

2018 Annual Information Form

**Cominar Real Estate
Investment Trust**

Year ended December 31, 2018
March 29, 2019



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Glossary

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

"2018 MD&A" means the management discussion and analysis of Cominar for the year ended December 31, 2018;

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

"Atlantic Provinces": includes the Provinces of New-Brunswick, Nova Scotia and Newfoundland and Labrador;

"Board Refreshment Agreement": means the board refreshment agreement entered into as of December 4, 2018, by and between Cominar, FrontFour, Westdale and K2;

"CBCA": means the *Canada Business Corporation Act*, as amended;

"Cominar" or the "REIT": means Cominar Real Estate Investment Trust and the corporations or limited partnerships wholly-owned by Cominar or Cominar's interest in joint ventures;

"Contract of Trust": means the contract of trust made as of March 31, 1998, governed by the laws of the Province of Québec, pursuant to which the REIT was established, as amended, supplemented or restated as of May 8, 1998, May 13, 2003, May 11, 2004, May 15, 2007, May 14, 2008, May 18, 2010, May 16, 2012 and May 16, 2018;

"Dalcon": means Dalcon Inc.;

"Dallaire Family": means, unless indicated otherwise, the wife of the late Jules Dallaire, his children, namely Michel Dallaire, Alain Dallaire, Linda Dallaire and Sylvie Dallaire, their respective spouses and related trusts;

"DBRS": means DBRS Limited;

"Distributable Income": means the amount of cash available to be distributed by the REIT, calculated in the manner set forth under "PART 10 – Distributions – 10.2 Computation of Distributable Income for Distribution Purposes";

"Distribution Reinvestment Plan" or "DRIP": means the REIT distribution reinvestment plan set forth under "PART 12 – Distribution Reinvestment Plan";

"EBITDA ratio": debt to earnings before interest, taxes, depreciation and amortization;

"Equity Incentive Plan": means the REIT's equity-based incentive plan;

"FrontFour": means FrontFour Capital Group LLC;

"Gross Book Value": means, at any time, the book value of the assets of the REIT, as shown on its then most recent balance sheet;

"Groupe Dallaire": means Groupe Dallaire Inc.;

"IFRS": means the generally accepted accounting principles determined with reference to International Financial Reporting Standards, as defined by the International Accounting Standard Board, and which have been prescribed as being Canadian generally accepted accounting principles for publicly accountable enterprises by the Accounting Standards Board of the Canadian Institute of Chartered Accountants for financial years beginning on or after January 1, 2011;

"Immovable Hypothec": means a secured interest in an Immovable Property under the applicable laws in the province where the Immovable Property is situated;

"Immovable Property": means an immovable property under the applicable laws in the province where it is situated;

"Income Properties": means properties generating revenues for the REIT;

"Income Tax Act" or "Tax Act": means the *Income Tax Act* (Canada), as amended from time to time;

"Independent Trustee": means a Trustee who has no direct or indirect material relationship with the REIT. A "material relationship" is one that could, in the view of the Board of Trustees, be reasonably expected to interfere with the exercise of a Trustee's independent judgment;

"Investment Properties": means, collectively, the Income Properties, Properties Under Development, land held for future development and investment properties held for sale;

"K2": means K2 & Associates Investment Management Inc.;

"Management": means the management of the REIT;

"Montréal Area": includes the area generally known as Greater Montréal, which comprises the City of Laval, the North Shore of Montréal and the South Shore of Montréal;

"NCIB": means the normal course issuer bid of the REIT, which expired on November 14, 2018, and was renewed for an additional year on December 10, 2018;

"Net Operating Income" or "NOI": means the REIT's operating income before the change in fair value of Investment Properties, financial charges, REIT administrative expenses, share in joint ventures' net income, transaction costs, impairment and derecognition of goodwill and income tax;

"Ottawa Area": means the City of Ottawa and for the purposes of this AIF, it includes the Gatineau region;

"Province of Ontario" or "Ontario Area" or "Ontario": means the Province of Ontario and for the purposes of this AIF, it includes the Gatineau region;

"Province of Québec" or "Québec": means the Province of Québec, but excluding the Gatineau region;

"Properties Under Development": means properties in the construction phase;

"Québec City Area": includes the area generally known as the Communauté métropolitaine de Québec and other regions of Québec, with the exceptions of the Montréal Area and the Gatineau region;

"Senior Debentures": means, collectively, the Series 2 4.23%, the Series 3 4.00%, the Series 4 4.941%, the Series 7 3.62%, the Series 8 4.25%, the Series 9 4.164% and the Series 10 4.247% senior unsecured debentures of the REIT;

"Slate": means Slate Acquisitions Inc.;

"SIFT": means "specified investment flow-through" trust, as defined in the Tax Act;

"SIFT Rules": means the provisions of the Income Tax Act which address the taxation of SIFTs and their unitholders;

"Toronto Area": includes the City of Toronto and its metropolitan area;

"Trustees": means the trustees of the REIT and "Trustee" means any one of them;

"Unit": means a unit of interest in the REIT issued from time to time in accordance with the Contract of Trust and includes, without limitation and, where the context so requires, units of the REIT issued pursuant to the Equity Incentive Plan or the Distribution Reinvestment Plan, and includes a fraction of a unit of the REIT;

"Unitholder": means a holder of REIT Units;

"Westdale": means Westdale Construction Co. Limited; and

"Western Canada": means the provinces of Alberta and Manitoba.

Forward-Looking Statements

This Annual Information Form (the "AIF") may contain forward-looking statements with respect to the REIT and its operations, strategy, financial performance and condition. By their nature, forward-looking statements involve risks, uncertainties and assumptions. Such forward-looking statements reflect the intentions, plans, expectations and opinions of the REIT regarding the future growth, operating results, performance and business prospects and opportunities of the REIT. Forward-looking statements are often identified by words and expressions such as "plans," "expects," "is expected," "budgeted," "scheduled," "estimated," "seeks," "aims," "forecasts," "intends," "anticipates," "believes," or by statements that certain actions, events or results "may," "could," "would," "might" or "will" be taken, occur, or be achieved, and other variants and similar expressions, as well as the negative and conjugated forms, as they relate to the REIT.

The REIT cautions that its assumptions may not materialize and that current economic conditions render such assumptions, although reasonable at the time they were made, subject to greater uncertainty. Assumptions that could cause actual results, performance or achievements to differ materially from those expressed or implied by forward-looking statements, include, but are not limited to, access to capital and debt financing, the effects of general economic and business conditions, risks associated with the ownership of the immovable properties, including climate change, industry competition, inflation, currency and interest rate fluctuations, risks associated with the REIT's acquisition and development programs, the recruitment and retention of employees and executives, legislative and/or regulatory developments, compliance with environmental laws and regulations, increases in maintenance and operating costs, limits on activities of the REIT, general uninsured losses, potential conflicts of interest, security threats and reliance on technology and related cybersecurity risk. For further details regarding the risk factors related to the business of the REIT, the ownership of Units and the ownership of Senior Debentures, see "PART 8 – Risk Factors".

Forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors which may cause the actual results or performance of the REIT to be materially different from the outlook or any future results or performance implied by such statements. Important risk factors that could affect the forward-looking statements include, but are not limited to, the factors described under "Risk Factors" or incorporated by reference in this AIF. Accordingly, readers are advised not to place undue reliance on forward-looking statements.

Forward-looking statements reflect information as of the date on which they are made. The REIT assumes no obligation to update or revise forward-looking statements to reflect future events, changes in circumstances, or changes in beliefs, unless required by applicable securities laws. In the event the REIT does update any forward-looking statement, no inference should be made that the REIT will make additional updates with respect to that statement, related matters, or any other forward-looking statement.

PART 1 – Date of Annual Information Form

This AIF is dated March 29, 2019. Unless otherwise noted, the information contained in this AIF is stated as at December 31, 2018.

PART 2 – Structure of the REIT

Cominar Real Estate Investment Trust is an unincorporated closed-end investment trust created by the Contract of Trust under, and governed by, the laws of the Province of Québec. The Contract of Trust is available electronically on the REIT's website and under the REIT's profile on SEDAR at www.sedar.com. For further details concerning the Contract of Trust, see "PART 6 – Contract of Trust". The REIT was established on March 31, 1998 and began its activities on May 21, 1998, at the time of the completion of its initial public offering.

The head office of the REIT is located at Complexe Jules-Dallaire – T3, 2820 Laurier Boulevard, Suite 850, Québec, Québec, G1V 0C1, phone number (418) 681-8151. Cominar's website address is www.cominar.com.

Unless otherwise noted or the context otherwise requires, references to the "REIT" or to "Cominar" in this AIF are to Cominar Real Estate Investment Trust and its wholly-owned corporations, limited partnerships and interest in joint ventures, as the case may be.

PART 3 – General Development of the Business

3.1 Overview of the REIT

Cominar owns and manages a diversified portfolio consisting of office, retail, industrial and residential properties located primarily in the Province of Québec and in the Ottawa Area. As at December 31, 2018, the REIT owned 428 properties, of which 281 were located in the Greater Montréal Area, 126 were located in the Greater Québec City Area, 20 were located in the Ottawa Area and one was located in Moncton, New Brunswick.

The REIT's portfolio includes approximately 11.7 million square feet of office space, 10.7 million square feet of retail space, 15.7 million square feet of industrial and flex space, totalling approximately 38.1 million square feet of leasable area and 426 apartment suites. As at December 31, 2018, the REIT's portfolio was approximately 93.6% leased.

Management's focus is on growing Net Operating Income and net asset value and exploiting, when economically viable, expansion or redevelopment opportunities that provide attractive risk adjusted returns. Growth in cash flows from existing properties in the portfolio is expected to be achieved by: (i) increases in rental rates on new and existing leases; (ii) improved occupancy and retention rates, as well as proactive leasing strategies; and (iii) sound management of operating costs.

3.2 Objectives and Strategy

Cominar's primary objective is to maximize total return to Unitholders through a combination of sustainable, tax-effective cash distributions and maximizing the Unit value through the proactive management of its portfolio of properties. Management is primarily focused on the following objectives:

- **Improving the REIT's organic growth:** Initiatives to drive the revenue line include focusing on properties with the best path to growth, increasing the speed with which new space is delivered to tenants, lease-up of vacant space in the retail and office portfolios, focusing on rent growth in the REIT's industrial and flex portfolio, and identifying ancillary revenue opportunities. The REIT is also actively analysing its cost structure to identify areas where it can reduce expenses including through internal cost optimization measures, staffing levels, outsourcing arrangements, and process automation.
- **Strengthening and de-risking the REIT's balance sheet, and prudent management of the REIT's capital structure:** As at December 31, 2018, the debt ratio was 55.3%, down from 57.4% as at December 31, 2017 primarily as a result of the disposition of \$1.1 billion of properties in March 2018. The debt to EBITDA ratio improved to 10.3 times as at December 31, 2018 from 10.9 times as at December 31, 2017. The REIT expects its credit metrics to continue to improve through 2019 as a result of planned dispositions and an increase in same property Net Operating Income. The REIT's objective is to improve its credit metrics in order to enhance financial flexibility and decrease borrowing costs. The REIT's debt risk mitigation strategies include lowering leverage, staggering debt maturities and, building and maintaining broad lending relationships. Cominar will be seeking to transition its debt stack from a mix of secured and unsecured debt to a greater reliance on secured debt. Repayment of Senior Debenture maturities is expected to be funded primarily through a combination of new mortgages and asset sales.
- **Portfolio optimization:** Cominar continues to target dispositions in order to improve portfolio quality, unlock value, downweight the REIT's retail exposure, downweight certain regional exposures, streamline the portfolio with respect to smaller properties which are more costly to manage, and focus on properties with the highest growth potential. In 2018, Cominar sold a total of \$1.2 billion of properties and had \$188.7 million of properties available for sale as at December 31, 2018. The REIT is currently targeting \$300.0 million of dispositions in 2019.
- **Value creation through intensification and development opportunities:** The REIT is currently conducting a review of potential intensification and development opportunities, primarily within its retail portfolio. At present, the fair value estimates recorded on the balance sheet provide no value for potential density. Cominar owns numerous properties, including properties located along the proposed Réseau express métropolitain de Montréal (REM) light rail line, which it believes could benefit from intensification opportunities. Management of the REIT will seek to unlock value within these sites through re-zoning, where required, dispositions and partnerships.

With a number of new members added to the senior executive team in the fourth quarter, Cominar has embarked on a comprehensive strategic planning process to chart the course for continued performance improvement and value creation over the next three years. The REIT is reviewing all aspects of its business including its portfolio, capital structure, human capital, technology, processes, and costs and expenditures to put in place a strategy to improve its performance and returns for its Unitholders.

3.3 Three Year History

Acquisitions

Cominar completed \$70.7 million of acquisitions over the last three years, outlined in summary form below:

- During the first quarter of 2017, Cominar acquired from Groupe Dallaire an additional 25% ownership interest in its Ilot Mendel development site in Québec City for an amount of \$10.0 million, increasing its ownership interest from 75% to 100%.
- During the second quarter of 2017, Cominar acquired from Groupe Dallaire an additional 25% ownership interest in Société en commandite Complexe Jules-Dallaire for an amount of \$21.2 million, increasing its ownership interest in the Complexe Jules-Dallaire in Québec City to 75%.
- During the second quarter of 2018, Cominar acquired the approximately 144,000 square foot former Sears building in Trois-Rivières, which is connected to its Les Rivières shopping centre in Trois-Rivières, Québec, for an amount of \$3.5 million.
- During the third quarter of 2018, Cominar acquired the land and superficies rights (the equivalent of air rights under Québec Law) related to a property in which Cominar had been leasing the superficies rights associated with its office building, for an amount of \$36.0 million.

Dispositions

Over the past three years, the REIT disposed of approximately \$1.4 billion of Investment Properties in 17 transactions. Cominar is currently reviewing its portfolio and identifying opportunities to sell additional properties in order to repay debt, enhance its financial flexibility and further concentrate its activities on properties best suited to generate growth and surface value. Dispositions completed in the last three years are outlined in summary form below:

- In 2016, Cominar sold a total of 31 properties located in the Provinces of Québec and Ontario for total gross proceeds of approximately \$117.2 million.
- In 2017, Cominar sold a total of 17 properties located in the Provinces of Québec and Ontario, and in the Atlantic Provinces for total gross proceeds of approximately \$105.5 million.
- On March 27, 2018, Cominar sold 95 non-core properties to Slate, which were located in the provinces of Alberta, Manitoba, Ontario, and in the Atlantic Provinces, for total gross proceeds of \$1.14 billion.
- On August 31, 2018, Cominar sold an industrial and flex property located in the Québec City Area, for total gross proceeds of \$2.9 million.
- On December 13, 2018, Cominar sold an office property located in the Montréal Area, for total gross proceeds of \$8.2 million.

Development

Over the past three years, Cominar's investment in Properties Under Development decreased to \$34.3 million from \$49.1 million as at December 31, 2015. Over this period \$103.1 million has been invested in development properties and \$70.4 million was transferred from Properties Under Development to income producing properties. Key projects completed or in progress over the last three years include: Espace Bouvier, an office and retail project in Québec City, and Ilot Mendel, a retail development project located in Québec City. See "Properties Under Construction and Development Projects" in the 2018 MD&A.

Financing, Rating and Equity Activities

On September 23, 2016, the REIT closed a public offering of 12,780,000 Units at a price of \$15.65 per unit. The total net proceeds amounted to \$191.7 million, after deducting the underwriters' fee and the expenses of this offering.

On August 3, 2017, the REIT announced the temporary suspension of the Distribution Reinvestment Plan. The DRIP remains suspended as of this day. For details concerning the Distribution Reinvestment Plan, see "PART 12 – Distribution Reinvestment Plan".

On August 4, 2017, DBRS announced that it had downgraded the rating of the Senior Debentures from BBB (low) with a Negative trend to BB (high) with a Stable trend. For details concerning credit ratings, see "PART 11 – Capital Structure – 11.6 Credit Ratings". Since then, there has been no change in Cominar's credit rating, which was more recently confirmed in the rating report issued by DBRS on October 24, 2018.

On March 7, 2018, Cominar announced a decrease of the monthly distribution from \$0.095 per Unit to \$0.06 per Unit beginning with the March 2018 distribution paid in April 2018.

During the fiscal year ended on December 31, 2018, the REIT purchased and cancelled 2,709,500 Units for total cash consideration of \$39.5 million under its NCIB, at a weighted average price of \$14.58 per Unit. Under the NCIB which expired on November 14, 2018, the REIT repurchased a total of 3,440,400 Units at an average price of \$14.50, for total consideration of \$49.9 million paid cash.

On December 10, 2018, the NCIB was renewed for an additional year. A maximum of 18,112,182 Units of the REIT may be repurchased under the NCIB as renewed. As at December 31, 2018, Cominar had not purchased any Units pursuant to the NCIB, as renewed.

3.3.1 Changes in Management and in the Board of Trustees

On March 8, 2018, Mr. Paul D. Campbell and Mr. René Tremblay were elected as Trustees.

At the annual meeting of Unitholders held on May 16, 2018, Mrs. Heather C. Kirk was elected as Trustee, in replacement of Mrs. Mary-Ann Bell, who did not stand for re-election. On November 5, 2018, Cominar announced the appointment of Heather C. Kirk as Executive Vice President and Chief Financial Officer, effective December 3, 2018. Ms. Kirk resigned as a Trustee of the REIT upon the commencement date of her term of office as Executive Vice President and Chief Financial Officer of Cominar.

On December 4, 2018 Cominar announced that Mr. Alban D'Amours, Chairman of Cominar's board of trustees, will not stand for re-election at Cominar's 2019 annual meeting of Unitholders.

On December 4, 2018, Cominar also entered into a Board Refreshment Agreement with FrontFour, Westdale and K2, as part of its ongoing board renewal process. The Board Refreshment Agreement provides for: (i) the nomination of Zachary R. George as Trustee to fill the vacancy created by the resignation of Heather C. Kirk; (ii) the inclusion of Mr. Mitchell Cohen in the management slate of nominees to the board of Trustees for nomination and election by Unitholders at the 2019 annual meeting to fill the vacancy created by the anticipated departure of Mr. Alban D'Amours; and (iii) the designation of four potential candidates by Cominar and the Unitholders from which the board, upon recommendation from the nominating and governance committee, will select one person that will replace a second trustee who will not be standing for re-election at the 2019 annual meeting.

During the third quarter, Cominar announced the appointment of Marie-Andrée Boutin as Executive Vice President, Strategy and Operations, Retail, who took over from Guy Charron during the fourth quarter of 2018, and Sandra Lécuyer as Vice President, Talent and Organization.

Other important changes in the Management and in the Board of Trustees have taken place since December 31, 2018. For details concerning those changes, see "PART 9 – Subsequent Events to December 31, 2018 – 9.3 Changes in Management and on the Board of Trustees".

PART 4 – Description of the Business

4.1 Investment Guidelines and Operating Policies

4.1.1 Investment Guidelines

The Contract of Trust provides for certain guidelines on investments, which may be made by the REIT. The assets of the REIT may be invested only in accordance with the following guidelines:

- (i) the REIT shall focus its direct and indirect acquisition activities on existing income-producing properties that are capital property of the REIT, including office, retail, industrial and mixed use properties, and assets ancillary thereto necessary for the ownership, utilization or operation of same;

- (ii) notwithstanding anything in the Contract of Trust to the contrary, the REIT shall not make any investment or take any action or omit to take any action that would result in: (a) Units not being units of a "mutual fund trust", a "real estate investment trust", or a "unit trust" within the meaning of the Tax Act; (b) Units not being disqualified for investment by registered retirement savings plans, registered retirement income funds or deferred profit sharing plans; (c) the REIT being liable to pay a tax imposed under paragraph 122(1)(b) of the Tax Act; or (d) the REIT paying a tax under the registered investment provisions of the Tax Act imposed for exceeding certain investment limits;
- (iii) the REIT may, directly or indirectly, invest in a joint venture arrangement or similar arrangement (including, without limitation, a co-ownership, corporation, general partnership, limited partnership and limited liability company) for purposes of owning interests, directly or indirectly, principally in Immovable Property or interests or investments otherwise permitted to be held by the REIT, provided that such arrangement contains terms and conditions which in the opinion of the Trustees are commercially reasonable relating to restrictions on transfer, liquidity to the REIT, liabilities in respect of third party liabilities, and management of the interest, as applicable;
- (iv) except for temporary investments held in cash, deposits with a Canadian chartered bank or trust company registered under the laws of a province of Canada, or Caisse centrale Desjardins, short-term government debt securities or money market instruments of, or guaranteed by, a Schedule 1 Canadian bank or Caisse centrale Desjardins maturing prior to one year from the date of issue, or some or all of the receivables under the Instalment Receipt Agreement, or except as permitted pursuant to the investment guidelines and operating policies of the REIT herein, the REIT may not hold securities of a person other than to the extent such securities would constitute, directly or indirectly, an investment or an interest in Immovable Property, or in any entity formed and operated, in whole or in part, for the purpose of carrying on ancillary activities to any Immovable Property owned, directly or indirectly, in whole or in part, by the REIT, and other than for any other purpose relating to the activities of the REIT, and provided further that, notwithstanding anything contained in this Contract of Trust to the contrary, the REIT may acquire securities of other real estate investment trusts or real estate operating companies;
- (v) except as otherwise prohibited in this Contract of Trust, the REIT may, directly or indirectly, invest in interests (including ownership and leasehold interests) in income-producing Immovable Property in Canada and the United States that is capital property of the REIT;
- (vi) 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 Immovable Property that is capital property of the REIT;
- (vii) the REIT shall not invest in operating businesses unless such investment is incidental to a transaction or purpose (a) where revenue will be derived, directly or indirectly, principally from Immovable Property, or (b) which principally involves the ownership, maintenance, development, leasing, management or operation, directly or indirectly, of Immovable Property (in each case as determined by the Trustees);
- (viii) the REIT may, with the prior approval of the Trustees, directly or indirectly, invest in raw land to be held as capital property for development and ownership or for other development projects, in any such case, for the purpose of (a) renovating or expanding existing facilities that are capital property of the REIT or (b) developing new facilities which will be income producing and constitute capital property of the REIT, provided that the aggregate value of the investments of the REIT in raw land will not exceed 5% of the Adjusted Unitholders' Equity;
- (ix) the REIT may, directly or indirectly, invest in hypothecs, mortgages or mortgage bonds (including, with the consent of a majority of the Trustees, a participating or convertible hypothec or mortgage) where:
 - (a) the Immovable Property which is security therefor is income-producing Immovable Property which otherwise meets the general investment guidelines of the REIT adopted by the Trustees from time to time in accordance with the Contract of Trust and the restrictions set out therein;
 - (b) the amount of the hypothecary or mortgage loan is not in excess of 75% of the market value of the property securing the hypothec or mortgage and the hypothec or mortgage has at least 1.2X debt service coverage;
 - (c) the Immovable Hypothec or mortgage is a first-ranking Immovable Hypothec or mortgage or of subsequent rank registered on title to the Immovable Property which is security therefore; and
 - (d) the aggregate value of the investments of the REIT in such hypothecs and mortgages, after giving effect to the proposed investment, will not exceed 20% of the Adjusted Unitholders' Equity;

- (x) the REIT may invest in hypothecs or mortgages if its intention is to use the acquisition of the hypothecs and mortgages as a method of acquiring control of an income-producing Immovable Property which would otherwise meet the investment guidelines of the REIT and provided the aggregate value of the investments of the REIT in these hypothecs and mortgages, after giving effect to the proposed investment, will not exceed 20% of the Adjusted Unitholders' Equity; and
- (xi) subject to paragraph (ii), the REIT may, directly or indirectly, invest an amount (which, in the case of an amount invested to acquire Immovable Property, is the purchase price less the amount of any indebtedness assumed or incurred by the REIT and secured by a hypothec or mortgage on such property) of up to 15% of the Adjusted Unitholders' Equity of the REIT in investments or transactions which do not comply with paragraphs (iv), (v), (ix) and (x) under the heading "Investment Guidelines and Operating Policies – Investment Guidelines" or paragraph (iii) under the heading "Investment Guidelines and Operating Policies – Operating Policies".

For the purpose of the foregoing guidelines, the assets, liabilities and transactions of a corporation or other entity wholly or partially owned by the REIT shall be deemed to be those of the REIT on a proportionate consolidation basis. In addition, any references in the foregoing to investment in Immovable Property shall be deemed to include an investment in a joint venture arrangement. Nothing in the guidelines shall prohibit the REIT from holding or assigning some or all of the receivables due pursuant to any instalment receipt agreement.

Except as specifically set forth above to the contrary, all of the foregoing prohibitions, limitations or requirements for investment shall be determined as at the date of investment by the REIT.

4.1.2 Operating Policies

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

- (i) 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 Policy No. 39 adopted by the Canadian Securities Administrators, as amended from time to time;
- (ii) any written instrument creating an obligation which is or includes the granting by the REIT of a hypothec or mortgage, and to the extent the Trustees determine to be practicable and consistent with their duty to act in the best interests of the Unitholders, any written instrument which is, in the judgment of the Trustees, a material obligation, shall contain a provision or be subject to an acknowledgement to the effect that the obligation being created is not personally binding upon, and that resort shall not be had to, nor shall recourse or satisfaction be sought from, the private property of any of the Trustees, Unitholders, annuitants under a plan of which a Unitholder acts as trustee or carrier, or officers, employees or agents of the REIT, but that only property of the REIT or a specific portion thereof shall be bound; the REIT, however, is not required, but shall use all reasonable efforts, to comply with this requirement in respect of obligations assumed by the REIT upon the acquisition of Immovable Property;
- (iii) shall not lease or sublease to any person any Immovable Property, premises or space where that person and its affiliates would, after the contemplated lease or sublease, be leasing or subleasing Immovable Property, premises or space having a fair market value in excess of 20% of the Adjusted Unitholders' Equity of the REIT;
- (iv) the limitations contained in paragraph (iii) shall not apply to the renewal of a lease or sublease and shall not apply where the lessee or sublessee is, or where the lease or sublease is guaranteed by:
 - (a) the Government of Canada, the Government of the United States, any province of Canada, any state of the United States or any municipality in Canada or the United States, or any agency thereof;
 - (b) any corporation, the bonds, debentures or other evidences of indebtedness of, or guaranteed by, are authorized as an investment for insurance companies pursuant to subsection 86(1)(k) of the *Canadian and British Insurance Companies Act* in effect on December 31, 1991; or
 - (c) a Canadian chartered bank registered under the laws of a province of Canada;

- (v) title to each Immovable Property shall be drawn up in the name of the Trustees or, to the extent permitted by applicable law, the REIT or a corporation or other entity owned, in whole or in part, directly or indirectly, by the REIT, or jointly by the REIT with other persons, including in co-ownership with other persons;
- (vi) the REIT shall not incur or assume any indebtedness if, after giving effect to the incurring or assumption of the indebtedness, the total indebtedness of the REIT would be more than 60% of the Gross Book Value (65% if convertible debentures of the REIT are outstanding, including the full face value of any convertible debentures). If as a result of an acquisition or if as a result of a variation in Gross Book Value the 60% limit (the 65% limit if convertible debentures of the REIT are outstanding, including the full face value of any convertible debentures) is exceeded, the REIT shall reduce its indebtedness or issue additional Units, or take other action, in order to comply with such limit within the twelve months from the date such limit was exceeded, subject to such reasonable extensions beyond such 12-month period as approved by the Trustees;
- (vii) the REIT shall not directly or indirectly guarantee any indebtedness or liabilities of any kind of a third party, except indebtedness or liabilities assumed or incurred by an entity in which the REIT holds, directly or indirectly, an interest or an investment, or in respect of an entity in which the REIT holds an interest or an investment, directly or indirectly, or by an entity jointly owned by the REIT, directly or indirectly, with others or in respect of an immovable co-owned by the REIT, directly or indirectly, with others, where such indebtedness, if granted by the REIT directly, would not cause the REIT to otherwise contravene the restrictions set out under the heading "Investment Guidelines and Operating Policies";
- (viii) the REIT shall obtain or review an independent appraisal of each property that it intends to acquire;
- (ix) 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 Trust 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
- (x) the REIT shall obtain or review a Phase I environmental audit of each Immovable Property to be acquired by it and, if the Phase I environmental audit report recommends a Phase II environmental audit be conducted, in any material respect, the REIT shall obtain or review a Phase II environmental audit, in each case by an independent and experienced environmental consultant.

For the purposes of the foregoing policies, the assets, liabilities and transactions of a corporation or other entity wholly or partially owned by the REIT shall be deemed to be those of the REIT on a proportionate consolidation basis. In addition, any references in the foregoing to investment in Immovable Property shall be deemed to include an investment in a joint venture. All of the foregoing prohibitions, limitations or requirements pursuant to the foregoing policies shall be determined as at the date of investment or other action by the REIT.

4.1.3 Amendments to Investment Guidelines and Operating Policies

Pursuant to the Contract of Trust, all of the investment guidelines set out under the heading "Investment Guidelines and Operating Policies – Investment Guidelines" and the operating policies contained in paragraphs (v), (vi), (vii), (viii), (ix) and (x) under the heading "Investment Guidelines and Operating Policies – Operating Policies" may be amended only if such amendment is approved by two-thirds of the votes cast by Unitholders of the REIT at a meeting of Unitholders called for such purpose. The remaining operating policies may be amended if such amendment is approved by the Trustees by ordinary resolution at a meeting called for such purpose.

4.2 Borrowing

As at December 31, 2018, the REIT's debt ratio stood at 55.3%. The REIT's indebtedness consists of mortgage and hypothecary loans, Senior Debentures and bank borrowings. Mortgage and hypothecary loans payable represented approximately 48.2% of total indebtedness, Senior Debentures represented approximately 47.6% of total indebtedness and bank borrowings represented approximately 4.2% of total indebtedness. As at December 31, 2018, the weighted average contractual interest rate of mortgage and hypothecary loans payable was 4.03% per year, and the weighted average remaining term of such loans was 5.0 years. The weighted average contractual interest rate stood at approximately 4.23% for Senior Debentures.

4.2.1 Bank Borrowings

As at December 31, 2018, the REIT had an unsecured revolving credit facility of up to \$700.0 million which matures in August of 2019. As at December 31, 2018, bank borrowings under this facility totalled \$153.0 million. During the first quarter of 2019, at the request of Cominar, the maximum amount available under this facility was reduced from \$700.0 million to \$500.0 million.

4.2.2 Hypothecs

The following table outlines mortgages payable and their contractual maturity dates for the specified years:

CONTRACTUAL MATURITIES OF MORTGAGES PAYABLE

For the years ending December 31	Repayment of principal (\$)	Balances at maturity (\$)	Total (\$)	Weighted average contractual rate
2019	48,273,000	2,257,000	50,530,000	6.63%
2020	50,129,000	80,974,000	131,103,000	4.34%
2021	44,365,000	326,177,000	370,542,000	4.25%
2022	37,173,000	184,248,000	221,421,000	3.35%
2023	33,251,000	292,489,000	325,740,000	4.61%
2024	24,842,000	181,733,000	206,575,000	4.08%
2025	17,864,000	23,234,000	41,098,000	3.58%
2026	6,914,000	288,510,000	295,424,000	3.52%
2027	5,063,000	50,968,000	56,031,000	3.85%
2028	1,743,000	30,836,000	32,579,000	4.48%
2029 and thereafter	5,299,000	11,649,000	16,948,000	4.19%
Total	274,916,000	1,473,075,000	1,747,991,000	4.03%

4.2.3 Debentures

The following table outlines the Senior Debentures:

OUTSTANDING SENIOR DEBENTURES AS AT DECEMBER 31, 2018

	Date of issuance	Contractual Interest rate	Effective Interest rate	Maturity date	Par value as at December 31, 2018 (1,000\$)
Series 2	December 2012 ⁽¹⁾	4.23%	4.37%	December 2019	300,000
Series 3	May 2013	4.00%	4.24%	November 2020	100,000
Series 4	July 2013 ⁽²⁾	4.941%	4.81%	July 2020	300,000
Series 7	September 2014	3.62%	3.70%	June 2019	300,000
Series 8	December 2014	4.25%	4.34%	December 2021	200,000
Series 9	June 2015	4.164%	4.25%	June 2022	300,000
Series 10	May 2016	4.247%	4.34%	May 2023	225,000
		4.23%	4.29%		1,725,000

Notes:

(1) Re-opened in February 2013 (\$100,000)

(2) Re-opened in January 2014 (\$100,000) and March 2014 (\$100,000).

For further details regarding the Senior Debentures, see "PART 7 – Description of Debentures – General".

4.3 Employees

As at December 31, 2018, the REIT had 856 employees (646 full time, 75 part time and 135 construction workers), the majority of which were located in the Québec City and Montréal Areas. The 135 construction workers may be returned to the labour pools managed by the Commission de la Construction du Québec (CCQ) on 48-hour notice.

4.4 Operating Revenues

For the fiscal year ended December 31, 2018, the REIT had operating revenues of \$734.7 million and Net Operating Income of \$372.5 million compared to \$835.5 million and \$436.0 million, respectively, for the previous year. This decrease in operating revenues and Net Operating Income is directly attributable to the sale of 95 properties in March 2018. The REIT's total assets as at December 31, 2018 stood at \$6.5 billion.

4.5 Investments in Joint Ventures

In the past, the REIT has co-invested with Groupe Dallaire in three joint ventures, whose business objective is the ownership, management and development of real estate projects. The three joint ventures are outlined below.

4.5.1 Société en commandite CJD

Société en commandite CJD owns and operates the Complexe Jules-Dallaire, located in Québec City. The REIT owns a 75% interest in Société en commandite CJD, with the remaining 25% owned by Groupe Dallaire.

4.5.2 Société en commandite Bouvier-Bertrand

Société en commandite Bouvier-Bertrand was created for the purpose of developing retail land located along Highway 40, one of Québec City's main highways. It is expected that, upon completion, Espace Bouvier will consist of an office building of 80,000 square feet and five retail buildings totalling approximately 191,500 square feet. Each of the REIT and Groupe Dallaire own a 50% interest in Société en commandite Bouvier-Bertrand. See "Properties Under Construction and Development Projects – Société en commandite Bouvier-Bertrand (Québec City)" in the 2018 MD&A.

4.5.3 Société en commandite Marais

The REIT and Groupe Dallaire are also limited partners in Société en Commandite Marais, in which the REIT owns a 75% interest and Groupe Dallaire owns a 25% interest. This limited partnership was created to carry out the development of 1,542,000 square feet of retail land located in Québec City, at the junction of Robert-Bourassa and Félix-Leclerc highways. The development of this site will depend on market conditions and zoning changes, if required.

For additional details regarding the rights and obligations of each of the limited partners under these joint ventures see "PART 16 – Interest of Management and Other Informed Persons in Material Transactions – Contractual rights and obligations."

4.6 Social Responsibility, Environmental Management and Policies

4.6.1 Social Responsibility

Guided by the human values that are at the core of Cominar's corporate culture and its commitment to contributing to its communities, Cominar has implemented and supported various volunteering initiatives. The REIT's social engagement program has been crafted to support employees' efforts to give back to their community and to encourage its team to embrace sustainable development. In 2018, this translated into 3,154 volunteer hours through 219 initiatives. The dedication of each and every individual involved in these activities helps the REIT enhance the quality of life in its communities and reinforces the REIT's commitment to striking a balance between empathy, humanity and business objectives.

As an example, in the spring of 2018, maintenance crews were involved in a community rooftop gardening project at several of the REIT's properties in the Montréal Area and the Ottawa Area. Through this initiative, more than 75 kilograms of vegetables and some 50 watermelons were donated to the Ottawa Food Bank, Au Panier de Chomedey and L'Envol. The security staff also invested 240 hours in the Maison du Père, which embraces an alternative approach to homelessness and improves the reintegration of the homeless into society.

The REIT also continued to support Centraide/United Way by pledging to match employee contributions. The REIT has supported this cause since 2008 and in 2018, raised a total of \$134,000 for Centraide/United Way. In addition, for the second holiday season in a row, the REIT has hosted Cominar's Forest of Stars in 18 of its shopping centres, raising \$166,822 for Opération Enfant Soleil.

The REIT supports a wide range of charities and foundations in the fields of health, humanitarian endeavours, arts and culture, business outreach and development, education and athletic excellence and activities. In 2018, the REIT supported more than 90 different causes.

4.6.2 Environmental Management

The REIT's environmental management program aims to safeguard its assets and occupants, and to ensure that its properties comply with applicable environmental standards. Cominar's teams regularly monitor environmental compliance and perform the necessary due diligence prior to acquiring, financing or selling a property, or applying for a municipal permit. The REIT works with external experts to conduct required environmental assessments.

The REIT maintains a list of the clients at each property to which specific environmental measures apply, based on the North American Industry Classification System (NAICS), and follows up to ensure compliance.

When it comes to managing hazardous materials, the REIT teams up with external suppliers to identify materials and products likely to contain asbestos. These reports, which have been developed to meet requisite regulations, are compiled in an internal registry and are made available for all work carried out in the REIT's properties. They are also provided to any tenant upon request. Cominar seeks to ensure that workers use the appropriate precautions to protect both their safety and the safety of its occupants. Asbestos-containing demolition waste is also managed in accordance with federal hazardous materials legislation. In addition, the members of Cominar's asset management team are trained to identify flocking and heat-insulating materials.

A number of initiatives have been undertaken at the REIT's properties to promote environmentally responsible management, some of which are described below:

- Rockland Centre, located in the Town of Mount Royal, received a National Earth Award from BOMA Canada in 2016 in recognition of the comprehensive program put in place in recent years to reduce its carbon footprint. The six-pronged program covers energy, water, waste reduction, emissions and effluents, indoor environment and the centre's environmental management system. As a result of these efforts, Rockland Centre has successfully diverted 91.9% of waste from landfill, including 200 tonnes of organic waste that is turned into compost every year and used to enrich the soil of local fir tree farms;
- In Laval, Centropolis is also leading the way in sustainable development. Centropolis' carbon footprint reduction initiatives include an ornamental vegetable garden in the heart of its central plaza, replacing the previous flower garden. Not only does the new configuration require less water, but the food it yields is redistributed to the Centre de bénévolat et moisson Laval. An open-air retention pond, comparable to a natural pond, has also been set up to collect large quantities of rainwater. Some of the water is absorbed and filtered by herbaceous perennials, while some is released into the air through evapotranspiration. Centropolis holds BOMA BEST Platinum certification and was presented with the regional and national BOMA award for environmental performance in 2015. In addition, 3055 Saint-Martin Boulevard West, one of the buildings in the complex, is certified LEED-CS Gold;
- In Québec City, innovative landscape irrigation practices have been introduced at Complexe Jules-Dallaire to curtail, and even eliminate, the need to water the grounds. The complex, which is LEED Gold-certified, has a reservoir to collect runoff water from the roof and non-irrigated surfaces. This is then used to meet 10% to 40% of the watering needs for the property's green spaces, as a complement to natural rainfall;
- On Montréal's South Shore, two beehives were built in 2018 at the Place Longueuil shopping centre. The 50,000 to 80,000 bees that live in them help pollinate the trees and flowers within a 5-kilometre radius. Their hard work all summer long produced 200 jars of honey, 50 beeswax candles and 100 tubes of lip balm. Proceeds from the sale of these items went to Leucan and the Fondation du Centre jeunesse de la Montérégie;
- Mail Champlain was recognized for marketing excellence for its Electrobac program in 2018. Together, the 13 properties participating in the program collected and recovered 32,329 electronic devices, which works out to the equivalent of 40,727 litres of petroleum saved and 91,860 plastic bottles recycled;
- Cominar was recognized as an "Eco Partenaire" by Recyclage Vanier/Rolland for using document destruction and recycling services that contribute to the circular economy. All shredded paper is transformed into pulp and used to make recycled paper.

As part of the continuous improvement of energy efficiency of its properties, the REIT closely monitors all electromechanical systems and regularly upgrades existing facilities. Monitoring makes it possible to detect anomalies in energy consumption. Any such variances are then analyzed by Cominar's engineering team, in collaboration with its operators, in order to undertake the necessary corrective action. In the event a building undergoes an overhaul of its mechanical systems, the monitoring equipment will record the data necessary to generate energy curves for heating/cooling needs and electrical demand. The stored information is then used to analyze real-time trends and promptly correct any variances that are observed. The benefits in terms of improved energy performance are multiple, including a reduction in operating expenditures and greater sustainability and value for the properties in question. Furthermore, given the rise in popularity of electric vehicles, the REIT installed 59 EV charging stations to meet the growing needs of its clients. A total of 25,254 charging sessions were recorded in 2018.

Below are two compelling examples of energy efficiency retrofits:

- In 2018, a number of initiatives to improve energy efficiency were rolled out at 400 Cooper Street in Ottawa. Upgrades to the mechanical systems and a new lighting and energy management system brought about several benefits, such as increased occupant comfort, a 40% savings in annual energy consumption and a reduction in energy use equivalent to that generated by 100 households;
- In Québec City, Place de la Cité's commitment to better energy efficiency translated to a 10% decrease in its annual electricity usage, or the equivalent of 225 households.

4.6.3 Corporate Social Responsibility and Environmental Sustainability Policy

In April 2018, the REIT adopted a Corporate Social Responsibility and Environmental Sustainability policy (the "CSR Policy").

The CSR Policy identifies the REIT's values with respect to social responsibility and environmental sustainability, and delineates how the REIT integrates such values into its investments and operations. To maximize the REIT's contribution to sustainable and socially responsible development and minimize its environmental impact, the CSR Policy focuses on five core areas: corporate governance; employee engagement and well-being; environmental stewardship; relations with stakeholders; and, community involvement, development and investment. In each area, the REIT requires, supports and encourages active engagement between its Board, senior management and employees, as well as its tenants and other partners to ensure it achieves its social and environmental goals and commits to transparent, honest and respectful decision-making. Additionally, the CSR Policy recognizes concrete objectives in the following fundamental areas with respect to environmental sustainability: compliance with environmental legal requirements; environmental footprint reduction; promoting environmentally conscious choices and activities with respect to products, services and business operations; and, employee and tenant involvement.

PART 5 – Properties

5.1 Overview of the Portfolio

Cominar owns and manages a diversified portfolio consisting of office, retail, industrial and residential properties located primarily in the Province of Québec and in the Ottawa Area. The REIT owns one property in Moncton, New Brunswick, which is currently held for resale. Further details concerning the portfolio are highlighted in Schedule "A" attached to this AIF.

5.1.1 Summary by Property Type

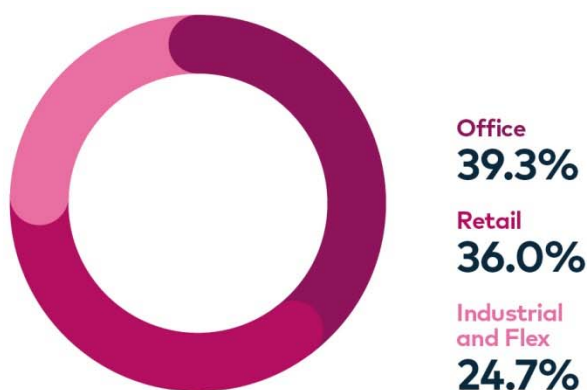
The following tables and charts summarize the REIT's portfolio by property type as at December 31, 2018:

As at December 31, 2018	Number of properties	Leasable area (sq. ft.)	Committed Occupancy rate (%)
Office	96	11,707,000	91.5
Retail	136	10,714,000	93.8
Industrial and Flex	196	15,706,000	95.0
Total	428	38,127,000	93.6

Distribution of leasable area
of Investment Properties
by property type for 2018



Distribution of NOI
of Investment Properties
by property type for 2018

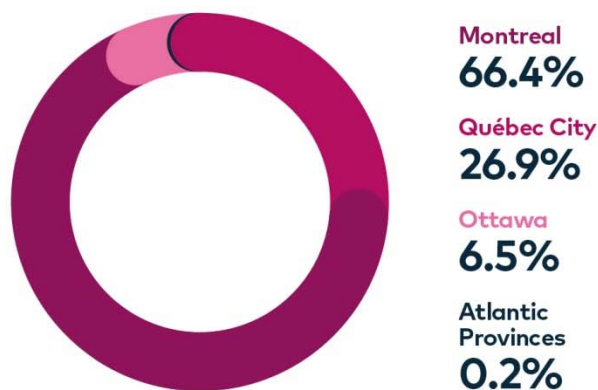


5.1.2 Summary by Geographic Market

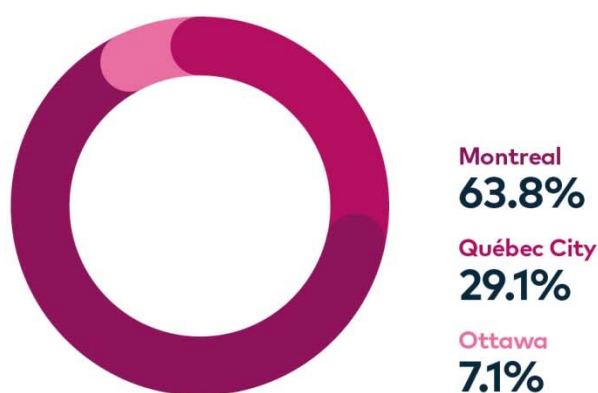
The following tables and charts summarize the REIT's portfolio by geographic market as at December 31, 2018:

As at December 31, 2018		
	Number of properties	Leasable area (sq. ft.)
Montréal Area	281	25,327,000
Québec City Area	126	10,264,000
Ottawa Area	20	2,476,000
Sub-total core markets	427	38,067,000
Atlantic Provinces	1	60,000
Total overall markets	428	38,127,000

Distribution of leasable area
of Investment Properties
by geography for 2018



Distribution of NOI
of Investment Properties
by geography for 2018



5.1.3 Top Ten Clients

The following table presents the REIT's top ten clients by percentage of operating revenues and percentage of total leasable area as at December 31, 2018:

Client	Area leased (square feet)	% on the total leasable area of the REIT	% of operating revenues
Société Québécoise des Infrastructures	1,813,640	5.3	5.8
Public Works Canada	1,263,512	3.7	4.4
Canadian National Railway Company	571,615	1.7	3.2
Infra MTL ⁽¹⁾	989,431	2.9	2.0
Desjardins Real Estate Group	216,867	0.6	0.7
Winners	231,157	0.7	0.7
Marie-Claire Boutiques ⁽²⁾	103,144	0.3	0.7
Dollarama	204,904	0.6	0.7
Société des Alcools du Québec	95,027	0.3	0.7
Shoppers Drug Mart	91,042	0.3	0.6
Total	5,580,309	16.4	19.5

Notes:

(1) *Infra MTL is a wholly owned subsidiary of the Caisse de dépôt et placement du Québec.*

(2) *Approximately 40 leases.*

5.1.4 Leasing Activity

The following table summarizes the REIT's leasing activity in 2018:

	Office	Retail	Industrial and Flex	Total
Leases that matured in 2018				
Number of clients	254	510	241	1,005
Leasable area (sq. ft.)	2,138,000	2,018,000	2,947,000	7,103,000
Average minimum rent (\$/sq. ft.)	18.50	16.25	6.83	13.02
Renewed leases in 2018				
Number of clients	166	340	171	677
Leasable area (sq. ft.)	1,630,000	1,680,000	2,072,000	5,382,000
Average minimum rent of renewed leases (\$/sq. ft.)	17.88	15.23	7.67	13.15
New leases in 2018				
Number of clients	93	98	95	286
Leasable area (sq. ft.)	662,000	671,000	1,460,000	2,793,000
Average minimum rent (\$/sq. ft.)	13.34	16.82	5.85	10.26
Unexpected departures				
Number of clients	17	50	22	89
Leasable area (sq. ft.)	57,000	195,000	187,000	439,000
Average minimum rent (\$/sq. ft.)	15.13	11.24	5.74	9.40

5.1.5 Lease Maturities

The following table summarizes the REIT's lease maturities for the next five years:

For the years ending December 31	2019	2020	2021	2022	2023
Office					
Leasable area (sq. ft.)	1,465,000	1,405,000	1,387,000	971,000	1,087,000
Average minimum rent (\$/sq. ft.)	19.26	17.61	18.31	17.69	18.87
% of portfolio in terms of sq. ft. – Office	12.5%	12.0%	11.8%	8.3%	9.3%
Retail					
Leasable area (sq. ft.)	1,633,000	1,318,000	1,077,000	989,000	1,091,000
Average minimum rent (\$/sq. ft.)	18.29	21.44	20.80	20.06	15.13
% of portfolio in terms of sq. ft. – Retail	15.2%	12.3%	10.1%	9.2%	10.2%
Industrial and Flex					
Leasable area (sq. ft.)	1,856,000	3,060,000	1,760,000	2,115,000	1,873,000
Average minimum rent (\$/sq. ft.)	7.24	6.99	6.83	6.18	7.49
% of portfolio in terms of sq. ft. – Industrial and Flex	11.8%	19.5%	11.2%	13.5%	11.9%
Portfolio total					
Leasable area (sq. ft.)	4,954,000	5,783,000	4,224,000	4,075,000	4,051,000
Average minimum rent (\$/sq. ft.)	14.44	12.87	14.16	12.29	12.60
% of portfolio in terms of sq. ft.	13.0%	15.2%	11.1%	10.7%	10.6%

5.2 Description of the REIT's 10 Major Properties in Terms of Value as at December 31, 2018

Complexe de la Gare Centrale

895 De La Gauchetière Street West, Montréal, Québec

The Complexe de la Gare Centrale is located in downtown Montréal, in the heart of the business district. The complex consists of an office tower, a shopping centre, CN central station, parking spaces and railway spaces. The 649,000 square-foot office tower is mainly occupied by Canadian National Railway Company (CN) headquarters, which occupies about 572,000 square feet. Major tenants include CN, Infra MTL inc., Intelrad Medical Systems Incorporated, Adacel and the Services Financiers Gemco. The shopping centre is approximately 88,000 square feet which is set up as a food court (Halles de la Gare). The main retail client in the shopping centre is Bureau en Gros (Staples). The complex also includes 1,623 parking spaces and a railway lease of about 989,000 square feet. The property was built in several phases, beginning with CN central station in 1929, followed by several expansions in 1943, 1961, 1981 and 1995. The office tower was completely renovated between 1999 and 2005. Overall, the occupancy rate of the complex was 99.8% as at December 31, 2018. The property is also projected to be a REM station site.

Alexis Nihon Complex

3400 de Maisonneuve Blvd. West, Montréal, Québec, and 1500 Atwater Ave., Montréal, Québec

Located in downtown Montréal, the Alexis Nihon Complex consists of a shopping centre, two office towers, a residential tower, and a parking area. The office space represents leasable area of approximately 610,000 square feet and the shopping centre totals 411,000 square feet. The residential tower contains 426 units of various sizes and layouts. The three-tier parking area contains 1,091 spaces.

The shopping centre has four main tenants; Winners, FGL Sports, Canadian Tire and Sobeys Québec, and a mix of national and local tenants. The two office towers are classified as Class A and major tenants include Hapag Lloyd (Canada), Dale Parizeau Morris MacKenzie, KSH Solutions, Paysafe Services (Canada) Inc., Tecsys, Xerox Canada, Oceanwide, Société de Services Financiers, Fonds FMOQ Inc. and Fédération des médecins omnipraticiens du Québec. The shopping centre was built in 1968, the residential tower was built in 1971, the office tower located at 1 Place Alexis Nihon (Xerox Tower) was built in 1987-1988 and the office tower located at 2 Place Alexis Nihon was completed in 1986. Overall, the occupancy rate of the Alexis Nihon Complex was 96.0% as at December 31, 2018.

Place de la Cité

2590-2640 Laurier Blvd., Québec, Québec

Place de la Cité in Québec City is a fully-integrated multifunctional office and retail complex totalling 1.03 million square feet built between 1964 and 2004, which comprises approximately 718,000 square feet of Class "A" office space and 307,000 square feet of retail space, including a 40,000 square foot medical clinic. Place de la Cité enjoys a prime location on Laurier Boulevard, the most important thoroughfare in the Sainte-Foy-Sillery Borough which runs into Québec City, and is strategically situated between two major shopping centres comprising approximately 1.7 million square feet of retail space. Université Laval, which is attended by approximately 43,000 students, is in the immediate vicinity. Major tenants include the Société québécoise des infrastructures (SQI), the Autorité des marchés financiers (AMF) and a Canadian chartered bank. Overall, the occupancy rate of Place de la Cité was 96.4% as at December 31, 2018.

Rockland Centre

2305 Rockland Road, Town of Mount Royal, Québec

This 646,000 square-foot regional shopping centre is erected on 940,223 square feet of land and includes 2,720 outdoor parking spaces. The property was built in 1959 and renovated in 1983, 2005 and 2018. In 2018, a fresh new foodhall concept was completed where shoppers can enjoy restaurant-inspired counters, celebrity chef cooking demos, a playground for children, a bar and a stage for live entertainment. Strategically located along Highway 40 in Town of Mount Royal, Rockland Centre enjoys excellent visibility. The building was 95.3% leased as at December 31, 2018. Main tenants included YM, FGL Sports, Zara Canada, Linen Chest, Nautilus Plus inc., Hudson's Bay Company, SAQ, Shoppers Realty and Hennes & Mauritz.

Galleries Rive-Nord

100 Brien Blvd., Repentigny, Québec

This 575,000 square-foot regional shopping centre is located in the City of Repentigny on Montréal's North Shore. Built in 1974, Galleries Rive-Nord has been renovated in several phases, particularly in 1975, 1982, 1984 and 1990. In 1999, a second storey was built above a portion of the mall. The food

court was completely renovated in 2005. Facing Highway 40, Galeries Rive-Nord is strategically situated on Brien Boulevard in the City of Repentigny. The property is located in the most active commercial area in the City of Repentigny and was 98.9% leased as at December 31, 2018. The main tenants include Walmart Canada, FGL Sports, Toys "R" Us, Hennes & Mauritz and Groupe Jean Coutu (PJC) Inc.

2001 McGill College Avenue, Montréal, Québec

This 24-storey office building totalling approximately 512,000 square feet was built in 1982 on 50,973 square feet of land. This building has approximately 305 indoor parking spaces and is located at the corner of McGill College Avenue and Sherbrooke Street West, in the heart of the business district. As at December 31, 2018, the occupancy rate was 96.4%. Major tenants include SITA (Société internationale de télécommunications aéronautiques), McGill University, a Canadian chartered bank, the Lucie and André Chagnon Foundation, State Street Trust Company Canada, Eidos Interactive Corporation and BFL Canada Risk and Insurance.

Centropolis

1731-1799, avenue Pierre-Péladeau, Laval, Québec and

2777, boulevard Saint-Martin Ouest, Laval, Québec

Located in Laval, Centropolis is a mixed office and shopping centre totalling 803,000 square-foot erected on 3,979,089 square feet of land and includes 5,013 parking spaces with 50 indoor parking spaces. It consists of multiple retail and office properties, which offer customers upscale shopping, gourmet experiences, unique entertainment and must-see events. The office space represents leasable area of approximately 255,000 square feet and the retail space totals 548,000 square feet. The occupancy rate as at December 31, 2018 was 98.4%. The main tenants include Famous Players Co. (Colossus), Fruiterie 440, Meloche Monnex inc., La Cordée Plein Air Inc., RGN Québec VII Limited Partnership, Kiewit Construction Cie., J.M. Clément Ltée, Les Entreprises Vivre en Forme inc., Lafarge Canada inc., Jones Lang LaSalle Real Estate Services Inc.

Centre Les Rivières

4125-4575 des Forges Blvd., Trois-Rivières, Québec

This 520,000 square-foot regional shopping centre is erected on 1,594,005 square feet of land and includes 3,467 outdoor parking spaces. Centre Les Rivières is the largest enclosed shopping centre along the Québec-Montréal corridor and constitutes the main shopping destination in the Mauricie region. The building is located at the corner of des Forges Boulevard and Rigaud Boulevard, two of Trois-Rivières' commercial arteries from which the property has great visibility. It was built in 1971 and extended in 1981 and 2001. As at December 31, 2018, the building was 98.0% leased and the main tenants were Toys "R" Us, FGL Sports and Rona.

Centre Laval

1600, Boulevard le Corbusier, Laval, Québec

This 698,000 square-foot shopping centre opened in 1967 has been extensively expanded and modernized since 1998. It has over 130 retail stores, big-box stores and services, as well as a large parking lot. Located along Highway 15 and less than 10 km north of Montréal, Centre Laval is easily accessible by public transit, including through the Montmorency Metro station. As at December 31, 2018, the building was 94.6% leased and its major tenants were Best Buy Canada, The Brick Warehouse, Hudson's Bay Company, Sportium, Marshalls, Lee Valley Tools and Avril.

Complexe Jules-Dallaire

2820-2828, boulevard Laurier, Québec, Québec

Complexe Jules-Dallaire, in which Cominar owns a 75% interest, is a class A office building totalling 536,000 square feet of leasable area located at the intersection of route de l'Église and Laurier Boulevard at the entrance of the city of Québec. This LEED Gold building was built in two phases, 2010 and 2013, and comprises seventeen (17) and thirteen (13) storeys respectively, as well as five (5) levels of underground parking totalling 1,195 spaces. Major tenants include Groupe Dallaire, Gestion LKD, Les services administratifs Cominar, CIBC World Markets, Corporation BCF Québec, Services OR, a Canadian chartered bank, Société québécoise des infrastructures (SQI), RGN Québec III and RBC Dominion Securities. As at December 31, 2018, the property was 99.5% leased.

PART 6 – Contract of Trust

6.1.1 Meetings of Unitholders

The Contract of Trust provides that meetings of Unitholders must be called and held for the election or removal without cause of Trustees, the appointment or removal of the auditors of the REIT, the approval of amendments to the Contract of Trust (as described below in 6.1.3 under "Amendments to Contract of Trust"), the sale of the assets of the REIT as an entirety or substantially as an entirety other than as part of an internal reorganization of the assets of the REIT as approved by the Trustees and to require that all of the property of the REIT be distributed. Meetings of Unitholders will be called and held annually for the election of the Trustees and the appointment of auditors of the REIT.

A meeting of Unitholders may be convened at any time and for any purpose by the Trustees and must be convened, except in certain circumstances, if requisitioned by the holders of not less than 5% of the Units then outstanding by a written requisition. A requisition must state in reasonable detail the business proposed to be transacted at the meeting. Unitholders have the right to obtain a list of registered holders of Units to the same extent and upon the same conditions as those which apply to shareholders of a corporation governed by the CBCA.

Unitholders may attend and vote at all meetings of the Unitholders whether in person or by proxy and a proxy need not be a Unitholder.

6.1.2 Information and Reports

The REIT furnishes to 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 Unitholders' tax returns under the Tax Act or equivalent provincial legislation.

Prior to each annual and special meeting of Unitholders, the Trustees will provide to the Unitholders (along with notice of such meeting) information similar to that required to be provided to shareholders of a public corporation governed by the CBCA.

6.1.3 Amendments to Contract of Trust

The Contract of Trust may be amended or altered from time to time. Certain amendments must be approved by at least two-thirds of the votes cast at a meeting of the Unitholders called for such purpose. These include:

- (i) any amendment to change a right with respect to any outstanding Units of the REIT, to reduce the amount payable thereon upon termination of the REIT or to diminish or eliminate any voting rights pertaining thereto;
- (ii) any amendment to the duration or term of the REIT;
- (iii) any amendment to increase the maximum number of Trustees (to more than eleven Trustees) or to decrease the minimum number of Trustees (to less than nine Trustees), or any change by the Unitholders in the number of Trustees within the minimum and maximum number of Trustees provided in the Contract of Trust;
- (iv) any amendment relating to the powers, duties, obligations, liabilities or indemnification of the Trustees;
- (v) any sale or transfer of the assets of the Trust as an entirety or substantially as an entirety (other than as part of an internal reorganization of the assets of the Trust as approved by the Trustees);
- (vi) any approval regarding the distribution to Unitholders of all the REIT's property; and
- (vii) any amendment to the investment guidelines and operating policies set forth in sections 5.1 and 5.2.6 to 5.2.10 of the Contract of Trust, except when such amendment is made for any reason provided for in section 13.1 of same or in order to resolve a conflict with any law, regulation or other requirement.

Other amendments to the Contract of Trust may be made by ordinary resolution.

The Trustees may, without the approval of, or any notice to, Unitholders, make certain amendments to the Contract of Trust, including amendments:

- (i) for the purpose of ensuring continuing compliance with applicable laws, regulations, requirements or policies of any governmental authority having jurisdiction over the Trustees or over the REIT, its status as a “unit trust”, a “mutual fund trust” and a “registered investment” under the Tax Act or the distribution of Units;
- (ii) which, in the opinion of the Trustees, provide additional protection for the Unitholders;
- (iii) to remove any conflicts or inconsistencies in the Contract of Trust or to make minor corrections which are, in the opinion of the Trustees, necessary or desirable and not prejudicial to the Unitholders;
- (iv) which, in the opinion of the Trustees, are necessary or desirable as a result of changes in taxation laws;
- (v) which, in the opinion of the Trustees, are necessary or desirable as a result of changes in accounting standards;
- (vi) for any purpose (except one in respect of which a Unitholder vote is specifically otherwise required) if the Trustees are of the opinion that the amendment is not prejudicial to Unitholders and is necessary or desirable; and
- (vii) 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.

6.1.4 Sale of Assets

Any sale or transfer of the assets of the REIT as an entirety or substantially as an entirety (other than as part of an internal reorganization of the assets of the REIT as approved by the Trustees) shall occur only if approved by at least two-thirds of the votes cast at a meeting of the Unitholders called for such purpose.

6.1.5 Term of the REIT

The REIT has been established for a term to continue until no property of the REIT is held by the Trustees. The distribution of all of the property of the REIT may be required by the affirmative vote of two-thirds of the votes cast at a meeting of Unitholders called for such purpose.

6.1.6 Determination of Trustees

The Contract of Trust provides that all determinations of the Trustees which are made in good faith with respect to any matters relating to the REIT, including whether any particular investment or disposition meets the requirements of the Contract of Trust, shall be final and conclusive and shall be binding upon the REIT and all Unitholders (and, where the Unitholder is a registered retirement savings plan, registered retirement income fund, deferred profit sharing plan or registered pension fund or plan as defined in the Tax Act, or such other fund or plan registered under the Tax Act, upon plan beneficiaries and plan holders past, present and future) and Units of the REIT shall be issued and sold on the condition and understanding that any and all such determinations shall be binding as aforesaid.

6.1.7 Unitholders rights and remedies

The Contract of Trust was amended in 2018 to, *inter alia*, extend to the Unitholders certain rights available to shareholders of corporations incorporated under the *Canada Business Corporations Act*.

Oppression Remedy

A right was introduced for Unitholders and other specified eligible complainants to make an application to a court to seek an order that (i) any act or omission of the REIT effects a result, (ii) the business or affairs of the REIT or any subsidiary are or have been carried on or conducted in a manner, or (iii) the powers of the Trustees are or have been exercised in a manner, that is oppressive or unfairly prejudicial to or that unfairly disregards the interests of any Unitholder, security holder, creditor, Trustee or officer.

The new provisions provide that a court may make any order it thinks fit including, among others and without limitation, an order: restraining the conduct complained of; appointing a receiver; regulating the REIT's affairs by amending the Contract of Trust; directing an issue or exchange of securities; replacing Trustees; directing the REIT to purchase securities of a Unitholder; varying or setting aside a transaction or contract to which the REIT is a

party and compensating the REIT or another party thereto accordingly; requiring the production of financial information; or to wind-up the REIT or its subsidiary(ies) (if the court is satisfied that it is just and equitable that such winding up, liquidation or dissolution occur), among others.

Dissent/Appraisal Rights

A right was introduced to grant Unitholders dissent and appraisal rights in connection with certain fundamental transactions, including:

- (i) the carrying out of any transaction which requires approval of at least two-thirds of Unitholders pursuant to the Contract of Trust, including without limitation, a sale or transfer of the assets of the REIT as an entirety or substantially as an entirety;
- (ii) the carrying out of a going-private or squeeze-out transaction in respect of the REIT; or
- (iii) the amendment of the Contract of Trust to add, change or remove any provision to restrict or constrain the issue, transfer or ownership of Units; add, change or remove any restrictions on the business the REIT may carry on; add, change or remove the rights, privileges, restrictions or conditions attached to Units; increase the rights or privileges of any class of Units having privileges equal or superior to the class held by the dissenting Unitholder; create a new class of Units equal to or superior to the Units of the class held by the dissenting Unitholder or make any class of Units with inferior rights or privileges superior to the class held by the dissenting Unitholder; or effect an exchange or create a right of exchange in all or part of a class of Units into the class held by the dissenting Unitholder.

A Unitholder who complies with the procedures set out in these provisions will be entitled, at the time the approved action from which the Unitholder dissents becomes effective, to receive the fair value of the Units held by such dissenting Unitholder, determined as of the close of business on the day prior to the date of the adopting resolution.

To avail itself of this right, a dissenting Unitholder must send the REIT, at or prior to any meeting at which the relevant resolution is to be voted on, a written objection to the resolution. The provisions include the procedures, including requirements for notification, submitting Units to be cancelled and receipt of the fair value payment owed, to which the REIT and the dissenting Unitholder must adhere regarding the above rights. The REIT will be required to send to each dissenting Unitholder who has complied with the relevant provisions a written offer of an amount considered by the Trustees to be the fair value, accompanied by a statement showing how fair value was determined. Within ten days after such offer is accepted, the REIT shall pay to the dissenting Unitholder the required payment. The offer made by the REIT will lapse if the REIT does not receive an acceptance within thirty days of it being made. If the REIT fails to make an offer or an offer is failed to be accepted, a dissenting Unitholder has the ability to apply to the court for purposes of the court fixing a fair value for the Units of any dissenting Unitholder.

PART 7 – Description of Debentures

7.1.1 General

The following table presents the features of the Senior Debentures as well as the balances as at December 31, 2018.

	Date of issuance	Contractual interest rate	Effective interest rate	Dates of interest payments	Maturity date	Nominal value as at December 31, 2018
						\$
Series 2	December 2012 ⁽¹⁾	4.23%	4.37%	June 4 and December 4	December 2019	300,000,000
Series 3	May 2013	4.00%	4.24%	May 2 and November 2	November 2020	100,000,000
Series 4	July 2013 ⁽²⁾	4.941%	4.81%	July 27 and January 27	July 2020	300,000,000
Series 7	September 2014	3.62%	3.70%	December 21 and June 21	June 2019	300,000,000
Series 8	December 2014	4.25%	4.34%	June 8 and December 8	December 2021	200,000,000
Series 9	June 2015	4.164%	4.25%	June 1 and December 1	June 2022	300,000,000
Series 10	May 2016	4.247%	4.34%	May 23 and November 23	May 2023	225,000,000
Weighted average interest rate		4.23%	4.29%			
Total						1,725,000,000

Notes:

(1) Re-opened in February 2013 (\$100.0 million).

(2) Re-opened in January 2014 (\$100.0 million) and March 2014 (\$100.0 million).

The Senior Debentures have been issued under a trust indenture dated as at June 15, 2012 between the REIT and Computershare Trust Company of Canada, as amended and supplemented from time to time.

PART 8 – Risk Factors

Like all real estate entities, the REIT is exposed, in the normal course of business, to various risk factors that may have an impact on its ability to attain strategic objectives, despite all the measures implemented to counter them. Accordingly, Unitholders should consider the following risks and uncertainties when assessing Cominar's outlook in terms of investment potential.

8.1 Risk Factors Related to the Business of the REIT

8.1.1 Access to Capital and Debt Financing, and Current Global Financial Conditions

The real estate industry is capital intensive. The REIT requires access to capital to maintain its properties, as well as to fund its growth strategy and its significant capital expenditures from time to time. There can be no assurances that the REIT will have access to sufficient capital (including debt financing) on terms favourable to the REIT for future property acquisitions and developments, for the financing or refinancing of properties, for funding operating expenses or for other purposes. In addition, the REIT may not be able to borrow funds under its unsecured revolving credit facility or other sources due to limitations on the REIT's ability to incur debt set forth in the Contract of Trust or conditions in its debt instruments. The REIT's access to the unsecured debenture market and the cost of the REIT's borrowings under the unsecured revolving credit facility are also dependent on its credit rating. A negative change in its credit rating could further materially adversely impact the REIT. See "PART 8 – Risk Factors – 8.3 Risk Factors Related to the Ownership of Senior Debentures – 8.3.1 Credit Ratings".

Market events and conditions, including disruptions that sometimes affect international and regional credit markets and other financial systems and global economic conditions, could impede the REIT's access to capital (including debt financing) or increase the cost of such capital. Failure to raise or access capital in a timely manner or under favourable terms could have a material adverse effect on the REIT's financial position and results of operations, including on its development program.

8.1.2 Debt Financing

The REIT has to have substantial outstanding consolidated borrowings comprised primarily of hypothecs, mortgages, debentures, and borrowings under its unsecured revolving credit facility. The REIT intends to finance its growth strategy, including developments and acquisitions, through a combination of asset sales, its working capital and liquidity resources, including cash flows from operations, additional borrowings and public or private sales of equity or debt securities. The REIT's activities are therefore partially dependent upon the interest rates applied to its existing debt. The REIT may not be able to refinance its existing debt or renegotiate the terms of repayment at favourable rates. In addition, the terms of the REIT's indebtedness provide that, upon an event of default, such indebtedness becomes immediately due and payable and distributions that may be made by the REIT may be restricted. Therefore, upon an event of default under such borrowings, or inability to renew same at maturity, the REIT's ability to make distributions will be adversely affected.

A portion of the REIT's cash flows is dedicated to servicing its debt, and there can be no assurance that the REIT will continue to generate sufficient cash flows from operations to meet required interest or principal payments, such that it could be required to seek renegotiation of such payments or obtain additional financing, including equity or debt financing.

The unsecured revolving credit facility in the current stated amount of \$500.0 million is repayable in one tranche in August 2019. As at December 31, 2018, \$153.0 million was drawn down under the unsecured revolving credit facility. The REIT is currently in discussions with its lead banks with respect to the upcoming maturity of its unsecured revolving credit facility.

Between June 2019 and May 2023, \$1.725 billion of Senior Debentures will come to maturity, with \$300.0 million aggregate principal amount of Series 7 Senior Debentures due first in June 2019 and \$300.0 million aggregate principal amount of Series 2 Senior Debentures due in December 2019.

The REIT is exposed to debt financing risks, including the risk that the existing hypothecary borrowings secured by its properties, the unsecured revolving credit facility or the Senior Debentures cannot be refinanced or that the terms of such refinancing will not be as favourable as the terms of the existing loans.

On August 4, 2017, DBRS announced that it has downgraded the rating of the Senior Debentures from BBB (low) with a Negative trend to BB (high) with a Stable trend. This downgrade materially adversely impacted the REIT.

Any further downgrade of the credit rating assigned by DBRS to the REIT and to the unsecured debentures could materially adversely impact the REIT. See "PART 8 – Risk Factors – 8.3 Risk Factors Related to the Ownership of Senior Debentures – 8.3.1 Credit Ratings".

8.1.3 Ownership of Immovable Property

All Immovable Property investments are subject to risk exposures. Such investments are affected by general economic conditions, local real estate markets, demand for leased premises, competition from other vacant premises, municipal valuations and assessments, and various other factors.

The value of Immovable Property and improvements thereto may also depend on the solvency and financial stability of tenants, the economic environment in which they operate and the increase in interest rates. Due to difficult conditions in the Canadian retail environment, certain retailers have announced the closure of their stores, including Sears Canada Inc. and other retailers, who were or are, as the case may be, tenants of the REIT. Other retailers may follow. The REIT has also been impacted by vacancies and by the downward review of rents in the Montréal Area's suburban office market (including Laval) and the Ottawa Area office market. The REIT's income and Distributable Income would be adversely affected if one or more major tenants or a significant number of tenants were unable to meet their lease obligations or if a significant portion of vacant space in the REIT's properties cannot be leased on economically favourable lease terms, or simply re-leased. In the event of default by a tenant, delays or limitations may be experienced in enforcing the REIT's rights as a lessor and substantial costs may be incurred to protect the REIT's investment. The ability to rent unleased space in the REIT's properties will be affected by many factors, including the level of general economic activity and competition for tenants by other similar properties. The failure to rent unleased space on a timely basis or at all or at rents that are equivalent to or higher than current rents would likely have an adverse effect on the REIT's financial position and the value of its properties.

Certain significant expenditures, including property taxes, operating and maintenance costs, capital repairs and enhancements, hypothecary payments, insurance costs and related charges must be made throughout the period of ownership of Immovable Property regardless of whether the property is producing any income. In order to retain desirable rentable space and to generate adequate revenue over the long term, the REIT must maintain or, in some cases, improve each property's condition to meet market demand. Maintaining a rental property in accordance with market standards can entail significant costs, which the REIT may not be able to recover from its tenants. In addition, property tax reassessments based on updated appraised values may occur, which the REIT may not be able to recover from its tenants. As a result, the REIT could have to bear the economic cost of such operating costs and/or taxes which may adversely impact the REIT's financial condition and results from operations and decrease the amount of cash available for distribution to Unitholders. Numerous factors, including the age of the relevant building, the materials used at the time of construction or currently unknown building code violations could result in substantial unbudgeted costs for refurbishment or modernization. The timing and amount of capital expenditures may indirectly affect the amount of cash available for distributions to Unitholders. In addition, if the REIT is unable to meet mortgage payments on a property, a loss could be sustained as a result of the mortgage creditor's exercise of its hypothecary remedies.

Immovable Property investments tend to be relatively illiquid, with the degree of liquidity generally fluctuating in relationship with the demand for and the perceived desirability of such investments. Such illiquidity may tend to limit the REIT's ability to make changes to its portfolio promptly in response to changing economic or investment conditions. If the REIT were to be required to liquidate its Immovable Property investments, the proceeds to the REIT might be significantly less than the aggregate carrying value of its properties.

Leases for the REIT's properties, including those of significant tenants, will mature from time to time over the short and long term. There can be no assurance that the REIT will be able to renew any or all of the leases upon maturity or that rental rate increases will occur or be achieved upon any such renewals. The failure to renew leases or achieve rental rate increases may adversely impact the REIT's financial position and results of operations.

8.1.4 Environmental Matters

Environmental and ecological legislation and policies have become increasingly important in recent years. As an owner or operator of real property, the REIT could, under various federal, provincial and municipal laws, become liable for the costs of removal or remediation of certain hazardous or toxic substances released on or in its properties or disposed of at other locations. The failure to remove or remediate such substances, or address such matters through alternative measures prescribed by the governing authority, may adversely affect the REIT's ability to sell such real estate or to borrow using such real estate as collateral, and could potentially also result in claims against the REIT by private plaintiffs or governmental agencies. The REIT is not currently aware of any material non-compliance, liability or other claim in connection with any of its properties, nor is the REIT aware of any environmental condition with respect to any of its properties that it believes would involve material expenditures by the REIT, other than in respect of remediation expenditures taken into consideration as part of the acquisition of properties.

Pursuant to the REIT's operating policies, the REIT shall obtain or review a Phase I environmental audit of each Immovable Property to be acquired by it. See "PART 4 – Description of the Business – 4.1 Investment Guidelines and Operating Policies– 4.1.2 Operating Policies".

8.1.5 Climate change

Climate change has continued to attract the focus of governments, the scientific community and the general public as an important threat, given the emission of greenhouse gases and other activities continue to negatively impact the planet. As a real estate property owner and manager, the REIT faces the risk that its properties will be subject to government initiatives aimed at countering climate change, such as reduction of greenhouse gas emissions, which could impose constraints on its operational flexibility. To the extent any such initiative would require the REIT to ensure its tenants compliance and/or constrain their activities in any way, this could have an undesirable effect on the REIT's ability to successfully pursue its leasing strategy. Furthermore, the REIT's properties may be exposed to the impact of events caused by climate change, such as natural disasters and increasingly frequent and serious weather conditions. Such events could interrupt the REIT's operations and activities, damage its properties, diminish traffic and require the REIT to incur important additional expenses. The REIT's financial position and results from operations, as well as its ability to secure and maintain lucrative leases, would be adversely affected by the materialization of any of the risks identified herein related to climate change.

8.1.6 Legal Risks

The REIT's operations are subject to various laws and regulations across all of its operating jurisdictions and the REIT faces risks associated with legal and regulatory changes and litigation.

8.1.7 Competition

The REIT competes for suitable Immovable Property investments with individuals, corporations, pension funds and other institutions (both Canadian and foreign) which are presently seeking, or which may seek in the future, Immovable Property investments similar to those desired by the REIT. Many of those investors have greater financial resources than the REIT, or operate without the investment or operating restrictions applicable to the REIT or under more flexible conditions. An increase in the availability of investment funds and heightened interest in Immovable Property investments could increase competition for Immovable Property investments, thereby increasing the purchase prices of such investments and reducing their yield.

In addition, numerous property developers, managers and owners compete with the REIT in seeking tenants. The existence of competing developers, managers and owners and competition for the REIT's tenants could have an adverse effect on the REIT's ability to lease space in its properties and on the rents charged, and could adversely affect the REIT's revenues and, consequently, its ability to meet its debt obligations.

8.1.8 Property Development Program

Information regarding the REIT's development projects, development costs, capitalization rates and expected returns are subject to change, which may be material, as assumptions regarding items such as, but not limited to, tenant rents, building sizes, leasable areas, project completion timelines and project costs, are updated periodically based on revised site plans, the REIT's cost tendering process, continuing tenant negotiations, demand for leasable space in the REIT's markets, the obtaining of required building permits, ongoing discussions with municipalities and successful property rezonings. There can be no assurance that any assumptions in this regard will materialize as expected and any changes in these assumptions could have a material adverse effect on the REIT's development program, asset values and financial performance.

The feasibility, timing and profitability of certain of the REIT's intensification and densification opportunities may be affected by the completion of certain mass transit initiatives such as the REM, the extension of the Metro, tramways and trambuses, and light rail trains. There can be no assurance that any such initiatives will be completed or as to the timing thereof. Such intensification and development initiatives may also be impacted by escalating construction costs and required zoning changes. There can be no assurance that any such zoning changes can be obtained. Special taxes, levies and assessments may be incurred by the REIT in respect of such developments.

8.1.9 Recruitment and Retention of Employees and Executives

Management depends on the services of certain key personnel. Competition for qualified employees and executives is intense. If the REIT is unable to attract and retain qualified and capable employees and executives, the conduct of its activities may be adversely affected.

8.1.10 Government Regulation

The REIT and its properties are subject to various government statutes and regulations. Any change in such statutes or regulations that is adverse to the REIT and its properties could affect the REIT's operating results and financial performance. See "PART 8 – Risk Factors – 8.1 Risk Factors Related to the Business of the REIT – 8.1.4 Environmental Matters".

8.1.11 Limit on Activities

In order to maintain its status as a "mutual fund trust" under the Tax Act, the REIT cannot carry on most active business activities and is limited in the types of investments it may make. The Contract of Trust contains restrictions to this effect.

8.1.12 General Uninsured Losses

The REIT carries a blanket comprehensive general liability and a property policy including insurance against fire, flood, extended coverage and rental loss insurance, with policy specifications, limits and deductibles customarily carried for similar properties. There are, however, certain types of risks (generally of a catastrophic nature such as wars or environmental contamination) which are either uninsurable or not insurable on an economically viable basis. The REIT also carries insurance for earthquake risks, subject to certain policy limits and deductibles, and will continue to carry such insurance if it is economical to do so. Should an uninsured or underinsured loss occur, the REIT could lose its investment in, and anticipated profits and cash flows from, one or more of its properties, but the REIT would continue to be obligated to repay any hypothecary recourse or mortgage indebtedness on such properties.

Many insurance companies have eliminated coverage for acts of terrorism from their policies, and the REIT may not be able to obtain coverage for terrorist acts at commercially reasonable rates or at any price. Damage to a property sustained as a result of an uninsured terrorist or similar act would likely adversely impact the REIT's financial condition and results of operations and decrease the amount of cash available for distribution.

8.1.13 Potential Conflicts of Interest

Given the carried interest of Alain Dallaire, an officer of Cominar, in Groupe Dallaire, there may be the appearance of a conflict of interest between Cominar and Groupe Dallaire due to the fact that Groupe Dallaire and related entities are engaged in a wide range of real estate and other business activities. Cominar owns a 50% interest and two 75% interests in joint ventures with Groupe Dallaire. The business objective of these three joint ventures is the ownership, management and development of real estate projects. The Dallaire Family and related entities may become involved in transactions or leasing opportunities which conflict with the interests of Cominar. The business relationship with Groupe Dallaire and Dalcon for construction services was terminated in an orderly manner.

The Contract of Trust contains "conflicts of interest" provisions requiring Trustees to disclose material interests in material contracts and transactions and refrain from voting thereon.

8.1.14 Cybersecurity Events

The REIT faces various security threats, including cybersecurity threats to gain unauthorized access to sensitive information, to render data or systems unusable, or otherwise affect the REIT's ability to operate. The REIT's operations require it to use and store personally identifiable and other sensitive information of its tenants and employees. The collection and use of personally identifiable information is governed by Canadian federal and provincial laws and regulations. Privacy and information security laws continue to evolve and may be inconsistent from one jurisdiction to another. The security measures put in place by the REIT in that regard cannot provide absolute security, and the REIT's information technology infrastructure may be vulnerable to cyberattacks, including without limitation, malicious software, attempts to gain unauthorized access to data hereinabove mentioned, and other electronic security breaches that could lead to disruptions in critical systems, corruptions of data and unauthorized release of confidential or otherwise protected information. The occurrence of one of these events could cause a substantial decrease in revenues, increased costs to respond or other financial loss, damage to reputation, increased regulation or litigation or inaccurate information reported by the REIT's operations. These developments may subject the REIT's operations to increased risks, as well as increased costs, and, depending on their ultimate magnitude, could have a material adverse effect on the REIT's financial position and results of operations.

The REIT seeks to manage cybersecurity risk by continuing to invest in appropriate information technology systems, infrastructure and security, including disaster plans, reviewing its existing technologies, processes and practices on a regular basis and ensuring employees understand and are aware of their role in protecting the integrity of the REIT's technological security and information. The REIT relies on third party products and services to assist it in protecting its information technology infrastructure and its proprietary and confidential information. The REIT seeks to be proactive in the area of cybersecurity and consequently anticipates that it will continue to incur expenses in relation to, and dedicate personnel and other resources to, cybersecurity, as new and increasingly complex threats and risks are identified and responded to.

8.2 Risk Factors Related to the Ownership of Units

8.2.1 Market Price

A publicly traded real estate investment trust will not necessarily trade at values determined solely by reference to the underlying value of its real estate assets. Accordingly, the Units may trade at a premium or a discount to values implied by the initial appraisal of the value of its properties or the value of such properties from time to time.

Although the REIT intends to make distributions of its available cash to Unitholders, these cash distributions are not assured. The actual amount distributed will depend on numerous factors including, but not limited to, the REIT's financial performance, debt covenants and obligations, working capital requirements and future capital requirements. The market price of the Units may deteriorate if the REIT is unable to meet its cash distribution targets in the future.

The after-tax return from an investment in Units to Unitholders subject to Canadian income tax 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 constitute non-taxable returns of capital). The composition for tax purposes of those distributions may change over time, thus affecting the after-tax return to Unitholders.

Factors that may influence the market price of the Units include the annual yield on the Units, the number of Units issued and outstanding and the REIT's payout ratio. An increase in market interest rates may lead purchasers of Units to demand a higher annual yield which could adversely affect the market price of the Units. Unlike fixed-income securities, there is no obligation for the REIT to distribute to Unitholders any fixed amount and reductions in, or suspensions of, distributions may occur that would reduce yield based on the market price of the Units. In addition, the market price for the Units may be affected by changes in general market conditions, fluctuations in the markets for equity securities, changes in the economic environment and numerous other factors beyond the control of the REIT.

8.2.2 Structural Subordination of Securities

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 holders of securities. The securities will be effectively subordinated to most of the other indebtedness and liabilities of the REIT and its subsidiaries. Neither the REIT nor any of its subsidiaries will be limited in their ability to incur additional secured or unsecured debts.

8.2.3 Availability of Cash Flow

Distributable Income may exceed actual cash available to the REIT from time to time because of items such as principal repayments, tenant allowances, leasing commissions and capital expenditures. The REIT may be required to use part of its debt capacity or to reduce distributions in order to accommodate such items. The \$500.0 million unsecured revolving credit facility is repayable in one tranche in August 2019, and it is expected that it cannot be refinanced in the same amount or under such favourable terms and conditions in light of the downgrade in the rating of the Senior Debentures. See "PART 8 – Risk Factors – 8.3 Risk Factors Related to the Ownership of Senior Debentures – 8.3.1 Credit Ratings".

The REIT may need to refinance its debt obligations from time to time, including upon expiration of its debt. There could be a negative impact on Distributable Income if debt obligations of the REIT are replaced with debt that has less favourable terms or if the REIT is unable to refinance its debt. In addition, loan and credit agreements with respect to debt obligations of the REIT, include, and may include in the future, certain covenants with respect to the operations and financial condition of the REIT and Distributable Income may be restricted if the REIT is unable to maintain any such covenants.

8.2.4 Unitholder Liability

The Contract of Trust provides that no Unitholder or annuitant under a plan of which a Unitholder acts as Trustee or carrier (an "annuitant") will be held to have any personal liability as such, and that no resort shall be had to the private property of any Unitholder or annuitant for satisfaction of any obligation or claim arising out of or in connection with any contract or obligation of the REIT or of the Trustees. Only assets of the REIT are intended to be subject to levy or execution.

The Contract of Trust further provides that certain written instruments signed by the REIT (including all Immovable Hypothecs and, to the extent the Trustees determine to be practicable and consistent with their obligation as Trustees to act in the best interests of the Unitholders, other written instruments creating a material obligation of the REIT) shall contain a provision or be subject to an acknowledgment to the effect that such obligation will not be binding upon Unitholders or annuitants personally. Except in case of bad faith or gross negligence on their part, no personal liability will attach under the laws of the Province of Québec to Unitholders or annuitants for contract claims under any written instrument disclaiming personal liability as aforesaid.

However, in conducting its affairs, the REIT will be acquiring Immovable Property investments, subject to existing contractual obligations, including obligations under hypothecs or mortgages and leases. The Trustees will use all reasonable efforts to have any such obligations, other than leases, modified so as not to have such obligations binding upon any of the Unitholders or annuitants personally. However, the REIT may not be able to obtain such modification in all cases. If a claim is not satisfied by the REIT, there is a risk that a Unitholder or annuitant will be held personally liable for the performance of the obligations of the REIT where the liability is not disavowed as described above. The possibility of any personal liability attaching to Unitholders or annuitants under the laws of the Province of Québec for contract claims where the liability is not so disavowed is remote.

The REIT uses all reasonable efforts to obtain acknowledgments from the hypothecary creditors under assumed hypothecs that assumed hypothec obligations will not be binding personally upon the Trustees or the Unitholders.

Claims against the REIT may arise other than under contracts, including claims in delict, claims for taxes and possibly certain other statutory liabilities. The possibility of any personal liability of Unitholders for such claims is considered remote under the laws of the Province of Québec and, as well, the nature of the REIT's activities are such that most of its obligations arise by contract, with non-contractual risks being largely insurable. In the event that

payment of the REIT's obligation were to be made by a Unitholder, such Unitholder would be entitled to reimbursement from the available assets of the REIT.

Article 1322 of the Civil Code of Québec effectively states that the beneficiary of a trust is liable towards third persons for the damage caused by the fault of the Trustees of such trust in carrying out their duties only up to the amount of the benefit such beneficiary has derived from the act of such Trustees and that such obligations are to be satisfied from the trust patrimony. Accordingly, although this provision remains to be interpreted by the courts, it should provide additional protection to Unitholders with respect to such obligations.

The Trustees will cause the activities of the REIT to be conducted, with the advice of counsel, in such a way and in such jurisdictions as to avoid, to the extent they determine to be practicable and consistent with their duty to act in the best interests of the Unitholders, any material risk of liability on the Unitholders for claims against the REIT.

8.2.5 Dilution

The number of Units the REIT is authorized to issue is unlimited. The Trustees have the discretion to issue additional Units in other circumstances. Additional Units may also be issued pursuant to the DRIP (which is currently suspended), the Equity Incentive Plan and any other incentive plan of the REIT. Any issuance of Units may have a dilutive effect on Unitholders.

8.2.6 Restrictions on Certain Unitholders and Liquidity of Units

The Contract of Trust imposes restrictions on non-resident Unitholders, who are prohibited from beneficially owning more than 49% of the Units. These restrictions may limit the rights of certain Unitholders, including non-residents of Canada, to acquire Units, to exercise their rights as Unitholders and to initiate and complete take-over bids in respect of the Units. As a result, these restrictions may limit the demand for Units from certain Unitholders and thereby adversely affect the liquidity and market value of the Units held by the public. Unitholders who are non-residents of Canada are required to pay all withholding taxes payable in respect of distributions by the REIT. The REIT withholds such taxes as required by the Income Tax Act and remits such payment to the tax authorities on behalf of the Unitholder. The Income Tax Act contains measures to subject to Canadian non-resident withholding tax on certain otherwise non-taxable distributions of Canadian mutual funds to non-resident Unitholders. This may limit the demand for Units and thereby affect their liquidity and market value.

8.2.7 Cash Distributions are not Guaranteed

There can be no assurance regarding the amount of income to be generated by the REIT's properties. The ability of the REIT to make cash distributions, and the actual amounts distributed, will be entirely dependent on the operations and assets of the REIT and its subsidiaries, and will be subject to various factors including financial performance and results of operations, obligations under applicable credit facilities, fluctuations in working capital, the sustainability of income derived from anchor tenants and capital expenditure requirements. The market value of the Units will deteriorate if the REIT is unable to meet its distribution targets in the future, and that deterioration may be significant. In addition, the composition of cash distributions for tax purposes may change over time and may affect the after-tax return for investors. For details concerning the reduction in the monthly distribution occurred in fiscal 2017 and concerning the reduction in the monthly distribution occurred in the first quarter of fiscal 2018 see, "PART 3 – General Development of the Business – 3.3 Three Year History – Financing, Rating and Equity Activities".

8.2.8 Nature of Investment

A Unitholder does not hold a share of a body corporate. As holders of Units, the Unitholders will 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 Unitholders are based primarily on the Contract of Trust. There is no statute governing the affairs of the REIT equivalent to the CBCA, which sets out the rights, and entitlements of shareholders of a corporation in various circumstances.

8.2.9 Status for Tax Purposes

The REIT is considered a mutual fund trust for income tax purposes. Pursuant to the Contract of Trust, the Trustees intend to distribute or designate all taxable income directly earned by the REIT to Unitholders and to deduct such distributions and designations for income tax purposes. In the context of the sale of a significant part of its Investment Properties, the REIT could end up with a substantial taxable profit that would require it to make a sizeable additional special distribution to avoid having to pay taxes itself.

Certain of the REIT's subsidiaries are subject to tax on their taxable income under the Income Tax Act and the Taxation Act (Québec).

A special tax regime applies to trusts that are considered SIFT entities as well as those individuals who invest in SIFTs. Under the SIFT Rules, a SIFT is subject to tax in a manner similar to corporations on income from business carried on in Canada and on income (other than taxable dividends) or capital gains from "non-portfolio properties" (as defined in the Tax Act), at a combined federal/provincial tax rate similar to that of a corporation.

The SIFT Rules apply unless (among other exceptions not applicable here) the trust qualifies as a "real estate investment trust" for the year (the "Real Estate Investment Trust Exception"). If the REIT fails to qualify for the Real Estate Investment Trust Exception, the REIT will be subject to the tax regime introduced by the SIFT Rules.

Management believes that the REIT currently meets all the criteria required to qualify for the Real Estate Investment Trust Exception, as per the Real Estate Investment Trust Exception currently in effect. As a result, Management believes that the SIFT Rules do not apply to the REIT. Management intends to take all the necessary steps to meet these conditions on an on-going basis in the future. Nonetheless, there is no guarantee that the REIT will continue to meet all the required conditions to be eligible for the Real Estate Investment Trust Exception for the remainder of fiscal 2018 and any other subsequent year.

8.3 Risk Factors Related to the Ownership of Senior Debentures

8.3.1 Credit Ratings

The credit rating assigned by DBRS to the REIT and to the Senior Debentures is not a recommendation to buy, hold or sell securities of the REIT. A rating is not a comment on the market price of a security nor is it an assessment of ownership given various investment objectives. Prospective investors should consult with DBRS with respect to the interpretation and implications of the rating. There is no assurance that any rating will remain in effect for any given period of time and ratings may be upgraded, downgraded, placed under review, confirmed or withdrawn. Non-credit risks that can meaningfully impact the value of the securities issued include market risk, trading liquidity risk and covenant risk. DBRS uses rating symbols as a simple and concise method of expressing its opinion to the market, although DBRS usually provides broader contextual information regarding securities in rating reports, which generally set out the full rationale for the chosen rating symbol, and in other releases.

On August 4, 2017, DBRS announced that it had downgraded the rating of the Senior Debentures from BBB (low) with a negative trend to BB (high) with a stable trend. This downgrade materially adversely impacted the REIT. Since then, the REIT's rating has remained BB (high) with a stable trend, as provided for in DBRS' rating report dated October 24, 2018. Any further downgrade of the credit rating assigned by DBRS to the REIT and to the Senior Debentures could have a material adverse effect on the REIT.

8.3.2 Trading Market for Senior Debentures

There is currently no trading market for Senior Debentures. No assurance can be given that an active or liquid trading market for these securities will develop or be sustained. If an active or liquid market for these securities fails to develop or be sustained, the prices at which these securities trade may be adversely affected. Whether or not these securities will trade at lower prices depends on many factors, including the liquidity of these securities, prevailing interest rates and the markets for similar securities, the market price of the Units, general economic conditions and Cominar's financial position, historic financial performance and future prospects.

8.3.3 Market Price or Value Fluctuation

If the Senior Debentures are traded after their initial issuance, they may trade at a discount from their initial public offering price. The market price or value of the Senior Debentures depends on many factors, including liquidity of the Senior Debentures, prevailing interest rates and the markets for similar securities, general economic conditions and the REIT's financial condition, historic financial performance and prospects. Assuming all other factors remain unchanged, the market price or value of the Senior Debentures, which carry a fixed interest rate, will likely decline as prevailing interest rates for comparable debt instruments rise, and increase as prevailing interest rates for comparable debt instruments decline.

Challenging market conditions, the health of the economy as a whole and numerous other factors beyond the control of the REIT may have a material effect on the business, financial condition, liquidity and results of operations of the REIT. In recent years, financial markets have experienced significant price and volume fluctuations that have particularly affected the market prices of securities of issuers and that have often been unrelated to the operating performance, underlying asset values or prospects of such issuers. There can be no assurance that such fluctuations in price and volume will

not occur. Accordingly, the market price of the Senior Debentures may decline even if the REIT's operating results, underlying asset values or prospects have not changed. In periods of increased levels of volatility and market turmoil, the REIT's operations could be adversely impacted and the market price of the Senior Debentures may be adversely affected.

8.3.4 Senior Debentures Redemption Right Risk

The REIT may choose to redeem the Senior Debentures prior to maturity, in whole or in part, at any time or from time to time, especially when prevailing interest rates are lower than the rate borne by the Senior Debentures. If prevailing rates are lower at the time of redemption, a purchaser may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the interest rate on the Senior Debentures being redeemed.

8.3.5 Inability of the REIT to Purchase Senior Debentures on a Change of Control

The REIT may be required to purchase all outstanding Senior Debentures upon the occurrence of a change of control. However, it is possible that following a change of control, the REIT will not have sufficient funds at that time to make any required purchase of outstanding Senior Debentures or that restrictions contained in other indebtedness will restrict those purchases.

PART 9 – Subsequent Events to December 31, 2018

9.1 Financing Activities

On January 15, 2019, February 15, 2019 and March 15, 2019, the REIT declared a monthly distribution of \$0.06 dollar per Unit for each of these months.

Subsequent to the end of fiscal 2018, the REIT did not enter into new loans.

Subsequent to the year ended December 31, 2018, the REIT reduced the maximum amount of the unsecured revolving operating and acquisition credit facility from \$700.0 million to \$500.0 million.

9.2 Dispositions

During the first quarter of 2019, the REIT completed the sale of seven office properties, five retail properties and two industrial and flex properties, located in the Québec Area and Montréal Area, for total gross proceeds of \$74.3 million.

9.3 Changes in Management and on the Board of Trustees

Following the announcement of the nomination of Ms. Heather Kirk as Executive Vice-President and Chief Financial Officer and her resignation from the board of trustees, Mr. Zachary Ryan George, Co-Founder and Portfolio Manager at FrontFour was appointed trustee of Cominar as of January 2, 2019. Mr. Mitchell Cohen will be nominated by Cominar to fill the vacancy created by Mr. D'Amours who is not standing for re-election at the upcoming annual meeting of Unitholders, subject to the conditions of the Board Refreshment Agreement. Finally, an additional nominee will be jointly designated by Cominar and the Unitholders to be included on the slate of persons to be elected as trustees of the REIT at the upcoming annual meeting of Unitholders, which nominee will replace a second trustee who will not be standing for re-election at the said meeting. FrontFour, K2 and Westdale agreed to customary standstill and other obligations pursuant to the Board Refreshment Agreement.

Mr. Todd Bechard, Executive Vice President, Acquisitions, left his position on February 22, 2019. Mr. Gilles Hamel, Executive Vice President, left the employ of Cominar on March 26, 2019. Mr. Hamel was until December 3, 2018, Executive Vice President and Chief Financial Officer.

PART 10 – Distributions

The following outlines the distribution policy of the REIT as contained in the Contract of Trust. The distribution policy may be amended only with the approval of a majority of the votes cast at a meeting of Unitholders.

10.1 General

The REIT may distribute to Unitholders monthly, on or about the 15th day in each calendar month (other than January) and on December 31 in each calendar year, such percentage of the Distributable Income for the preceding calendar month and, in the case of distributions made on December 31, for the calendar month then ended, as the Trustees may so determine in their discretion. The REIT may also distribute to Unitholders on December 31 of each year (i) the net realized capital gains of the REIT and the net recapture income of the REIT for the year ended and (ii) any excess of the income of the REIT for purposes of the Tax Act for the year then ended over distributions otherwise made for that year, as the Trustees may so determine. Distributions, if any, shall be made in cash or Units, as the case may be, pursuant to the DRIP (if in force), the Equity Incentive Plan and any other distribution reinvestment plans or Unit purchase or incentive plans adopted by the Trustees, as the case may be. Distributions, if any, shall be made proportionately to persons who are Unitholders on the record date for such distribution. Distributions, if any, shall be made to Unitholders of record on a date to be determined by the Trustees in accordance with the Contract of Trust. The Trustees, if they so determine when income has been accrued but not collected may, on a temporary basis, transfer sufficient moneys from the capital to income account of the REIT to permit distributions so determined by them, if any, to be effected.

If the Trustees anticipate a cash shortfall and determine that it would be in the best interests of the REIT, they may reduce for any period the percentage of Distributable Income to be distributed to Unitholders.

Monthly distributions will be based on the Trustees' estimate of yearly Distributable Income, subject to adjustment from time to time throughout the year.

10.2 Computation of Distributable Income for Distribution Purposes

The Distributable Income of the REIT is calculated based on the REIT's income determined in accordance with the provisions of the Income Tax Act, subject to certain adjustments as set out in the Contract of Trust, including that capital gains and capital losses be excluded, net recapture income be excluded, no deduction be made for non-capital losses, capital cost allowance, terminal losses, amortization of cumulative eligible capital or amortization of costs of issuing Units or financing fees related to the instalment loan, and leasehold and client improvements be amortized. Distributable Income so calculated may reflect any other adjustments determined by the Trustees in their discretion and may be estimated whenever the actual amount has not been fully determined. Such estimates will be adjusted as of the subsequent Distribution Date when the amount of Distributable Income has been finally determined.

10.3 Computation of Net Realized Capital Gains and Net Recapture Income

The net realized capital gains of the REIT for any year means the amount, if any, by which the capital gains of the REIT for the year exceed the aggregate of (i) the amount of any capital losses of the REIT for the year and (ii) the amount of any net capital losses of the REIT from prior years to the extent not previously deducted. The net recapture income of the REIT for any year means the amount, if any, by which the amount required to be included in the income of the REIT for income tax purposes for such year in respect of recapture of capital cost allowance previously claimed by the REIT exceeds terminal losses realized by the REIT in the year.

10.4 Tax Deferral on 2018 Distributions

The distributions made by the REIT to Unitholders in 2018 were 51.23% tax-deferred by reason of the REIT's ability to claim capital cost allowance and certain other deductions. In the year of acquisition of a property, capital cost allowance is restricted to one-half of the normal annual rates. The adjusted cost base of Units held by a Unitholder will generally, subject to certain conditions under the Tax Act, be reduced by the non-taxable portion of distributions made to the Unitholder (other than the non-taxable portion of certain capital gains). A Unitholder will generally realize a capital gain to the extent that the adjusted cost base of the Unitholder's Units would otherwise be a negative amount.

10.5 Distributions during the Last Three Fiscal Years

The following table presents the distributions per Unit made by the REIT for the last three fiscal years ending on December 31.

Year	Distribution per Unit (\$)
2018	0.790
2017	1.3325
2016	1.470

PART II – Capital Structure

11.1 General Description of Capital Structure

The ownership interests in the REIT constitute a single class of Units. Units represent a Unitholder's proportionate undivided ownership interest in the REIT. The aggregate number of Units that the REIT may issue is unlimited. As at December 31, 2018, there were 181,956,349 Units outstanding. No Unit has any preference or priority over another. No Unitholder has or is deemed to have any right of ownership in any of the assets of the REIT. Each Unit confers the right to one vote at any meeting of Unitholders and to participate equally and ratably in any distributions by the REIT and, in the event of any required distribution of all of the property of the REIT, in the net assets of the REIT remaining after satisfaction of all liabilities. Units are issued in registered form, are non-assessable when issued and are transferable. Issued and outstanding Units may be subdivided or consolidated from time to time by the Trustees without Unitholder approval. No certificates for fractional Units will be issued and fractional Units will not entitle the holders thereof to vote.

The Units are issued upon the terms and subject to the conditions of the Contract of Trust, which Contract of Trust is binding upon all Unitholders. By acceptance of a certificate representing Units, the Unitholder thereof agrees to be bound by the Contract of Trust.

Under its Equity Incentive Plan, the REIT granted Unit options, performance Units, deferred Units and restricted Units to Management and employees. As at December 31, 2018, there were 8,689,400 Unit options, 164,425 performance Units, 2,946 restricted Units and 315,435 deferred Units outstanding. In October 2017, the Board of Trustees approved the amendment of the Equity Incentive Plan, subject to regulatory approval, to introduce the performance Units and allow the replacement of Unit options in its long-term incentive policy. For further details on the Equity Incentive Plan and the introduction of performance Units, please see the REIT's Management Proxy Circular, available on SEDAR at www.sedar.com.

On April 4, 2018, in accordance with the overall executive compensation policy, the REIT granted 158,614 performance Units and 81,708 deferred Units to Management relating to executive compensation for the year ended December 31, 2018.

11.2 Purchase of Units

The REIT may from time to time purchase Units in accordance with applicable securities legislation and the rules prescribed under applicable stock exchange or regulatory policies. Any such purchases will constitute an "issuer bid" under Canadian securities legislation and must be conducted in accordance with the applicable requirements thereof. A Unitholder does not have the right at any time to require the REIT to purchase such Unitholder's Units.

On January 10, 2018, the REIT announced the increase of its NCIB, increasing the maximum number of Units that can be repurchased for cancellation from 9,000,000 Units to 17,596,591 Units. During the fiscal year ended on December 31, 2018, the REIT purchased and cancelled 2,709,500 Units for total cash consideration of \$39.5 million through the NCIB, which expired on November 14, 2018, at a weighted average price of \$14.58 per Unit. Under the NCIB, the REIT repurchased a total of 3,440,400 Units at an average price of \$14.50, for total consideration of \$49.9 million paid cash.

On December 10, 2018, the NCIB was renewed for an additional year. A maximum of 18,112,182 Units may be repurchased under the NCIB. As at December 31, 2018, Cominar had not purchased any Units pursuant to the NCIB.

11.3 Issuance of Units

The REIT may issue new Units from time to time and in such manner and for such consideration and to such persons as the Trustees in their sole discretion may determine. Unitholders do not have any pre-emptive rights whereby additional Units proposed to be issued are first offered to existing Unitholders. In addition to Units which may be issued pursuant to the Equity Incentive Plan, the DRIP or other distribution or issuance plans, new Units may be issued for cash through public offerings, through rights offerings to existing Unitholders (i.e., in which Unitholders receive rights to subscribe for new Units in proportion to their existing holdings of the Units, which rights may be exercised or sold to other investors) or through private placements (i.e., offerings to specific investors which are not made generally available to the public or existing Unitholders). In certain instances, the REIT may also issue new Units as consideration for the acquisition of new properties or assets. In connection with the offering of Units, the price or the value of the consideration for which Units may be issued will be determined by the Trustees, generally in consultation with investment dealers or brokers who may act as underwriters or agents in connection with such offerings of Units.

11.4 Take-Over Bid

The Contract of Trust contains provisions to the effect that if a take-over bid is made for Units within the meaning of the *Securities Act* (Québec) and not less than 90% of the Units (other than Units 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 Units held by Unitholders who did not accept the offer either, at the election of such Unitholders, on the terms offered by the offeror or at the fair value of such Unitholders' Units determined in accordance with the procedures set out in the Contract of Trust.

11.5 Restrictions on the Issue and Transfer of Units

At no time may non-residents of Canada (within the meaning of the Tax Act) be the beneficial owners of more than 49% of the Units and the Trustees have informed the transfer agent and registrar of this restriction. The transfer agent and registrar may require declarations as to the jurisdictions in which beneficial owners of Units are resident. If the transfer agent and registrar becomes aware, as a result of requiring such declarations as to beneficial ownership, that the beneficial owners of 49% of the Units then outstanding are, or may be, non-residents or that such a situation is imminent, the transfer agent and registrar will advise the Trustees and, upon receiving direction from the Trustees, may make a public announcement thereof and shall not accept a subscription for Units from or issue or register a transfer of Units to a person unless the person provides a declaration that the person is not a non-resident of Canada. If, notwithstanding the foregoing, the transfer agent and registrar determines that more than 49% of the Units are held by non-residents, the transfer agent and registrar may, upon receiving direction and suitable indemnity from the Trustees, send a notice to non-resident Unitholders, chosen in inverse order to the order of acquisition or registration or in such manner as the transfer agent and registrar may consider equitable and practicable, requiring them to sell their Units or a portion thereof within a specified period of not less than 60 days. If the Unitholders receiving such notice have not sold the specified number of Units or provided the transfer agent and registrar with satisfactory evidence that they are not non-residents of Canada within such period, the transfer agent and registrar may on behalf of such Unitholders sell such Units and, in the interim, shall suspend the voting and distribution rights attached to such Units. Upon such sale the affected holders shall cease to be Unitholders and their rights shall be limited to receiving the net proceeds of sale upon surrender of the certificate representing such Units. See "Risk Factors Related to the Ownership of Units – Restrictions on Certain Unitholders and Liquidity of Units".

11.6 Credit Ratings

On May 15, 2012, the REIT was assigned an Issuer Rating of BBB (low), with a Stable trend, by DBRS, which rating was confirmed by DBRS on July 9, 2013. On August 26, 2014, DBRS confirmed a credit rating of BBB (low), with a Stable trend, in respect of the Senior Debentures (except for the Series 7 3.62% senior unsecured debentures, the Series 8 4.25% senior unsecured debentures and the Series 9 4.164% senior unsecured debentures and the Series 10 4.247% senior unsecured debentures, which had not yet been created nor issued by the REIT as of such date). On September 18, 2014, DBRS assigned a credit rating of BBB (low), with a Stable trend, to the Series 7 3.62% senior unsecured debentures. On December 8, 2014, DBRS assigned a credit rating of BBB (low), with a Stable trend, to the Series 8 4.25% senior unsecured debentures. On May 26, 2015, DBRS assigned a credit rating of BBB (low), with a Stable trend, to the Series 9 4.164% senior unsecured debentures. On May 18, 2016, DBRS confirmed the credit rating of BBB (low) with a Stable trend in respect of the Series 10 4.247% senior unsecured debentures. On August 12, 2016, DBRS confirmed the credit rating of BBB (low), in respect of the Senior Debentures, but changed the trend to Negative from Stable. On August 4, 2017, DBRS revised the credit rating of the REIT's Senior Debentures from BBB (low) with a Negative trend to BB (high) with a Stable trend. Since then, the REIT's rating has remained BB (high) with a Stable trend, as provided for in DBRS's rating report dated October 24, 2018.

DBRS provides credit ratings of debt securities for commercial entities and the following description has been sourced from information made publicly available by DBRS. DBRS ratings are opinions that reflect the creditworthiness of an issuer, a security, or an obligation. They are opinions based on forward-looking measurements that assess an issuer's ability and willingness to make timely payments on outstanding obligations (whether principal, interest, dividend, or distributions) with respect to the terms of an obligation. Ratings are opinions based on the quantitative and qualitative analysis of information sourced and received by DBRS, which information is not audited or verified by DBRS. DBRS cautions that no two issuers possess exactly the same characteristics, nor are they likely to have the same future opportunities. Consequently, two issuers with the same rating should not be considered to be of exactly the same credit quality.

The DBRS long-term rating scale provides an opinion on the risk of default, that is, the risk that an issuer will fail to satisfy its financial obligations in accordance with the terms under which an obligation has been issued.

The BB (high), with a Stable trend, rating assigned by DBRS to the REIT and the Senior Debentures is the fifth highest rating of DBRS' ten rating categories, which range from AAA to D. With the exception of the AAA and D categories, DBRS uses high or low designations to indicate the relative standing of the securities being rated within a particular rating category, and the absence of either a high or low designation indicates the rating is in the middle of the category. Under the DBRS rating system, debt securities rated BB are of speculative credit quality, where the degree of protection afforded interest and principal is uncertain.

DBRS uses "rating trends" for its ratings in, among other areas, the real estate investment trust sector. DBRS' rating trends provide guidance in respect of DBRS' opinion regarding the outlook for the rating in question, and such rating trends fall into one of three categories: "Positive", "Stable" or "Negative". The rating trend indicates the direction in which DBRS considers the rating is headed should present tendencies continue or, in some cases, unless challenges are addressed. In general, DBRS' view is based primarily on an evaluation of the issuer, but may also include consideration of the outlook for the industry or industries in which the issuer operates. A "Positive" or "Negative" trend assigned by DBRS is not an indication that a rating change is imminent, but represents an indication that there is a greater likelihood that the rating could change in the future than would be the case if a "Stable" trend was assigned. A Stable outlook represents no imminent changes in the ratings issued, thus meaning that DBRS noted that there is evidence of stabilization in the REIT's financial profile.

The credit rating assigned by DBRS to the REIT and the Senior Debentures is not a recommendation to buy, hold or sell securities of the REIT. A rating is not a comment on the market price of a security nor is it an assessment of ownership given various investment objectives. There is no assurance that any rating will remain in effect for any given period of time and ratings may be upgraded, downgraded, placed under review, confirmed and discontinued. Non-credit risks that can meaningfully impact the value of the securities issued include market risk, trading liquidity risk and covenant risk. DBRS uses rating symbols as a simple and concise method of expressing its opinion to the market, although DBRS ratings usually consist of broader contextual information regarding the security provided by DBRS in rating reports, which generally set out the full rationale for the chosen rating symbol, and in other releases. For further details, see "PART 8 – Risk Factors – 8.3 Risk Factors Related to the Ownership of Senior Debentures – 8.3.1 Credit Ratings".

The REIT paid to DBRS the customary fee in connection with the ratings assigned to the REIT and the Senior Debentures, and it will continue to make payments to DBRS from time to time in connection with the confirmation of such ratings for purposes of its prospectuses and prospectus supplements thereto, or in connection with credit ratings to be assigned to the debt securities of the REIT, if any, which may be offered for sale from time to time in the future. The REIT did not make any payments to DBRS in respect of any other service provided to the REIT by DBRS during the last two years.

PART 12 – Distribution Reinvestment Plan

On August 3, 2017, the REIT announced the suspension of the DRIP until further notice. If the REIT elects to reinstate the DRIP in the future, Unitholders that were enrolled in the DRIP at suspension and remain enrolled at reinstatement will automatically resume participation in the DRIP. The DRIP currently remains suspended.

Subject to the aforementioned DRIP suspension, the REIT has a DRIP, pursuant to which Unitholders may elect to have all cash distributions of the REIT automatically reinvested in additional Units at a price per Unit calculated by reference to the weighted average of the trading price of Units on the Toronto Stock Exchange for the twenty trading days immediately preceding the relevant Distribution Date. No brokerage commissions were payable in connection with the purchase of Units under the DRIP and all administrative costs were borne by the REIT. Proceeds received by the REIT upon the issuance of additional Units under the DRIP were used by the REIT for property acquisitions, capital improvements and working capital.

Prior to the DRIP suspension, in order to encourage participation, the Unitholders who participated in the DRIP were granted the right to receive an additional number of Units equal to 3% of the distributions to which they were entitled.

Unitholders who reside in the United States or who are United States citizens were not entitled to participate in the DRIP.

PART 13 – Market for Securities of the REIT

13.1 Market for Units

The REIT's Units are listed and posted for trading on the Toronto Stock Exchange under the symbol "CUF.UN".

The following table sets forth the market price range and trading volumes of Units on the TSX for each of the twelve months of the most recently completed fiscal year.

CUF.UN		TSX		
Fiscal year ended December 31, 2018	High (\$)	Low (\$)	Avg Daily Trading Volumes	Total Trading Volumes
January	14.95	14.17	435,200	9,574,394
February	14.51	13.51	361,370	6,866,021
March	13.87	12.33	689,282	14,474,325
April	12.90	12.15	346,931	7,285,557
May	12.74	12.04	283,324	6,233,128
June	12.90	12.02	472,306	9,918,422
July	12.95	12.50	271,553	5,702,623
August	12.73	12.06	243,373	5,354,196
September	12.37	11.60	344,915	6,553,392
October	11.68	10.85	305,897	6,729,730
November	11.44	10.41	312,286	6,870,291
December	12.49	10.49	630,207	11,973,941

13.2 Market for Senior Debentures

There is no trading market for Senior Debentures and the REIT has no intention of requesting a TSX listing for its Senior Debentures.

PART 14 – Trustees and Officers of the REIT

14.1 Information Concerning Trustees

The REIT believes that the diversity of members on the Board of Trustees enhances the quality of discussions, and therefore recognizes the importance of increasing diversity, including the number of women acting as trustees, and of improving gender balance on the Board.

In April 2018, the Nominating and Governance Committee recommended, and the Board approved, a policy regarding the diversity on the Board. The Diversity Policy outlines the REIT's approach to achieving and maintaining diversity, including gender diversity, on its Board. The Nominating and Governance Committee and the President and Chief Executive Officer are responsible for recommending qualified persons for the Board. In the appointment processes for the Board, the Diversity Policy requires considering candidates that are not only highly qualified based on experience, education, expertise and knowledge but also who come from a variety of backgrounds and perspectives. Gender diversity and the level of representation of women on the Board are to be specifically considered in such appointment processes. Further, on an annual basis, the Nominating and Governance Committee and the President and Chief Executive Officer must assess the effectiveness of their respective appointment processes in light of the Diversity Policy and its objectives, set measurable objectives for diversity, monitor progress in achieving gender diversity and monitor implementation of the Diversity Policy.

As at March 29, 2019, one of nine members of the Board of Trustees was a woman and the REIT intends to continue its efforts to identify candidates who meet various selection criteria. The REIT aspires to have women comprise at least 30% of the board by December 31, 2020.

The following table sets forth the name of each current Trustee, the positions and offices within the REIT currently held by them, their principal occupations and their employment during the last five (5) years, the period during which each served as Trustee of the REIT and the approximate number of Units they beneficially own, directly or indirectly, by them or over which they exercise control or direction as at March 29, 2019:

Name, municipality of residence and office	Principal occupation	Period during which served as a Trustee	Number of Units beneficially owned or over which control or direction is exercised ⁽¹⁾
Alban D'Amours , M.C., G.O.Q., L.H, Fellow Adm.A. ⁽¹²⁾ Québec City, Québec Independent Trustee	Chairman of the Board of Trustees and Corporate director	Since 2009	32,182
Johanne M. Lépine , FCIP, ICD.D. ^{(4) (5)} Montréal, Québec Independent Trustee	President and Chief Executive Officer Aon Parizeau Inc.	Since 2013	17,769 ⁽⁶⁾
Michel Thérout , FCPA, FCA ^{(2) (5)} Boucherville, Québec Independent Trustee	Corporate Director	Since 2015	– ⁽⁷⁾
Luc Bachand , ICD.D. ^{(2) (3)} Montréal, Québec Independent Trustee	Corporate Director	Since 2016	20,936
Claude Dussault , BSc ^{(2) (4)} Québec, Québec Independent Trustee	President of Placements ACVA inc.	Since 2017	15,000 ⁽⁸⁾
Sylvain Cossette Montréal, Québec Non-Independent Trustee, President and Chief Executive Officer of the REIT	President and Chief Executive Officer of the REIT	Since 2018	36,684 ⁽⁹⁾
René Tremblay ^{(3) (4)} Montréal, Québec Independent Trustee	Corporate Director	Since 2018	21,500
Paul D. Campbell ^{(3) (5)} Toronto, Ontario Independent Trustee	Chief Executive Officer, VersaCold Logistics	Since 2018	21,600
Zachary R. George ^{(3) (5)} New Canaan, Connecticut, USA Independent Trustee	Co-founder and portfolio manager Of FrontFour Capital Group	Since 2019	12,415,654 ^{(10) (11)}

Notes:

- (1) Each Trustee has furnished information as to the Units beneficially owned by him/her or over which he/she exercises control or direction.
- (2) Member of the Audit Committee.
- (3) Member of the Investment Committee.
- (4) Member of the Human Resources Committee.
- (5) Member of the Nominating and Corporate Governance Committee.
- (6) In addition to her Units, Ms. Lépine holds 10,080 deferred Units, of which 9,976 were vested as at March 29, 2019.
- (7) Since his appointment as Trustee of the REIT on May 12, 2015, Mr. Thérout does not, directly or indirectly, hold any interest in the REIT in the form of Units issued, in accordance with the Contract of Trust, which stipulates that, at all times, at least one trustee cannot hold Units.
- (8) In addition to his Units, Mr. Dussault holds 6,949 deferred Units, of which 6,877 were vested as at March 29, 2019.
- (9) In addition to his Units, Mr. Cossette holds 152,950 deferred Units and 124,423 Performance Units. As at March 29, 2019, 52,905 of his deferred Units were vested.
- (10) Mr. George exercises control over the 12,415,654 Units, but they are not held by him. 638,754 Units are held by FrontFour Capital Group LLC Management Accounts; 1,129,000 Units are held by Iris Fund; 5,142,900 Units are held by Iris Fund II; 3,708,026 Units are held by Iris Fund III L.P.; 41,619 Units are held by FrontFour Opportunity Fund; 156,000 Units are held by FrontFour Real Asset Alternatives Fund; and 1,599,355 Units are held by FrontFour Master Fund.
- (11) In addition to his Units, Mr. George holds 1,045 deferred Units, of which none were vested as at March 29, 2019.
- (12) Systematically attends all committee meetings.

All the Trustees serve until the next annual meeting of Unitholders or until his/her successor has been elected or appointed.

Each of the Trustees listed above has held his or her principal occupation, or position with the REIT, for the five (5) preceding years, except for: (i) Mr. Luc Bachand, who was Vice-Chairman and the Head of BMO Capital Markets in Québec from 2006 to 2016; (ii) Mr. Sylvain Cossette, who was President and Chief Operating Officer of Cominar between 2016 and 2018, and was Executive Vice President and Chief Operating Officer of Cominar between 2012 and 2016; (iii) Mr. René Tremblay who was President of Taubman Asia from 2010 to 2016 and completed his last term as Chairman of its Board in 2017; and (iv) Mr. Paul D. Campbell, who was Project Lead of KingSett Capital between 2014 and 2018.

14.2 Information Concerning Non-Trustee Officers

Non-Trustee Officer as at March 29, 2019	Office with the REIT	Province and Country of Residence
Alain Dallaire	Executive Vice President and Chief Operating Officer	Québec, Canada
Heather C. Kirk	Executive Vice President and Chief Financial Officer	Ontario, Canada
Marie-Andrée Boutin	Executive Vice President, Retail Strategy and Operations	Québec, Canada
Jean Laramée	Executive Vice President, Development	Québec, Canada
Michael Racine	Executive Vice President, Leasing - Office and Industrial	Québec, Canada
Wally Commisso	Executive Vice President, Operations and Property Management	Québec, Canada
Manon Deslauriers	Vice President, Legal Affairs and Corporate Secretary	Québec, Canada
Carl Pepin	Vice-President, Finances and Accounting	Québec, Canada

Each of the non-trustee officers of the REIT has held his or her present principal office or position with the REIT for the five (5) preceding years, with the exception of: (i) Alain Dallaire, Executive Vice-President and Chief Operating Officer, who was previously Executive Vice President, Operations, Office and Industrial and Asset Management of Cominar, between 2014 and 2018, Executive Vice-President, Operations of Cominar from 2008 to 2014 and, Vice-President, Leasing and Commercial Operations of Cominar between 2005 and 2008; (ii) Heather C. Kirk, Executive Vice President and Chief Financial Officer, who was previously at BMO Capital Markets, as Managing Director of Canadian Real Estate Equity Research from 2013 to 2018 and with National Bank Financial from 2002 to 2013, in REIT equity research and real estate investment banking; (iii) Marie-Andrée Boutin, Executive Vice President, Retail Strategy and Operations, who was previously at Aldo Group, as Vice-President – Real Estate, between 2001 and 2018, and was also Vice-President – Real Estate, for Sweetpark Holdings, the Bensadoun family's real estate holding company, between 2009 and 2018; (iv) Jean Laramée, Executive Vice President, Development who was previously at Ivanhoé Cambridge Inc., as Senior Vice President – Quebec Real Estate Capital between March 2013 and November 2014, Senior Vice President – East North America Portfolio between July 2011 and March 2013 and Senior Vice-President – Operations, East Region between March 2002 and July 2011; (v) Wally Commisso, Executive Vice President, Operations and Property Management, who was previously Vice President, Operations and Property Management of Cominar, between 2006 and December 2017; and (vi) Manon Deslauriers, Vice President, Legal Affairs and Corporate Secretary who was previously a lawyer at Manon Deslauriers, avocate Inc. and Harvey Deslauriers, conseils s.e.n.c.r.l. from August 2011 to December 2014, was Director, Business relationships at Scotia Bank, from October 2012 to May 2013 and Vice President, Legal Affairs and Corporate Secretary at Atrium Innovations Inc. from January 2001 to August 2011.

As at March 29, 2019, the executive officers and Trustees of the REIT, directly or indirectly, beneficially owned or exercised direction or control over 13,313,125 Units, in the aggregate.

14.3 Independence

The REIT considers that the Independent Trustees are “independent” within the meaning of Regulation 58-101 respecting Disclosure of Corporate Governance Practices and that the members of the Audit Committee are “independent” within the meaning of Regulation 52-110 respecting Audit Committees.

14.4 Audit Committee

14.4.1 General Provisions

The REIT has an Audit Committee which, as at March 29, 2019, consists of Messrs. Michel Théroux, Alban D'Amours, Luc Bachand and Claude Dussault. All the members of the Audit Committee are Independent Trustees and are considered “independent” and “financially literate” within the meaning of Regulation 52-110 respecting Audit Committees. Mr. Théroux became a chartered accountant in 1972 and obtained his FCA in 2004. Mr. D'Amours is the former President and Chief Executive Officer of the Fédération du Mouvement des caisses Desjardins and is a Fellow of the Ordre des

administrateurs agréés du Québec. Mr. Bachand was Vice-Chairman and the Head of BMO Capital Markets in Québec from 2006 until his retirement in 2016. He is a Fellow of the Institute of Canadian Bankers. Mr. Dussault is currently President of ACVA Investing Corporation, a private investment company. He holds a bachelor's degree in Actuarial Science from Université Laval, and is also a fellow of the Canadian Institute of Actuaries and of the Casualty Actuarial Society.

14.4.2 Mandate of the Audit Committee

The mandate of the Audit Committee is to assist the Board of Trustees of the REIT in fulfilling its oversight responsibilities. As such, the Audit Committee reviews the financial reporting process, the system of internal controls, the management of financial risks, the audit process and the REIT's process for monitoring compliance with laws and regulations and its own general policies. The Audit Committee maintains effective working relationships with the Board of Trustees, Management and external auditors. The mandate of the Audit Committee is attached hereto as Schedule "B".

14.4.3 Education and Experience of Audit Committee Members

The following is a brief summary of the education and experience of each member of the Audit Committee that is relevant to the performance of his or her responsibilities as a member of the Audit Committee, including any education or experience that has provided the member with an understanding of the accounting principles used by the REIT to prepare its annual and interim financial statements.

Name of Audit Committee Member	Relevant Education and Experience
Michel Thérour, FCPA, FCA (President)	<p>Michel Thérour was President of Jas A. Ogilvy Inc., a retail company, from January 1988 to June 2012. He was also President of Equidev Inc., a real estate company, from 1988 to 1997. From 1984 to 1987, Mr. Thérour was involved in the Ordre des comptables agréés du Québec (OCAQ) as a member of the Tax Committee. From 1995 to 1998, he was a member of the Business and Industrial CA Committee of which he became Chair in 1998 for a two-year term. Since 1998, he has been a member of the Bureau of the OCAQ and also served on the Finance Committee for which he became Chair in 2000. That same year, he also became a member of the Executive Committee. In 2003, he was appointed to the position of Vice-Chairman of the Board of the OCAQ. From 2005 to 2007, he was appointed Chairman of the Board of the OCAQ. Then, he joined the Government Relations Committee of the OCAQ as well as the Board of the Foundation of Québec Chartered Accountants. From 2009 to 2015, he was a member of the Board of the Canadian Institute of Chartered Accountants (CICA) as the Québec representative and from 2013 to 2016 he served on the Board of Directors of the Chartered Professional Accountants of Canada (CPA). Since August 2014, he is a member of the Board of Directors and of the audit committee of Optimum Group Inc. Since 2015, Mr. Thérour has been a member and treasurer of Fondation Yvon Deschamps Centre-Sud.</p> <p>Mr. Thérour obtained a license in commerce and accounting from the École des Hautes Études Commerciales (HEC) in 1970. He became chartered accountant in 1972 and obtained his FCA in 2004. He taught taxation at the École des Hautes Études Commerciales of Montréal from 1972 to 1981, and accounting at École Polytechnique de Montréal from 1972 to 1974.</p> <p>Finally, he was director and partner in the taxation department at Samson, Bélair/Deloitte & Touche from 1972 to 1988.</p>

Name of Audit Committee Member	Relevant Education and Experience
Alban D'Amours, M.C., G.O.Q., L.H, Fellow Adm.A.	<p>Alban D'Amours was President and Chief Executive Officer of the Desjardins Group from 2000 to 2008. In 1988 he joined the Confédération des Caisses Desjardins, where he held various management positions. He has held various positions in the Québec civil service, including those of Associate Deputy Minister of Energy and Deputy Minister of Revenue. Professor of economics at the University of Sherbrooke, Mr. D'Amours completed his doctoral studies with a major in monetary policy, public finance and econometrics.</p> <p>He is honorary president of the Confédération Internationale des Banques Populaires, a member of the Board of Directors of the Lucie and André Chagnon Foundation and GenePOC Inc., former member of the Board of Directors of Caisse de dépôt et placement du Québec and former chairman of the Board of Directors of the University of Sherbrooke, Télé-Université (UQ) and Centre Hospitalier Universitaire de Québec.</p>
Luc Bachand, ICD.D.	<p>Luc Bachand was Vice-Chairman and the Head of BMO Capital Markets in Québec from 2006 until his retirement in 2016. Mr. Bachand joined BMO Financial Group in 1983 where he held several positions within the Capital Markets Group. He holds a Bachelor's degree in Business Administration from the École des Hautes Études Commerciales (HEC) and a Master's degree in Business Administration (MBA) from Concordia University. He is a Fellow of the Institute of Canadian Bankers.</p> <p>Mr. Bachand is currently a member of the Boards of Directors of École des Hautes Études Commerciales (HEC), the Fondation Jeunes en Tête, the Institute of Corporate Directors of Canada, the J. Armand Bombardier Foundation as well as Morneau Shepell Ltd. where he also sits on the Audit Committee and HR Committee. He is also a past director of the Investment Industry Regulatory Organization of Canada, the Montreal Exchange, the Investment Dealers Association of Canada (Québec Section) and the Fédération des chambres de commerce du Québec.</p>
Claude Dussault, BSc	<p>Claude Dussault is President of ACVA Investing Corporation, a private investment company. Since 2008, Mr. Dussault has been Chair of the Board of Directors of Intact Financial Corporation. From 2001 until 2007, Mr. Dussault was President and Chief Executive Officer of Intact Financial Corporation (formally known as ING Canada). Mr. Dussault holds a bachelor's degree in Actuarial Science from Université Laval, and is also a fellow of the Canadian Institute of Actuaries and of the Casualty Actuarial Society.</p> <p>Mr. Dussault is currently a member of the Board of Metro Inc. and serves as Chair of its Human Resources committee. Mr. Dussault has also served on various boards of directors, such as UNICEF Canada, Université Laval, ING Bank of Canada, IPC Financial and Equisure Financial Network Inc.</p>

Each of the Audit Committee members understands the accounting principles used by the REIT to prepare its financial statements and has the capacity to generally assess the application of the accounting principles related to the accounting of estimates, accounts receivable, accounts payable and reserves. Messrs. Thérioux, D'Amours, Bachand, and Dussault all have experience in the preparation, audit, analysis and assessment of financial statements containing accounting issues of a generally similar scope and complexity as can reasonably be expected to be raised by the REIT's financial statements. Messrs. Thérioux, D'Amours, Bachand, and Dussault also understand internal controls and disclosure controls and procedures.

14.4.4 External Auditor Service Fees

The following table shows fees accrued and paid to the external auditors in the past two fiscal years for various services provided to the REIT:

	Year ended December 31, 2018 (\$)	Year ended December 31, 2017 (\$)
Audit fees	529,163	472,163
Audit related fees	160,425	148,525
Fees related to fiscal services	249,592	181,665
Other fees	–	–
Total:	939,180	802,353

Audit Fees

These fees include professional services rendered by the external auditors for audits of financial statements or services usually provided by external auditors for regulatory filings and engagements.

Audit Related Fees

These fees include certification services and other services provided by external auditors that are reasonably related to audits or reviews of financial statements and that are not included in the audit fees.

Fees Related to Fiscal Services

These fees include the total fees paid to the auditors for professional services related to tax compliance, tax advice and tax planning.

Other Fees

These fees include the total fees for other products and services rendered and billed by external auditors.

14.4.5 Procedures for the Engagement of Audit and Non-Audit Services

The Audit Committee may engage advisors if it deems it necessary in the exercise of its functions, and fix and pay their remuneration.

14.5 Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Trustees and officers of the REIT and according to information provided to the REIT, none of the candidates proposed for election as Trustee of the REIT or executive officers are as at the date of this AIF or have been, within the ten years before such date, a director, trustee, chief executive officer or chief financial officer or, in respect of subsection (iii) below, an executive officer of a company which, while the person was acting in such capacity:

- (i) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (ii) was, after the director or executive officer ceased to be a director or executive officer, the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days as a result of an event which occurred while the director or executive officer was acting in such capacity; or
- (iii) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

In addition, in the fiscal year ended December 31, 2018, to the knowledge of the Trustees and officers of the REIT and according to the information provided to the REIT, the REIT has not been subject to any penalties or sanctions imposed by a court pursuant to securities legislation or by a regulatory authority or any penalties or sanctions that a reasonable investor would consider significant and that were imposed by a court or regulatory body or any settlement agreements pertaining to such penalties or sanctions.

14.5.1 Personal Bankruptcies

To the knowledge of the Trustees and officers of the REIT and according to the information provided to the REIT, no Trustee or executive officer has within the past 10 years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his, her or its assets.

PART 15 – Legal Proceedings and Regulatory Actions

The REIT is involved in various claims and litigation as a regular part of its business. Management believes that the resolution of these claims and litigation (which in certain cases are subject to applicable deductibles covered by insurance) will not have a material adverse effect on its financial position or results of operations.

As at the date hereof, there are no legal proceedings to which the REIT is a party involving claims for damages exclusive of interest and costs, in excess of 10% of its current assets.

PART 16 – Interest of Management and Other Informed Persons in Material Transactions

During fiscal 2017, and prior to changes that occurred in the first quarter of 2018, Mr. Michel Dallaire and Mr. Alain Dallaire were Trustees and members of Management and they exercised indirect control over the activities of Groupe Dallaire and Dalcon (the “related companies”). On January 1, 2018, Mr. Michel Dallaire ceased to be President and Chief Executive Officer of the REIT and a Trustee. While Mr. Alain Dallaire has a passive indirect economic interest in Groupe Dallaire, he is neither an employee nor a director of Groupe Dallaire. Consequently, since February 12, 2018, Groupe Dallaire and Dalcon are no longer considered related companies.

The REIT has implemented a new business model aiming to diversify its sources of construction suppliers and to create new partnerships with leaders in the field, with the goal of promoting better development and increasing the value of all of its assets in the major areas in which it is active. In parallel with the implementation of this new strategy, the business relationship with Groupe Dallaire and Dalcon for construction services were terminated in an orderly manner. Since November 13, 2018, Dalcon’s resources in Montréal and select resources in Québec City were integrated into Cominar. The construction activities previously carried by Dalcon in Montréal and Québec City related to the leasing of spaces and to maintenance of Investment Properties is now executed internally by the REIT or by external contractors. The construction activities that were integrated include leasehold improvements, refurbishment of common areas, general repairs, plumbing and roofing. Building facade construction or renovation activities, and parking garage construction or repair activities were not transferred to Cominar. Such work is being carried out by external contractors.

In 2016, 2017 and 2018, the REIT entered into transactions with Groupe Dallaire and Dalcon in the normal course of business, the details of which are summarized below:

For the years ended December 31	2018	2017	2016
	(000\$)	(000\$)	(000\$)
Investment Properties – Capital costs	131,320	138,129	86,639
Acquisition of additional ownership interest in the joint venture Société en commandite Chaudière-Duplessis	–	10,016	–
Investment Properties held by joint ventures – Acquisition	–	–	6,204
Investment Properties held by joint ventures – Capital costs	2,590	3,263	2,958
Recovery of mortgage receivable	–	(8,250)	–
Acquisition of an additional ownership interest in the joint venture Société en commandite CJD	–	21,190	–
Share of joint ventures’ net income	5,176	5,276	8,006
Net rental revenue from Investment Properties	288	313	301
Interest income	–	140	280

During the fiscal year ended December 31, 2018, the total amount of investments in Investment Properties (capital costs) amounted to \$226.8 million, including \$131.3 million with Groupe Dallaire and Dalcon, which represents approximately 58% of the investments.

During the fiscal year ended December 31, 2018, Cominar incurred approximately \$131.3 million in capital costs for its Investment Properties which were paid to Groupe Dallaire and Dalcon, including \$79.1 million invested in the Montréal Area, \$47.5 million in the Québec City Area, \$3.8 million in the Ottawa Area, and \$0.9 million in Western Canada, the Toronto Area and Atlantic Provinces (for work undertaken before the sale of a portfolio of 95 properties to Slate on March 27, 2018). Of this amount, \$100.2 million related to work started in 2017 but which continued into 2018.

During the fiscal year ended December 31, 2018, Dalcon completed approximately 1,084 jobs with costs varying between \$0 and \$50,000, and approximately 382 jobs where costs exceeded \$50,000. These investments were allocated as follows: approximately 44% for tenant improvements, 19% for the renovation of Investment Properties, 17% for roofs, pavement and other structural work, 11% for prepping the Ilot Mendel site, 5% for work related to common areas and interiors, and finally 4% for miscellaneous maintenance and repairs.

The leasehold improvement, repair and maintenance work on properties carried out by Dalcon were invoiced to the REIT at cost plus a 5.0% markup. For construction projects, the work was invoiced at cost plus a 2.5% markup.

As at December 31, 2018, Groupe Dallaire and its affiliated companies occupied 65,425 square feet of office space at Complexe Jules-Dallaire, in Québec City.

Contractual rights and obligations

The business objective of investments in joint ventures with Groupe Dallaire is the ownership, management and development of real estate projects.

The formation of each joint venture is governed by limited partnership agreements and unanimous shareholder agreements, in which the rights and obligations of each limited partner or shareholder are provided for. Among these terms and conditions, important decisions with regard to joint ventures are taken unanimously by the limited partners for the limited partnerships, and by the shareholders for the general partners. Capital contributions are made on a pro rata basis between the limited partners. In addition, each limited partner has a right of first refusal, should the other limited partner wish to transfer its participation in the joint venture. Purchase option mechanisms benefit each limited partner with respect of the other limited partner in the event of defaults and insolvency.

In addition, if a Triggering Event (as defined below) occurs in respect of one of the limited partners, the other limited partner shall be entitled, within a thirty (30) day period following the beginning of the Triggering Event, to provide to the limited partner subject to a Triggering Event a notice that contains a purchase offer for the entire ownership interest at fair market value of such interest upon transmission of the notice, and the limited partner in respect of which the Triggering Event occurred will be required to sell its ownership interest. "Triggering Event" means, in respect of Groupe Dallaire, the loss of control of Groupe Dallaire by the Dallaire Family, and, in respect of the REIT, situations where there is a change of control resulting from a takeover bid or a business combination transaction, an acquisition of a significant equity position or an important change outside the normal course of business in the composition of the Board of Trustees during a period of eighteen (18) consecutive months. If the parties cannot mutually agree upon the fair market value, an appraisal mechanism is provided for in the agreements.

PART 17 – Transfer Agent and Registrar

The REIT's transfer agent and registrar is Computershare Trust Company of Canada. The register of transfers is located at its offices in Montréal, Québec.

PART 18 – Material contracts

In addition to the Contract of Trust, the Board Refreshment Agreement is the only "material contract", other than contracts entered into in the ordinary course of business, which has been entered into by Cominar within the most recently completed financial year, or before the most recently completed financial year that is still in effect. See "PART 6 – Contract of Trust" and "PART 3 – General Development of the Business– 3.3 Three Year History – Changes in Management and in the Board of Trustees". Reference is made to each of the Contract of Trust and the Board Refreshment Agreement for a full text of their provisions. Each of the Contract of Trust and the Board Refreshment Agreement is available on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

PART 19 – Interest of Experts

PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l. are the external auditors of the REIT who issued the Independent Auditor's Report to the Unitholders dated March 5, 2019 with respect to the consolidated annual financial statements of the REIT for the fiscal year ended December 31, 2018. PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l. are independent with respect to the REIT within the meaning of the Code of Ethics of the Ordre des comptables professionnels agréés du Québec.

PART 20 – Additional Information

Additional information with respect to the REIT may be found on SEDAR at www.sedar.com.

Additional information, including Trustees and officers' remuneration, principal holder of the REIT's Units and Units authorized for issuance under the Equity Incentive Plan, where applicable, is contained in the REIT's information circular for its most recent annual meeting of Unitholders that involves the election of Trustees, which is available on SEDAR at www.sedar.com.

Additional financial information is provided in the REIT's financial statements and Management's Discussion and Analysis for the fiscal year ended December 31, 2018 available on SEDAR at www.sedar.com.

SCHEDULE “A”

Description of the Income Properties

As at December 31, 2018

The following table summarizes certain aspects of each of the REIT's Income Properties⁽¹⁾:

Income Properties	Year Built/ Renovated	Leasable Area (sq.ft)	% Leased	Selected Clients ⁽²⁾
OFFICE PROPERTIES				
Québec City Area				
4635 1 st Avenue Québec City, Québec	1979/1993	41,000	89.6	Industrial Alliance Life Insurance Company
5055 Wilfrid-Hamel Boulevard West Québec City, Québec	1979/1996	29,000	90.2	Cyber Cat Inc.
5073-5075-5079 Wilfrid-Hamel Boulevard West Québec City, Québec	1980/1994	30,000	70.4	Au Vieux Duluth (restaurant)
2014 Cyrille-Duquet Street Québec City, Québec	1979/1997	64,000	95.5	InnovMetric Logiciels
Place de la Cité 2590-2640 Laurier Boulevard Québec City, Québec	1964/1970/ 1982/1988/ 1993/2003/ 2004	718,000	98.6	Société québécoise des infrastructures (SQI), a Canadian chartered bank, Sepaq, Autorité des marchés financiers (AMF)
455 du Marais Street Québec City, Québec	1977/1997	62,000	84.1	Société québécoise des infrastructures (SQI)
3175 des Quatre-Bourgeois Road Québec City, Québec	1990	101,000	93.9	Coveo Solutions
979 de Bourgogne Avenue Québec City, Québec	1976/1988/ 1996	67,000	81.7	WSP Arpenteurs Géomètres
Place de la Capitale 150 René-Lévesque Boulevard East Québec City, Québec	1973/1999	221,000	100.0	Société québécoise des infrastructures (SQI)
1255-1267 Charest Boulevard West Québec City, Québec	1975/2002	142,000	98.9	Société québécoise des infrastructures (SQI)
565-585 Charest Boulevard East Québec City, Québec	1950/1999/ 2000	102,000	96.2	Ubisoft
6777 Guillaume-Couture Boulevard Lévis, Québec	2007	80,000	100.0	Desjardins General Insurance Group
888 Saint-Jean Street Québec, Québec	1981/2003	77,000	85.1	Canada Broadcasting Corporation
1400 Guillaume-Couture Boulevard Lévis, Québec	2004/2005	77,000	100.0	Société québécoise des infrastructures (SQI)
1156 Guillaume-Couture Boulevard Lévis, Québec	1995	33,000	100.0	Société québécoise des infrastructures (SQI)
Complexe Jules-Dallaire ⁽³⁾ 2820-2828 Laurier Boulevard Québec City, Québec	2008/2010 2014	403,000	99.5	Groupe Dallaire, Gestion LKD, Les services administratifs Cominar, CIBC World Markets, Corporation BCF Québec, Services OR, a Canadian chartered bank, Société québécoise des infrastructures (SQI), RGN Québec III, RBC Dominion Securities
Place Hauteville 654 and 700 René-Lévesque Boulevard East Québec, Québec	1976	270,000	100.0	Société québécoise des infrastructures (SQI)

Income Properties	Year Built/ Renovated	Leasable Area (sq.ft)	% Leased	Selected Clients ⁽²⁾
1020, rue Bouvier, Québec City, Québec ⁽⁴⁾	2015	41,000 ⁽⁴⁾	98.4	RGN Quebec IX Limited Partnership (REGUS)
Sub-total		2,558,000		
Montréal Area				
3100 de la Côte-Vertu Boulevard Montréal, Québec	1983	96,000	91.0	Aerotek ULC
3773 de la Côte-Vertu Boulevard Montréal, Québec	1989	53,000	71.4	Berletex Aerodesign
7405 Trans-Canada Highway Montréal, Québec	1984	82,000	84.9	Sungard Availability Services (Canada)
9800 Cavendish Boulevard Montréal, Québec	1989	103,000	98.8	FEDEX Trade Networks Transport & Brokerage (Canada), Kativik School Board
3900 de la Côte-Vertu Boulevard Montréal, Québec	1981	29,000	71.7	A Canadian chartered bank
3950 de la Côte-Vertu Boulevard Montréal, Québec	1982	24,000	49.9	Sungard Availability Services (Canada)
7355 Trans-Canada Highway Montréal, Québec	1981	23,000	21.6	APPX Crypto Technologies
Centropolis – Bâtiment T 3055 Saint-Martin Ouest Boulevard, Laval, Québec	2014	119,000	100.0	RGN Quebec VII limited Partnership
Centropolis – Bâtiment D 2968-3000 Pierre-Péladeau Avenue, Laval, Québec	2006	64,000	100.0	TD Meloche Monnex
255 Crémazie Boulevard East Montréal, Québec	1967/2002	241,000	99.7	Ordre des travailleurs sociaux et des thérapeutes du Québec, Claimspro, City of Montréal
3400 Jean-Béraud Avenue Laval, Québec	2001	154,000	91.2	Her Majesty the Queen
201 Laurier Avenue East Montréal, Québec	1916/1989/ 2001	132,000	100.0	City of Montréal, Société québécoise des infrastructures (SQI), Concentrix
375 Sir-Wilfrid-Laurier Boulevard Mont-Saint-Hilaire, Québec	1999	50,000	100.0	Breton, Banville et associés SENC
325 Honorius-Charbonneau Boulevard Mont-Saint-Hilaire, Québec	1985	19,000	0.0	Vacant
1080 Beaver Hall Hill Montréal, Québec	1968/2000	306,000	98.8	Stantec, TEVA Canada Innovation, AC Nielsen, Société de transport de Montréal
4700 de la Savane Street Montréal, Québec	1988/1998/ 1999	184,000	64.3	Presagis Canada
9900 Cavendish Boulevard Montréal, Québec	1987	83,000	87.8	Cantrex Nationwide
9999 Cavendish Boulevard Montréal, Québec	1988	51,000	80.4	Famic Technologies, Intertape Polymer Inc.
9960-9970 Côte-de-Liesse Road Montréal, Québec	1983	25,000	41.7	High Liner Foods
1 Place Laval Laval, Québec	1965/1989	109,000	52.1	Groupecho Canada
2 Place Laval Laval, Québec	1965/1989	100,000	74.5	Utopia
3 Place Laval Laval, Québec	1965/1989	186,000	45.5	City of Laval, Société québécoise des infrastructures (SQI), Her Majesty the Queen
4 Place Laval Laval, Québec	1965/1989	140,000	93.2	Société québécoise des infrastructures (SQI)

Income Properties	Year Built/ Renovated	Leasable Area (sq.ft)	% Leased	Selected Clients ⁽²⁾
5 Place Laval Laval, Québec	2014	321,000	100.0	Société québécoise des infrastructures (SQI)
3080 Le Carrefour Boulevard Laval, Québec	1990	87,000	82.5	H.B. Group Insurance Management
3090 Le Carrefour Boulevard Laval, Québec	1986	72,000	90.3	London Life Insurance Company
3100 Le Carrefour Boulevard Laval, Québec	1988	76,000	77.9	A Canadian chartered bank
2525 Daniel-Johnson Boulevard Laval, Québec	1977	109,000	88.9	WSP Canada
1111 Dr.-Frederik-Philips Boulevard Montréal, Québec	1990	102,000	91.0	Makivik Corporation
3300 de la Côte-Vertu Boulevard Montréal, Québec	1976	98,000	89.2	Gamma Entertainment
2001 McGill College Avenue Montréal, Québec	1982	512,000	96.4	SITA (Société internationale de télécommunications aéronautiques), McGill University, a Canadian chartered bank, Joli-Coeur Lacasse, Fondation Lucie et André Chagnon, State Street Trust Company Canada, Eidos Interactive Corporation, BFL Canada risk and insurance
9955 de Châteauneuf Street Brossard, Québec	2004/2006	90,000	92.8	Voith Hydro
5101 Buchan Street Montréal, Québec	1988	117,000	70.2	Axor experts-conseils, Positron
5100 Sherbrooke Street East Montréal, Québec	1985/1986	372,000	99.0	Société de gestion du réseau informatique, Tetra Tech, Nordia
2405 Fernand-Lafontaine Boulevard Longueuil, Québec	1966	33,000	100.0	ITR Acoustique
895 De La Gauchetière Street West Montréal, Québec	1929/1943/ 1961/1981/ 1999-2005	649,000	100.0	Canadian National Railway Company, Intelrad Medical Systems Incorporated, Adacel, Les Services Financiers Gemco
3400 de Maisonneuve Boulevard West Montréal, Québec	1967/1971/ 1986/1987/ 1988	610,000	93.9	Hapag Lloyd (Canada), Dale Parizeau Morris Mackenzie, KSH Solutions, AGA Benefit Solutions, Tecsys, Xerox Canada, Oceanwide, Fédération des médecins omnipraticiens du Québec
1717 René-Lévesque Boulevard East Montréal, Québec	1981/2010	70,000	100.0	Bell Media
1200 Papineau Avenue Montréal, Québec	1988/2010	93,000	87.3	Productions J
3669-3681 des Sources Boulevard Dollard-des-Ormeaux, Québec	1981	25,000	79.0	Moksha Yoga West Island
480 Armand-Frappier Boulevard Laval, Québec	2003	51,000	100.0	City of Laval
420 Armand-Frappier Boulevard Laval, Québec	2002	51,000	65.0	TCR Collection Agency
440 Armand-Frappier Boulevard Laval, Québec	1999	49,000	83.9	ProMetic Life Sciences
400 Armand-Frappier Boulevard Laval, Québec	2003	50,000	85.9	Technologies 20-20
1301 Gay-Lussac Street Boucherville, Québec	1999	15,000	100.0	Clark, Drouin, Lefebvre
85 J.-A.-Bombardier Street Boucherville, Québec	2003	26,000	38.9	PLB International Inc.
9975-9995 de Châteauneuf Street Brossard, Québec	2004	124,000	100.0	Tyco Safety Products Canada

Income Properties	Year Built/ Renovated	Leasable Area (sq.ft)	% Leased	Selected Clients ⁽²⁾
2 Place du Commerce Brossard, Québec	1976	36,000	86.7	Industrielle Alliance, Assurance et Services Financiers
5 Place du Commerce Brossard, Québec	1981	20,000	100.0	DuFour, Charbonneau, Brunet & ass.
8 Place du Commerce Brossard, Québec	1981	31,000	54.7	Financial Horizons Group
1 Place du Commerce Brossard, Québec	1978	43,000	82.7	Société québécoise des infrastructures (SQI)
11 Place du Commerce Brossard, Québec	1976/2004	41,000	79.2	Société québécoise des infrastructures (SQI)
3 Place du Commerce Brossard, Québec	1978	28,000	67.4	Skratch Bar
7450 des Galeries-d'Anjou Boulevard Montréal, Québec	1986	66,000	93.8	Caisse Desjardins d'Anjou - Tétreautville
7400 des Galeries-d'Anjou Boulevard Montréal, Québec	1988	115,000	90.6	A Canadian chartered bank
8200 Décarie Boulevard Montréal, Québec	1982	61,000	98.0	Silanis Technology
8250 Décarie Boulevard Montréal, Québec	1989	83,000	81.1	Berger Emrich Valencak
768-790 Décarie Boulevard Montréal, Québec	1970-1998	35,000	85.9	Centre d'accueil et de référence sociale et économique pour immigrants de Saint-Laurent
1-243 Place Frontenac Pointe-Claire, Québec	1977	66,000	84.1	Les centres de la jeunesse et de la famille Batshaw
1000 Saint-Jean Boulevard Pointe-Claire, Québec	1976	110,000	67.5	Société québécoise des infrastructures (SQI)
1555 Carrie-Derick Street Montréal, Québec	2005	82,000	100.0	Tata Communications
Sub-total		6,992,000		
Ontario Area				
550 de la Cité Boulevard Gatineau, Québec	2003	321,000	100.0	Her Majesty the Queen
480 de la Cité Boulevard Gatineau, Québec	2003	46,000	100.0	Brookfield Power Services
400 Cooper Street Ottawa, Ontario	1974/1998	185,000	94.2	Centretown Community Health Center, Canadian Red Cross Society
975, Saint-Joseph Boulevard Gatineau, Québec	1983/1999	195,000	100.0	Her Majesty the Queen
1145 Hunt Club Road Ottawa, Ontario	1990	90,000	97.3	SNC LAVALIN, Ottawa Hospital
110 O'Connor Street Ottawa, Ontario	1970/1999/ 2010	189,000	99.4	Her Majesty the Queen
222-230 Queen Street Ottawa, Ontario	1972/1991/ 2002	205,000	74.2	Her Majesty the Queen, a Canadian chartered bank
171 Slater Street Ottawa, Ontario	1970/2011	153,000	67.8	Her Majesty the Queen
2465 Saint-Laurent Boulevard Ottawa, Ontario	1987/2001	58,000	100.0	Her Majesty the Queen
1000 Innovation Drive Kanata, Ontario	2000	139,000	100.0	Entrust Limited

Income Properties	Year Built/ Renovated	Leasable Area (sq.ft)	% Leased	Selected Clients⁽²⁾
21 Fitzgerald Road Nepean, Ontario	1986/1996	39,000	100.0	Her Majesty the Queen
25 Fitzgerald Road Nepean, Ontario	1998	114,000	94.4	Her Majesty the Queen
35 Fitzgerald Road Nepean, Ontario	2001	64,000	85.7	Her Majesty the Queen
1 Antares Road Nepean, Ontario	1989	72,000	100.0	Synopsys Canada ULC, N. Harris Computer
700 Palladium Drive Ottawa, Ontario	2001	61,000	100.0	Ford Motor Company
750 Palladium Drive Ottawa, Ontario	2001	80,000	93.2	Skywave Mobile Communications
770 Palladium Drive Ottawa, Ontario	2001	86,000	75.7	Calian Ltd.
Sub-total		2,097,000		
Atlantic Provinces				
1199 Saint-George Boulevard Moncton, New Brunswick	1996	60,000	0.0	Vacant
Sub-total		60,000		
TOTAL OFFICE PROPERTIES		11,707,000		
RETAIL PROPERTIES				
Québec City Area				
3345 du Carrefour Street Québec City, Québec	2005	25,000	82.8	Caisse Desjardins du Vieux-Moulin
320 Chemin de la Canardière Québec City, Québec	1980/1993	13,000	80.3	Groupe Jean Coutu (PJC)
280 Racine Street Québec City, Québec	1984	16,000	100.0	Dollarama, A Canadian Chartered Bank
2200 Cyrille-Duquet Street Québec City, Québec	1965/1986/ 1996/2018	31,000	0.0	Development
5600 Guillaume-Couture Boulevard Lévis, Québec	2005	10,000	100.0	Société des alcools du Québec
5 d'Orléans Street Québec City, Québec	1978/1985	6,000	100.0	A Canadian chartered bank
2160 Cyrille-Duquet Street Québec City, Québec	1965/1981/ 1994/2018	45,000	0.0	Development
2180 Cyrille-Duquet Street Québec City, Québec	1969/1984/ 1997/2003	20,000	100.0	Tesla Motors
Halles Fleur de Lys 245 Soumande Street Québec City, Québec	1978/1984/ 1994	94,000	90.3	Dollarama, Michael Rossy
2195 Guillaume-Couture Boulevard Lévis, Québec	1977/1985	6,000	73.3	A Canadian chartered bank
2160 Guillaume-Couture Boulevard Lévis, Québec	1971/1978/ 1996	73,000	71.3	Metro Richelieu, Music-hall le Cabaret de la Rive-Sud
Place de la Cité 2590-2640 Laurier Boulevard Québec City, Québec	1964/1970/ 1982/1993	307,000	91.1	Caisse Desjardins de Sainte-Foy, YM, La Cité Médicale

Income Properties	Year Built/ Renovated	Leasable Area (sq.ft)	% Leased	Selected Clients ⁽²⁾
Carrefour Charlesbourg 8500 Henri-Bourassa Boulevard Québec City, Québec	1976/1988/ 1995/1996/ 2004	319,000	86.6	Metro Québec Immobilier, Michael Rossy
355 du Marais Street Québec City, Québec	1990	38,000	100.0	Maximus
325 du Marais Street Québec City, Québec	1991	80,000	90.7	Restaurant Tomas Tam
3323 du Carrefour Street Québec City, Québec	2006	4,000	100.0	A Canadian chartered bank
550 du Marais Street Québec City, Québec	1995	17,000	80.2	Écho Sport
Les Promenades Beauport 3333 du Carrefour Street Québec City, Québec	1978/2002/ 2004/2008/ 2009	547,000	96.4	Winners, Sports Expert/Athmosphère, Leon's Furniture, Magasins Hart, Quilles Univers Beauport, L'Aubainerie concept mode, Énergie Cardio
1295 Charest Boulevard West Québec City, Québec	1982/ 2007	28,000	100.0	Continental Capital Investments
Place Lévis 50 Président-Kennedy Road Lévis, Québec	1970/1995	216,000	81.0	Provigo Distribution
3319 du Carrefour Street Québec City, Québec	2003	3,000	100.0	Tim Hortons
329 Seigneuriale Street Québec City, Québec	1992/1997	4,000	100.0	Belron Canada
1269-1283 Charest Boulevard West Québec City, Québec	1975/2002	63,000	47.0	Dollarama
Carrefour Les Saules 5150-5200 de l'Ornière Boulevard Québec, Québec	1972/2000/ 2005	159,000	100.0	Provigo Distribution, Hart Stores, Surplus R.D.
950 Jutras Boulevard East Victoriaville, Québec	2012	4,000	100.0	Coco Frutti
230 des Bois-Francis Boulevard South Victoriaville, Québec	1986	8,000	86.8	Burger King
Les Galeries Shawinigan 3353-3493 Royal Boulevard Shawinigan, Québec	1988/2006	24,000	70.6	Bouclair
La Plaza de la Mauricie 3103 Royal Boulevard Shawinigan, Québec	1974/2000/ 2002/2006	223,000	95.7	Métro Richelieu, Bureau en Gros, Pharmaprix, Hart Stores, L'Aubainerie, Intersport
3321 du Carrefour Street Québec, Québec	2013	5,000	100.0	Développements Ben & Florentine
3315-3317 du Carrefour Street Québec, Québec	1989	17,000,	100.0	Bouclair
Carrefour Frontenac 805 Frontenac Boulevard East Thetford Mines, Québec	1959	181,000	99.1	Rona, Provigo Distribution
Carrefour Saint-Georges 8585 Lacroix Boulevard Saint-Georges, Québec	1974/1978/ 1992/2002	305,000	95.9	Bureau en Gros, Métro, Surplus R.D.
Centre commercial Rivière-du-Loup 298 Armand-Thériault Boulevard Rivière-du-Loup, Québec	1973/2005	307,000	95.0	Métro Québec immobilier
252 de l'Hôtel-de-Ville Boulevard Rivière-du-Loup, Québec	1997	7,000	100.0	Hart Store

Income Properties	Year Built/ Renovated	Leasable Area (sq.ft)	% Leased	Selected Clients ⁽²⁾
95 des Cerisiers Street Rivière-du-Loup, Québec	2008	6,000	0.0	Vacant
Carrefour Rimouski 419 Jessop Boulevard Rimouski, Québec	1978	340,000	99.1	Canadian Tire, Provigo Distribution
Les Rivières 4125-4575 des Forges Boulevard Trois-Rivières, Québec	1971/1981/ 2001	376,000	98.0	Toys "R" Us, FGL Sports, Rona
3925 des Forges Boulevard Trois-Rivières, Québec	2000	38,000	100.0	Sobeys Québec
1000 des Basses-Terres Street ⁽⁴⁾ Québec, Québec	2015	33,000	100.0	Sportium
1033 des Rocailles Street Québec, Québec	2016	13,000	100.0	Avril
1016, rue Bouvier, Québec, Québec ⁽⁴⁾	2016	5,000	100.0	St-Hubert
4675 des Forges Boulevard Trois-Rivières, Québec	2016	7,000	100.0	SAQ
Sub-total		4,167,000		
Montréal Area				
Carrefour Lachenaie 400 Montée des Pionniers Terrebonne, Québec	2003	6,000	100.0	Groupe TDL
330-334 Montée des Pionniers Terrebonne, Québec	2004	6,000	100.0	La Belle Province
310-322 Montée des Pionniers Terrebonne, Québec	2003	19,000	85.2	Dormez-vous
250-302 Montée des Pionniers Terrebonne, Québec	2005	77,000	100.0	The Brick Warehouse
216-220 Montée des Pionniers Terrebonne, Québec	2008	13,000	100.0	J.M. Clément
Mail Champlain 2151-2153 Lapinière Boulevard Brossard, Québec	1975/1977/ 1988/1990/ 1994/2009	722,000	97.2	Hudson's Bay Company, FGL Sports, Hennes & Mauritz, YM, Archambault, Decathlon Canada
Centre Rockland 2305 Rockland Road Town of Mount Royal, Québec	1959/ 1983/2005	646,000	95.3	YM, FGL sports, Zara Canada, The Linen Chest, Hudson's Bay Company, Société des alcools du Québec, Shoppers Realty, Hennes & Mauritz
Galeries Rive-Nord 100 Brien Boulevard Repentigny, Québec	1974/ 1982/1984/ 1990/1999	575,000	98.9	Walmart Canada, FGL Sports, Toys "R" Us, Hennes & Mauritz
Centropolis – Building A 2888 du Cosmodôme Avenue, Laval, Québec	2000	73,000	100.0	Fruiterie 440
Centropolis – Building C 1731-1799 Pierre-Péladeau Avenue and 2777 Saint-Martin Boulevard West, Laval, Québec	2000	69,000	100.0	La Cordée plein air
Centropolis – Building Ea 2900-2940 Pierre-Péladeau Avenue and 101 du Centropolis Promenade, Laval, Québec	2003	22,000	100.0	The 3 Brewers
Centropolis – Building Eb 105-165 du Centropolis Promenade, Laval, Québec	2003	19,000	100.0	Putting Edge
Centropolis – Building Fa 1820-1880 Pierre-Péladeau Avenue, Laval, Québec	2001	18,000	100.0	Jack Astor's (Laval) Realty

Income Properties	Year Built/ Renovated	Leasable Area (sq.ft)	% Leased	Selected Clients ⁽²⁾
Centropolis – Building Fb 100-140 du Centropolis Promenade, Laval, Québec	2001	15,000	90.2	Développement Allô mon Coco
Centropolis – Building G 1730-1798 Pierre-Péladeau Avenue et 2929-2981 Saint-Martin Boulevard West Laval, Québec	2001	60,000	99.6	Énergie Cardio
Centropolis – Building H 175-245 du Centropolis Promenade, Laval, Québec	2001	40,000	100.0	Zibo restaurant, Balthazar
Centropolis – Building I 485-575 du Centropolis Promenade, Laval, Québec	2004	46,000	96.7	Neptune Technologies & Bioressources
Centropolis – Building Ja 150-190 du Centropolis Promenade, Laval, Québec	2001	17,000	100.0	Espace Ricardo
Centropolis – Building Jb 200-250 du Centropolis Promenade, Laval, Québec	2001	19,000	100.0	Société des alcools du Québec
Centropolis – Building K 450-510 du Centropolis Promenade, Laval, Québec	2004	19,000	100.0	Boston Pizza
Centropolis – Building Pa 580-590 du Centropolis Promenade et 1825-1955 Saint-Martin Boulevard West Laval, Québec	2006	33,000	100.0	J.M. Clément
Centropolis – Building Pb 520-572 du Centropolis Promenade, Laval, Québec	2006	14,000	100.0	Les Entreprises Zouki's
Centropolis – Building R 595-655 du Centropolis Promenade et 2005-2105 Saint-Martin Boulevard West Laval, Québec	2006	56,000	82.7	A Canadian chartered bank
Centropolis – Colossus 2800 du Cosmodôme Avenue, Laval, Québec	2009	100,000	100.0	Famous Players
Méga Centre Saint-Bruno 1479-1481-1483-1485 Saint-Bruno Boulevard Saint-Bruno-de-Montarville, Québec	1997	13,000	100.0	Groupe Yellow
1465 Saint-Bruno Boulevard Saint-Bruno-de-Montarville, Québec	1997	26,000	100.0	Bureau en Gros
1475 Saint-Bruno Boulevard Saint-Bruno-de-Montarville, Québec	1997	153,000	100.0	Walmart
1495 Saint-Bruno Boulevard Saint-Bruno-de-Montarville, Québec	1997	35,000	100.0	Cinéplex Odéon
800 de l'Étang Street Saint-Bruno-de-Montarville, Québec	2003	30,000	100.0	Hudson's Bay Company
1011-1091 Saint-Bruno Boulevard Saint-Bruno-de-Montarville, Québec	2007/2008	79,000	89.7	YM, Récréofun, YM Sales
1101-1191 Saint-Bruno Boulevard Saint-Bruno-de-Montarville, Québec	2007/2008	30,000	100.0	Concept Saint-Bruno
340-360 Sir-Wilfrid-Laurier Boulevard Mont-Saint-Hilaire, Québec	2004/2005	24,000	100.0	BBA
370-380 Sir-Wilfrid-Laurier Boulevard Mont-Saint-Hilaire, Québec	1991	45,000	96.3	Buffet chinois Maison Chan
353-361 Sir-Wilfrid-Laurier Boulevard, 345 Honorius-Charbonneau Boulevard and 365 Sir-Wilfrid-Laurier Boulevard Mont-Saint-Hilaire, Québec	1995/1998	72,000	94.1	Supermarché St-Hilaire
377-383 Sir-Wilfrid-Laurier Boulevard Mont-Saint-Hilaire, Québec	2000	9,000	78.0	Geneviève Meunier, Marc Ahmaranian

Income Properties	Year Built/ Renovated	Leasable Area (sq.ft)	% Leased	Selected Clients ⁽²⁾
933 Armand-Frappier Boulevard Sainte-Julie, Québec	2000	14,000	100.0	Caisse Desjardins du Grand-Coteau
600-660 Le Corbusier Boulevard Laval, Québec	2008	59,000	100.0	Dollarama
690 Le Corbusier Boulevard Laval, Québec	2008	43,000	100.0	Nordia
720 Le Corbusier Boulevard Laval, Québec	2009	9,000	100.0	A Canadian chartered bank
760-800 Le Corbusier Boulevard Laval, Québec	2008	12,000	82.3	Urbania
830-850 Le Corbusier Boulevard Laval, Québec	2008	10,000	48.3	Panda d'Or
900-950 Le Corbusier Boulevard Laval, Québec	2009	61,000	100.0	Indigo Books & Music, Golf Town, Jysk Linen'n furniture
1020-1050 Le Corbusier Boulevard Laval, Québec	2008	10,000	100.0	Allstate compagnie d'assurance
1090-1130 Le Corbusier Boulevard Laval, Québec	2008	12,000	100.0	Kanda Sushi Bar
1310 Le Corbusier Boulevard Laval, Québec	2008	31,000	100.0	Winners
1340-1350 Le Corbusier Boulevard Laval, Québec	2008	8,000	100.0	Centre Hi-Fi
1160-1170 Le Corbusier Boulevard Laval, Québec	2011	12,000	48.3	A Canadian chartered bank
99 Saint-Jean-Baptiste Boulevard Châteauguay, Québec	1991/2006	4,000	100.0	Pizza Hut
484 25 th Avenue Saint-Eustache, Québec	1990/2006	4,000	100.0	Pizza Hut
155 25 th Avenue Saint-Eustache, Québec	1989	7,000	81.2	Boulangerie pâtisserie fine douceur RGC
101 Arthur-Sauvé Boulevard Saint-Eustache, Québec	1963/1995	3,000	100.0	Harvey's
Place Longueuil 825 Saint-Laurent Street West Longueuil, Québec	1966/1981/ 1986	416,000	95.4	Sobeys Québec, Société québécoise des infrastructures (SQI), FGL Sports, Winners
920 Douglas Street Saint-Jean-sur-Richelieu, Québec	1991/2007	4,000	100.0	Pizza Hut
1200 Nobel Place Boucherville, Québec	1973/1976	64,000	92.8	9328-5047 Québec (Buffet Fulam), Energie Cardio
2054 Curé-Labelle Boulevard Saint-Jérôme, Québec	1990/2007	4,000	100.0	Pizza Hut
324 Curé-Labelle Boulevard Sainte-Thérèse, Québec	1982/1996/ 2006	4,000	100.0	Pizza Hut
670 Principale Street Sainte-Agathe-des-Monts, Québec	1990/2009	4,000	0	Vacant
1837 Gascon Road Terrebonne, Québec	1990/2006	4,000	100.0	Pizza Hut
1950 Leonard-De-Vinci Street Sainte-Julie, Québec	1991/2006	4,000	100.0	Pizza Hut
170 Curé-Labelle Boulevard Rosemère, Québec	1970/1981/ 2009	3,000	100.0	Harvey's

Income Properties	Year Built/ Renovated	Leasable Area (sq.ft)	% Leased	Selected Clients ⁽²⁾
1600 Le Corbusier Boulevard Laval, Québec	1967/1998/ 2003/2005	698,000	94.6	Best Buy Canada, The Brick Warehouse, Hudson's Bay Company, Bureau en Gros, Sportium, Winners
2001 Victoria Avenue Saint-Lambert, Québec	1986	43,000	54.9	The Jean Coutu Group (PJC)
8 Bromont Boulevard Bromont, Québec	1989/1993	4,000	100.0	9341-0108 Québec (La petite grenouille)
255 Crémazie Boulevard West Montréal, Québec	1983/2000	4,000	100.0	Harvey's
2986 Saint-Charles Boulevard Kirkland, Québec	1974/1987/ 1990	2,000	100.0	Harvey's
Les Halles de l'Île 7, Place du Commerce Montréal, Québec	2004	17,000	87.1	Quincaillerie Hogg
378-380 Harwood Boulevard Vaudreuil-Dorion, Québec	1996	14,000	100.0	The Jean Coutu Group (PJC)
425-443 Adolphe-Chapleau Street Bois-des-Filion, Québec	1986	40,000	87.0	The Jean Coutu Group (PJC), Dollarama
4211-4219 Wellington Street Montréal, Québec	1927	7,000	100.0	Société des alcools du Québec
895 De La Gauchetière Street West Montréal, Québec	1929/1943/ 1961/1981/ 1999-2005	88,000	96.4	Bureau en Gros
Alexis Nihon Complex 1500 Atwater Avenue Montréal, Québec	1967/1971/ 1986/1987/ 1988	411,000	99.0	Winners, FGL Sports, Canadian Tire, Sobeys Québec
50 Lionel-Groulx Boulevard Sherbrooke, Québec	1990/2005	5,000	100.0	Pizza Hut
736 King Street East Sherbrooke, Québec	1986/1988	4,000	0.0	Vacant
3005 King Street East Sherbrooke, Québec	1980/1988	6,000	100.0	Rotisserie Diamond
1333-1363 Belvédère Street South Sherbrooke, Québec	1988	16,000	86.5	The Jean Coutu Group (PJC)
121 de la Visitation Street Saint-Charles-Borromée, Québec	1991	4,000	100.0	Pizza Hut
3500 de la Côte-Vertu Boulevard and 850-980 Beaulac Street, Montréal, Québec	1960/1997/ 1998	170,000	87.4	Cinéma méga-plex Spheretech 14, Énergie Cardio, Bar & billard Unison
3330 de la Côte-Vertu Boulevard Montréal, Québec	1999-2002	4,000	100.0	McDonald restaurant
3310 de la Côte-Vertu Boulevard Montréal, Québec	1999-2002	5,000	100.0	Souvlaki Bar
3450 de la Côte-Vertu Boulevard Montréal, Québec	1999-2002	6,000	100.0	Groupe Sportscène
3550 de la Côte-Vertu Boulevard Montréal, Québec	1999-2002	6,000	100.0	Dormez-vous
1059-1095 Jean-Baptiste-Rolland Boulevard West Saint-Jérôme, Québec	1998-2004	78,000	79.6	Reitmans, Mega centre d'amusement, Surplus R.D.
1035-1049 Jean-Baptiste-Rolland Boulevard West Saint-Jérôme, Québec	1998-2004	24,000	81.1	L'Équipeur
1105-1135 Jean-Baptiste-Rolland Boulevard West Saint-Jérôme, Québec	1998-2004	77,000	57.5	Bureau en Gros, Jysk Linen'n Furniture
1051-1055 Jean-Baptiste-Rolland Boulevard West Saint-Jérôme, Québec	1998-2004	17,000	100.0	Énergie Cardio

Income Properties	Year Built/ Renovated	Leasable Area (sq.ft)	% Leased	Selected Clients⁽²⁾
1165 du Tremblay Road Longueuil, Québec	2003	3,000	100.0	Harvey's
1175 du Tremblay Road Longueuil, Québec	2003	5,000	100.0	Barbies
2401 Roland-Therrien Boulevard Longueuil, Québec	2003	22,000	100.0	Caisse Desjardins Pierre-Boucher
2140 King Street East Sherbrooke, Québec	1989/2003	30,000	78.6	The Jean Coutu Group (PJC)
2110 King Street East Sherbrooke, Québec	2000	1,000	100.0	Subway
Mail Montenach 600 Sir-Wilfrid Laurier Boulevard Beloil, Québec	1975/1989/ 2012	339,000	95.3	Canadian Tire, Métro Richelieu 2000, Librairie Papeterie Citation, Olympia Sports, Winners
560 Sir-Wilfrid Laurier Boulevard Beloil, Québec	2005	8,000	100.0	Société des alcools du Québec
546 Sir-Wilfrid Laurier Boulevard Beloil, Québec	2005	4,000	100.0	A Canadian chartered bank
Sub-total		6,168,000		
Ontario Area				
120 de l'Hôpital Boulevard Gatineau, Québec	1996	66,000	89.2	Cinema 9
Galleries de Hull 320 Saint-Joseph Boulevard Gatineau, Québec	1972	305,000	81.3	Shoppers Realty, Original Baked Quality Pita
350 Saint-Joseph Boulevard Gatineau, Québec	2008	8,000	100.0	Bâton Rouge (restaurant)
Sub-total		379,000		
TOTAL RETAIL PROPERTIES		10,714,000		
INDUSTRIAL AND FLEX PROPERTIES				
Québec City Area				
2381-2393 Watt Avenue Québec City, Québec	1973/1981	66,000	100.0	Boulangerie Pâtisserie Dumas
2345-2349 Dalton Avenue Québec City, Québec	1973/1981	54,000	100.0	VAST Auto distribution, Clé du découpage
830 Godin Avenue Québec City, Québec	1978/1994	49,000	99.8	Iron Mountain Canada
1165 Lomer-Gouin Street Québec City, Québec	1941/1978/ 1993	72,000	100.0	Produits Capital, L'Usine Creation
1990 Cyrille-Duquet Street Québec City, Québec	1976/1977/ 1995/1996	91,000	87.5	Vigneault Chocolatier, Mission-HGE
2006-2010 Lavoisier Street Québec City, Québec	1976	68,000	100.0	NAPA Auto Parts
2022 Lavoisier Street Québec City, Québec	1978	59,000	100.0	Consulair, Pâtes Partout
2025 Lavoisier Street Québec City, Québec	1978/1983/ 1990	37,000	84.0	Cristal Contrôles
2015 Lavoisier Street Québec City, Québec	1974	2,000	100.0	Eurotek Mécanique Spécialisée

Income Properties	Year Built/ Renovated	Leasable Area (sq.ft)	% Leased	Selected Clients ⁽²⁾
5130 Rideau Street Québec City, Québec	1988	24,000	100.0	Toromont Industries
2955 Kepler Avenue Québec City, Québec	1978	15,000	100.0	Groupe conseil en croissance urbaine
1400 Saint-Jean-Baptiste Avenue Québec City, Québec	1979/1995	106,000	93.5	Meubles Zip International, Mega Fitness Gym
1515 Saint-Jean-Baptiste Avenue Québec City, Québec	1979/1989	62,000	100.0	Fixatech, Carquest Canada
955 Saint-Jean-Baptiste Avenue Québec City, Québec	1978/1991	33,000	88.8	Location Brossard
2020 Cyrille-Duquet Street Québec City, Québec	1968	41,000	100.0	Quillorama Duplessis
2100 Cyrille-Duquet Street Québec City, Québec	1962/1975/ 1995	32,000	100.0	Weston Foods (Canada)
2150 Cyrille-Duquet Street Québec City, Québec	1970/1985/ 1994	22,000	100.0	Nutaq Innovation
100 Chabot Street Québec City, Québec	1968/1986/ 2004	60,000	95.2	Bingo de la Capitale, Galerie du Meuble
310 Métivier Street Québec City, Québec	1972/1991	19,000	100.0	Centre Hydraulique GMB
454-456 Marconi Avenue Québec City, Québec	1984	16,000	100.0	Information communication services (ICS)
1730-1790 Newton Avenue Québec City, Québec	1987	62,000	100.0	Her Majesty the Queen, Veritiv Canada
5000 Rideau Street Québec City, Québec	1995	2,000	100.0	Her Majesty the Queen
5125 Rideau Street Québec City, Québec	1987/1997	12,000	100.0	United Parcel Service Canada
4600 Sainte-Anne Boulevard Québec City, Québec	1974/1977/ 1985/1988	39,000	100.0	Comité financement loisirs Beauport
4975 Rideau Street Québec City, Québec	1990	33,000	68.4	Café G.A.R., Feldan Bio
2755 Dalton Avenue Québec City, Québec	1971/1989	24,000	96.6	Spicers Canada
120 de New York Street Saint-Augustin-de-Desmaures, Québec	2006	34,000	100.0	Équipement SMS
650 Godin Avenue and 460 Desrochers Street Québec City, Québec	1967/1975/ 1977	189,000	94.0	Société québécoise des infrastructures (SQI), Imprimerie Solisco
625 Godin Avenue Québec City, Québec	1989/1990	61,000	100.0	Messageries Dynamiques, a division of Communications Quebecor, Controlab Manufacture
579 Godin Avenue Québec City, Québec	1981/1999/ 2007	22,000	100.0	Linde Canada
2700 Jean-Perrin Street Québec City, Québec	1987/1998	129,000	87.7	Société Canadienne des Postes
2181-2211 Léon-Harmel Street Québec City, Québec	1974/2003	70,000	98.2	CNESST, Optelvision
1540 Cyrille-Duquet Street Québec City, Québec	2000	9,000	100.0	Caravane Marco (2008)
445 Saint-Jean-Baptiste Avenue Québec City, Québec	1986/2003	92,000	100.0	Gentec Electro-Optique
450-500 Saint-Jean-Baptiste Avenue Québec City, Québec	1987	87,000	94.7	Fiso Technologies

Income Properties	Year Built/ Renovated	Leasable Area (sq.ft)	% Leased	Selected Clients ⁽²⁾
5275 Wilfrid-Hamel Boulevard Québec City, Québec	1981	30,000	93.2	Acousti-Plus
1670 Semple Street Québec City, Québec	1972/2000	89,000	94.0	Impecca image et impression, Distribution Vieux-Port
2500 Jean-Perrin Street Québec City, Québec	1998	76,000	88.5	Proludik
2600 Jean-Perrin Street Québec City, Québec	2001	49,000	100.0	Laboratoires Choisy
765 Godin Avenue Québec City, Québec	1976/1989	15,000	100.0	Tyco
1041 Pierre-Bertrand Boulevard Québec City, Québec	1963/2002	115,000	90.8	Boulangerie Canada Bread, Suppléments K.D.
989 Pierre-Bertrand Boulevard Québec City, Québec	1974/1994	38,000	95.9	Impression Pro-design
955 Pierre-Bertrand Boulevard Québec City, Québec	1995	43,000	100.0	PMT/Roy assurances et services financiers
1080 des Rocailles Street Québec City, Québec	1995	48,000	100.0	Wolseley Canada
235 Fortin Street Québec City, Québec	1996	26,000	100.0	Frito-Lay/Pepsico
275 Métivier Street Québec City, Québec	2003	39,000	100.0	Descair
300 Métivier Street Québec City, Québec	2004	29,000	100.0	Metro to Home Logistics
1255 des Artisans Street Québec City, Québec	2007	44,000	100.0	Contreplaqué & Placage Canada
275 Saint-Sacrement Avenue Québec City, Québec	1949/2006	61,000	84.3	City of Québec
1775 Léon-Harmel Street Québec City, Québec	2004	22,000	100.0	Wolseley Canada
2600 Saint-Jean-Baptiste Avenue Québec City, Québec	2004	35,000	100.0	Telops
2800 Saint-Jean-Baptiste Avenue Québec City, Québec	2004	102,000	94.2	Groupe immobilier Desjardins
3000 Saint-Jean-Baptiste Avenue Québec City, Québec	2004	47,000	100.0	Société québécoise des infrastructures (SQI)
1990 5 th Street Lévis, Québec	2008	51,000	100.0	Société québécoise des infrastructures (SQI)
1986, 5 th Street Lévis, Québec	2015	33,000,	100.0	Groupe immobilier Desjardins
1984, 5 th Street Lévis, Québec	2014	75,000,	96.9	Maibec, Groupe Master
795 J.-Ambroise-Craig Street Lévis, Québec	1997/1999	23,000	100.0	Mitten
820 Alphonse-Desrochers Street Lévis, Québec	2004	212,000	100.0	Groupe Colabor
1010 Godin Avenue Québec City, Québec	1985	56,000	100.0	ID Biomédical Corporation of Québec
125 Fortin Street Québec, Québec	2013	49,000	100.0	SGS Canada
155 Fortin Street Québec, Québec	2016	46,000	100.0	Goodman Manufacturing, Siemens

Income Properties	Year Built/ Renovated	Leasable Area (sq.ft)	% Leased	Selected Clients⁽²⁾
185 Fortin Street Québec, Québec	2015	67,000	100.0	Isaute Québec, Shred-it
30-56 Jacques-Nau Street Lévis, Québec	1990/1994	74,000	100.0	Distribution de Pièces D'Auto Rive-Sud
750 Olivier Road Lévis, Québec	1992/1994	24,000	68.0	Manac
5205 Rideau Street Québec, Québec	1994	24,000	100.0	Federal Express Canada
336 Montée Industrielle Rimouski, Québec	1996	4,000	100.0	Air Liquide Canada
505 du Parc-Technologique Boulevard Québec, Québec	2002	100,000	90.6	Englobe, Ciena Canada
Sub-total		3,539,000		
Montréal Area				
2125 23 Avenue Montréal, Québec	1974	199,000	100.0	Domtar
2177 23 Avenue Montréal, Québec	1977	221,000	100.0	Pival
5205 Fairway St. Montréal, Québec	1959	288,000	100.0	Remco, GTI Storage & Handling
8288 Pie-IX Boulevard Montréal, Québec	1989	120,000	100.0	Belron Canada
1415 32nd Avenue Montréal, Québec	1989/1993	72,000	100.0	C.A.C. 3000
1455 32nd Avenue Montréal, Québec	2001	33,000	100.0	GGI International
1475 32nd Avenue Montréal, Québec	1988	92,000	100.0	Pneutech-Rousseau Group, Airport Steel And Tubing
3300 Jean-Baptiste-Deschamps Boulevard Montréal, Québec	1989	19,000	100.0	J. Can Express
9100 du Parcours Street Montréal, Québec	1998/2000	199,000	100.0	Nortek Air Solutions Québec
10550 Parkway Boulevard Montréal, Québec	1964/1972	116,000	100.0	Bestseller Wholesale Canada
2103-2167 Dagenais Boulevard West Laval, Québec	1999/2003	277,000	100.0	Dura Housewares, Groupe Opex
894-930 Bergar Street Laval, Québec	1989	33,000	100.0	Linde Canada, Composants Industriels Wajax
901-937 Michelin Street Laval, Québec	1988	43,000	100.0	KOP Turbines, Mega Lab
3370-3418 Industriel Boulevard Laval, Québec	1986	55,000	100.0	Franklin Empire
3401-3421 Industriel Boulevard Laval, Québec	1986	56,000	100.0	Rexel Canada, ATMPRQ
1405-1453 Bergar Street Laval, Québec	1988	33,000	100.0	Liftow
3424-3428 Francis-Hughes Avenue Laval, Québec	2003	16,000	100.0	Trane Québec
40 du Tremblay Road Boucherville, Québec	1991/2006	143,000	100.0	Groupe BMR inc.

Income Properties	Year Built/ Renovated	Leasable Area (sq.ft)	% Leased	Selected Clients ⁽²⁾
620-650 Giffard Street Longueuil, Québec	1980	53,000	87.1	Sonepar Canada
667-687 Giffard Street Longueuil, Québec	1980	43,000	77.9	Carrosserie R.D.M., Trane Canada ULC
784-818 Guimond Boulevard Longueuil, Québec	1988	82,000	92.3	Les Technologies Clemex, Groupe Conseil Genicom
9101-9175 des Sciences Boulevard Montréal, Québec	1999/2000	71,000	100.0	Hibbert International, Lallemand, Collection Tuff Avenue
1675 de Montarville Boulevard Boucherville, Québec	1989/2003	142,000	100.0	Groupe Master
5250 Armand-Frappier Street Longueuil, Québec	1992	59,000	100.0	Hydro-Québec
1405-1495 55th Avenue Dorval, Québec	2001	66,000	88.4	International Paint, division of Akzo Nobel Coatings, Chateau manis électroniques
4500-4536 Louis-B.-Mayer Street Laval, Québec	2004	47,000	86.3	Les Services EXP
2900-2976 Joseph-A.-Bombardier Street Laval, Québec	2006	104,000	100.0	Caterpillar of Canada, Mitek Canada, SynerGx Technologies
3025 Joseph-A.-Bombardier Street Laval, Québec	2006/2007	78,000	100.0	Camfil Canada, Star Pipe Canada
4451-4479 Laval Highway West Laval, Québec	2004	115,000	85.0	Centre sportif extrême évolution
330 Avro Avenue Pointe-Claire, Québec	1991/1998	89,000	100.0	Motion Industries (Canada)
19701 Clark-Graham Avenue Baie-D'Urfé, Québec	1987	145,000	100.0	Root Data Center, Cargologan
940 Bergar Street Laval, Québec	1987	15,000	100.0	Brite-Lite Maintenance
11000-11020 Parkway Boulevard Montréal, Québec	1965	217,000	100.0	Cryopak Industries 2007, Réfrigération Métropolitaine
20 Hymus Boulevard Pointe-Claire, Québec	1986	61,000	100.0	Diversifié Ulbrich du Canada
2156-2168 de la Province Street Longueuil, Québec	1990	40,000	85.9	Kanzy Medipharm, Équipement d'essai aérospatial
2170 de la Province Street Longueuil, Québec	1990	23,000	100.0	Exprolink
715 Delage Street Longueuil, Québec	1990	42,000	96.3	Équipement d'essai aérospatial
6445 de la Côte-de-Liesse Road Montréal, Québec	1980/1999	50,000	100.0	Servicorp Industrial Supplies
19100-19180 Trans-Canada Highway Baie-D'Urfé, Québec	1987	25,000	100.0	G Production
3600 Matte Boulevard Brossard, Québec	1988	27,000	97.0	La boutique Le Tambourin, Nasuco Canada
3650 Matte Boulevard Brossard, Québec	1987	43,000	45.6	Polycontroles Technologies
115 de Vaudreuil Street Boucherville, Québec	1987	16,000	22.5	Planète Courrier
4140-4150 de Portland Boulevard Sherbrooke, Québec	2000	67,000	74.7	Bombardier Recreational Products

Income Properties	Year Built/ Renovated	Leasable Area (sq.ft)	% Leased	Selected Clients ⁽²⁾
3071-3075 Louis-A.-Amos Street and 1922-1996 Onésime-Gagnon Street Montréal, Québec	1987	164,000	91.5	GE Lighting Solutions, Eloro, Import Export
1615-1805 55th Avenue Dorval, Québec	1990	158,000	100.0	John L. Schultz, Transport Midland, Transkid
3339-3403 Griffith Street Montréal, Québec	1987	117,000	100.0	Henry Schein Ash Arcona
8100 Cavendish Boulevard Montréal, Québec	1981	115,000	100.0	Pretium Canada Company
1949 Onésime-Gagnon Street Montréal, Québec	1988	96,000	100.0	Richards Packaging
2260 32 nd Avenue and 3142-3190 Joseph-Dubreuil Street Montréal, Québec	1983	92,000	86.0	Rogers Communications, Andritz Paper Machinery, Ceva Freight Canada
2102-2150 32 nd Avenue Montréal, Québec	1984	77,000	94.4	Grimco, NSK Canada
2024-2080 32 nd Avenue Montréal, Québec	1984	68,000	80.8	Freeman Audio Visual
6320-6380 de la Côte-de-Liesse Road Montréal, Québec	1955/1981/ 1990	58,000	63.1	Groupe Immobilier Desjardins
2025 Metropole Street Longueuil, Québec	1977/1993	201,000	100.0	Les métaux Tremblay, Solution extrême
1925-1975 Hymus Boulevard Dorval, Québec	1988	104,000	98.4	Apple Express Courier, PNH Enterprises, Canaflex
80-140 Lindsay Avenue Dorval, Québec	1986	44,000	100.0	Centre de conformité ICC
8411-8453 Dalton Road Town of Mount Royal, Québec	1975	30,000	100.0	Sigvaris Corporation
8459-8497 Dalton Road Town of Mount Royal, Québec	1975	41,000	72.0	CBM N.A.
8545-8579 Dalton Road Town of Mount Royal, Québec	1987	38,000	100.0	Schindler Elevator Corporation
8605-8639 Dalton Road Town of Mount Royal, Québec	1986	36,000	100.0	Enviroair Industries
7527-7583 Henri-Bourassa Boulevard Montréal, Québec	1975	112,000	97.2	Mr. Ralph Di Orio Mr. François Perrier, Mr. Mathieu Riel, Mr. Marc Beaulieu
8552-8648 Pie-IX Boulevard Montréal, Québec	1988	141,000	80.4	Memtronik Innovations
8740-8878 Pie-IX Boulevard Montréal, Québec	1992	164,000	91.9	Peerless Clothing, Commonwealth Home Fashions
7075 Robert-Joncas Place Montréal, Québec	1975	218,000	62.4	Solaria Management, Purolator Courier
1225 Volta Street Boucherville, Québec	1988/1991	226,000	100.0	Sysco
2000 Halpern Street Montréal, Québec	1977	527,000	100.0	LDC Logistics development
1111 46 th Avenue Montréal, Québec	1973	107,000	100.0	Vitesse Transport Corporation
1200 55 th Avenue Montréal, Québec	1987	68,000	100.0	Diversitech Equipment & Sales
5055 Lévy Street Montréal, Québec	1989/1990	61,000	83.0	TI-Titanium

Income Properties	Year Built/ Renovated	Leasable Area (sq.ft)	% Leased	Selected Clients ⁽²⁾
2400 Trans-Canada Highway Pointe-Claire, Québec	1969/1976/ 1995	121,000	100.0	Les Placements Arden
243 Hymus Boulevard Pointe-Claire, Québec	1969	40,000	100.0	Peloton Pharmaceuticals
2555 Pitfield Boulevard Montréal, Québec	2003	99,000	100.0	Arden Holdings
731-749 Meloche Avenue and 11450 de la Côte-de-Liesse Road Dorval, Québec	1979	36,000	59.4	Sabot Universel
703-729 Meloche Avenue Dorval, Québec	1980	32,000	100.0	True World Foods of Canada
679-701 Meloche Avenue and 135-137 Lindsay Avenue Dorval, Québec	1981	35,000	85.5	Les produits d'ingénierie North Star
1730-1850 55 th Avenue and 5435 François-Cusson Street Montréal, Québec	1986	77,000	86.7	Ventes Creatives Graham, Planète Courrier
1520-1660 55 th Avenue and 5430 Fairway Street Montréal, Québec	1986	79,000	100.0	Extal Installation et réaménagement de bureau
1875 55 th Avenue and 20-62 Lindsay Street Dorval, Québec	1988	82,000	100.0	Autoindex, Opportum International Clothing, Der Graphics and Custom Filling
72 du Tremblay Road Boucherville, Québec	2008	29,000	100.0	Société en commandite Strongco
3855 Matte Boulevard Brossard, Québec	2009	31,000	100.0	Nortrax Canada
2705 Francis-Hughes Avenue Laval, Québec	1975	35,000	100.0	Mecanorack Industries
2745 Francis-Hughes Avenue Laval, Québec	1999/2002	31,000	100.0	Ovation Logistics Canada
4141-4149 Highway 440 Laval, Québec	1977/1986	195,000	91.5	Staples Canada, Facc Solutions
4200 Louis-B.-Mayer Street Laval (Québec)	2016	130,000	100.0	Wolseley
730 Industrial Boulevard Blainville, Québec	2000	43,000	100.0	Xebec Adsorption
895 de La Gauchetière Street West Montréal, Québec	1929/1943/ 1961/1981/ 1999/2005	989,000	100.0	Inframtl
5200 J.-A.-Bombardier Street Longueuil, Québec	2006	46,000	100.0	Lapaco Paper Products
2789-2855 Le Corbusier Boulevard Laval, Québec	1981	59,000	100.0	S.D. Variations
900-950 Saint-Martin Boulevard West Laval, Québec	1975/1988	143,000	100.0	Comark, Pelican International
1415-1531 Berlier Street Laval, Québec	1981/2002	70,000	96.1	Le Groupe Master
982-1002 Jean-Neveu Street Longueuil, Québec	1988	29,000	100.0	Location Luber
938-952 Jean-Neveu Street Longueuil, Québec	1989	28,000	90.2	Macpek, Lavage Industriel Alimentaire

Income Properties	Year Built/ Renovated	Leasable Area (sq.ft)	% Leased	Selected Clients ⁽²⁾
908-926 Jean-Neveu Street Longueuil, Québec	1989	28,000	100.0	Gestion d'achats Ram
874-896 Jean-Neveu Street Longueuil, Québec	1994	29,000	70.4	SP International
601-623 Le Breton Street Longueuil, Québec	1975	49,000	100.0	Serdy Media
2115-2147 de la Province Street Longueuil, Québec	1987	48,000	100.0	Go Le Grand Défi
601-631 Bériault Street Longueuil, Québec	1989	49,000	42.6	La Maison D.F.
1351 Gay-Lussac Street Boucherville, Québec	1995	13,000	100.0	Sinclair dental
25 de Lauzon Street Boucherville, Québec	1989	43,000	100.0	Graymont (QC)
35 de Lauzon Street Boucherville, Québec	1990	29,000	100.0	Denson Automation, AquaFab Distribution
90 Marie-Victorin Boulevard Boucherville, Québec	1998	25,000	0.0	Vacant
1550 de Coulomb Street Boucherville, Québec	1994/1998	10,000	100.0	Keystone Manufacturing (Plastics)
10 Place du Commerce Brossard, Québec	2001	18,000	100.0	Canada Post
7 Place du Commerce Brossard, Québec	1977	32,000	100.0	Marché C&T
9 Place du Commerce Brossard, Québec	1976	51,000	93.3	Invention Maison, XTrade
290-316 Benjamin-Hudon Street Montréal, Québec	1975	67,000	100.0	Prosol Distribution, Davflo Management
605-607 Deslauriers Street Montréal, Québec	1972	44,000	100.0	Cominar Construction
295-371 Deslauriers Street Montréal, Québec	1973	135,000	100.0	Essilor Canada, Métaux Satellite
375-455 Deslauriers Street Montréal, Québec	1972	139,000	86.7	Graphiques Cosmex, distributeur H. Miron
457-485 and 491-533 Deslauriers Street Montréal, Québec	1972	135,000	100.0	Rideau Recognition Solutions
555 and 604-678 Deslauriers Street Montréal, Québec	1971	66,000	100.0	Armen industries, Luxia innovation
295-341 Benjamin-Hudon Street and 255 Deslauriers Street, Montréal, Québec	1972	53,000	100.0	Jirstrek Fruits, Robert Charbonneau Fruits & Légumes
600-610 Bériault Street Longueuil, Québec	1974/2008	56,000	91.0	Groupe Emballage Spécialisé, s.e.c.
2044 de la Province Street Longueuil, Québec	1987	50,000	100.0	Kosma-Kare Canada
2060-2068 de la Province Street Longueuil Québec	1984	45,000	100.0	Multotec Canada
2089-2111 de la Province Longueuil Québec	1974	51,000	0.0	Vacant
789-799 Jean-Paul-Vincent Boulevard Longueuil, Québec	1982/1987	125,000	98.4	Germain Larivière, SOSAG
839-859 Jean-Paul-Vincent Boulevard Longueuil, Québec	1985	92,000	83.1	Promotion Lepine

Income Properties	Year Built/ Renovated	Leasable Area (sq.ft)	% Leased	Selected Clients ⁽²⁾
877 Jean-Paul-Vincent Boulevard Longueuil, Québec	1986/1989	106,000	97.9	Atelier de la flèche de fer, Jimexs
2099-2109 Fernand-Lafontaine Boulevard Longueuil, Québec	1988/1993	65,000	88.9	Exide Technologies Canada, Groupe Hélios
2177 Fernand-Lafontaine Boulevard Longueuil, Québec	2000/2008	74,000	100.0	Aliments Ultima
2199 Fernand-Lafontaine Boulevard Longueuil, Québec	2002	209,000	100.0	Yves Rocher Amérique du Nord, SCI Logistics
2525 Fernand-Lafontaine Boulevard Longueuil, Québec	1991/1992	72,000	100.0	Commission Scolaire Marie-Victorin
730 Delage Street Longueuil, Québec	2004/2011	62,000	100.0	Contreplaqué & Placage Canada
830 Delage Street Longueuil, Québec	2000	50,000	85.6	Solution Extrême
770 Guimond Boulevard Longueuil, Québec	1975/2009	117,000	100.0	Les Promotions Atlantiques
2625 Jacques-Cartier Boulevard Longueuil, Québec	2012	63,000	95.1	Lennox industries (Canada), Métaux solutions
1280 Nobel Street Boucherville, Québec	1972/1991/ 1994	52,000	89.9	V. Boutin Express
1201-1203 Marie-Victorin Street Saint-Bruno-de-Montarville, Québec	1991	141,000	30.1	AV&R Vision & Robotics
3300 Trans-Canada Highway Pointe-Claire, Québec	1975/1980/ 1983/1998	218,000	100.0	Groupe Emballage Spécialisé
3000 Trans-Canada Highway Pointe-Claire, Québec	1960	199,000	100.0	Chrysler Canada
Sub-total		12,167,000		
Total Industrial And Flex Properties		15,526,000		
Total Portfolio		38,127,000		

Notes:

- (1) These figures are as at December 31, 2018 and are calculated on a per square foot basis of occupied space (and in the case of retail space, calculated in commercial retail units (CRU)) as at such date.
- (2) Client with a leasable area of more than 15,000 square feet or main client of the property.
- (3) Corresponds to the REIT's interest (75%) in Société en commandite CJD.
- (4) Corresponds to the REIT's interest (50%) in Société en commandite Bouvier-Bertrand.

SCHEDULE “B”

Audit Committee

CHARTER

Constitution

The Board of Trustees (the “Board”) has by resolution set up an Audit Committee (the “Committee”) made up of at least four independent trustees (as such term is defined in the Standards Applicable to Audit Committees) who are financially literate.

The Board appoints the members and designates the Committee Chair. The Committee may from time to time invite other persons it considers advisable to attend its meetings and participate in deliberations and discussions on the various matters transacted by the Committee. Any person invited to attend Committee meetings who is not a member of the Committee is not entitled to vote on decisions made thereat.

Responsibilities of the Chair of the Committee

The Chair of the Committee is responsible for the following:

- (i) scheduling Committee meetings;
- (ii) in consultation with the Executive Vice-President and CFO and the Committee Secretary, preparing the agenda for Committee meetings and ensuring that relevant documentation is made available in a timely manner;
- (iii) chairing Committee meetings;
- (iv) ensuring that the Committee fulfils its responsibilities as per its Charter and complies with the terms thereof; and
- (v) reporting to the Board of Trustees on all matters transacted by the Committee.

Quorum

A majority of the Committee members constitutes the quorum. At a meeting, all questions are decided by a majority of the members. However, if one of the members is absent, all questions must be decided upon unanimously.

Member Terms

Members appointed to the Committee hold office until the first meeting of the Board following the annual general meeting of Unitholders where they are elected members of the Board or until they resign or are removed. Any member who ceases to be a Trustee shall cease to be a member of the Committee and may also be removed from office at any time by the Board.

Procedure

The Committee follows the same procedure for calling and holding its meetings as the Board does with regard to such issues. The Board secretary also serves as secretary of the Committee.

Meetings

The Committee meets as often as circumstances require but it must hold at least four regularly scheduled meetings per year. After each of these meetings, the members meet the external auditor and Management separately and hold a meeting in the absence of Management.

Presence of External Auditor

The external auditor attends all Committee meetings. The Committee Chair shall call a meeting of the Committee when so required by the external auditor.

Powers of the Committee

The Committee exercises all powers and duties conferred upon it under the Contract of Trust governing the REIT and the laws and regulations governing the REIT.

In the exercise of its duties, the Committee or its representative is authorized to access the books, ledgers and accounts of the REIT and its subsidiaries, and to discuss any question concerning the financial situation and financial results of the REIT and its subsidiaries with the officers and the internal and external auditors of the REIT and its subsidiaries.

The Committee also has the authority to conduct investigations or have investigations conducted on any question falling within its authority. It is authorized to:

- use the services of external advisors, accountants or other experts to advise the Committee or to help it conduct any investigation. However, should the amounts incurred exceed \$100,000 during a given fiscal year, the Committee shall obtain approval from the Board of Trustees in the form of a resolution adopted to this effect;
- ask personnel for any information that it may need;
- meet, as often as circumstances require, the officers, the external and internal auditor or the external advisors.

Purpose of the Committee

The Committee assists the Board in fulfilling its responsibility to oversee the financial management of the REIT, the financial information presentation process, the internal control system, the internal and external auditing process, the identification and management of financial and operational risks and the procedures set up to ensure compliance with the code of ethics and professional conduct and the laws and regulations governing the REIT. In performing its duties, the Committee shall promote good relations with the Board, Management and the external auditor, and the internal auditor, if any.

Management is responsible for the preparation, presentation and integrity of financial statements, as well as for the efficient functioning of the system of internal controls respecting disclosure of financial information. Management and the internal audit department, if any, are responsible for implementing and applying appropriate accounting and financial principles and policies respecting the disclosure of financial information and internal controls and procedures in accordance with accounting standards and practices and in compliance with the relevant laws and regulations.

The external auditor is responsible for planning and conducting a review of the REIT's quarterly financial statements and an audit of the REIT's annual financial statements, in accordance with Canadian generally accepted auditing standards, which are intended among other things to establish with reasonable assurance that the financial information set forth in the financial statements is free from material inaccuracies pursuant to generally accepted accounting principles. The external auditor must also inform the Committee of any deficiency that it may find during its annual audit regarding the system of internal controls and its functioning, including the disclosure of financial information.

Unless the situation is otherwise and the Committee members are aware of it, in which case they must promptly inform the Board, they are entitled to rely on the integrity of the persons or organizations that provide them with internal and external information, on the accuracy of the financial and other information that the Committee members receive from such persons or organizations and on statements made by Management and the external auditor regarding non-audit services provided by the external auditor.

Mandate

1. Recommend to the Board the choice of external auditor and when appointed, remind the latter that it is not Management but the Unitholders who are its client.
2. Recommend to the Board the remuneration to be paid to the external auditor as well as the terms and conditions of the auditor's mandate.

3. Determine and confirm the independence of the external auditor.
4. Review with the external auditor the approach and scope of its mission plan, oversee the auditor's work and report to the Board on material qualifications that the Committee may have or that the external auditor may have formulated.
5. Give prior approval to all non-audit services desired to be referred to the external auditor to the extent the remuneration paid for these services does not exceed 5% of the total remuneration paid by the REIT and its subsidiaries to the external auditor during the fiscal year in which the services are rendered and provided that the Audit Committee is kept informed thereof at each meeting.

In addition, the Committee may, subject to certain conditions, adopt specific policies and procedures to delegate prior approval authority. It may also delegate this authority to one of its members provided said member informs the Committee at its next regular meeting following the approval.

6. Oversee performance of the work of the external auditor.
7. Review the quarterly unaudited financial statements and notes thereto, the management discussion and analysis, the external auditor's report, the press releases, the message to Unitholders and any other written communications related to the Committee's mandate intended for the public, the regulatory authorities, etc. and recommend their approval to the Board.
8. Review the annual audited consolidated financial statements and recommend their approval to the Board, as well as all financial statements and reports that may require review by the Committee pursuant to applicable laws and regulations or in response to a request from the Board. The Committee is also responsible for reviewing all related financial information, including the financial information contained in the annual report, the management discussion and analysis, the annual information form and any prospectus, etc.

In performing this task, the Committee shall discuss with the external auditor such issues as the acceptability and quality of the accounting principles and practices applied, underlying assumptions and material judgments affecting the REIT's financial statements, while ensuring that there is no disagreement between the external auditor and Management concerning the financial statements. Should a disagreement arise, the Committee is responsible for resolving it.

9. Receive at each regular meeting a certificate signed by the President and Chief Executive Officer and the Chief Financial Officer to the effect that the quarterly and annual consolidated financial statements and the related management discussion and analysis are free of false or misleading information and that they fairly reflect the REIT's financial situation, operating results and cash flow for the period in question.
10. Receive and examine the internal auditor's and, if any, the external auditor quarterly report as well as those that the latter may produce following its quarterly review and year-end audit or for any other purpose and the auditor's letter to Management together with Management's comments on each point raised.
11. Following a review of the external auditor's comments and suggestions after its audit, report to the Board on the following matters:
 - the pertinence of accounting records and how they are kept;
 - the pertinence and efficiency of the accounting, internal control and information systems as well as the extent to which they are properly and uniformly applied; and
 - the competency and efficiency of the personnel assigned to accounting, financial and internal control tasks and if the number of people working in each of these areas is sufficient.
12. Assess the performance of the external auditor.
13. Following consultation with the external and internal auditors, if any, request that Management indicate to the Committee the major risks to which the REIT is exposed and the actions taken to minimize them, and report to the Committee thereon at each regular meeting, the latter, upon review and if required, shall make any modifications deemed necessary.

14. Following the periodic evaluation of the competency, performance and independence of the external auditor, recommend to the Board renewal or, if deemed appropriate, termination of the auditor's mandate either by recommending that the mandate not be renewed or by recommending that a meeting of the Unitholders be held to consider the auditor's removal.
15. Periodically assess the need to set up an internal audit program. Where such a function exists or is created:
 - determine how the work it includes will be carried out;
 - examine the approach and scope of the program, the mission plan and the budget;
 - review quarterly the reports issued together with comments from Management;
 - keep informed of projects and activities related to this program;
 - assess its performance;
 - ensure that Management follows up on the recommendations it and the Committee have accepted; and
 - ensure the best possible match between the external auditor's and the internal auditor's mission plans.
16. Obtain at each quarterly meeting an officer certificate stating that the REIT complies with all applicable laws and regulations, and to rules of corporate governance, that there are no off-balance sheet activities and that the REIT is not in default under any of its loans or contracts and that it has complied with the policy, if any, regarding foreign currency hedging.
17. Review the efficiency of the system implemented to ensure that the REIT complies with all applicable laws and regulations and review the results of any investigations that Management conducted and ensure that the Committee is informed of any fraudulent activity or accounting or financial irregularities.
18. Review at each regular meeting, the report of pending and ongoing litigation or actions, indicating to the Committee if there is any case or major litigation that may have occurred since the reporting date.
19. Review once a year the policies and procedures in place for approval of the expenses and bonuses of officers.
20. Periodically address important accounting issues and review the manner in which the most recent reports and statements, both professional and regulatory, are presented.
21. Ensure that the general insurance portfolio for the REIT and its subsidiaries is adequate and make appropriate recommendations to the Board while ensuring that the recovery plan in the event of disaster is appropriate.
22. Review and report to the Board on contingent liabilities and commitments of the REIT and its subsidiaries, as well as off-balance sheet transactions.
23. Resolve any disputes arising between Management and the external auditor regarding the disclosure of financial information, financial statements, internal controls or any question about accounting or finance.
24. Ensure that adequate procedures were implemented to review procedures related to the disclosure of financial information and periodically assess if these procedures are adequate.
25. Be informed of and discuss with Management any legal question and any regulatory or compliance with laws and regulations issue that could have a material effect on the REIT's financial situation or business.
26. Review any pro forma publication of financial statements or financial information that is non-compliant with accounting principle and practices used by the REIT.

27. Obtain and receive on a quarterly basis the certificate produced by Management on the internal control, management information, internal audit, important information and documents, relevant facts, prosecution and risks.
28. Ensure that the rotation of the external auditor's associates is done according to standards.
29. Update and monitor the policy for the confidential or anonymous communication of complaints about accounting, financial and internal audit matters.
30. Review and update, when necessary, the REIT's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor.
31. Establish the list of questions to be submitted in writing at the end of the year to the external auditor and Management and review the responses received when reviewing the audited consolidated financial statements for the fiscal year.
32. Ensure that the Committee's Charter is disclosed when required, including in the management proxy circular and in the annual information form.
33. Review the findings of any investigation conducted by any regulatory body.
34. Assess Management's performance of its responsibilities respecting the security of computer systems and applications, and its emergency plans for handling financial information in the event of a system breakdown.
35. Review and closely monitor proposals that are made or may be made by Canada's or Québec's Ministers of Finance pertaining to the taxation system applicable to trusts and partnerships and report thereon to the Board, from time to time.
36. Meet separately, after each meeting with the internal auditor, if any, the external auditor and Management, as well as any time that circumstances require so. In addition, at each meeting, the members of the Committee will meet in the absence of Management.
37. Review once a year and update the Committee's Charter and its work program, as required.
38. Assess the performance of the Committee and its members at least once a year and inform the Board thereof.
39. Confirm each year to the Board that the Committee has fulfilled its responsibilities as per its Charter.
40. Perform all other tasks related to the Charter as the Board may request.

Annual Work Program

The annual work program is appended hereto.

Minutes

Minutes are prepared for each Committee meeting.

Report to Board

The Committee must report on its proceedings at the following Board meeting.

Remuneration

The Committee members receive remuneration as fixed by the Board for their services.

Cominar Real Estate Investment Trust (the “REIT”)

AUDIT COMMITTEE (the “COMMITTEE”)

PART 1 – Annual Work Program

Regular Committee meetings	March	May	August	November
Recommend the choice of the external auditors, the terms and conditions of the mandate, compensation, renewal or dismissal, as the case may be.	√			
Determine and confirm the independence of the external auditor	√			
Review the mission plan: approach, scope, time required, audit team, professional fees				√
Pre-approve all non-audit services entrusted to the external auditor to the extent that the fees paid do not exceed 5% of the total amount of fees paid by the REIT and its subsidiaries during the fiscal year in which the services are rendered, in so far as the Audit Committee is informed at each meeting; adopt as needed specific procedures to delegate pre-approval.	√	√	√	√
Oversee the work of the external auditor.	√	√	√	√
Review the operations budget.	√	√	√	√
Examine the quarterly consolidated financial statements, the notes and Management’s Discussion and Analysis	√	√	√	√
Examine the disclosed financial information intended for Unitholders, the business sector and other persons such as press releases, information to Unitholders and others written communications related to the Audit Committee’s mandate and regulatory authorities and recommend their approval to the Board.	√	√	√	√
Examine the annual consolidated financial statements (recommend its approval to the Board), the notes and Management’s Discussion and Analysis	√			
Review with the external auditors, the acceptability and the quality of the accounting principles and practices applied, underlying assumptions and material judgments affecting the financial statements, and ensure that there is no disagreement between Management and the external auditor	√	√	√	√
Review the annual financial reports submitted to the Autorité des marchés financiers and other regulatory authorities i.e. Annual Information Form, etc.	√			
Receive the certificate signed by the President and CEO and CFO concerning the quarterly and annual consolidated financial statements to ensure they do not contain any false or misleading information and to reflect a faithful picture of the financial situation.	√	√	√	√
Examine the external and internal auditor’s quarterly reports and those of the year-end audit together with Management’s comments, if any, on each of the points raised that concern it.	√	√	√	√
Following a review of the external auditor’s comments and suggestions, report to the Board on the appropriateness of accounting records and how they are kept, the pertinence and effectiveness of the accounting, internal control and information systems and the quality of how they are applied and the competence of the personnel assigned to accounting, financial and internal control tasks and if the number of them is sufficient.	√	√	√	√
Assess the performance of the external auditor	√			
Review the major risks to which the REIT is exposed and the actions taken to minimize them while ensuring that the implemented risk- management system is adequate	√	√	√	√
Periodically assess the need to set up an internal audit program. If yes, determine the scope thereof, how the work is to be done, by whom, etc.	√			
Review the internal audit approach, scope and plan	√			
Receive the officer certificate with respect to compliance with laws and regulations, including corporate governance, off-balance sheet transactions and defaults on loans, and review the findings of investigations that Management may have conducted and make sure to be informed of any fraudulent or irregular activity.	√	√	√	√
Receive the certificate produced by Management on the internal control, management information, internal audit, important information and documents, relevant facts, prosecution and risks.	√	√	√	√
Receive the report on pending and ongoing litigation or actions and indicate, as the case may be, all threatened litigation or actions that occurred after the reporting date	√	√	√	√
Review the policies and procedures in place for the approval of the expenses and bonuses			√	

Regular Committee meetings	March	May	August	November
of officers				
Examine the new accounting standards and practices and the contemplated changes to existing standards and practices	✓	✓	✓	✓
Annually review all general insurance portfolio items in terms of coverage, premiums and the quality of the insurer	✓			
Review the contingent liabilities and off-balance sheet activities	✓	✓	✓	✓
Resolve any disagreement between Management and the external auditor	✓	✓	✓	✓
Verify the implementation and adequacy of procedures for reviewing public disclosure of financial information excerpted from or resulting from financial statements		✓		✓
Be informed of and discuss with Management any legal or regulatory issue or issues pertaining to legislative and regulatory compliance that could have a major impact on the REIT's financial situation or activities	✓	✓	✓	✓
Examine every use of pro-forma financial statements or financial information that is not in compliance with the accounting standards and practices of the REIT	✓	✓	✓	✓
Ensure external auditor's partners are rotated in accordance with applicable standards	✓			
Establish, update when needed and monitor the implementation of procedures for the confidential and anonymous communication of employees' concerns about questionable matters relating to accounting or audit and receiving such communications	✓	✓	✓	✓
Examine and update when needed the REIT's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor, ensure their compliance with corporate governance rules and guidelines and implementation and ensure that the Committee is informed of any such hiring	✓	✓	✓	✓
Establish questions to be transmitted to the external auditors and Management and examine the responses received	✓			✓
Annually review the Committee's charter and its Annual Work Program, update them as required and ensure that the charter is disclosed when required			✓	
Review the findings of any investigation conducted by any regulatory body	✓	✓	✓	✓
Review the emergency plans for handling financial information in the event of a computer system and applications breakdown	✓			✓
Keep informed of any changes regarding the taxation system applicable to trusts and report to the Board, if appropriate	✓	✓	✓	✓
Meet separately with external and internal auditors and then with the President and Chief Executive Officer and the Executive Vice-President and Chief Financial Officer	✓	✓	✓	✓
Meeting between the members of the Committee in the absence of the members of the Management.	✓	✓	✓	✓
Assess the performance of the Committee and its members and confirm that the Committee fulfils its responsibilities as per its Charter.	✓			
Receive the report from the Executive Vice-President and CFO on provisions and adjustments made, the acquisition and disposal of assets, elements of risks that could affect the financial results or the financial structure of the REIT, the redemption of units, etc.		✓	✓	✓
Receive the report on cash and investments.	✓	✓	✓	✓
On a yearly basis, examine the list of work entrusted to other accounting firms	✓			
Examine all problems with material consequences that could arise at year end pertaining to write-offs, general and special provisions, regularization, goodwill, etc.				✓
Examine the changes contemplated being made to the presentation of audited financial statements and the notes thereto as well as to Management's Discussion and Analysis (MD&A)				✓
Annually review the financial and accounting staff, from a qualitative and quantitative perspective		✓		
Examine any major financing proposal and its impact on the REIT's financial performance, financial situation and activities	✓	✓	✓	✓

Revised – August 2018