shall remain in the Plan following such termination and will be redeemable only in accordance with the terms of the Plan.

ARTICLE 7 – ELECTION BY OFFICERS

7.01 Each Officer is given, subject to the conditions stated herein, the right to elect in accordance with Section 7.02 to participate in the Plan and receive their Elected Amount in the form of Deferred Units.

The “**Elected Amount**” in respect of a payment of an Officer Bonus, shall be an amount, as elected by the Officer, in accordance with applicable tax law, between 0% and 100% of the Officer Bonus otherwise payable.

7.02 Each Electing Person who elects to participate in the Plan and receive their Elected Amount in the form of Deferred Units will be required to file a notice of election in the form of Schedule A-1 hereto (the “**Election Notice**”) with the Chief Financial Officer of the REIT: (i) in the case of an existing Electing Person, by December 31st in the year prior to the year to which such election is to apply; and (ii) in the case of a newly appointed Electing Person (including any person who is an Officer on the Effective Date of the Plan), within 30 days of such appointment with respect to compensation paid for services to be performed after such date. If no election is made within the foregoing time frames, the Electing Person shall be deemed to have elected to be paid the entire amount of his or her Officer Bonus in cash. The portion of any entitlement in excess of the Elected Amount will be payable in cash.

7.03 Subject to Section 7.04, the election of an Electing Person under Section 7.02 shall be deemed to apply to all of the Officer Bonus paid subsequent to the filing of the Election Notice, and such Electing Person is not required to file another Election Notice for subsequent calendar years.

7.04 Each Electing Person participating in the Plan is entitled once per calendar year to terminate his or her participation in the Plan by filing with the Chief Financial Officer of the REIT a notice in the form of Schedule A-2 hereto electing to terminate the receipt of additional Deferred Units. Such termination shall be effective immediately upon receipt. Thereafter, any portion of such Electing Person’s Officer Bonus payable or paid in the same calendar year and, subject to complying with Section 7.02, in all subsequent calendar years shall be paid in cash. For greater certainty, to the extent an Electing Person terminates his or her election under this Article 7, he or she will only be entitled to file a new Election Notice pursuant to Section 7.02 which will be applicable for the calendar year following the year in which the termination notice is delivered.

7.05 Any Deferred Units granted under the Plan prior to the delivery of a termination notice pursuant to Section 7.04 shall remain in the Plan following such termination and will be redeemable only in accordance with the terms of the Plan.

ARTICLE 8 - DEFERRED UNITS

8.01 Under no circumstances shall Deferred Units be considered Units nor entitle a Participant to any rights as a Unitholder, including, without limitation, voting rights, distribution entitlements (other than in accordance herewith) or rights on liquidation.

8.02 One (1) Deferred Unit is economically equivalent to one (1) Unit. Fractional Deferred Units are permitted under the Plan.

8.03 Deferred Units granted to Electing Persons further to their Elected Amount will vest immediately upon grant, including Additional Deferred Units credited to a Participant's account in connection with cash distributions pursuant to Section 9.04 shall vest on the same schedule as their corresponding Deferred Units and are considered issued on the same date as the Deferred Units in respect of which they were credited. Deferred Units shall be documented in the form of Schedule A-4, as amended from time to time to reflect Additional Deferred Units and as recorded in the Participant's Account.

ARTICLE 9 – DEFERRED UNIT GRANTS AND ACCOUNTS

9.01 The number of Deferred Units (including fractional Deferred Units) granted at any particular time pursuant to this Plan will be calculated by dividing (a) the Elected Amount, as determined by an Electing Person, or such other amount as allocated to the Participant by the Board or Governance Committee in accordance with Section 9.02, by (b) the Market Value of a Unit on the Award Date.

9.02 In addition to the foregoing, Deferred Units may be granted from time to time to Participants at the discretion of the Board or the Governance Committee. For any Deferred Units issued under this Section 9.02, the Governance Committee has full discretion to establish the terms of such issuance, including any vesting terms that may apply to the grant. Such Deferred Units will be documented in accordance with Section 8.03.

9.03 An account, to be known as a “**Deferred Unit Account**” shall be maintained by the REIT for each Participant and will be credited with notional grants of Deferred Units received by a Participant from time to time.

9.04 Whenever cash distributions are paid on the Units, additional Deferred Units will be credited to the Participant's Deferred Unit Account (“**Additional Deferred Units**”). The number of such Additional Deferred Units to be credited to a Participant's Deferred Unit Account in respect of a cash distribution paid on the Units shall be calculated in a manner consistent with the REIT's Distribution Reinvestment Plan by dividing (i) the amount determined by multiplying (a) the aggregate number of Deferred Units held on the relevant distribution record date by (b) the amount of distributions paid by the REIT on each Unit, by (ii) the Additional Deferred Unit Market Value per Unit on the distribution payment date.

9.05 For greater certainty, the number of Deferred Units credited to a Participant's Deferred Unit Account shall count towards that Participant's ownership requirements as prescribed from time to time by the Board.

ARTICLE 10 - ADJUSTMENTS

10.01 In the event of any Unit distribution, Unit split, combination or exchange of Units, merger, consolidation, spin-off or other distribution of the REIT's assets to the Unitholders (other than normal cash distributions), or any other similar change affecting the Units, the account of each Participant and the Deferred Units outstanding under the Plan shall be adjusted in such manner, if any, as the Governance Committee may in its discretion deem appropriate to reflect the event. However, no amount will be paid to, or in respect of, a Participant under the Plan or pursuant to any other arrangement, and no additional Deferred Units will be granted to such

Participant to compensate for a downward fluctuation in the price of the Units, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.

ARTICLE 11 – REDEMPTION AND TERMINATION OF DEFERRED UNITS

11.01 The Deferred Units shall be redeemable by the Participant (or, where the Participant has died, his or her estate) (i) on or after the date on which the Participant ceases to be a Trustee or Officer, provided any such redemption date is not later than two years following the date the Participant ceases to be a Trustee or Officer, or (ii) upon a change of control of the REIT as determined by the Governance Committee, (each, a “**Termination Date**”); provided, however, in the event an Officer ceases to be an officer of the REIT due to termination for Cause, any and all Additional Deferred Units and/or discretionary Deferred Units granted pursuant to Section 9.02 which have been credited to such Officer’s Deferred Unit Account and have not vested will automatically be cancelled effective immediately upon such termination for Cause.

11.02 The Deferred Units credited to a Participant’s Deferred Unit Account may be redeemed after the Termination Date in whole or in part for Units of the REIT issued from treasury or, when so elected by the Participant and subject to the approval of the Governance Committee, cash, on the date on which the Participant files a written notice of redemption in the form of Schedule A-3 hereto with the Chief Financial Officer of the REIT (the “**Redemption Date**”).

11.03 In the event Deferred Units are redeemed for Units pursuant to this Article 11 subject to (i) the provisions of the Plan, and (ii) the receipt by CDS Clearing and Depository Services Inc. of the Participant’s brokerage account information from his or her securities broker, the Participant shall receive, within five Business Days after the applicable Redemption Date, such number of Units from the REIT equal to the number of Deferred Units then being redeemed from the Participant’s Deferred Unit Account rounded down to the nearest whole number of Units, net of any Applicable Withholding Taxes and subject to Section 4.07.

11.04 In the event Deferred Units are redeemed for cash pursuant to this Article 11, subject to the provisions of the Plan, the REIT shall make, within five Business Days after the Redemption Date, a cash payment, net of any Applicable Withholding Taxes, to the Participant, calculated by multiplying (i) the number of Deferred Units to be redeemed by (ii) the Market Value of a Unit on the applicable Redemption Date.

11.05 Following the satisfaction of the redemption price for the Deferred Units per Section 11.03 or 11.04, the relevant Deferred Units shall be cancelled.

ARTICLE 12 – NUMBER OF UNITS

12.01 The maximum number of Units reserved for issuance under this Plan is 1% of the total Units then outstanding. Notwithstanding the above, subject to applicable law or the requirements of the TSX or any other stock exchange upon which the Units are listed and any Unitholder or other approval which may be required, the Board may, in its discretion, amend this Plan to increase such limit without notice to Participants. If any Deferred Unit granted under this Plan is redeemed, terminated, expires or is cancelled, new Deferred Units may thereafter be granted covering such Units, subject to any required prior approval by the TSX or other stock

exchange upon which the Units are listed. At all times, the REIT will reserve and keep available a sufficient number of Units to satisfy the requirements of all outstanding Deferred Units granted under this Plan.

12.02 The maximum value of the aggregate number of Units that may be subject to grants of Deferred Units under this Plan to any one Participant during any financial year of the REIT shall be no greater than \$100,000.00 (with the value of any grant being determined by reference to the Market Value of a Unit on the applicable Award Date).

12.03 The maximum aggregate number of Units issuable under this Plan to Insiders at any time, including those Units issuable under any other Security Based Compensation Arrangement, shall not exceed 10% of the issued and outstanding Units on a non-diluted basis as of the Award Date of such Deferred Units and the maximum aggregate number of Units that may be issued pursuant to Deferred Units to such Insiders during any 12-month period, including those Units issuable under any other Security Based Compensation Arrangement, shall not exceed 10% of the issued and outstanding Units on a non-diluted basis.

12.04 No Deferred Unit may be granted if such grant would have the effect of causing the total number of Units subject to Deferred Units to exceed the total number of Units reserved for issuance pursuant to the exercise of Deferred Units and set forth in Section 12.01.

ARTICLE 13 – ASSIGNMENT

13.01 In no event may the rights or interests of a Participant under the Plan be assigned, encumbered, pledged, transferred or alienated in any way, except to the extent that certain rights may pass to a beneficiary or legal representative upon death of a Participant, by will or as required by law.

13.02 Rights and obligations under the Plan may be assigned by the REIT to a successor in the business of the REIT.

ARTICLE 14 – COMPLIANCE WITH APPLICABLE LAWS

14.01 The administration of the Plan shall be subject to and performed in conformity with all applicable laws, regulations, orders of governmental or regulatory authorities and the requirements of any stock exchange on which the Units are listed. Should the Governance Committee, in its sole discretion, determine that it is not desirable or feasible to provide for the redemption of Deferred Units for Units pursuant to the provisions of Article 11, including by reason of any such laws, regulations, rules, orders or requirements, it shall notify the Participants of such determination and on receipt of such notice each Participant shall have the option of electing that such redemption obligations be satisfied by means of a cash payment by the REIT equal to the Market Value of the Units that would otherwise be delivered to a Participant in settlement of Deferred Units on the Redemption Date (less any Applicable Withholding Taxes). Each Participant shall comply with all such laws, regulations, rules, orders and requirements, and shall furnish the REIT with any and all information and undertakings, as may be required to ensure compliance therewith.

SCHEDULE A-1

**PARTNERS REAL ESTATE INVESTMENT TRUST AMENDED AND RESTATED DEFERRED
UNIT PLAN (THE "PLAN")**

ELECTION NOTICE

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

Pursuant to the Plan, I hereby elect to participate in the Plan and to receive [_____% of my aggregate Trustee Fees/ _____% of my Officer Bonus] accrued after the date hereof in the form of Deferred Units.

I confirm that:

- (a) I have received and reviewed a copy of the terms of the Plan and agree to be bound by them.
- (b) I recognize that when Deferred Units credited pursuant to this election are redeemed in accordance with the terms of the Plan, income tax and other withholdings as required will arise at that time. Upon redemption of the Deferred Units, the REIT will make all appropriate withholdings as required by law at that time.
- (c) The value of Deferred Units is based on the value of the Units of the REIT and therefore is not guaranteed.

The foregoing is only a brief outline of certain key provisions of the Plan. For more complete information, reference should be made to the Plan's text.

Date:

(Name of Participant)

(Signature of Participant)

SCHEDULE A-2

**PARTNERS REAL ESTATE INVESTMENT TRUST AMENDED AND RESTATED DEFERRED
UNIT PLAN (THE "PLAN")**

ELECTION TO TERMINATE RECEIPT OF ADDITIONAL DEFERRED UNITS

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

Notwithstanding my previous election in the form of Schedule A-1 to the Plan, I hereby elect that no portion of the [Trustee Fees / Officer Bonus] **[Note: Select the appropriate option(s)]** accrued after the date hereof shall be paid in Deferred Units in accordance with the terms of the Plan.

I understand that the Deferred Units already granted under the Plan cannot be redeemed except in accordance with the Plan.

I confirm that I have received and reviewed a copy of the terms of the Plan and agree to be bound by them.

Date:

(Name of Participant)

(Signature of Participant)

Note: An election to terminate receipt of additional Deferred Units can only be made by a Participant once in a calendar year.

SCHEDULE A-3

**PARTNERS REAL ESTATE INVESTMENT TRUST AMENDED AND RESTATED DEFERRED
UNIT PLAN (THE "PLAN")**

REDEMPTION NOTICE FOR CANADIAN RESIDENTS

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

I hereby advise Partners Real Estate Investment Trust (the "**REIT**") that I wish to redeem the Deferred Units credited to my account under the Plan in accordance with the terms of the Plan in the form of [Units of the REIT/cash] [**Note: Select either Units or cash**].

Date:

(Name of Participant)

(Signature of Participant)

Note: If the Redemption Notice is signed by a beneficiary or legal representative, documents providing the authority of such signature should accompany this notice.

SCHEDULE A-4

PARTNERS REAL ESTATE INVESTMENT TRUST amended and restated DEFERRED UNIT PLAN (THE "PLAN")

DEFERRED UNIT CERTIFICATE

To: (Name of Participant)

You have been granted [] Deferred Units under the terms of the Plan representing a right to acquire Units (or cash) in accordance with the terms of the Plan.

Date:

PARTNERS REAL ESTATE INVESTMENT TRUST

Per: _____
[Name]
[Title]

I acknowledge receipt of this Deferred Unit Certificate.

Per: _____
[Name of Participant]