



# **2011**

## **Annual Information Form**

**Cominar Real Estate Investment Trust**  
Year ended December 31, 2011

March 30, 2012

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## GLOSSARY

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

**“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 generally accepted accounting principles.

**“Atlantic Provinces Area”** or **“Atlantic Provinces”** includes the Provinces of New-Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador.

**“Book Value”** means, at any time, the book value of the assets of the REIT, as shown on its then most recent balance sheet.

**“Canmarc”** means Canmarc Real Estate Investment Trust and corporations wholly-owned by or partners of Canmarc.

**“Cominar”** or the **“REIT”** means Cominar Real Estate Investment Trust and the corporations wholly-owned by Cominar.

**“Cominar Acquisition Group”** means, collectively, 8012075 Canada Inc., 8012083 Canada Inc., 8012091 Canada Inc., 8012105 Canada Inc., 8012113 Canada Inc., 8012121 Canada Inc., 8012130 Canada Inc., 8012148 Canada Inc., 8012156 Canada Inc. et 8012164 Canada Inc., each of which is a wholly-owned subsidiary of the REIT incorporated under the CBCA and, if the context so requires, the **“Cominar Acquisition Group”** also includes the REIT.

**“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 and May 14, 2008 and May 18, 2010.

**“CRA”** means the Canada Revenue Agency.

**“Dallaire Family”** means, unless indicated otherwise, the wife of the late Jules Dallaire, his children, namely Michel Dallaire, Alain Dallaire, Linda Dallaire, Sylvie Dallaire, their respective spouses and related trusts.

**“Dallaire Group”** means, collectively, Groupe Dallaire inc., AM Total Investments, General Partnership and the Dallaire Family.

**“Debentureholders”** means the holders of Debentures of the REIT, and **“Debentureholder”** means any one of them.

**“Debentures”** means, collectively, the Series A 6.30%, Series B 5.70%, Series C 5.80%, Series D 6.50% and Series E 5.75% convertible unsecured subordinated debentures of the REIT.

**“Distributable Income”** means the amount of cash available to be distributed by the REIT, calculated in the manner set forth under the heading “Computation of Distributable Income for Distribution Purposes”.

**“Distribution Reinvestment Plan”** or **“DRIP”** means the REIT distribution reinvestment plan described under the heading “Distribution Reinvestment Plan”.

**“GAAP”** means Canadian generally accepted accounting principles which are described and promoted by the Canadian Institute of Chartered Accountants, as they apply on the date on which any calculation is made based on GAAP and which are IFRS for financial years beginning on or after January 1, 2011.

**“HII”** means Homburg Invest 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 laws of the Province of Québec.

**"Immovable Property"** means immovable property under the laws of the Province of Québec or real property under other applicable law.

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

**"Indenture"** means the Trust indenture entered into as of September 17, 2004, between the REIT and Computershare Trust Company of Canada, as trustee, pursuant to which the Debentures were issued, as amended, supplemented or restated as of May 8, 2007, October 10, 2007, September 22, 2008 and January 12, 2010.

**"Independent Trustee"** means a Trustee: (i) who is not a member of the Dallaire Family, an Associate, director, officer or employee of a corporation or partnership comprising the Dallaire Group or an affiliate thereof; (ii) who is not independent (as defined in the Corporate governance guidelines of the Canadian Securities Administrators) to the Dallaire Group; (iii) who is not a "related person" (within the meaning of the Income Tax Act) to the Dallaire Group or to any member of the Dallaire Family; (iv) who has no material business relationship with the REIT (other than his election or appointment as Trustee or, subject to the provisions of the Contract of Trust, his being a Unitholder), the Dallaire Group and any member of the Dallaire Family; and (v) who represents to the REIT, upon his election or appointment as Trustee, that he meets the foregoing criteria. A Trustee of the Dallaire Group shall be deemed not to be an Independent Trustee.

**"Management"** means the management of the REIT.

**"Montréal Area"** includes the city of Montréal, the city of Saint-Bruno-de-Montarville, the city of Laval, the Town of Mount Royal, the city of Boucherville, the city of Longueuil, the city of Dorval, the city of Pointe-Claire, the city of Baie-d'Urfé, the city of Brossard, the city of Mont-Saint-Hilaire and the city of Sainte-Julie, and includes, for the purposes of presentation in this AIF, the city of Sherbrooke.

**"Net Operating Income"** means the REIT's operating income before financial expenses, REIT administrative expenses, proceeds from the investment in a public entity, transaction costs – business combination, the fair value adjustment of investment properties and income tax.

**"Non-Competition Agreement"** means the non-competition agreement dated May 21, 1998, as amended on May 4, 2009 and November 9, 2011.

**"Ottawa Area"** includes the city of Ottawa and includes, for the purposes of presentation in this AIF, the city of Gatineau.

**"Portfolio"** means a 100% ownership interest in each of the Properties, with the exception of Phase I – offices of Complexe Jules Dallaire in which the REIT's interest is 95% and Phase II – offices of Complexe Jules Dallaire in which the REIT's interest is nominal.

**"Properties"** means, unless the context requires otherwise, collectively, as at December 31, 2011, the 270 office, retail, industrial and mixed-use properties owned by the REIT, and **"Property"** means any one of them.

**"Province of Ontario"** means the Province of Ontario, and includes, for the purposes of presentation in this AIF, the Ottawa Area.

**"Province of Québec"** means the Province of Québec, excluding, for the purposes of presentation in this AIF, the city of Gatineau, which is expressed to form part of the Ottawa Area.

**"Québec City Area"** means the city of Québec and the city of Lévis, the city of Saint-Romuald, the city of Saint-Nicolas, the city of Saint-Augustin-de-Desmaures and includes, for the purposes of presentation in this AIF, the city of Saguenay.

**"Real Estate Investment Trust Exception"** has the meaning assigned thereto in section 7.2.8 of this AIF.

**"SIFT"** means "specified investment flow-through" trust.

**"SIFT Rules"** means the provisions under the Income Tax Act which address the taxation of SIFTs and their unitholders.

**"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 Unit Option Plan or the Distribution Reinvestment Plan, and includes a fraction of a unit of the REIT.

**“Unit Option Plan”** means the unit option plan of the REIT fully described at Schedule B – “Unit Option Plan”- of the Management Proxy Circular of the REIT dated March 30, 2011.

**“Unitholder”** means a holder of REIT Units.

**“Western Canada”** means the provinces of Alberta and British Columbia.

## **FORWARD-LOOKING STATEMENTS**

This AIF may contain forward-looking statements with respect to Cominar and its operations, strategy, financial performance and condition. These statements can generally be identified by use of words such as “may”, “could”, “should”, “would”, “suspect”, “outlook”, “believe”, “plan”, “anticipate”, “estimate”, “expect”, “intend”, “forecast” and “objective” or the negative thereof or similar variations, and the use of the conditional and future tenses. The actual results and performance of Cominar discussed herein could differ materially from those expressed or implied by such statements. Such statements are qualified in their entirety by the inherent risks and uncertainties involving future expectations. Some important factors that could cause actual results to differ materially from expectations include general economic and market factors, the impact of the acquisition of the Canmarc Real Estate Investment Trust including the increased debt associated with this acquisition, competition, changes in government regulation and the factors described under “Risk Factors” in Cominar’s annual information form. The cautionary statements qualify all forward-looking statements attributable to Cominar and persons acting on its behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this AIF.

## **NOTICE TO THE READER**

On March 1, 2012, Cominar completed the acquisition of all of the issued and outstanding units of Canmarc, which owns a portfolio of Canadian income-producing commercial properties, consisting of retail and office properties with certain industrial properties. In total, Canmarc properties comprise approximately 9.4 million square feet of commercial gross leasable area and 464 multi-residential units located in Québec, Atlantic Canada, Western Canada and Ontario. Although this acquisition was completed after December 31, 2011, this AIF presents summary information regarding the Canmarc portfolio. In addition, as part of the integration of this portfolio, Cominar is reviewing, with respect to all of its properties, the designation of geographic regions, the potential regrouping and/or reclassification of certain multi-use and multi-tower or multi-phase properties, and the potential reclassification of properties the use of which has evolved or is expected to evolve over time. See “Part 4 – Description of the Business – Properties – Overview of Canmarc Portfolio”.

In addition, at its upcoming annual and special meeting of Unitholders scheduled to be held in May of 2012, Cominar will be proposing and submitting to its Unitholders certain amendments to its Contract of Trust, more particularly to Investment Guidelines and Operating Policies summarized in this AIF, to the Unit Option Plan to introduce deferred Units and restricted units. Details of such proposed amendments will be set out in the management information circular of Cominar to be sent to Unitholders in respect thereof.

## **PART 1 – DATE OF AIF**

This AIF (the **“AIF”**) is dated as of March 30, 2012. Unless otherwise noted, the information contained in this AIF is stated as at December 31, 2011.

## **PART 2 – STRUCTURE OF THE REIT**

The REIT 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 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. Amendments to the Contract of Trust were made at various times to give the REIT greater flexibility in operating its portfolio. The Contract of Trust, as amended from time to time, is described in the management information circular of Cominar.

The head office of the REIT is located at 455 du Marais Street, Québec City, Québec G1M 3A2, phone number (418) 681-8151. Its Website address is [www.cominar.com](http://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 subsidiaries. Reference to “SAC” is to Les Services Administratifs Cominar inc., a wholly-owned subsidiary of the REIT. SAC was incorporated under the *Canada Business Corporations Act* on March 17, 1998.

## PART 3 – GENERAL DEVELOPMENT OF THE BUSINESS

### 3.1 OVERVIEW OF THE REIT

As the largest commercial property owner and manager in the Province of Québec, the REIT it has a leading presence and enjoys significant economies of scale in this market. It is also one of the largest diversified real estate investment trusts in Canada. As at March 30, 2012, the REIT owns a diversified portfolio of 384 office, retail, industrial and mixed-use Properties, of which 298 are located in the Province of Québec, 17 in the Province of Ontario, 57 in the Atlantic Provinces and 12 in Western Canada. The portfolio comprises approximately 10.2 million square feet of office space, 7.8 million square feet of retail space, 12.7 million square feet of industrial and mixed-use space and 485 units located in multi-residential buildings, representing, in the aggregate, a total leasable area of approximately 30.7 million square feet. The REIT’s properties are mostly situated in prime locations and benefit from high visibility and easy access by both tenants and tenants’ customers.

As at December 31, 2011, the REIT owned a diversified portfolio of 270 office, retail, industrial and mixed-use properties, of which 96 are located in the Québec City Area, 136 are located in the Montréal Area, 4 are located in the Ottawa Area and 34 in the Atlantic Provinces. The REIT’s portfolio was comprised of approximately 7.0 million square feet of office space, 3.1 million square feet of retail space and 11.1 million square feet of industrial and mixed-use space, representing, in the aggregate, approximately 21.2 million square feet of leasable area. As at December 31, 2011, the REIT’s portfolio was approximately 93.6% leased.

On March 1, 2012, Cominar completed the acquisition of Canmarc, which owns a portfolio of Canadian income-producing commercial properties, consisting of retail and office properties with certain industrial properties. In total, Canmarc properties comprise approximately 9.4 million square feet of commercial gross leasable area and 464 multi-residential units located in Québec, Atlantic Canada, Western Canada and Ontario. See “Part 4 – Description of the Business – Properties – Overview of Canmarc Portfolio”.

The REIT aims: (i) to provide Unitholders with stable and growing monthly cash distributions which are, to the extent practicable, tax deferred, from investments in a diversified portfolio of income producing office, retail, industrial, mixed-use and multi-residential properties located in the Province of Québec, primarily in the greater Québec City and Montréal areas, in the Province of Ontario, in the Atlantic Provinces and in Western Canada; and (ii) to increase and maximize Unit value through the ongoing active management of the REIT’s properties and the acquisition of additional income-producing properties. With a view to achieving its growth objectives in the future, the REIT will continue to pursue acquisitions in geographic areas beyond the greater Québec City and Montréal areas.

The REIT’s asset and property management is fully internalized and the REIT is a fully integrated and self-managed real estate investment operation, except with respect to certain properties held in Prince Edward Island acquired from Canmarc. This management structure reduces the risk of conflicts of interest between Management and the REIT and ensures that the interests of Management and employees are aligned with those of Unitholders and results in improved operating and financial performance for the REIT.

The REIT believes that a comprehensive and proactive management strategy intended to enhance the operating and financial performance of the REIT is the best way to achieve that objective.

For the fiscal year ended December 31, 2011, the REIT had operating revenues of \$317.7 million and Net Operating Income of \$184.7 million compared to \$282.4 million and \$164.8 million, respectively, the previous year. The REIT’s total assets as at December 31, 2011 were \$2.8 billion and it employed approximately 220 full-time people. These results do not include Canmarc.

## **3.2 RETROSPECTIVE**

On May 21, 1998, during its initial public offering, the REIT acquired from corporate members of the Dallaire Group a portfolio of 51 properties located in the Québec City Area consisting of 8 office properties, 13 retail properties and 30 industrial and mixed-use properties for a total leasable area of approximately 3.1 million square feet. Following its creation, Cominar REIT leveraged its domination of the Québec City commercial real estate market to diversify into the Montreal market. In doing so, Cominar REIT continued to pursue its profitable long-term strategy of owning and operating a diversified portfolio of income properties concentrated in a specific regional market.

On June 1, 2007, Cominar acquired 28 industrial and mixed-use and 19 office properties from Alexis Nihon Real Estate Investment Trust, which represent approximately 6.1 million square feet of leasable space. On July 6, 2007, Cominar completed this transaction with the acquisition of co-ownerships in seven industrial properties. On February 29, 2008, Cominar acquired the remaining interest in industrial and mixed-use properties located in Montréal that were previously co-owned. As a result of this acquisition transaction, Cominar is now the sole owner of these properties.

Cominar entered the Atlantic Provinces during the first quarter of 2010 with the acquisition of Overland Realty Limited, which includes 16 high quality properties representing an area of approximately 0.6 million square feet. Since then, Cominar made 18 new additions to properties in this region, increasing the total area to nearly 1.2 million square feet.

Since going public in 1998, Cominar REIT has expanded its leasable space from 51 properties with 3.1 million square feet to 270 properties with approximately 21.2 million square feet and increased the book value of its assets to \$2.8 billion as at December 31, 2011.

## **3.3 ACQUISITIONS, CONSTRUCTIONS AND EXPANSIONS IN FISCAL YEAR 2011**

In the fiscal year ended December 31, 2011, the REIT acquired properties representing a leasable area of approximately 0.7 million square feet, namely 9 properties for an investment of \$100.9 million.

During fiscal year 2011, Cominar integrated into its income properties a retail property at Quartier Laval, in Laval, as well as Phase I of the Complexe Jules-Dallaire in Québec City.

### **3.3.1 ACQUISITIONS OF INCOME-PRODUCING PROPERTIES**

On March 1, 2011, Cominar acquired an office building located in Halifax, Nova Scotia, with 78,000 square feet of leasable area for a consideration of \$15.0 million in cash.

On March 1, 2011, Cominar acquired an office building located in Moncton, New Brunswick, with 65,000 square feet of leasable area. This fully occupied property was acquired for a consideration of \$9.7 million, consisting of \$6.7 million for the assumption of a mortgage payable and \$3.0 million in cash.

On March 1, 2011, Cominar acquired an office building located in Montréal, Québec, with 372,000 square feet of leasable area for a consideration of \$54.5 million, consisting of \$26.8 million for the assumption of a mortgage payable and \$27.7 million in cash.

On April 29, 2011, Cominar acquired an office building with 15,000 square feet of leasable area, and a retail property with 27,000 square feet of leasable area, both of which are in Moncton, New Brunswick. These fully occupied properties were acquired for a consideration of \$5.2 million, consisting of \$1.4 million for the assumption of a mortgage payable and \$3.8 million in cash.

On July 29, 2011, Cominar acquired an industrial and mixed-use building located in the Greater Moncton area, New Brunswick, covering an area of 11,000 square feet, for a consideration of \$1.1 million in cash.

On July 29, 2011, Cominar acquired an office building located in Saint John, New Brunswick, covering an area of 41,000 square feet, for a consideration of \$6.5 million, consisting of \$5.0 million for the assumption of a mortgage payable and \$1.5 million in cash.



On July 29, 2011, Cominar acquired a retail building located in Halifax, Nova Scotia, covering an area of 41,000 square feet, for a consideration of \$5.5 million in cash.

On September 30, 2011, Cominar acquired an industrial and mixed-use building located in Montréal, Québec, with 43,000 square feet of leasable area for a consideration of \$3.4 million, consisting of \$2.6 million in cash and \$0.8 million as balance of sale.

Additional information with respect to the abovementioned income-producing properties may be found in section 4.4 of this AIF.

### **3.3.2 COMPLEXE JULES-DALLAIRE**

On November 8, 2011, Cominar and its partner in the Complexe Jules-Dallaire, an affiliate of the Dallaire Group family, entered into an agreement in principle to form a partnership with the Dallaire Family for developing Phase II of the Complexe Jules-Dallaire. Under this agreement, surface rights were sold at year-end to the Dallaire Family for an aggregate consideration of \$20.2 million, an amount corroborated by independent experts, thus allowing the latter to construct a ten-floor office tower above the three floors already built during the development of Phase I, as well as approximately 200 condominium units on 15 floors. Cominar's share in the disposal proceeds amounted to \$19.1 million.

Once the development of the ten floors of office space is complete, the Dallaire Family may increase its interest by up to 50% of the fair market value of the entire Complexe Jules-Dallaire (excluding the condominium units), by way of a cash consideration. Subsequently, the entire property (excluding the condominium units) will be managed by Cominar.

### **3.3.3 OTHER DISPOSITIONS**

On December 31, 2011, Cominar sold to an affiliate of the Dallaire Group land held for future development in Québec City. The transaction amounted to \$20.4 million, an amount corroborated by independent experts, which was paid in cash. This transaction is part of the modifications brought to Cominar's strategic plan, which aims to restrict the ownership of land for future development only to land associated with potential development projects for the purpose of meeting the specific needs of Cominar's clients. Moreover, such transaction is in line with the new Québec City guidelines in this sector, which require real estate developers to combine a mix of residential and retail premises, especially those located near Laurier Boulevard. This agreement comprises a right of first refusal in favour of Cominar with respect to the eventual construction of office and commercial space on such land.

### **3.3.4 CHUM EXPROPRIATION**

In June 2006, the Centre Hospitalier de l'Université de Montréal (the "**CHUM**") started the expropriation process with respect to the property at 300 Viger Avenue in Montréal, Province of Québec.

The expropriation process is currently at the stage of finalizing the amount of the indemnity since a notice of transfer of ownership was served on Cominar on August 27, 2007, effective September 1, 2007 and on September 10, 2007 the *Tribunal administratif du Québec* awarded Cominar a provisional indemnity as provided for by law in such cases. The provisional indemnity was \$30 million and was received in 2007. The final indemnity will either be fixed by the *Tribunal administratif du Québec* or will be the subject of settlement between the parties. At this stage, it is impossible to estimate or assess the finalized amount of the indemnity.

## **3.4 ACQUISITION OF UNITS OF CANMARC REAL ESTATE INVESTMENT TRUST**

On November 28, 2011, Cominar announced the purchase, by way of a private agreement, of a total of 3,099,300 units of Canmarc Real Estate Investment Trust ("**Canmarc**"). During the period from September 27, to November 27, 2011, Cominar had acquired 5,164,630 Canmarc units through market transactions. Consequently, as of that date, Cominar and its subsidiaries owned approximately 15.1% of the total issued and outstanding Canmarc units.

On December 2, 2011, the Cominar Acquisition Group commenced an offer to purchase all of the issued and outstanding trust units of Canmarc, other than any trust units already owned directly or indirectly by Cominar and the Cominar Acquisition Group. Pursuant to the Offer, the unitholders of Canmarc were to receive \$15.30 in cash per Canmarc unit, a sum that was not subject to proration. Alternatively, the Cominar Acquisition Group had offered unitholders of Canmarc the opportunity to participate in the growth of the combined entity via a unit election option pursuant to which such unitholders would exchange each Canmarc unit

they held for 0.7054 units of Cominar, with an aggregate maximum of 16 million Cominar units available pursuant to this option, subject to proration. The Offer was open to acceptance until January 12, 2012.

On January 12, 2012, Cominar announced the extension of its offer to acquire all of the issued and outstanding units of Canmarc to January 27, 2012.

On January 16, 2012, Cominar and Canmarc announced that they had entered into a support agreement for the acquisition by the Cominar Acquisition Group of all of the outstanding units of Canmarc. Under its amended offer, Cominar offered to acquire all of the Canmarc units for, at the option of unitholders of Canmarc, either \$16.50 in cash per Canmarc unit or 0.7607 trust units of Cominar per Canmarc unit, with an aggregate maximum of 16 million Cominar units available pursuant to this option, subject to proration.

On January 27, 2012, Cominar announced that 37,692,827 units of Canmarc had been deposited to the offer by the Cominar Acquisition Group to acquire all of the issued and outstanding Canmarc units, and all other conditions of the Offer had been satisfied as of that date. The Cominar Acquisition Group has taken up and accepted for payment all of such Canmarc units, which, together with the Canmarc units already owned by Cominar and the Cominar Acquisition Group, represented approximately 83.8% of the Canmarc units outstanding. Cominar and the Cominar Acquisition Group also delivered a notice of extension to the depository of the Offer. The Offer was open for acceptance until February 7, 2012 to allow as many Canmarc unitholders as possible to tender into the Offer.

On February 7, 2012, Cominar announced that an additional 6,108,608 units of Canmarc had been deposited to the Offer by the Cominar Acquisition Group to acquire all of the issued and outstanding Canmarc units. The Cominar Acquisition Group has taken up and accepted for payment all of such additional Canmarc units, which, together with the 45,956,757 Canmarc units already owned by the Cominar Acquisition Group and Cominar, represented approximately 95% of the Canmarc units outstanding.

On March 1, 2012, Cominar and the Cominar Acquisition Group completed the acquisition of all of the issued and outstanding units of Canmarc. The total consideration includes the issuance of 16 million units of Cominar at \$21.69 and a cash amount of \$421,149,984.32 paid out of the new operating and acquisition credit facility.

The acquisition of Canmarc provides Cominar with an additional 9.4 million square feet of high-quality real estate that is complementary to its existing portfolio. Combined with Cominar's existing properties, the addition of Canmarc's assets will create a unique portfolio of high-quality properties including a number of landmark buildings.

#### ***Enhanced size and diversification***

The acquisition of Canmarc will increase Cominar's leasable area by approximately 44% to approximately 30.7 million square feet, with an enhanced footprint in the Province of Québec and a meaningful presence in the Atlantic Provinces, western Canada and Ontario. Furthermore, Cominar's portfolio will benefit from enhanced diversification among the office, retail and industrial asset classes.

#### ***Improved capital markets profile***

The acquisition of Canmarc increased Cominar's enterprise value to approximately \$4.6 billion (as at the date of the acquisition), creating one of the largest diversified REITs in Canada, while increasing liquidity for Unitholders. Accordingly, Cominar will benefit from stronger access to capital.

#### ***Lower cost of capital***

The increased size and enhanced geographic and asset class diversification resulting from the acquisition of Canmarc is expected to allow Cominar to benefit from a lower cost of capital, thus improving its competitiveness for future asset and portfolio acquisitions.

#### ***Positioned for further growth***

The combined entity will be ideally positioned to execute Cominar's continued expansion in its key markets and in the Ontario market.

## **Synergies**

Given the scale of its existing operations in Québec, Cominar expects to realize synergies from the combination of the two entities. Cominar's knowledge of the key markets in which Canmarc operates is expected to result in lower operating costs and improved operating efficiencies, creating further synergies for Cominar.

## **PART 4 – DESCRIPTION OF THE BUSINESS**

### **4.1 GENERAL**

The following objectives have been approved by the Trustees and may be amended or replaced by the Trustees from time to time. In setting the objectives of the REIT, the Trustees are subject to the investment guidelines and operating policies set out in the Contract of Trust. See "Investment Guidelines and Operating Policies".

The REIT aims: (i) to provide Unitholders with stable and growing monthly cash distributions which are, to the extent practicable, tax deferred, from investments in a diversified portfolio of income producing office, retail, industrial, mixed-use and multi-residential properties located in the Province of Québec, primarily in the greater Québec City and Montréal areas, in the Province of Ontario, in the Atlantic Provinces and in Western Canada; and (ii) to increase and maximize Unit value through the ongoing active management of the REIT's properties and the acquisition of additional income properties and the development and expansion of various properties in its portfolio, with the participation of a reliable and experienced team. With a view to achieving its growth objectives in the future, the REIT will continue to pursue acquisitions in geographic areas beyond the greater Québec City and Montréal areas.

The REIT manages its assets with an emphasis on growing net rental revenues and occupancy levels within the Portfolio and, where economically viable, exploiting expansion or redevelopment opportunities that offer the REIT an accretive, risk-adjusted rate of return. Growth in cash flow from existing Properties comprising the Portfolio is anticipated to be achieved through: (i) increases in lease rates built into existing leases for the Properties; (ii) improvements in occupancy rates and proactive leasing efforts; and (iii) reductions in operating costs.

Management believes it will be able to maintain an investment strategy of acquiring properties to provide additional cash flow and enhance long-term portfolio value. The continued growth of the REIT is also achieved through redevelopment and expansion of the Portfolio.

The REIT maintains a conservative approach to its borrowing policies and in general seeks to maintain a combination of short-term, medium-term and long-term debt maturities which are appropriate for the overall debt level of its portfolio, taking into account availability of financing, market conditions and the financial terms of the leases from which the REIT derives its cash flow.

Management believes that achieving these objectives will result in an increasingly diverse and stable income stream intended to reduce both risk and volatility in respect of the returns realized by Unitholders, with no negative impacts to the interests of the REIT, its employees and the communities in which it is established.

As at March 30, 2012, the REIT (excluding Canmarc) employs approximately 250 full-time employees, and Canmarc employs approximately 220 employees.

### **4.2 MANAGEMENT AND GROWTH STRATEGY OF THE REIT**

The REIT believes that commercial real estate is a dynamic investment that requires active, ongoing and experienced management in order to maximize total returns and minimize risk for Unitholders. The REIT believes that this objective can best be achieved through a comprehensive and proactive management strategy intended to enhance the operating and financial performance of the REIT. Specifically, the REIT focuses on:

- growing net rental revenues and occupancy levels of its Portfolio in accordance with the updating of its strategic plan announced on November 10, 2011; and

- seeking accretive acquisitions and expansion opportunities allowing the achievement of economies of scale which will benefit the REIT, in the form of operations cost savings and efficient property management in the Province of Québec, primarily in the greater Québec City and Montréal areas, the Atlantic Provinces and Western Canada.

The updating of the REIT's strategic plan announced on November 10, 2011 affects in particular the debt ratio, distribution ratio and expansion strategy. Changes made include among others: (i) a revision of Cominar's target debt ratio in order to generally bring it to 50% of the carrying amount, even though the Contract of Trust allows a higher ratio; (ii) the decision made by Cominar's Board of Trustees to gradually increase the distribution ratio to about 90% of distributable income; (iii) the addition of Ontario to Cominar's target markets; and (iv) the decision to build Cominar's growth on acquisitions and limit the scale of its development projects to only execute those meeting the clients' demand and needs.

The purchase price must be supported by the property's actual value, so as to associate a reasonable debt level with the transaction and to ensure satisfactory profitability through the various phases of an economic cycle.

Furthermore, to reduce the risk associated with a particular sector, the REIT ensures that its portfolio is spread over its three sectors – office, retail and industrial and mixed-use properties.

Geographical diversification also plays a key role in the REIT's growth strategy. As this time, properties in the Province of Québec, primarily in the greater Québec City and Montreal Areas, accounted for approximately 82.7% of the portfolio's leasable area, properties in the Province of Ontario accounted for approximately 3.7%, properties in the Atlantic Provinces accounted for approximately 9.6% and those in Western Canada for approximately 4.0%.

In conclusion, the REIT's primary strategies are focused on continuing to make acquisitions and carry out developments that match its criteria of quality and profitability over the short and long term, maintaining a segmented and geographical diversification among office, retail and industrial and mixed-use Properties, and maintaining a prudent financing structure.

#### **4.2.1 THE MARKET**

As the largest commercial property owner and manager in the Province of Québec, the REIT has a leading presence and enjoys significant economies of scale in this market by virtue of the size of the Portfolio, the diversity of the Properties and the attractiveness of their locations, all of which help create opportunities and increase the likelihood that the REIT will discuss leasing with most prospective commercial tenants within such market.

As at March 30, 2012, the REIT owns a diversified portfolio of 384 office, retail, industrial and mixed-use Properties, of which 298 are located in the Province of Québec, 17 in the Province of Ontario, 57 in the Atlantic Provinces and 12 in Western Canada. The portfolio comprises approximately 9.9 million square feet of office space, 7.7 million square feet of retail space, 12.8 million square feet of industrial and mixed-use space and 485 units located in multi-residential buildings, for a total leasable area of over 30.7 million square feet.

The REIT's Properties are mostly situated in prime locations along major traffic arteries and benefit from high visibility and easy access by both tenants and tenants' customers.

The REIT can count on a high-quality real estate portfolio, a diversified tenant base, good cost and risk management and a healthy financial condition, and it believes that it is in a good position to sustain a relatively stable financial performance during periods affected by instability.

#### **4.2.2 ALIGNMENT OF THE INTERESTS OF MANAGEMENT OF THE REIT**

The REIT is a fully integrated, self-administered, self-managed real estate operation except with respect to certain properties held in Prince Edward Island acquired from Canmarc. The REIT believes that this operational approach reduces the potential for conflict between the interests of Management and the REIT. By adopting a fully internalized management structure, the interests of Management and employees are aligned with those of Unitholders and improved operating and financial performance for the REIT will result. The REIT benefits from the experience and expertise of its executives and employees. The REIT also believes that interests of eligible participants are further aligned with those of Unitholders through the granting of options under the Unit Option Plan. The Unit Option Plan provides an incentive for eligible employees to increase the REIT's cash flow and Unit value. Participation in the Plan is offered to all employees of the REIT (subject to applicable law). See "Notice to the Reader".

### 4.2.3 COMPETITIVE STRENGTHS

The REIT intends to capitalize on the following strengths and competitive advantages of the Portfolio and Management:

- privileged relationships with its existing tenant base, which allow Management to better identify and fulfill tenants' needs;
- ability to identify and close acquisition opportunities;
- strategic alliances with suppliers and innovative cost control measures which reduce or limit the increase in operating costs, such that gross rents continue to be competitive;
- strong relationships with financial institutions, which facilitate access to financing and may provide for acquisition and partnership investment opportunities; and
- development and redevelopment expertise and capability of Management and employees, providing the REIT with the ability to respond to opportunities in compliance with the Investment Guidelines and Operating Policies of the REIT.

### 4.2.4 BALANCED PORTFOLIO

The REIT seeks to diversify its portfolio based on business sector and geographic sector by continuing to invest based on asset type and property characteristics consistent with its existing portfolio, but also in line with evolving market conditions. Management believes this strategy will provide the REIT with a broader tenant base, reduce cash flow volatility and increase potential capital appreciation.

### 4.2.5 DEBT MANAGEMENT

The REIT seeks to maintain a combination of short-term, medium-term and long-term debt maturities which are appropriate for the overall debt level of the Portfolio, taking into account availability of financing and market conditions and the financial terms of the leases from which the REIT derives its cash flow. The REIT normally manages its debt maturities by seeking predominantly fixed-rate medium-term debt and by maintaining a conservative level of debt relative to Book Value. The REIT has obtained from financial institutions and by issuing units in 2010 and 2011 the financing required to make Immovable Property acquisitions, to undertake the expansion and improvement of its Properties and to cover certain operating expenses of the REIT and of its Properties from time to time, subject to the Investment Guidelines and Operating Policies of the REIT. See "Investment Guidelines and Operating Policies" for further information.

## 4.3 INVESTMENT GUIDELINES AND OPERATING POLICIES

### 4.3.1 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 must focus its acquisition activities on existing income-producing Properties, including office, retail, industrial and mixed-use properties, that are substantially leased;
- (ii) notwithstanding anything in the Contract of Trust to the contrary, the REIT may not make any investment or take any action or omit to take any action that would result in Units not being units of a "mutual fund trust" and of a "unit trust" within the meaning of the Income Tax Act, that would result in Units being disqualified for investment by registered retirement savings plans, registered retirement income funds or deferred profit sharing plans, that would result in the REIT being liable under the Income Tax Act to pay a tax imposed as a result of holdings by the REIT of foreign property as defined in the Income Tax Act, that would result in Units being foreign property for the purposes of the Income Tax Act or that would result in the REIT paying a tax under the registered investment provisions of the Income Tax Act for exceeding certain investment limits;
- (iii) the REIT may invest in a joint venture arrangement only if:

- (a) the arrangement is one pursuant to which the REIT holds an interest in Immovable Property jointly or in common with others (“**joint venturers**”) either directly or through the ownership of an interest in a corporation or other entity (a “**joint venture entity**”) as co-owners and not as partners and such Immovable Property is capital property of the REIT and, if owned through the ownership of an interest in a joint venture entity, the said Immovable Property is capital property of the joint venture entity;
  - (b) the REIT’s interest in the joint venture arrangement is not subject to any restriction on transfer other than a right of first refusal, if any, in favour of the joint venturers;
  - (c) the REIT has a right of first refusal to buy the interests of the other joint venturers;
  - (d) the joint venture arrangement provides an appropriate buy-sell mechanism to enable a joint venturer to purchase the other joint venturers’ interests or to sell its interest;
  - (e) the joint venture arrangement provides that the liability of the REIT to third parties is joint and not solidary (the common law equivalent being “several and not joint and several”), provided however, that, subject to any remedies that each joint venturer may have against the other joint venturers, a joint venturer shall be hypothecarily liable to the full extent of the property and that, further, may be required to give up its interest in any particular property owned by the joint venture entity as a result of another joint venturer’s failure to honour its proportionate share of the obligations relating to such property; and
  - (f) the joint venture arrangement permits, but does not require, the REIT or its designee to participate fully in the management thereof;
- (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, short-term government debt securities, some or all of the receivables under an instalment receipt agreement or in money market instruments of, or guaranteed by, a Schedule 1 Canadian bank maturing prior to one year from the date of issue, the REIT may not hold securities other than securities of a joint venture entity or an entity or corporation wholly owned by the REIT formed and operated solely for the purpose of holding a particular Immovable Property or Immovable Properties or some or all of the receivables under an instalment receipt agreement or for any purpose relating to the activities of the REIT, and provided further that, notwithstanding anything contained in the Contract of Trust to the contrary, the REIT may acquire securities of other real estate investment trusts;
- (v) except as otherwise prohibited in the Contract of Trust, the REIT may 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 may 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 may not invest in operating businesses unless the investment is made indirectly in connection with a transaction: (a) from which income will be earned, directly or indirectly, especially from real estate, or (b) which consists primarily of acquiring ownership of or operating real estate, directly or indirectly (in each case, at the discretion of the trustees) or acquiring an interest in general or limited partnerships, it being understood, however, that the REIT may invest in a partnership under the following circumstances: (a) the partnership was set up and is operated for the sole purpose of purchasing, holding, maintaining, improving, leasing or managing one or more immovable properties or interests therein; (b) unless the majority of independent trustees approves it, the REIT’s interest in the partnership is unrestricted with respect to transfers other than a right of first refusal or right of first offer, where applicable, in favour of another partner or an affiliate thereof; provided, in each case, that the investment: (1) does not lead to any obligation for the REIT or a registered retirement savings plan, a registered retirement income fund or a deferred benefit plan to pay, under the Income Tax Act, tax resulting from the property held by the REIT; (2) does not render the REIT ineligible as a “mutual fund trust” within the meaning of the Income Tax Act; and (3) does not cause REIT to lose any status granted to it under the Income Tax Act which is beneficial to the REIT and Unitholders;
- (viii) the REIT may, with the prior approval of the Trustees, invest in raw-land to be held as capital property for development and ownership for other development projects, in any such case, for the purpose of (a) renovating or expanding existing facilities that are capital property of the Trust or (b) developing new facilities which will be income producing and

constitute capital property of the Trust, provided that the aggregate value of the investments of the Trust in raw-land will not exceed 5% of the Adjusted Unitholders' Equity;

- (ix) the REIT may invest in Immovable Hypothecs, mortgages and hypothecary or mortgage bonds (including, with the consent of a majority of the Trustees, a participating or convertible Immovable 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 Immovable Hypothec or mortgage and the Immovable Hypothec or mortgage has at least 1.2 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 therefor; and
  - (d) the aggregate value of the investments of the REIT in these Immovable 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 Immovable Hypothecs or mortgages if the sole intention is to use the acquisition of the Immovable 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 such Immovable 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 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 an Immovable Hypothec or mortgage on such property) 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. 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. 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.

#### 4.3.2 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 in effect immediately prior to the rescission thereof effective February 1, 2000;
- (ii) any written instrument creating an obligation which is or includes the granting by the REIT of an Immovable 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 acknowledgment 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 a 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) the REIT shall not lease or sublease to any person any Immovable Property, premises or space where that person and its associates would, after the contemplated lease or sublease, be leasing or subleasing Immovable Property, premises or space having a fair market value net of encumbrances 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 of which the bonds, debentures or other evidences of indebtedness which it issues or guarantees are authorized as an investment for insurance companies pursuant to subsection 86(1)(k) of the *Canadian and British Insurance Companies Act* (Canada) 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 wholly-owned by the REIT or jointly owned by the REIT with joint venturers;
- (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 Book Value (65% if any convertible debentures of the REIT are outstanding, including the aggregate par value of any convertible debenture);
- (vii) the REIT shall not directly or indirectly guarantee any indebtedness or liabilities of any kind of a third party except indebtedness assumed or incurred under an Immovable Hypothec or mortgage by a corporation or other entity wholly owned by the REIT or jointly owned by the REIT with joint venturers and operated solely for the purpose of holding a particular Property or Properties where such Immovable Hypothec or mortgage, 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", and where such Immovable Hypothec or mortgage is granted by a joint venture entity, subject to a joint venturer being required to give up its interest in a property owned by the joint venture entity as a result of another joint venturer's failure to honour its proportionate share of the obligations relating to such property, the liability of the REIT is limited strictly to the proportion of the hypothecary or mortgage loan equal to the REIT's proportionate ownership interest in the joint venture entity;
- (viii) the REIT shall obtain 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 REIT from risks, in amounts, with such insurers and on such terms as the Trustees consider appropriate, taking into account all relevant factors including the practices of owners of comparable properties; and
- (x) the REIT shall have conducted a Phase I environmental audit of each Immovable Property to be acquired by it and, if the Phase I environmental audit report recommends that a Phase II environmental audit be conducted, the REIT shall have a Phase II environmental audit conducted, in each case by an independent and experienced environmental consultant; such audit, which constitutes a condition to any acquisition, shall be satisfactory to the Trustees. All new leases granted by the REIT shall contain appropriate covenants from the lessee respecting environmental matters as determined by the Trustees from time to time.

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.

#### **4.3.3 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), (x) and (xi) 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 and by a majority of the votes cast by Unitholders at a meeting called for such purpose. See "Notice to the Reader".

#### 4.4 PROPERTIES

As at December 31, 2011, the Portfolio of the REIT included 270 office, retail, and industrial and mixed-use Properties located in the Québec City, Montréal, Ottawa and Atlantic Provinces Areas. The Portfolio consists of approximately 6.9 million square feet of office space, 3.2 million square feet of retail space and 11.1 million square feet of industrial and mixed-use space representing, in the aggregate, 21.2 million square feet of leasable area. The Properties comprising the Portfolio are generally prime locations along major thoroughfares and benefit from high visibility and easy access by both tenants and tenants' customers. The Properties are well-maintained and in good operating condition.

On March 1, 2012, Cominar completed the acquisition of Canmarc, which owns a portfolio of Canadian income-producing commercial properties, consisting of retail and office properties with certain industrial properties. In total, Canmarc properties comprise approximately 9.4 million square feet of commercial gross leasable area and 464 multi-residential units located in Québec, Atlantic Canada, Western Canada and Ontario. See "Part 4 – Description of the Business – Properties – Overview of Canmarc Portfolio".

##### 4.4.1 OVERVIEW OF COMINAR PORTFOLIO

The following tables respectively summarize the Properties of the REIT as at December 31, 2011 by asset class, lease expiries and renewals and new leases as at December 31, 2011 and lease maturities from 2012 to 2016:

##### Allocation by Property Type

Property Type	Number of Properties	Total Area (square feet)	%	% Leased
Office Properties	54	6,997,000	33.0	95.2
Retail Properties	55	3,150,000	14.8	96.9
Industrial and Mixed-Use Properties	161	11,072,000	52.2	91.8
<b>Total Portfolio</b>	<b>270</b>	<b>21,219,000</b>	<b>100.0</b>	<b>93.6</b>

##### Expiries, Renewals and New Leases as of December 31, 2011

	Office	Retail	Industrial and Mixed-Use	Total
<b>Leases expiring in 2011</b>				
Number of clients	256	136	237	629
Leasable Area (square feet)	953,000	450,000	1,847,000	3,250,000
Average net rent/square foot	10.60	9.02	5.72	7.61
<b>Renewed Leases</b>				
Number of clients	152	97	169	418
Leasable Area (square feet)	663,000	361,000	1,395,000	2,419,000
Average net rent (\$)/square foot	11.72	10.47	5.32	8.19
<b>% of renewal</b>	<b>69.6</b>	<b>80.2</b>	<b>75.5</b>	<b>74.4</b>
<b>New Leases</b>				
Number of clients	92	57	81	230
Leasable Area (square feet)	353,000	169,000	713,000	1,235,000
Average net rent (\$)/square foot	13.48	12.43	6.00	9.19

##### Lease Maturities<sup>(1)</sup>

	Office <sup>(2)</sup>	Retail <sup>(3)</sup>	Industrial and Mixed-Use	Total
<b>Number of Leases</b>				
2012	311	166	277	754
2013	196	107	196	499
2014	161	95	155	411

	Office <sup>(2)</sup>	Retail <sup>(3)</sup>	Industrial and Mixed-Use	Total
2015	157	102	125	384
2016	124	88	99	311
<b>Area (square feet)</b>				
2012	1,220,000	441,000	2,273,000	3,934,000
2013	902,000	272,000	1,396,000	2,570,000
2014	937,000	199,000	1,637,000	2,773,000
2015	853,000	332,000	1,800,000	2,985,000
2016	954,000	310,000	1,305,000	2,269,000
<b>Weighted Average Net Rent (per sq. ft.)</b>				
2012	\$10.52	\$10.29	\$5.90	\$7.82
2013	\$11.84	\$11.39	\$6.34	\$8.81
2014	\$10.72	\$12.66	\$5.91	\$8.02
2015	\$13.87	\$10.81	\$5.81	\$8.67
2016	\$13.87	\$12.79	\$5.73	\$9.60

**Notes:**

- (1) Information given for the 12 months ending December 31 of each calendar year.  
(2) Includes maturities for leases of office space at Place de la Cité.  
(3) Includes maturities for leases of retail space at Place de la Cité.

#### 4.4.2 SUMMARY OF COMINAR'S PROPERTIES

The following table summarizes certain aspects of each of the REIT's Properties<sup>(1)</sup>:

Properties	Year Built/ Renovated	Leasable Area (ft <sup>2</sup> )	% Leased	Selected Tenants
<b>OFFICE PROPERTIES</b>				
<b>Québec City Area</b>				
4635 1st Avenue Québec City, Québec	1979/1993	41,000	75.7	Industrial Alliance Life Insurance Company, a Canadian chartered bank, Subway (restaurant)
5055 Wilfrid-Hamel Blvd. West Québec City, Québec	1979/1996	28,000	95.2	Matériaux Blanchet, System EBI, Cyber Cat
5073-5075-5079 Wilfrid-Hamel Blvd. West Québec City, Québec	1980/1994	29,000	100.0	Au Vieux Duluth (restaurant), Gagnard et associés
2014 Cyrille-Duquet Street Québec City, Québec	1979/1997	63,000	95.3	Canadian Automobile Association (Québec) – "CAA", Innovmetric Logiciels, Opsens, Comact Equipment, ULC, Groupe Agéco
2200 Cyrille-Duquet Street Québec City, Québec	1965/1986/ 1996	31,000	100.0	Imprimerie Solisco, Solotech
Place de la Cité 2590-2640 Laurier Blvd. Québec City, Québec	1964/1970/ 1982/1988/ 1993/ 2003/2004	698,000	99.5	National Bank Financial, Desjardins Securities, Intact corporation financière, Régie des rentes du Québec, The Great West Life Assurance Company, Canada Mortgage and Housing Corporation, The Guarantee Company, Gestion M.D., Aon, Microsoft Canada, SEPAQ, Lombard Canada, PriceWaterhouseCoopers, Autorité des marchés financiers, a Canadian chartered bank, Hub International, Professionals' Fund/Mutual Funds, Québec Mining Association, La Cité Médicale
455 du Marais Street Québec City, Québec	1977/1997	61,000	94.8	Industrial Alliance Life Insurance Company, Cominar, Corporation des services d'ambulance du Québec, Moore North America, Telus Communications, Québec, Groupe Écho Canada, Alpha Assurances
3175 des Quatre-Bourgeois Road Québec City, Québec	1990	102,000	80.1	Public Works Canada, Re/Max, Société immobilière du Québec, Lumbermen's Underwriting Alliance, Groupe Accisst
979 de Bourgogne Avenue Québec City, Québec	1976/1988/ 1996	67,000	98.4	Public Works Canada, SIQ, Joint Health and Safety Association, Mining Sector, Groupe Robert Giroux, Clinique médicale Quatre-Bourgeois
Place de la Capitale 150 René-Lévesque Blvd. East Québec City, Québec	1973/1999	229,000	98.9	Société immobilière du Québec, Vidéotron, a Canadian chartered bank, Ernst & Young, Telus Communications, Québec, Rogers Cantel, Tim Hortons
1265 Charest Blvd. West Québec City, Québec	1975/2002	142,000	100.0	Esri Canada, Société immobilière du Québec, Transcontinental Media, Altus Group, Renaud Vaisselle, Lemieux Nolet comptables
565-585 Charest Blvd. East Québec City, Québec	1950 1999/2000	110,000	99.2	ABB Bomen, Frima Studio, LG2, Jobillico
Complexe Jules-Dallaire – Phase I 2828 Laurier Blvd. Québec City, Québec	2008/2010	343,000 <sup>(2)</sup>	90.4	Société immobilière du Québec, Norton Rose, Société des Alcools du Québec, Le Paris Grill (restaurant), Le Calao (restaurant), Corporation BCF Québec, Marchés mondiaux CIBC, Robic, Public Works Canada, RBC Dominion Securities, RBC Philips, Hager & North services conseil en placement, three Canadian chartered banks

Properties	Year Built/ Renovated	Leasable Area (ft <sup>2</sup> )	% Leased	Selected Tenants
<b>Sub-total</b>		<b>1,944,000</b>		
<b>Montréal Area</b>				
255 Crémazie Blvd. East Montréal, Québec	1967/2002	245,000	100.0	Société immobilière du Québec, Communauté urbaine de Montréal, Pétrie Raymond LLP, Consultants 3LM, a Canadian chartered bank, Aecon Group, Ordre professionnel des travailleurs sociaux du Québec, Stellar Canada Ericsson Canada
8500 Décarie Blvd. Mont-Royal, Québec	2001	175,000	100.0	Ericsson Canada
3400 Jean-Béraud Avenue Laval, Québec	2001	156,000	100.0	Public Works Canada
201-211 Laurier Street East Montréal, Québec	1916 1989 2001	132,000	79.6	City of Montréal, Softvoyage, the Canadian Corps of Commissionaires, Société immobilière du Québec
375 Sir-Wilfrid-Laurier Blvd. Mont-Saint-Hilaire, Québec	1999	50,000	100.0	Breton, Banville et associés SENC
325 Honorius-Charbonneau Blvd. Mont-Saint-Hilaire, Québec	1985	19,000	100.0	Breton, Banville et associés SENC
8400 Décarie Blvd. Mont-Royal, Québec	1960 1990/1991	227,000	100.0	Ericsson Canada
1080 Beaver Hall Hill Montréal, Québec	1968/ 2000	320,000	93.0	Natis Programming & Tech Inc., Dessau Soprin, Harris/Decima Inc., Board of Trade of Metropolitan Montréal, Draft Worldwide Montréal Inc., Notarius, Iron Ore Company of Canada, Peer 1 Network Inc., Vidéotron Ltée, Protecteur du Citoyen, TEVA Canada
4700 de la Savane Street Montréal, Québec	1988/ 1998/1999	187,000	93.2	Fujitsu Transaction Solutions Canada Inc., The Young & Rubicam Group of Companies ULC, Presagis Canada Inc., a Canadian chartered bank, Devmont construction, Cominar
455 Fénelon Blvd. Dorval, Québec	1990	97,000	61.7	Société immobilière du Québec, Adacel Inc., Lumbermen's Underwriting Alliance, TFI Transport Z.L.P., Médias Transcontinental, Securitas Transport Aviation Security, Royal Canadian Mounted Police
9900 Cavendish Blvd. Montréal, Québec	1987	85,000	87.9	CIBC World Markets Inc., Procter & Gamble Inc., Nymox Pharmaceutical Corp., Cato Research Canada Inc., Fournitures de bureau Denis Inc., S.Q. Liaison
9999 Cavendish Blvd. Montréal, Québec	1988	52,000	81.0	Pitney Bowes Canada, Intertape Polymer Inc., Famic Technologies Inc., a Canadian chartered bank
9960-9970 Côte-de-Liesse Road Montréal, Québec	1983	25,000	95.0	Corbec Corp., Energizer Canada, Highliner Foods
1 Place Laval Laval, Québec	1965/1989	118,000	93.2	Carrefour Jeunesse Emploi, Groupe Echo Canada Inc., Société immobilière du Québec, Tecsuult Inc., a Canadian chartered bank, Gendron Land Surveyors
2 Place Laval Laval, Québec	1965/1989	102,000	99.1	Groupe Vézina & Associés Ltée, a Canadian chartered bank, CBV Collection Services Ltd, Croesus Finansoft Inc., SITQ Inc., Hôpital Sacré-Cœur de Montréal, Groupe Premier Médical inc.
3 Place Laval Laval, Québec	1965/1989	184,000	100.0	City of Laval, Vancouver Career College (Burnaby) Inc., Société immobilière du Québec, Public Works Canada, a Canadian chartered bank

Properties	Year Built/ Renovated	Leasable Area (ft <sup>2</sup> )	% Leased	Selected Tenants
4 Place Laval Laval, Québec	1965/1989	141,000	97.4	Société immobilière du Québec, a Canadian chartered bank
3080 Le Carrefour Blvd. Laval, Québec	1990	88,000	99.7	GMAC Residential Funding of Canada, Ltd., ID Biomedical Corp. of Québec (GlaxoSmithKline), Prevail Energy Ltd, La Capitale services conseils Inc., HB Group Insurance Management Ltd., Les Investissements J.L. Gauthier Inc., BMO Nesbitt Burns Inc., Essor Assurances Placements Conseils.
3090 Le Carrefour Blvd. Laval, Québec	1986	74,000	96.0	Scotia Capital Inc., Office municipal d'habitation de Laval, Services Comptables B.D.H., CIT Financial Ltd., Brown Shoe Company of Canada Ltd., a Canadian chartered bank, London Life Insurance Co.
3100 Le Carrefour Blvd. Laval, Québec	1988	77,000	99.4	RBC Life Insurance Co., SNC-Lavalin Inc., Federated Insurance Company of Canada, Sun Life Insurance Company of Canada, Investors Services Ltd., a Canadian chartered bank
2525 Daniel-Johnson Blvd. Laval, Québec	1977	111,000	94.8	Genivar Limited Partnership, Business Development Bank of Canada, Dolphin Integration Inc., Industrial Alliance Company, a Canadian chartered bank, Lasik MD
1111 Dr.-Frederik-Philips Blvd. Montréal, Québec	1990	104,000	92.3	Makivik Corporation, Sun Life Insurance Company of Canada, Hospira Healthcare Corp., A.C. Nielsen Company of Canada, Dundee Securities, Pirelli Tires
3300 Côte-Vertu Blvd. Montréal, Québec	1976	98,000	80.7	A Canadian chartered bank, Nikon Canada Inc., Société immobilière du Québec, Geosaf Inc., Gamma Entertainment Inc., Cambridge Mercantile Corp., Synnex Canada Limited, PSAC Holdings Ltd., Wrigley Canada
2001 McGill College Avenue Montréal, Québec	1982	535,000	87.9	Société immobilière du Québec, Cascades Canada inc., Vérificateur général du Québec, National Public Relations Inc., SITA (Société internationale de télécommunications aéronautiques), a Canadian chartered bank, Equant Canada (Orange Business Services), Rio Tinto, CB Richard Ellis
9955 Catania Avenue Brossard, Québec	2004/2006	90,000	100.0	Voith Hydro, Inspec-Sol, Newalta, Pierre Fabre dermo-cosmétique Canada
5101 Buchan Street Montréal, Québec	1988	141,000	99.4	Positron, Intrado Canada, Fine & associés, Cole-Parmer Canada
5100 Sherbrooke Street East Montréal, Québec	1985/1986	377,000	99.6	BPR, Hydro-Québec, Société GRICS, Tetra Tech industries, Financière HSBC, Public Works Canada, a Canadian chartered bank
<b>Sub-total</b>		<b>4,010,000</b>		
<b>Ottawa Area</b>				
550 de la Cité Blvd. Gatineau, Québec	2003	321,000	100.0	Public Works Canada
480 de la Cité Blvd. Gatineau, Québec	2003	45,000	100.0	Brookfield Power Inc.
400 Cooper Street Ottawa, Ontario	1974/1998	176,000	100.0	Public Works and Government Services Canada, Centretown Community Health Center

Properties	Year Built/ Renovated	Leasable Area (ft <sup>2</sup> )	% Leased	Selected Tenants
<b>Sub-total</b>		<b>542,000</b>		
<b>Atlantic Provinces</b>				
1113 Regent Street Fredericton, New Brunswick	1988	11,000	82.3	Regional Health Authority and Panacea Body Wellness Centre
1115 Regent Street Fredericton, New Brunswick	1964	16,000	100.0	Atlantic Business College, Brunswick Valley Lumber
570 Queen Street Fredericton, New Brunswick	1989	70,000	100.0	Public Works Canada, Sun Life Insurance Company, McInnes Cooper LLP, Grant Thornton LLP, Business Development Bank of Canada
371 Queen Street Fredericton, New Brunswick	1870/1988	32,000	100.0	Cox and Palmer, RBC Dominion Securities, London Life Insurance Company
565, Priestman Street Fredericton, New Brunswick	1975/1976	35,000	89.1	Public Works Canada, Teed Saunders Doyle, Province of New Brunswick
1133 Regent Street Fredericton, New Brunswick	1982/1984	88,000	94.3	Investors Group Financial Services, ADI Systems, Delta Hotels and Resorts Global Reservation Services, New Brunswick Association of Nursing Homes, R.J. Bartlett Engineering
65 Regent Street and 590 Queen Street Fredericton, New Brunswick	1994	41,000	95.5	Province of New Brunswick, BMO Nesbitt Burns, Eddy & Down, Barrister and Solicitors
1149 Smythe Street Fredericton, New Brunswick	1970	12,000	100.0	Yorkville University, Dillon Consulting Ltd.
81 Albert Street Moncton, New Brunswick	2002/2003	65,000	100.0	Province of New Brunswick, Public Works Canada
84 Chain Lake Drive Halifax, New Brunswick	2008	76,000	88.5	Johnson, Cominar, Armco Capital, Bell Mobility
330-350 Elmwood Drive Moncton, New Brunswick	2006	14,000	100.0	Allstate Insurance Company, Dooly's
1 Place Agar Saint John, New Brunswick	2000	41,000	100.0	Province of New Brunswick, Public Works Canada
<b>Sub-total</b>		<b>501,000</b>		
<b>TOTAL OFFICE PROPERTIES</b>		<b>6,997,000</b>	95.2	

**RETAIL PROPERTIES****Québec City Area**

3345 du Carrefour Sreet Québec City, Québec	2005	25,000	93.4	Caisse populaire du Vieux Moulin, Matelas Dauphin, La Capitale Cité
1367-1371 Sainte-Foy Road Québec City, Québec	1950/1983	5,000	100.0	Immeubles Couche-Tard
5600 de la Rive-Sud Blvd. Lévis, Québec	2005	8,000	100.0	Société des alcools du Québec
5 d'Orléans Street Québec City, Québec	1978/1985	6,000	100.0	A Canadian chartered bank

Properties	Year Built/ Renovated	Leasable Area (ft <sup>2</sup> )	% Leased	Selected Tenants
1400 Saint-Jean-Baptiste Avenue Québec City, Québec	1979/1995	106,000	100.0	Meubles Zip International Ltée, Mega Fitness Gym, Société de l'assurance automobile du Québec, BPR Bechtel, Services conseils Teknika
Halles Fleur de Lys 245 Soumande Street Québec City, Québec	1978/1984/ 1994	92,000	93.1	Restaurant Pacini, Dollarama, Aliments M&M
2195 de la Rive-Sud Blvd. Saint-Romuald, Québec	1977/1985	6,000	100.0	A Canadian chartered bank
2160 de la Rive-Sud Blvd. Saint-Romuald, Québec	1971/1978/ 1996	73,000	100.0	Metro, Caisse populaire Desjardins, Les Délices d'Angkor
Place de la Cité 2590-2640 Laurier Blvd. Québec City, Québec	1964/1970/ 1982/1993	352,000	98.9	Caisse populaire Desjardins, two Canadian chartered banks, Roots, New Look Eyewear, Parfumeries Dans un Jardin, Uniprix (pharmacy), Restaurant Le Beaugarte, Club Entrain (sports and recreation centre), Canadian Automobile Association (Québec), Desjardins Securities, Disnat, Urban Planet, Jardin Mobile, Gosselin Photo Vidéo inc., Clinique d'ophtalmologie de la Cité, TD Waterhouse, Liquor Store, Au Petit Coin Breton, HSBC Financial Centre
Carrefour Charlesbourg 8500 Henri-Bourassa Blvd. Québec City, Québec	1976/1988/ 1995/1996/ 2004	312,000	94.0	Metro, Pharmacie Brunet, La Source, a Canadian chartered bank, Industrial Alliance Life Insurance Company, Énergie Cardio, Yellow, Dollarama, Rossy, Société des alcools du Québec, Sirens, Charlemagne
355 du Marais Street Québec City, Québec	1990	37,000	93.5	Schneider Canada Inc., Maître Piscinier, Lebeau Vitres d'Auto/Belron
325 du Marais Street Québec City, Québec	1991	79,000	97.6	Restaurant Tomas Tam, Re/Max, Public Works Canada, Mobilier Idem
3323 du Carrefour Street Québec City, Québec	2006	4,000	100.00	A Canadian chartered bank
550 du Marais Street Québec City, Québec	1995	16,000	100.00	Écho Sports, Club Chaussures
Les Promenades Beauport 3333 du Carrefour Street Québec City, Québec	1978/2002/ 2004/2008 2009	549,000	98.8	Dooly's, Jean Coutu, Dollarama, Yellow, Parfumeries Dans un Jardin, Winners, La Source, Cantel, Public Works Canada, Leon's Furniture, Garage, La Senza, Hart, Telus, Clément, L'Aubainerie, Chlorophylle, Éléganza, Le Château, Jacob, Santé Bronzage, Énergie Cardio, Glam, Bikini Village, Clinique médicale Dr. Robitaille, Groupe Ledor
1295 Charest Blvd. West Québec City, Québec	1982/ 2007	28,000	100.0	Boiteau Luminaire
Place Lévis 50 Président-Kennedy Road Lévis, Québec	1970/1995	220,000	98.6	Provigo Distribution, SuperClub Vidéotron, Cage aux Sports, Nautilus Plus, Desjardins Securities, Simon Maranda, Ministère de l'Agriculture, des Pêcheries et de l'Alimentation, La Financière Agricole, Piazzetta, Stéréo Plus, Public Works Canada
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	Lebeau Vitres d'Auto/Belron
1970 Chauveau Avenue Québec City, Québec	1970/1983	2,000	100.0	Couche-Tard
1275 Charest Blvd. West Québec City, Québec	1975/2002	63,000	90.8	Société immobilière du Québec, Tapis du Monde, Dollarama

Properties	Year Built/ Renovated	Leasable Area (ft <sup>2</sup> )	% Leased	Selected Tenants
<b>Sub-total</b>		<b>1,990,000</b>		
<b>Montréal Area</b>				
1479-1481-1483-1485 Saint-Bruno Blvd. Saint-Bruno-de-Montarville, Québec	1997	13,000	100.0	Penningtons, Yellow
1465 Saint-Bruno Blvd. Saint-Bruno-de-Montarville, Québec	1997	26,000	100.0	Bureau en gros
1475 Saint-Bruno Blvd. Saint-Bruno-de-Montarville, Québec	1997	130,000	100.0	Wal-Mart
1495 Saint-Bruno Blvd. Saint-Bruno-de-Montarville, Québec	1997	35,000	100.0	Cineplex Odeon
800 Claude-Jutras Blvd. Saint-Bruno-de-Montarville, Québec	2003	30,000	100.0	Déco Découverte
239-245 Samson Blvd. Laval, Québec	1991	40,000	100.0	Rogers Wireless, Jean Coutu, SuperClub Vidéotron
2101-2137 Curé-Labelle Blvd. Laval, Québec	2003	65,000	92.4	SuperClub Vidéotron, Sobeys,
2760-2784 Jacques-Cartier Blvd. East Longueuil, Québec	2006	24,000	100.0	Énergie Cardio, La Belle Province, Quizno's subs
2790-2794 Jacques-Cartier Blvd. East Longueuil, Québec	2006	6,000	100.0	Restaurant Bravi, Restaurant Tutti Frutti
Mégacentre Saint-Bruno Phase I: 1011-1091 Saint-Bruno Blvd. Phase II: 1101-1191 Saint-Bruno Blvd. Saint-Bruno-de-Montarville, Québec	2007/2008	110,000	89.8	Urban Planet, Club Chaussures, Suzy Shier, Récréofun
340-360 Sir-Wilfrid-Laurier Blvd. Mont-Saint-Hilaire, Québec	2004/2005	24,000	100.0	Dr. Charles Leroux, Chiropractor, SuperClub Vidéotron, BBA Inc., Breton, Banville & Associés
370-380 Sir-Wilfrid-Laurier Blvd. Mont-Saint-Hilaire, Québec	1991	46,000	98.7	Iris Optométriste, Carrefour Jeunesse Travail Vallée du Richelieu, Industrial Alliance Insurance & Financial Services, Buffet chinois Maison Chan
353-361 Sir-Wilfrid-Laurier Blvd. Mont-Saint-Hilaire, Québec	1995	71,000	96.4	Supermarché St-Hilaire Inc. (Metro)
345 Honorius-Charbonneau Blvd. and 365 Sir-Wilfrid-Laurier Blvd. Mont-Saint-Hilaire, Québec	1998			
377-383 Sir-Wilfrid-Laurier Blvd. Mont-Saint-Hilaire, Québec	2000	9,000	100.0	Restaurant Laora, Centre Visuel Plus de Mont-Saint-Hilaire, Boutique l'École buissonnière
933 Armand-Frappier Blvd. Sainte-Julie, Québec	2000	14,000	100.0	Caisse populaire Desjardins Sainte-Julie, Espace BLU Déco
600-660 Le Corbusier Blvd. Laval, Québec	2008	59,000	79.2	Dollarama, Bouclair, Structube, Roche Bobois, Dormez-vous
690 Le Corbusier Blvd. Laval, Québec	2008	43,000	100.0	Sears Décor
720 Le Corbusier Blvd. Lava, Québec	2009	9,000	100.0	A Canadian chartered bank
760-800 Le Corbusier Blvd. Laval, Québec	2008	12,000	69.8	Eggstyle, Boutique NY Style, The Running Room
830-850 Le Corbusier Blvd. Laval, Québec	2008	10,000	100.0	Axis, Panda d'Or, Farhat Optical
900-950 Le Corbusier Blvd. Laval, Québec	2009	61,000	100.0	Indigo, Golf Town, JYSK



<b>Properties</b>	<b>Year Built/ Renovated</b>	<b>Leasable Area (ft<sup>2</sup>)</b>	<b>% Leased</b>	<b>Selected Tenants</b>
1020-1050 Le Corbusier Blvd. Laval, Québec	2008	10,000	68.4	Thai Express, Allstate Insurance Company, Salon Sugar
1090-1130 Le Corbusier Blvd. Laval, Québec	2008	12,000	100.0	Kanda Sushi Bar, Restaurant Amir, Subway, La Belle Province
1310 Le Corbusier Blvd. Laval, Québec	2008	31,000	100.0	Winners
1340-1350 Le Corbusier Blvd. Laval, Québec	2008	8,000	100.0	Centre Hi-Fi, Tim Hortons
1160-1170 Le Corbusier Blvd. Laval, Québec	2011	12,000	100.0	A Canadian chartered bank, Louis Garneau Sport
<b>Sub-total</b>		<b>910,000</b>		
<b>Ottawa Area</b>				
120 de l'Hôpital Blvd. Gatineau, Québec	1996	67,000	96.9	Cinema 9, Fournitures de bureau Denis, Subway, Deli Chen Restaurant
<b>Sub-total</b>		<b>67,000</b>		
<b>Atlantic Provinces</b>				
360 Pleasant Street Miramichi, New Brunswick	1991	25,000	100.0	Province of New Brunswick, two Canadian chartered banks, Service New-Brunswick
900 Hanwell Road Fredericton, New Brunswick	1991	66,000	93.0	United Parcel Service (UPS), Public Works Canada, Procraft Industrial Ltd.
146-154 Main Street Fredericton, New Brunswick	1970	22,000	87.6	A Canadian chartered bank, MacMillan Lawrence & Lawrence, the Arthritis Society
403-415 Elmwood Drive Moncton, New Brunswick	1970	27,000	100.0	New Brunswick Liquor Corporation, Dooly's
86 Chain Lake Drive Halifax, Nova Scotia	2011	2,000	100.0	Starbucks
612 Windmill Road Dartmouth, Nova Scotia	1998	41,000	100.00	Sleeman Breweries Ltd, Rio Grande Holdings
<b>Sub-total</b>		<b>183,000</b>		
<b>TOTAL OFFICE PROPERTIES</b>		<b>3,150,000</b>		

**INDUSTRIAL AND MIXED-USE  
PROPERTIES****Québec City Area**

2383-2393 Watt Avenue Québec City, Québec	1973/1981	66,000	89.5	Pâtisserie Dumas, Distribution Silpro, Arteau Récupération
2345-2349 Dalton Avenue Québec City, Québec	1973/1981	54,000	77.6	Angela Jones, Royal Mat

Properties	Year Built/ Renovated	Leasable Area (ft <sup>2</sup> )	% Leased	Selected Tenants
830 Godin Avenue Québec City, Québec	1978/1994	49,000	100.0	Iron Mountain (Archivex), P.E. Fraser, Distribution Frigon
1165 Lomer-Gouin Street Québec City, Québec	1941/1978/ 1993	72,000	93.6	Produits Capitale, Asystel, Étiquettes Berco, MS2 Contrôle, Clef du découpage
320 de la Canardière Road Québec City, Québec	1980/1993	13,000	100.00	Pharmacie Jean Coutu, Institut universitaire en santé mentale du Québec
1990 Cyrille-Duquet Street Québec City, Québec	1976/1977/ 1995/1996	90,000	76.3	ADT Service de sécurité, Thyssen Elevators, Hilti Canada, LAFCO Outillage
2006-2010 Lavoisier Street Québec City, Québec	1976	68,000	100.00	United Auto Parts
2022 Lavoisier Street Québec City, Québec	1978	59,000	100.0	Otis Canada, Canadian Broadcasting Corporation, KCI Médical
2025 Lavoisier Street Québec City, Québec	1978/1983/ 1990	37,000	81.0	AVW-Telav, General Motors of Canada, Cristal Controls
2015 Lavoisier Street Québec City, Québec	1974	2,000	100.0	Modulaire Plus
280 Racine Street Québec City, Québec	1984/1986	19,000	45.8	A Canadian chartered bank, Canada Post Corporation
5130 Rideau Street Québec City, Québec	1988	24,000	100.0	Toromont, True World Foods, Olympus NDT Canada Inc.
2955 Kepler Avenue Québec City, Québec	1978	15,000	100.0	Groupe conseil en croissance urbaine
1515 Saint-Jean-Baptiste Avenue Québec City, Québec	1979/1989	62,000	100.0	Meubles Barnabé, Fixatech, Industrie L.D.
955 Saint-Jean-Baptiste Avenue Québec City, Québec	1978/1991	33,000	94,5	Location Brossard, Distribution D.E.M., Mirabau Group
2020 Cyrille-Duquet Street Québec City, Québec	1968	41,000	100.0	Quillorama
2100 Cyrille-Duquet Street Québec City, Québec	1962/1975 1995	32,000	89.9	Weston Foods
2150 Cyrille-Duquet Street Québec City, Québec	1970/1985/ 1994	22,000	100.0	Show Distribution, Lyrtech RD
2160 Cyrille-Duquet Street Québec City, Québec	1965/1981/ 1994	45,000	85.8	Opération Enfant Soleil, Club Tissus Québec
2180 Cyrille-Duquet Street Québec City, Québec	1969/1984 1997/2003	20,000	100.0	Mobilier International, Henry Schein Canada
100 Chabot Street Québec City, Québec	1968/1986/ 2004	60,000	50.0	Bingo de la Capitale, Défis Fort Brouillard
310 Métivier Street Québec City, Québec	1972/1991	19,000	100.0	Machinage Usitech, Centre Hydraulique GMB
454-456 Marconi Avenue Québec City, Québec	1984	15,000	100.0	Axion Sonorisation Éclairage
1730-1790 Newton Avenue Québec City, Québec	1987	63,000	100.0	Unisource, KONE Québec, Travaux publics Canada
5000 Rideau Street Québec City, Québec	1995	2,000	100.0	Public Works Canada
5125 Rideau Street Québec City, Québec	1987/1997	11,000	100.0	Canpar Transport
4600 Sainte-Anne Blvd. Québec City, Québec	1974/1977/ 1985/1988	39,000	93.6	Bingo des Chutes, Verdure Beauport-Charlesbourg
625 des Canetons Street Québec City, Québec	1989	20,000	100.0	United Parcel Service (UPS)
4975 Rideau Street Québec City, Québec	1990	33,000	100.0	Black and Decker Canada, Groupe Excelso, Feldan Bio

Properties	Year Built/ Renovated	Leasable Area (ft <sup>2</sup> )	% Leased	Selected Tenants
2755 Dalton Avenue Québec City, Québec	1971/1989	24,000	76.4	Distribution 20/20
120 de New York Street Saint-Augustin-de-Desmaures, Québec	2006	34,000	100.0	KCL West Holdings Inc./Federal Equipment
650 Godin Avenue and 460 Desrochers Street Québec City, Québec	1967/1975 1977	189,000	100.0	Société immobilière du Québec, LPA Médical, CAA/Canadian Automobile Association, Québec
625 Godin Avenue Québec City, Québec	1989/1990	60,000	100.0	Messageries Dynamiques, a division of Communications Quebecor, Viking Chains, Old Dutch Foods
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	92.7	CorActive Hightech, Canada Post, Télémag, Fondation Mira, Imprimerie Litho-Chic, Bell Technical Solutions, Bois Franc de la Capitale, Zero Gravity Clinic, Brain Center International, Rogers
2181-2211 Léon-Harmel Street Québec City, Québec	1974/2003	71,000	91.3	Groupe SPL, Beauvais et Verret, Groupe Show Distribution, C.S.S.T.
1540 Cyrille-Duquet Street Québec City, Québec	2000	9,000	100.0	Caravane Marco
445 Saint-Jean-Baptiste Avenue Québec City, Québec	1986/2003	92,000	93.7	Gentec Electro-optique, Arrow Electronics Canada, Moteurs Electriques Laval, ABF Freight Systems Canada, Rosedale Transport, Inspec-Sol, Freins Inter-Continental
450-500 Saint-Jean-Baptiste Avenue Québec City, Québec	1987	87,000	100.0	Fiso Technologies, EBQM, a Canadian chartered bank, Groupe Gecko Alliance, Essilor, CCSI Technologies
5275 Wilfrid-Hamel Blvd. Québec City, Québec	1981	30,000	82.5	Acousti-Plus, Mirco Service Québec
1670 Semple Street Québec City, Québec	1972/2000	89,000	98.0	Société immobilière du Québec, Canadian Broadcasting Corporation, Solutions Victrix
2500 Jean-Perrin Street Québec City, Québec	1998	76,000	98.4	Ricoh Canada, Primerica, Proludik, Amants de la Nature, Sico, AECON, Provençal et Breton
2600 Jean-Perrin Street Québec City, Québec	2001	49,000	93.8	Maburco Québec plomberie, chauffage, Shred- It Canada, Intria Items, Laboratoires Choisy, La vie sportive
470 Godin Avenue Québec City, Québec	1980	22,000	100.0	Meubles normalisés Québec
765 Godin Avenue Québec City, Québec	1976/1989	15,000	100.0	Tyco International of Canada
1041 Pierre-Bertrand Blvd. Québec City, Québec	1963/2002	119,000	100.0	Sears Canada, Centre Massicotte, Déménagement et transport Dolbec
989 Pierre-Bertrand Blvd. Québec City, Québec	1974/1994	40,000	99.8	Bicycles et Sports G.T.H., Ville de Québec, Laboratoire dentaire Esthétik-Art
955 Pierre-Bertrand Blvd. Québec City, Québec	1995	48,000	58.2	Restaurant La Casa Grecque, Groupe PMT/Roy
1080 des Rocailles Street Québec City, Québec	1995	48,000	100.0	Wolseley
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, Centre d'estimation de la capitale, Vision Audio-Visuel, Larose et Fils
300 Métivier Street Québec City, Québec	2004	29,000	100.0	Dolbec Transport
1255 des Artisans Street Québec City, Québec	2007	42,000	80.1	Produits Forestiers C.J.P., ATS and Lauer Transportation

<b>Properties</b>	<b>Year Built/ Renovated</b>	<b>Leasable Area (ft<sup>2</sup>)</b>	<b>% Leased</b>	<b>Selected Tenants</b>
275 Saint-Sacrement Avenue Québec City, Québec	1949/ 2006	61,000	100.0	Wood Wyant Canada, Fastenal Canada Company, Ryder Truck Rental Canada, Crobel, Groupe Carreaux Céragrès, Ville de Québec, Les rangements Spacer Westburne – Wolseley Canada
1775 Léon-Harmel Street Québec City, Québec	2004	22,000	100.0	
2600 Saint-Jean-Baptiste Avenue Québec City, Québec	2004	35,000	100.0	Telops, Studio Ross, Sinclair Dentaire, Dooly's
2800 Saint-Jean-Baptiste Avenue Québec City, Québec	2004	102,000	92.3	Covéo Solutions, Desjardins General Insurance Group, Dr. Yves Bélanger & Dr. Marc Bureau, Jardin Mobile, Mission-HGE, Siemens, CBCI Telecom
3000 Saint-Jean-Baptiste Avenue Québec City, Québec	2004	47,000	100.0	Société de gestion informatique Sogique
1990, 5th St. Saint-Romuald, Québec	2008	51,000	100.0	Maibec, Cooper Industries, Société immobilière du Québec, Services de gestion Teknika
795 Craig Street Saint-Nicolas, Québec	1997/ 1999	23,000	0.0	Vacant
820 Alphonse-Desrochers Street Saint-Nicolas, Québec	2004	212,000	100.0	Bertrand distributeur en alimentation
1870 Saint-Paul Blvd. Saguenay, Québec	1964/1978/ 2007/2008	133,000	100.0	Bertrand distributeur en alimentation
1010, Godin Avenue Québec City, Québec	1985	65,000	100.0	Déménagement et transport Dolbec
<b>Sub-total</b>		<b>3,225,000</b>		

**Montréal Area**

8288 Pie-IX Blvd. Montréal, Québec	1989	120,000	100.0	Belron Canada
1415 32nd Avenue Montréal, Québec	1989/1993	72,000	100.0	C.A.C. Transport
1455 32nd Avenue Montréal, Québec	2001	32,000	100.0	GGI International
1475 32nd Avenue Montréal, Québec	1988	92,000	89.4	Pneutech, Acier Airport Steel
3300 Jean-Baptiste-Deschamps Blvd. Montréal, Québec	1989	19,000	100.0	Paquette White
9100 du Parcours Street Montréal, Québec	1998/2000	123,000	100.0	Ventrol Air Handling Systems
10550 Parkway Blvd. Montréal, Québec	1964/1972	110,000	100.0	Produits de sécurité North
2105 Dagenais Blvd. West Laval, Québec	1999/2003	276,000	100.0	Dura Housewares, Yourtruckshop, Papier Baldwin, Minimedia International, Canada Bread Company, Les aliments Martel
894-930 Bergar Street Laval, Québec	1989	33,000	100.0	Linde Canada, Aero Chem, Kinacor SC
901-937 Michelin Street Laval, Québec	1988	43,000	80.1	Megalab, Solutions de rangement Prisma, Contrôles électriques Auper
3370-3418 Industriel Blvd. Laval, Québec	1986	55,000	57.2	Franklyn Supply, Plani Bureau, Compresseurs d'air express

Properties	Year Built/ Renovated	Leasable Area (ft <sup>2</sup> )	% Leased	Selected Tenants
3401-3421 Industriel Blvd. Laval, Québec	1986	53,000	100.0	ATM PRQ, Rexel Canada Electrical (Westburne), Équipements Tramac.
1405-1453 Bergar Street Laval, Québec	1988	33,000	80.4	Attaches Richard, Town & Country Uniforms, SMT High Tech
3424-3428 Francis-Hugues Avenue Laval, Québec	2003	16,000	100.0	Trane Québec, Industries Mecanorac
1315 Gay-Lussac Street Boucherville, Québec	1991	44,000	100.0	Produits Paklab
40 du Tremblay Road Boucherville, Québec	1991/2006	143,000	100.0	Ikea Wholesale
620-650 Giffard Street Longueuil, Québec	1980	53,000	100.0	Groupe Master, Enertrak, Lumen
667-687 Giffard Street Longueuil, Québec	1980	43,000	100.0	Construction Michel Gagnon, Aliments Krispy Kernels, Trane Canada
784-818 Guimond Blvd. Longueuil, Québec	1988	82,000	97.0	Genivar, Technologie Clemex, Kinecor
9101-9175 des Sciences Blvd. Montréal, Québec	1999/2000	72,000	70.7	Hibbert International
1675 de Montarville Blvd. 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	100.0	Intermove Canada, International Paint, division of Akzo Nobel Coatings Ltd., Total Logistics Partner (Ocean Consolidators)
4500-4536 Louis-B.-Mayer Street Laval, Québec	2004	46,000	42.1	PH Vitres d'Auto, Laboratoires de construction 2000, Univers numérique couleur
2900-2976 Joseph-A.-Bombardier Street Laval, Québec	2006	104,000	92.7	Caterpillar, Mitek Canada Inc., TVachats Inc., Cadbury Adams Canada, Distribution Nordix
3025 Joseph-A.-Bombardier Street Laval, Québec	2006/2007	78,000	100.0	Wood Wyant Canada, Rockwell Automation Canada Inc., Systemex Technologies Inc., Star Pipe Products
4451-4479 Laval Highway West Laval, Québec	2004	116,000	98.3	Agence de recouvrement TCR, Câblages informatiques Instacâble, Industrial Alliance, Life Insurance Company, Mitek Canada, Philippe Dagenais Mobilier Décoration, Informatel services informatiques, Neks technologies
330 Avro Avenue Pointe-Claire, Québec	1991/1998	89,000	100.0	Motion Industries
19701 Clark-Graham Avenue Baie-d'Urfé, Québec	1987	162,000	100.0	Emballages Amcor
940 Bergar Street Laval, Québec	1987	15,000	100.0	Brite-Lite Maintenance Co. Ltd.
11000 Parkway Blvd. Montréal, Québec	1965	217,000	100.0	Meubles Concordia, Groupe Data
20 Hymus Blvd. Pointe-Claire, Québec	1986	61,000	100.0	Diversified Ulbrich of Canada Inc.
2156-2168 de la Province Street Longueuil, Québec	1990	41,000	94.5	Futech Hitec, Keystone Manufacturing Plastics, Rubanco
2170 de la Province Street Longueuil, Québec	1990	23,000	100.0	Reliure Rive-Sud
715 Delage Street Longueuil, Québec	1990	42,000	100.0	C.E.L. Équipement d'essai aérospatial, L.E.M. Technologies, SID Distribution, Propec
6445 Côte-de-Liesse Road Montréal, Québec	1980/1999	50,000	100.0	SE CE Apparel

Properties	Year Built/ Renovated	Leasable Area (ft <sup>2</sup> )	% Leased	Selected Tenants
19100-19180 Trans-Canada Highway Baie-d'Urfé, Québec	1987	25,000	100.0	Déménagement Excellence, Mountain View Bag, Inc., Arrow Electronics Canada Ltd.
3600 Matte Blvd. Brossard, Québec	1988	27,000	96.1	Altrom Canada Corp., Nasuco Canada Inc., As Hanging Systems
3650 Matte Blvd. Brossard, Québec	1987	43,000	100.0	Les Technologies Polycontrôles Inc., Cedarome Canada Inc.
115 de Vaudreuil Street Boucherville, Québec	1987	16,000	75.8	Services Pharmaceutiques Melvin Dionne Inc.
4148-4150 de Portland Blvd. Sherbrooke, Québec	2000	68,000	48.4	The Color Group Division of Canada, Roche limitée
3071-3075 Louis-A.-Amos Street and 1922-1996 Onésime-Gagnon Street Montréal, Québec	1987	164,000	81.6	AVW-TELAV Inc., GE Lighting Solutions, Allstream, Astral Média
1615-1805 55th Avenue Dorval, Québec	1990	158,000	65.4	Ecosys Canada Inc., John L. Schultz Ltd, Sabic Innovative Plastics
3339-3403 Griffith Street Montréal, Québec	1987	117,000	100.0	Corporation Presse Commerce, Henry Schein Ash Arcona Inc., Futur Tel, Floorco distribution
8100 Cavendish Blvd. Montréal, Québec	1981	115,000	76.4	Boutique Jacob, Simard Warehouses
1949 Onésime-Gagnon Street Montréal, Québec	1988	96,000	100.0	Novelis, Richards Packaging, Kintetsu World Express
2260 32nd Avenue and 3142-3190 Joseph-Dubreuil Street Montréal, Québec	1983	92,000	77.2	Andritz Fibre Drying Ltd., Rogers Wireless
2102-2150 32nd Avenue Montréal, Québec	1984	77,000	94.4	NSK-RHP Canada Inc., East West Plastics & Electrical Products, Canadian Automobile Association (Québec)
2024-2080 32nd Avenue Montréal, Québec	1984	68,000	100.0	AVW-Telav Inc., Harlan Sprague Dawley Inc., VF Imagewear Canada
6320-6380 Côte-de-Liesse Road Montréal, Québec	1955 1981 1990	58,000	82.5	Interfast, Distribution Maroline inc., Speedware
2025 Metropole Street Longueuil, Québec	1977/1993	201 000	100.0	Solution Extrême, Groupe LMT
1925-1975 Hymus Blvd. Dorval, Québec	1988	104,000	97.8	Ceva Freight Canada, Apple Express Courier Ltd., PNH Enterprises Inc., Canaflex
80-140 Lindsay Avenue Dorval, Québec	1986	44,000	100.0	Bio Lonreco Inc., ICC Compliance Centre, Hazmasters Environmental Products
8411-8453 Dalton Road Mount-Royal, Québec	1975	32,000	0.0	
8459-8497 Dalton Road Mount-Royal, Québec	1975	41,000	99.4	Muxlab, CBM N.A., AMG Medical
8545-8579 Dalton Road Mount-Royal, Québec	1987	38,000	86.9	VWR Scientific of Canada, Schindler Elevators Corporation, Neopost Canada
8605-8639 Dalton Road Mount-Royal, Québec	1986	37,000	100.0	Dynamic Cabling, Stan International
7527-7583 Henri-Bourassa Blvd. Montréal, Québec	1975	139,000	56.3	Pavigrès Ceramics Inc., Automotive Training Center, Reliure Ké-Ro Inc.
8552-8648 Pie-IX Blvd. Montréal, Québec	1988	146,000	61.2	Memtronik Innovations Inc., Kasco Atlantic Service Company, Tapico
8740-8878 Pie-IX Blvd. Montréal, Québec	1992	165,000	33.8	Laboratoires d'essais Mequaltech Inc., Société de transport de Montréal
7075 Robert-Joncas Place Montréal, Québec	1975	217,000	91.5	Ingram Micro Logistics LP Inc., Best Buy Canada Ltd., Purolator Courier Ltd., Tornatech Inc., Dalsa Montréal, Hospira Healthcare Corp.
1225 Volta Street Boucherville, Québec	1988/1991	226,000	100.0	Metro Richelieu

<b>Properties</b>	<b>Year Built/ Renovated</b>	<b>Leasable Area (ft<sup>2</sup>)</b>	<b>% Leased</b>	<b>Selected Tenants</b>
2000 Halpern Street Montréal, Québec	1977	527,000	100.0	LDC Logistics Development
2105 23rd Avenue Montréal, Québec	1964	319,000	100.0	Hudson's Bay Company
1111 46th Avenue Montréal, Québec	1973	107,000	100.0	Vitesse Transport Corp.
1200 55th Avenue Montréal, Québec	1987	68,000	100.0	A.R. Medicom
5055 Lévy Street Montréal, Québec	1989/1990	61,000	100.0	TI-Titanium Ltd, Services Kamtech Inc., Aviyatech Technologies Inc.
2400 Trans-Canada Highway Pointe-Claire, Québec	1969/1976/ 1995	111,000	100.0	Elfe Juvenile Products, Esstrac
243 Hymus Blvd. Pointe-Claire, Québec	1969	40,000	100.0	Harwell Packaging Inc.
2555 Pitfield Blvd. Montréal, Québec	2003	99,000	100.0	Arden
731-749 Meloche Avenue and 11450 Côte-de-Liesse Road Dorval, Québec	1979	36,000	100.0	Gemmar Systems International Inc., Kodiak Fret International inc., Abrasicorp & Equipment Ltd., Gestion Sarcelle
703-729 Meloche Avenue Dorval, Québec	1980	32,000	100.0	Heidelberg Canada Graphic Equipment Limited, Tafisa Canada, Chic Tex inc., Powers Industries
679-701 Meloche Avenue and 135-137 Lindsay Avenue, Dorval, Québec	1981	35,000	69.8	Gold-Tech, CFT Canada, Opera Electronic inc., Sabot Universel Inc.
1730-1850 55th Avenue and 5435 François-Cusson Street Montréal, Québec	1986	79,000	91.2	Transit Nord-Plus inc., Teco-Westinghouse Motors (Canada) Inc., Waters, Ventes Créatives Graham
1520-1660 55th Avenue and 5430 Fairway Street Montréal, Québec	1986	79,000	58.3	Joslyn Canada Inc., Elkon Inc., Motion Industries, Regulvar
1875 55th Avenue and 20-62 Lindsay Street Dorval, Québec	1988	82,000	80.3	Omnimedia Corporation, Distribution Amscan inc., Airport Courier, Customs Specialist
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 Inc.
2685-2715 Francis-Hughes Avenue Laval, Québec	1975	40,000	100.0	Location Express, Penske
2745 Francis-Hughes Avenue Laval, Québec	1999/2002	31,000	100.0	Roy Delivery
4141-4149 Highway 440 Laval, Québec	1977/1986	196,000	92.2	Staples Canada, Pro du Hockey
730 Industrial Blvd. Blainville, Québec	2000	43,000	100.0	Xebec Adsorption
<b>Sub-total</b>		<b>7,384,000</b>		

**Atlantic Provinces**

291 Industrial Drive Saint-John, New Brunswick	1987/1994	33,000	100.0	Interplast Bags and Films Corporation
385 Wilsey Road (Bates Building) Fredericton, New Brunswick	1974/1975 1976/1994	32,000	76.3	Carmichael Engineering, NB Society of Certified Technicians, Union of New Brunswick

Properties	Year Built/ Renovated	Leasable Area (ft <sup>2</sup> )	% Leased	Selected Tenants
				Indians
50, 70 and 110 Crown Street (Courtenay Centre) Saint-John, New Brunswick	1965	34,000	64.1	Province of New Brunswick, Wade Co. Ltd., Carnaghan Taylor Fowler Insurance
1080 Champlain Street Dieppe, New Brunswick	2004	37,000	83.7	Johnson Equipment, Direct Energy, Honeywell Limited
115 Whiting Road Fredericton, New Brunswick	2004	18,000	86.2	GO Packaging
140 MacNaughton Avenue Moncton, New Brunswick	2002	38,000	100.0	Kraft Canada
125 Whiting Road Fredericton, New Brunswick	1975	44,000	86.5	Office Interiors, Fedex, Kerr Controls Ltd.
140 Alison Boulevard Fredericton, New Brunswick	2006/2007	47,000	100.0	Province of New Brunswick, Barrett Xplore Ltd.
420 Wilsey Road Fredericton, New Brunswick	1971	19,000	100.0	Atlantic Hydrogen Inc.
440 Wilsey Road Fredericton, New Brunswick	1970	44,000	84.4	Enbridge Gas New Brunswick
50 MacNaughton Avenue Moncton, New Brunswick	2007	20,000	100.0	Focus Logistics Ltd, Kinecor L.P.
245 Hilton Road (Hilton Building) Fredericton, New Brunswick	1975	18,000	100.0	Activation Laboratories, Public Works Canada, Controls & Equipment Ltd.
727 Wilsey Road Fredericton, New Brunswick	2002	14,000	100.0	Purolator Canada
749 Wilsey Road Fredericton, New Brunswick	1970/2005	16,000	100.0	Coast Tire Ltd.
520 Edinburgh Drive Moncton, New Brunswick	1980/1993/ 2003	39,000	84.7	Stellar Industrial Sales Ltd., Acklands Grainger, Transform Pack Inc.
699 Champlain Street Dieppe, New Brunswick	1981	10,000	100.00	Nanoptix inc.
<b>Sub-total</b>		<b>463,000</b>		
<b>Total Industrial And Mixed-Use Properties</b>		<b>11,072,000</b>	<b>91.8</b>	
<b>Total Portfolio</b>		<b>21,219,000</b>	<b>93.6</b>	

**Notes:**

- (1) These figures are as at December 31, 2011 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) Corresponds to the REIT's proportion (95%) of the leasable area.

The following is a summary of each of the Properties comprising the Portfolio of the REIT.



#### **4.4.3 PLACE DE LA CITÉ**

##### ***2590-2640 Laurier Blvd., Québec City, Québec***

Place de la Cité in Sainte-Foy, Québec is a fully-integrated approximately 1.05 million square foot multi-functional office and retail complex built between 1988 and 2004, comprising approximately 698,700 square feet of Class "A" office space and 352,000 square feet of retail space, including a 41,784 square foot health and recreational centre (Club Entrain). Place de la Cité enjoys a prime location on Laurier Boulevard, the most important thoroughfare of the Borough of Sainte-Foy and into Québec City, and is strategically situated between two major shopping centres comprising approximately 1.7 million square feet of retail space in the aggregate. Université Laval, which is attended by approximately 34,000 students, is in the immediate vicinity. Major tenants include the Régie des rentes du Québec, the Autorité des marchés financiers, La Cité Médicale, SEPAQ and a Canadian chartered bank.

The following is a summary of each of the other Properties comprising the Portfolio.

#### **4.4.4 OFFICE PROPERTIES**

##### ***Complexe Jules-Dallaire – Phase I 2828 Laurier Blvd., Québec City, Québec***

An approximately 343,000<sup>(1)</sup> square foot property along one of the most important thoroughfares in Québec City. Construction of Phase I of the Complexe Jules-Dallaire was completed in 2010 and the fitting out of rental space is on track. The office space tenants continue to gradually move in. Given its strategic location, multiple-use nature and LEED certification, this building should achieve a high occupancy rate. It is 90.4% leased and major tenants include Société immobilière du Québec, Norton Rose, Société des Alcools du Québec, Le Paris Grill (restaurant), Le Calao (restaurant), Corporation BCF Québec, Marchés mondiaux CIBC, Robic, Public Works Canada, RBC Dominion Securities, RBC Philips, Hager & North services conseil en placement and three Canadian chartered banks. See "Part 2 – General Development of the Business – Acquisitions, Constructions and Expansions in Fiscal Year 2011 – Complexe Jules-Dallaire".

**Note:** (1) Corresponds to the REIT's proportion (95%) of the leaseable area.

##### ***4635 1st Avenue, Québec City, Québec***

An approximately 41,000 square foot office building situated on 53,198 square feet of land. It was built in 1979 and renovated in 1993 and 2010 at a total cost of \$300,000. The building is 75.7% leased and has 170 parking spaces, 40 of which are indoors. Major tenants include Industrial Alliance Life Insurance Company, Subway and a Canadian chartered bank. The bank's lease provides for a right of first refusal in favour of the tenant with respect to any proposed sale of the Property pursuant to a third party offer to purchase which the REIT is prepared to accept, for the same price as the third party offer to purchase.

##### ***5055 Wilfrid-Hamel Blvd. West, Québec City, Québec***

An approximately 28,000 square foot office building erected on 87,250 square feet of land. It was built in 1979 and renovated in 1996 at a total cost of \$300,000. The building is 95.2% leased and has 74 outdoor parking spaces. Major tenants include Matériaux Blanchet, System EBI and Cyber Cat.

##### ***5073-5075-5079 Wilfrid-Hamel Blvd. West, Québec City, Québec***

An approximately 29,000 square foot office building erected on 54,297 square feet of land. It was built in 1980 and renovated in 1994. The building is 100% leased and has 141 outdoor parking spaces. Major tenants include Au Vieux Duluth (a restaurant) and Gagnard et associés.

##### ***2014 Cyrille-Duquet Street, Québec City, Québec***

An approximately 63,000 square foot office building erected on 75,650 square feet of land. It was built in 1979 and renovated in 1997 at a total cost of \$540,000. The building is 95.3% leased and includes 164 outdoor parking spaces. Major tenants include the Canadian Automobile Association (Québec) – "CAA", Innovmétric Logiciels, Opsens, Comact Equipment, ULC and Groupe Agéco.

***2200 Cyrille-Duquet Street, Québec City, Québec***

An approximately 31,000 square foot office building erected on 94,055 square feet of land. The building is used for offices and warehousing. It was built in 1965, expanded in 1986 and renovated in 1996. The building is 100% leased and has 77 outdoor parking spaces. Major tenants are Imprimerie Solisco and Solotech.

***455 du Marais Street, Québec City, Québec***

An approximately 61,000 square foot office building, and Cominar's head office, on 110,437 square feet of land. It was built in 1977 and expanded in 1997. The building is 94.8% leased and includes 137 outdoor parking spaces. Apart from Cominar, major tenants include Industrial Alliance Life Insurance Company, Corporation des services d'ambulance du Québec, Moore North America, Telus Communications, Québec Inc., Groupe Echo Canada and Alpha Assurances.

***3175 des Quatre-Bourgeois Road, Québec City, Québec***

An approximately 102,000 square foot office building erected on 76,122 square feet of land. Built in 1990, it is 80.1% leased and has 270 indoor and outdoor parking spaces. Major tenants include Public Works Canada, Re/Max, Société immobilière du Québec, Lumbermen's Underwriting Alliance and Groupe Accisist.

***979 de Bourgogne Avenue, Québec City, Québec***

An approximately 67,000 square foot office building erected on 68,411 square feet of land. It was built in 1976, expanded in 1988 and renovated in 1996 at a total cost of \$480,000. The building is 98.4% leased and has 134 outdoor parking spaces. Major tenants include Public Works Canada, SIQ, Joint Health and Safety Association, Mining Sector, Groupe Robert Giroux and Clinique médicale Quatre-Bourgeois.

***Place de la Capitale******150 René-Lévesque Blvd. East, Québec City, Québec***

A 20-storey, approximately 229,000 square foot office tower erected on 36,344 square feet of land. It was built in 1973 and renovated in 1998-1999. It is 98.9% leased and has 300 indoor parking spaces. Major tenants include Société immobilière du Québec, Vidéotron, Ernst & Young, Telus Communications (Québec), Rogers Cantel, Tim Hortons and a Canadian chartered bank.

***1265 Charest Blvd. West, Québec City, Québec***

An approximately 142,000 square foot office building erected on 82,295 square feet of land. It was built in 1975 and renovated in 2002. The building has 12 floors of office space. The property is 100% leased and has 278 outdoor parking spaces and 350 indoor spots. Major tenants include Société immobilière du Québec, Altus Group, Esri Canada, Renaud Vaisselle, Lemieux Nolet comptables and Transcontinental Media.

***565-585 Charest Blvd. East, Québec City, Québec***

An approximately 110,000 square foot office Class A building erected on 23,048 square feet of land. It was built in 1950 and fully renovated in 1999-2000. The property is at the southwest corner of Charest Boulevard East and de la Chapelle Street, in downtown Québec City, with easy access to Highway 40. It is 99.2% leased and has approximately 35 indoor parking spaces. Major tenants are ABB Bomen, Frima Studio, LG2 and Jobillico.

***255 Crémazie Blvd. East, Montréal, Québec***

An approximately 245,000 square foot office building erected on 49,766 square feet of land located on a site adjacent to Highway 40, Montréal's main east-west highway. Built in 1967 and renovated in 2002, the building houses 12 floors of office space and two floors of underground parking. The building is 100% leased and major tenants include Société immobilière du Québec, Communauté urbaine de Montréal, Pétrie Raymond LLP, Consultants 3 LM, Aecon Group, Ordre professionnel des travailleurs sociaux du Québec, a Canadian chartered bank and Stellar Canada.

**8500 Décarie Blvd., Mont-Royal, Québec**

An approximately 175,000 square foot office building erected on 177,752 square feet of land located on a site adjacent to Décarie Boulevard, one of Montréal's principal North-South thoroughfares. Built in 2001, the building has eight floors of office space. The property is 100% leased to Ericsson Canada and has 270 indoor and 430 outdoor parking spaces.

**3400 Jean-Béraud Avenue, Montréal, Québec**

An approximately 156,000 square foot office tower located on 283,456 square feet of land. The building was built in 2001 and is 100% leased to Public Works Canada. The building is located between Chomedey and Daniel-Johnson boulevards in Laval. It houses offices and has approximately 553 parking spaces.

**201-211 Laurier Avenue East, Montréal, Québec**

An approximately 132,000 square foot office building erected on 29,645 square feet of land. It was built in 1916, expanded in 1989 and renovated in 2001. The building is located at the North East intersection of de Gaspé and Laurier East avenues, in the Plateau Mont-Royal borough. The property has six floors of office space and 128 interior parking spaces as well as 16 outdoor parking spaces. It is 79.6% leased. Major tenants include the City of Montréal, Softvoyage, the Canadian Corps of Commissionaires and Société immobilière du Québec.

**375 Sir-Wilfrid-Laurier Blvd., Mont-Saint-Hilaire, Québec**

A three-storey, approximately 50,000 square foot office building erected on 104,910 square feet of land. It was built in 1999 and is located in the heart of the Mont-Saint-Hilaire's business district, on Sir-Wilfrid-Laurier Boulevard. The building is 100% leased to Breton, Banville & associés SENC and has 194 parking spaces.

**325 Honorius-Charbonneau Blvd., Mont-Saint-Hilaire, Québec**

A three-storey, approximately 19,000 square foot office building erected on 36,000 square feet of land. It was built in 1985. The property is located in the heart of the Mont-Saint-Hilaire's business district, on Honorius-Charbonneau Boulevard, near Sir-Wilfrid-Laurier Boulevard. The building is 100% leased to Breton, Banville & associés SENC and has 56 parking spaces.

**8400 Décarie Blvd., Mont-Royal, Québec**

An approximately 227,000 square foot office building erected on 290,316 square feet of land. It is 100% leased to Ericsson Canada. The Property is located along the Décarie Expressway in Mount Royal. It includes offices and approximately 409 parking spaces.

**1080 Beaver Hall Hill, Montréal, Québec**

An approximately 320,000 square foot office building erected on 17,131 square feet of land. The building was built in 1968 and renovated in 2000. It has approximately 150 indoor parking spaces and is 93% leased. Major tenants include Natis Programming and Tech Inc., Dessau Soprin, Harris/Decima Inc., Board of Trade of Metropolitan Montreal, Draft Worldwide Montréal Inc., Notarius, Iron Ore Company of Canada, Peer 1 Network Inc., Vidéotron Ltée, Le Protecteur du Citoyen and TEVA Canada. The property is subject to an emphyteutic lease expiring in 2047.

**4700 de la Savane Street, Montréal, Québec**

An approximately 187,000 square foot office building erected on 260,310 square feet of land on de la Savane Street, which links Jean-Talon Street to the Décarie Expressway. The property was built in 1988 and renovated in 1998. The property has 344 outdoor parking spaces and 58 indoor parking spots and is 93.2% leased. Major tenants include Fujitsu Transaction Solutions Canada Inc., Young & Rubicam Group of Companies ULC, Presagis Canada Inc., a Canadian chartered bank, Devmont Construction and Cominar. Both the building site and parking area are subject to emphyteutic leases that expire in 2046 and that may be renewed until 2066.

**455 Fénélon Blvd., Dorval, Québec**

An approximately 97,000 square foot office building erected on 140,853 square feet of land in close proximity to the Montréal-Trudeau Airport. The building was built in 1990 and has 232 outdoor and 65 basement level indoor parking spaces. It is 61.7% leased. Major tenants include Société immobilière du Québec, Adacel Inc., Lumbermen's Underwriting Alliance, TFI Transport 2 L.P., Médias Transcontinental, Securitas Transport Aviation Security and the Royal Canadian Mounted Police.

**9900 Cavendish Blvd., Montréal, Québec**

An approximately 85,000 square foot office building erected on 123,660 square feet of land located on Cavendish Boulevard just south of Côte-Vertu Boulevard. The 4-storey building was built in 1987 and has 120 outdoor, and 36 indoor, parking spaces. It is 87.9% leased. Major tenants include CIBC World Markets Inc., Nymox Pharmaceutical Corp., CATO Research Canada Inc., SQ Liaison, Fournitures de bureau Denis Inc. and Procter & Gamble Inc.

**9999 Cavendish Blvd., Montréal, Québec**

An approximately 52,000 square foot office building erected on 129,356 square feet of land. The 3-storey building was built in 1988 and has 144 outdoor, and 35 indoor, parking spaces. It is 81.0% leased. Major tenants include Pitney Bowes of Canada, Intertape Polymer Inc., Famic Technologies 2000 Inc. and a Canadian chartered bank.

**9960-9970 Côte-de-Liesse Road, Montréal, Québec**

An approximately 25,000 square foot office building erected on 107,046 square feet of land in close proximity to Montréal-Trudeau Airport. The building was built in 1983 and has 82 outdoor parking spaces. It is 95% leased. Major tenants include Energizer Canada Ltd., Corporation Corbec and Highliner Foods.

**1, 2, 3, 4 Place Laval, Laval, Québec**

An approximately 545,000 square foot, four-tower office complex erected on 11.48 acres of land located at the intersection of Saint-Martin and des Laurentides boulevards. The towers have 5 and 6 storeys respectively and were built at various times between 1965 and 1989. Overall, the buildings are 97.4% leased. Major tenants include Carrefour Jeunesse Emploi, Groupe Echo Canada Inc., La Société Immobilière du Québec, Tecsoft Inc., three Canadian chartered banks, Groupe Vézina & Associés Ltée, CBV Collection Services Ltd., Croesus Finansoft Inc., SITQ inc., Hôpital Sacré-Cœur de Montréal, Groupe Premier Médical inc., the city of Laval, Vancouver Career College (Burnaby) Inc. and Public Works Canada.

**3080 Le Carrefour Blvd., Laval, Québec**

An approximately 88,000 square foot, eight-storey office building erected on 1.73 acre of land in close proximity to Le Carrefour Laval, a regional, tier one, super shopping centre. The building is 99.7% leased and has 118 indoor parking spaces. Major tenants include GMAC Residential Funding of Canada, Ltd., ID Biomedical Corp. of Québec (GlaxoSmithKline), Prevail Energy Ltd., La Capitale Services Conseil inc., H.B. Group Insurance Management Limited, Investissements J.L. Gauthier Inc., BMO Nesbitt Burns Inc. and Essor Assurances Placements Conseils.

**3090 Le Carrefour Blvd., Laval, Québec**

A seven-storey, approximately 74,000 square foot office building erected on 2.54 acres of land in close proximity to Le Carrefour Laval, a regional tier one super shopping centre. The building is 96.0% leased. Major tenants include Scotia Capital Inc., Office municipal d'habitation de Laval, Services Comptables B.D.H., CIT Financial Ltd., Brown Shoe Company of Canada Ltd., a Canadian chartered bank and London Life Insurance Company.

**3100 Le Carrefour Blvd., Laval, Québec**

A seven-storey, approximately 77,000 square foot office building erected on 1.51 acre of land in close proximity to Le Carrefour Laval, a regional tier one super shopping centre. The building is 99.4% leased and has 120 indoor parking spots and 160

outdoor parking spaces. Major tenants include RBC Life Insurance Co., SNC-Lavalin Inc., Federated Insurance Company of Canada, Sun Life Insurance Company of Canada, Investors Services Ltd. and a Canadian chartered bank.

***2525 Daniel-Johnson Blvd., Laval, Québec***

An approximately 111,000 square foot, six-storey office building erected on 3.13 acres of land in close proximity to Le Carrefour Laval, a regional tier one super shopping centre which was built in 1977. The building is 94.8% leased. Major tenants include Genivar Limited Partnership, Business Development Bank of Canada, Dolphin Integration Inc., Industrial Alliance Company, a Canadian chartered bank and Lasik MD.

***1111 Dr.-Frederik-Philips Blvd., Montréal, Québec***

An approximately 104,000 square foot office building built in 1990 erected on 150,186 square feet of land. The building is 92.3% leased. Major tenants include Makivik Corporation, Sun Life Assurance Company of Canada, Corporation de soins de la santé Hospira, A.C. Nielsen Company of Canada, Dundee Securities and Pirelli Tires.

***3300 Côte-Vertu Blvd., Montréal, Québec***

An approximately 98,000 square foot office building built in 1976 erected on 127,446 square feet of land. The building is 80.7% leased. Its major tenants include a Canadian chartered bank, Nikon Canada Inc., Société Immobilière du Québec, Geosaf Inc., Gamma Entertainment Inc., Cambridge Mercantile Corp., Synnex Canada Limited, PSAC Holdings Ltd. and Wrigley Canada.

***2001 McGill College Avenue, Montréal, Québec***

A 24-storey, approximately 535,000 square foot office building erected on 50,973 square feet of land. It was built in 1982. Located at the intersection of McGill College Avenue and Sherbrooke Street West, in the heart of the business district, it is 87.9% leased and has approximately 305 indoor parking spaces. Major tenants include Société immobilière du Québec, Cascades Canada Inc., Vérificatrice Générale du Québec, National Public Relations Inc., SITA (Société internationale de télécommunications aéronautiques), a Canadian chartered bank, Equant Canada (Orange Business Services), Rio Tinto and CB Richard Ellis.

***9955, avenue de Catania, Brossard, Québec***

A 2-storey, approximately 90,000 square foot office building erected on 225,454 square feet of land. It is 100% leased and major tenants include Voith Hydro, Inspec-Sol, Newalta and Pierre Fabre dermo-cosmétique Canada.

***5101, rue Buchan, Montréal, Québec***

A 5-storey, approximately 141,000 square foot office building erected on 43,624 square feet of land. It is 99.4% leased. Major tenants include Positron, Intrado Canada, Fine & associés and Cole-Parmer Canada.

***5100, rue Sherbrooke Est, Montréal, Québec***

A 10-storey, approximately 377,000 square foot office building erected on 229,308 square feet of land. The building has 535 outdoor parking spaces and is 99.6% leased. Major tenants include BPR, Hydro-Québec, Société GRICS, Tetra Tech industries, Financière HSBC, Public Works Canada and a Canadian chartered bank.

***550 de la Cité Blvd., Gatineau, Québec***

An approximately 321,000 square foot, 10-storey office building erected on 292,284 square feet of land located in de la Cité/Maloney boulevards and Carrefour Boulevard sector of Gatineau and was built in 2003. The building is 100% leased to Public Works Canada and has 540 outdoor parking spaces.

***480 de la Cité Blvd., Gatineau, Québec***

A two-storey approximately 45,000 square foot office building erected on 64,000 square feet of land located in de la Cité/Maloney boulevards and Carrefour Boulevard sector of Gatineau and built in 2003. The building is 100% leased to Brookfield Power Inc. and has 100 outdoor parking spaces.

***400 Cooper Street, Ottawa, Ontario***

A nine-storey, approximately 176,000 square foot office building erected on approximately 78,000 square feet of land. It was built in 1974 and renovated in 1998. The building is 100% leased and has 326 parking spaces. Major tenants include Public Works and Government Services Canada and Centretown Community Health Centre.

***1113 Regent Street, Fredericton, New Brunswick***

An approximately 11,000 square foot office building erected on 117,612 square feet of land. It was built in 1988, is 82.3% leased and has 145 parking spaces. Major tenants are the Regional Health Authority and Panacea Body Wellness Centre.

***1115 Regent Street, Fredericton, New Brunswick***

An approximately 16,000 square foot office building erected on 117,612 square feet of land and built in 1964. It is 100% leased and has 145 parking spaces. Major tenants are Atlantic Business College and Brunswick Valley Lumber.

***570 Queen Street, Fredericton, New Brunswick***

An approximately 70,000 square foot office building erected on 22,271 square feet of land. It was built in 1989, is 100% leased and has 15 parking spaces. Major tenants are Public Works Canada, McInnis Cooper LLP, Grant Thornton LLP, Sun Life and the Business Development Bank of Canada.

***371 Queen Street, Fredericton, New Brunswick***

An approximately 32,000 square foot office building erected on 15,210 square feet of land. It was built in 1870 and renovated in 1988. This building is 100% leased and has 8 parking spaces. Major tenants are Cox and Palmer, RBC Dominion Securities and London Life Insurance Co.

***565 Priestman Street, Fredericton, New Brunswick***

An approximately 35,000 square foot office building erected on 45,113 square feet of land. It was built in 1975/76, is 89.1% leased and has 120 parking spaces. Major tenants are Public Works Canada, Teed Saunders Doyle and the Province of New-Brunswick.

***1133 Regent Street, Fredericton, New Brunswick***

An approximately 88,000 square foot office building erected on 156,816 square feet of land. It was built in two phases, in 1982 and in 1984, is 94.3% leased and has 215 parking spaces. Major tenants include Investors Group Financial Services, ADI Systems, Delta Hotels and Resorts Global Reservation Services, New Brunswick Association of Nursing Homes and R.J. Bartlett Engineering.

***65 Regent Street and 590 Queen Street, Fredericton, New Brunswick***

This prestigious mixed-use property is comprised of class A office space and residential space totalling approximately 41,000 square feet. The office space represents 21,119 square feet and is 95.5% leased. The residential space is 95% leased. The property was built in 1994 and has 40 underground parking spaces. Major tenants are the Province of New Brunswick, BMO Nesbitt Burns Inc. and Eddy & Downs Barristers and Solicitors.

**1149 Smyth Street, Fredericton, New Brunswick**

An approximately 12,000 square foot office building erected on 27,997 square feet of land. It was built in the 1970s and is 100% leased. Major tenants are Yorkville University and Dillon Consulting Ltd.

**81 Albert Street, Moncton, New Brunswick**

An approximately 65,000 square foot office building erected on 86,284 square feet of land. It was built in 2002-2003. It is 100% leased and has approximately 170 parking spaces. Major tenants are the Province of New Brunswick and Public Works Canada.

**84 Chain Lake Drive, Halifax, Nova Scotia**

An approximately 76,000 square foot office building erected on 132,498 square feet of land built in 2008. It has a large paved parking lot and is 88.5% leased. Major tenants are Johnson, Cominar, Armco Capital and Bell Mobility.

**330-350 Elmwood Drive, Moncton, New Brunswick**

An approximately 14,000 square foot office building erected on 66,211 square feet of land built in 2006. It is 100% leased and major tenants are Allstate Insurance Company and Dooly's.

**1 Place Agar, Saint John, New Brunswick**

An approximately 41,000 square foot office building erected on 107,133 square feet of land. It was built in 2000. It is 100% leased and major tenants are the Province of New Brunswick and Public Works Canada.

**4.4.5 RETAIL PROPERTIES****3345 du Carrefour Street, Québec City, Québec**

An approximately 25,000 square foot retail building built in 2005 on the land of Les Promenades Beauport shopping center. The Property is 93.4% leased and its major tenants include Caisse populaire du Vieux-Moulin, Matelas Dauphin and La Capitale Cité.

**1367-1371 Sainte-Foy Road, Québec City, Québec**

An approximately 5,000 square foot retail building erected on 3,714 square feet of land. It was built in 1950 and renovated in 1983. The building is 100% leased and has six outdoor parking spaces. Its largest tenant is Immeubles Couche-Tard Inc.

**5600 de la Rive-Sud Blvd., Lévis, Québec**

An approximately 8,000 square foot retail building erected in 2005 on the land of the Place Lévis shopping center. It is 100% leased to the Société des alcools du Québec.

**5 d'Orléans Street, Québec City, Québec**

An approximately 6,000 square foot retail building erected on 15,577 square feet of land. It was built in 1978 and expanded in 1985. The Property is 100% leased to a Canadian chartered bank and has 29 outdoor parking spaces. The tenant's lease provides for a right of first refusal in favour of the tenant with respect to any proposed sale of the Property pursuant to a third party offer to purchase that the REIT is prepared to accept, for the same price as the third party offer to purchase.

**1400 Saint-Jean-Baptiste Avenue, Québec City, Québec**

An approximately 106,000 square foot retail complex, including 36,120 square feet of ancillary office space, erected on 253,830 square feet of land. It was built in 1979 and renovated in 1995 for a total cost of \$270,000. The building is 100% leased and has 297 outdoor parking spaces. Major tenants include Meubles Zip International Ltée, Mega Fitness Gym, BPR Bechtel, the Société de l'assurance automobile du Québec and Services conseils Teknika.

***Halles Fleur de Lys******245 Soumande Street, Québec City, Québec***

An approximately 92,000 square foot retail complex, erected on 249,722 square feet of land. It was built in 1978, expanded in 1984 and renovated in 1994 at a total cost of \$345,000. The Property is 93.1% leased and has 525 outdoor parking spaces. It is located close to the Place Fleur de Lys regional shopping centre in a mixed commercial and residential area. The Property is easily accessible Hamel Boulevard and Laurentian Boulevard, two major thoroughfares. Major tenants include Dollarama, Restaurant Pacini and Aliments M&M.

***2195 de la Rive-Sud Blvd., Saint-Romuald, Québec***

An approximately 6,000 square foot retail building erected on 23,310 square feet of land. It was built in 1977 and expanded in 1985. The Property is 100% leased to a Canadian chartered bank and has 42 outdoor parking spaces. The tenant's lease provides for a right of first refusal in favour of the tenant with respect to any proposed sale of the Property pursuant to a third party offer to purchase which the REIT is prepared to accept, for the same price as the third party offer to purchase.

***2160 de la Rive-Sud Blvd., Saint-Romuald, Québec***

An approximately 73,000 square foot retail complex, erected on 142,806 square feet of land. It was built in 1971 and expanded in 1978 and 1996. The building is 100% leased and has 247 outdoor parking spaces. Major tenants include Metro, Caisse populaire Desjardins (Desjardins credit union) and Les Délices d'Angkor.

***Carrefour Charlesbourg******8500 Henri-Bourassa Blvd., Québec City, Québec***

An approximately 312,000 square foot retail complex, erected on 854,253 square feet of land. It was built in 1976, expanded in 1988 and 1996 and renovated in 1995 and 1996. A total of \$3.5 million has been spent on expansions and renovations since 1995. An expansion of 76,000 square feet was completed in 2005 at a total cost of approximately \$9.8 million. The Property is 94% leased and is located on the principal thoroughfare in the main commercial area of Charlesbourg, a residential suburban community in the Québec City Area. Major retail tenants include Metro, Pharmacie Brunet, La Source, a Canadian chartered bank, Industrial Alliance Life Insurance Company, Énergie Cardio, Yellow, Dollarama, Rossy, Société des alcools du Québec, Sirens and Charlemagne.

***355 du Marais Street, Québec City, Québec***

An approximately 37,000 square foot retail building erected on 98,088 square feet of land. It was built in 1990. The building is 93.5% leased and has 119 outdoor parking spaces. Major tenants include Maître Piscinier, Schneider Canada Inc. and Lebeau Vitres d'Auto/Belron.

***325 du Marais Street, Québec City, Québec***

An approximately 79,000 square foot retail complex, including 39,600 square feet of ancillary office space, erected on 117,213 square feet of land. It was built in 1991. The building is 97.6% leased and includes 141 outdoor parking spaces. Major tenants include Re/Max, Restaurant Tomas Tam, Public Works Canada and Mobilier Idem.

***3323 du Carrefour Street, Québec City, Québec***

An approximately 4,000 square foot retail property erected on 31,823 square feet of land, built in 2006. It is located on du Carrefour Street, on the north side of Highway 40. It is 100% leased to a Canadian chartered bank and has 19 parking spaces.

***550 du Marais Street, Québec City, Québec***

An approximately 16,000 square foot retail building erected on 58,885 square feet of land. It was built in 1995. The building is 100% leased and has 60 outdoor parking spaces. Major tenants include Écho Sports and Club Chaussures.



***Les Promenades Beauport******3333 du Carrefour Street, Québec City, Québec***

An approximately 549,000 square foot retail building erected on 1,498,365 square feet of land. The property is located in a large retail area adjacent to Highway 40, Québec City's main east-west thoroughfare. It was built in 1978, renovated in 1991 and 2002 and expanded by 189,054 square feet in 2002. The second 123,400 square foot expansion phase ended in the winter of 2005. The last phase of the shopping centre upgrade was completed in 2008 and included renovating approximately 53,323 square feet and adding 51,002 square feet of leasable space. The shopping centre is 98.8% leased and has 2,985 parking spaces. Major tenants include Dooly's, Jean-Coutu, Dollarama, Yellow, Parfumerie Dans un Jardin, Winners, La Source, Cantel, Public Works Canada, Leon's Furniture, Garage, La Senza, Hart, Telus, Clément, L'Aubainerie, Chlorophylle, Éléganza, Le Château, Jacob, Santé Bronzage, Énergie Cardio, Glam, Bikini Village, Clinique médicale Dr. Robitaille and Groupe Ledor.

***1295 Charest Blvd. West, Québec City, Québec***

An approximately 28,000 square foot retail property erected on 83,450 square feet of land. It was built in 1982, renovated in 2007 and has 78 parking spaces. The building is 100% leased to Boiteau Luminaire.

***Place Lévis******50 Président-Kennedy Road, Lévis, Québec***

An approximately 220,000 square foot retail building erected on 596,568 square feet of land. The property is located on Président-Kennedy Road, one of the principal thoroughfares of Lévis, the largest municipality on the south shore of the Québec City Area. The building was built in 1970 and renovated in 1995, and has a large outside parking area with over 1,000 parking spaces. The building is 98.6% leased and the major tenants are Provigo Distribution, SuperClub Vidéotron, Cage aux Sports, Nautilus Plus, Desjardins Securities, Simon Maranda, Ministère de l'Agriculture, des Pêcheries et de l'Alimentation, La Financière Agricole, Piazzetta, Stéreo Plus and Public Works Canada.

***3319 du Carrefour Street, Québec City, Québec***

An approximately 3,000 square foot retail building erected on the land of Les Promenades Beauport shopping center in 2003. The building is 100% leased to Tim Hortons.

***329 Seigneuriale Street, Québec City, Québec***

An approximately 4,000 square foot retail building erected on 21,315 square feet of land. It was built in 1992 and expanded in 1997 at a total cost of \$60,000. The Property is 100% leased to Lebeau Vitres d'Auto/Belron and has 20 parking spaces. The tenant's lease provides for a right of first refusal in favour of the tenant with respect to any proposed sale of the Property pursuant to a third party offer to purchase which the REIT is prepared to accept, on the same terms and conditions and for the same price as the third party offer to purchase.

***1970 Chauveau Avenue, Québec City, Québec***

An approximately 2,000 square foot retail building erected on 45,246 square feet of land. It was built in 1970 and renovated in 1983. The building is 100% leased to Couche-Tard and has 28 parking spaces. The tenant's lease provides for a right of first refusal in favour of the tenant with respect to any proposed sale of the Property pursuant to a third party offer to purchase which the REIT is prepared to accept, on the same terms and conditions and for the same price as the third party offer to purchase.

***1275 Charest Blvd. West, Québec City, Québec***

An approximately 63,000 square foot retail building erected on 79,656 square feet of land. With the buildings located at 1265 and 1295 Charest Boulevard in Québec City, it makes a retail and office complex of more than approximately 233,000 square feet. The building, built in 1975 and renovated in 2002, is 90.8% leased and has 101 outdoor parking spaces. Major tenants include Société immobilière du Québec, Dollarama and Tapis du Monde.

**1465-1495 Saint-Bruno Blvd., Saint-Bruno-de-Montarville, Québec**

An approximately 234,000 square foot megacentre comprised of five retail buildings erected on 1,034,167 square feet of land. The Property is located in a high traffic retail area adjacent to Highway 30. The buildings were built in 1997 and 2003. They are 100% leased and have 1,600 parking spaces. Major tenants are Wal-Mart, Bureau en gros, Cineplex Odeon, Yellow, Penningtons and Déco Découverte.

**239-245 Samson Blvd., Laval, Québec**

An approximately 40,000 square foot retail building erected on 118,906 square feet of land. It was built in 1991. The building is 100% leased and has 260 outdoor parking spaces. Major tenants include Rogers Wireless, Jean-Coutu and SuperClub Vidéotron.

**2101-2137 Curé-Labelle Blvd., Laval, Québec**

An approximately 65,000 square foot retail complex erected on 269,995 square feet of land and built in 2003. The building is 92.4% leased and has 369 outdoor parking spaces. Major tenants include Sobeys, and SuperClub Vidéotron.

**2760-2784 Jacques-Cartier Blvd. East, Longueuil, Québec**

An approximately 24,000 square foot retail property erected on 163,768 square feet of land and built in 2006. It is located on Jacques-Cartier Boulevard East near the de Mortagne Boulevard exit of the Jean-Lesage Highway in Longueuil. It is 100% leased and has a vast parking lot. Major tenants include Énergie Cardio, La Belle Province and Quizno's Subs.

**2790-2794 Jacques-Cartier Blvd. East, Longueuil, Québec**

An approximately 6,000 square foot retail property erected on 163,768 square feet of land and built in 2006. It is located on Jacques-Cartier Boulevard East close to the de Mortagne Boulevard exit of the Jean-Lesage Highway in Longueuil. It is 100% leased and has a vast parking lot. Major tenants include Restaurant Tutti-Frutti and Restaurant Bravi.

**1011-1191 Saint-Bruno Blvd., Saint-Bruno de Montarville, Québec**

This megacentre, which includes two retail properties with a total surface area of approximately 110,000 square feet erected on 474,628 square feet of land, was built in 2007. It is 89.9% leased. Major tenants include Urban Planet, Club Chaussures, Suzy Shier and Récréofun.

**340-360 Sir-Wilfrid-Laurier Blvd., Mont-Saint-Hilaire, Québec**

An approximately 24,000 square foot retail property erected on approximately 95,338 square feet of land. It was built in 2004 and 2005. The building is located in the centre of Mont-Saint-Hilaire's retail district, on Sir-Wilfrid-Laurier Boulevard, the municipality's main thoroughfare. The building is 100% leased and has 156 parking spaces. Major tenants include SuperClub Vidéotron, Dr. Charles Lehoux, Chiropractor, BBA inc. and Breton, Banville & Associés.

**370-380 Sir-Wilfrid-Laurier Blvd., Mont-Saint-Hilaire, Québec**

A two-storey, approximately 46,000 square foot retail property erected on 91,573 square feet of land. It was built in 1991. The building is 98.7% leased and has 118 parking spaces. Major tenants include Iris Optométriste, Carrefour Jeunesse Travail Vallée du Richelieu, Industrial Alliance Insurance & Financial Services, and Buffet chinois Maison Chan.

**353-361 Sir-Wilfrid-Laurier Blvd., 345-351 Honorius-Charbonneau Blvd. and 365 Sir-Wilfrid-Laurier Blvd., Mont-Saint-Hilaire, Québec**

An approximately 71,000 square foot retail property erected on 222,712 square feet of land. It was built in 1995 and expanded in 1998. The building is 96.4% leased and has 282 parking spaces. The major tenant is Supermarché St-Hilaire (Metro).

**377-383 Sir-Wilfrid-Laurier Blvd., Mont-Saint-Hilaire, Québec**

An approximately 9,000 square foot retail property erected on 27,753 square feet of land. It was built in 2000. The building is 100% leased and has 38 parking spaces. Major tenants include Restaurant Laora, Centre visuel Plus de Mont-Saint-Hilaire and Boutique l'École buissonnière.

**933 Armand-Frappier Blvd., Sainte-Julie, Québec**

An approximately 14,000 square foot retail building erected on 64,982 square feet of land. It was built in 2000. It is 100% leased and has 80 outdoor parking spaces. Major tenants include Caisse populaire Desjardins Sainte-Julie and Espace BLU Déco.

**Quartier Laval****600-1350 Le Corbusier Blvd., Laval, Québec**

This recently built megacentre is located at the heart of a high-profile commercial area in the City of Laval near major roads. Situated along Highway 15 and close to the new Montmorency metro station, it benefits from high visibility and easy access. Quartier Laval comprises 11 retail properties covering an area of approximately 267,000 square feet with the possibility of building an additional 59,000 square feet. It has approximately 1,356 parking spaces.

**600-660 Le Corbusier Blvd., Laval, Québec**

An approximately 59,000 square foot retail building erected on 63,620 square feet of land. It was built in 2008. The Property is 79.2% leased. Major tenants include Dollarama, Bouclair, Structube, Roche Bobois and Dormez-vous.

**690 Le Corbusier Blvd., Laval, Québec**

An approximately 43,000 square foot retail building erected on 48,335 square feet of land. It was built in 2008. The Property is 100% leased to Sears Décor.

**720 Le Corbusier Blvd., Laval, Québec**

An approximately 9,000 square foot retail building erected on 10,792 square feet of land. It was built in 2009. The Property is 100% leased to a Canadian chartered bank.

**760-800 Le Corbusier Blvd., Laval, Québec**

An approximately 12,000 square foot retail building erected on 13,959 square feet of land. It was built in 2008. The Property is 69.8% leased. The largest tenants are Eggstyle, Boutique NY Style and The Running Room.

**830-850 Le Corbusier Blvd., Laval, Québec**

An approximately 10,000 square foot retail building erected on 11,398 square feet of land. It was built in 2008. The Property is 100% leased. Major tenants include Axis, Panda d'Or and Farhat Optical.

**900-950 Le Corbusier Blvd., Laval, Québec**

An approximately 61,000 square foot retail building erected on 71,984 square feet of land. It was built in 2009. The Property is 100% leased. Major tenants include Indigo, Golf Town and JYSK.

**1020-1050 Le Corbusier Blvd., Laval, Québec**

An approximately 10,000 square foot retail building erected on 12,240 square feet of land. It was built in 2008. The Property is 68.4% leased. Major tenants include Thai Express, Allstate Insurance Company and Salon Sugar.

**1090-1130 Le Corbusier Blvd., Laval, Québec**

An approximately 12,000 square foot retail building erected on 13,170 square feet of land. It was built in 2008. The Property is 100% leased. Major tenants include Kanda Sushi Bar, Subway, La Belle Province and Restaurant Amir.

**1310 Le Corbusier Blvd., Laval, Québec**

An approximately 31,000 square foot retail building erected on 35,016 square feet of land. It was built in 2008. The Property is 100% leased to Winners.

**1340-1350 Le Corbusier Blvd., Laval, Québec**

An approximately 8,000 square foot retail building erected on 10,106 square feet of land. It was built in 2008. The Property is 100% leased. Major tenants include Centre Hi-Fi and Tim Hortons.

**1160-1170, boulevard le Corbusier, Laval, Québec**

An approximately 12,000 square foot retail property built in 2011. The building is 100% leased. Major tenants include a Canadian chartered bank and Louis Garneau Sport.

**120 de l'Hôpital Blvd., Gatineau, Québec**

An approximately 67,000 square foot retail property erected on 159,402 square feet of land. It was built in 1996. The property is well located at the northeast intersection of Maloney and de l'Hôpital boulevards, near Highway 50. Maloney Boulevard is one of Gatineau's main commercial thoroughfares. The building is 96.9% leased and has 307 parking spaces. Major tenants include Cinéma 9, Fournitures de bureau Denis, Deli Chen Restaurant and Subway.

**360 Pleasant Street, Miramichi, New Brunswick**

An approximately 25,000 square foot retail building erected on 40,946 square feet of land. It was built in 1991, is 100% leased and has 50 parking spaces. Major tenants are two Canadian chartered banks, Province of New Brunswick and Service New Brunswick.

**900 Hanwell Road, Fredericton, New Brunswick**

An approximately 66,000 square foot retail property erected on 247,856 square feet of land. It was built in 1991 and is 93.2% leased. Major tenants are United Parcel Service (UPS), Public Works Canada and Procraft Industrial Ltd.

**146-154 Main Street, Fredericton, New Brunswick**

An approximately 22,000 square foot retail property erected on 47,480 square feet of land. It was built in 1960 and in 1970. This property is 87.6% leased and the major tenants are a Canadian chartered bank, MacMillan Lawrence & Lawrence and the Arthritis Society.

**403-415 Elmood Drive, Moncton, New Brunswick**

An approximately 27,000 square foot retail property that is 100% leased. Major tenants include the New Brunswick Liquor Corporation and Dooly's.

**86 Chain Lake Drive, Halifax, Nova Scotia**

An approximately 2,000 square foot retail property built in 2011. It is 100% leased to Starbucks.

**612 Windmill Road, Dartmouth, Nova Scotia**

An approximately 41,000 square foot retail property built in 1998. It is 100% leased and major tenants include Sleeman Breweries Ltd. and Rio Grande Holdings.

#### **4.4.6 INDUSTRIAL AND MIXED-USE PROPERTIES**

##### ***2383-2393 Watt Avenue, Québec City, Québec***

An approximately 67,000 square foot industrial building erected on 200,015 square feet of land that is used for warehousing and showrooms. The front building was built in 1973 and the extension was built in 1981. The building is 89.3% leased and has 67 outdoor parking spaces. Major tenants include Pâtisserie Dumas, Distribution Silpro and Arteau Récupération.

##### ***2345-2349 Dalton Avenue, Québec City, Québec***

An approximately 54,000 square foot industrial building erected on 102,664 square feet of land that is used for warehousing and showrooms. It was built in 1973 and renovated in 1981 at a total cost of \$190,000. The building is 77.6% leased and has 67 outdoor parking spaces. The largest tenants are Angela Jones and Royal Mat.

##### ***830 Godin Avenue, Québec City, Québec***

An approximately 49,000 square foot industrial building erected on 123,570 square feet of land that is used for warehousing and showrooms. It was built in 1978 and renovated in 1994 at a total cost of \$180,000. The building is 100% leased and has 61 outdoor parking spaces. Major tenants include Iron Mountain (Archivex), P.E. Fraser and Distribution Frigon.

##### ***1165 Lomer-Gouin Street, Québec City, Québec***

An approximately 72,000 square foot industrial building erected on 112,095 square feet of land. It was built in 1941 and renovated in 1978 and 1993. It is used for warehousing and workshops. The building is 93.6% leased and has 61 outdoor parking spaces. There is also municipal parking close by. Major tenants include Produits Capitale, Asystel, Étiquettes Berco, MS2 Contrôle and Clef du Découpage.

##### ***320 de la Canardière Road, Québec City, Québec***

An approximately 13,000 square foot mixed-use building erected on 13,638 square feet of land. It was built in 1980 and renovated in 1993. The building is 100% leased and includes 19 outdoor parking spaces. Major tenants include Jean-Coutu Pharmacy and the Institut universitaire en santé mentale de Québec.

##### ***1990 Cyrille-Duquet Street, Québec City, Québec***

An approximately 90,000 square foot mixed-use building erected on 184,177 square feet of land. It was built in 1976 and 1977 and renovated in 1995 and 1996 at a total cost of \$390,000. The building is 76.3% leased and has 196 outdoor parking spaces. Major tenants include ADT service de sécurité, Thyssen Elevators, Hilti Canada and Lafco Outillage.

##### ***2006-2010 Lavoisier Street, Québec City, Québec***

An approximately 68,000 square foot industrial building erected on 225,961 square feet of land. It was built in 1976 and is used as a warehousing facility. The Property is 100% leased to United Auto Parts and has 87 outdoor parking spaces.

##### ***2022 Lavoisier Street, Québec City, Québec***

An approximately 59,000 square foot industrial building erected on 161,596 square feet of land. The building is used for offices, showrooms and warehousing. It was built in 1978. The building is 100% leased and has 141 outdoor parking spaces. Major tenants include Otis Canada, Canadian Broadcasting Corporation and KCI Médical.

##### ***2025 Lavoisier Street, Québec City, Québec***

An approximately 37,000 square foot industrial building erected on 93,815 square feet of land. The building is used for offices, showrooms and warehousing. It was built in 1978 and 1983 and renovated in 1990. The building is 81% leased and has 72 outdoor parking spaces. Major tenants include AVW-Telay, General Motors of Canada and Cristal Contrôles.

**2015 Lavoisier Street, Québec City, Québec**

An approximately 2,000 square foot industrial building erected on 15,539 square feet of land. It is used for offices and workshops. It was built in 1974, is 100% leased to Modulaire Plus and has 17 outdoor parking spaces.

**280 Racine Street, Québec City, Québec**

An approximately 19,000 square foot mixed-use building erected on 36,512 square feet of land. It was built in 1984 and expanded in 1986. The building is 45.8% leased and has 60 outdoor parking spaces. Major tenants include Canada Post Corporation and a Canadian chartered bank. Canada Post Corporation's lease provides for a right of first refusal in its favour with respect to any proposed sale of the Property pursuant to a third party offer to purchase at certain times during the initial term or the renewal term of the lease on the same terms as such third party offer, subject to certain conditions.

**5130 Rideau Street, Québec City, Québec**

An approximately 24,000 square foot industrial building erected on 89,781 square feet of land. It was built in 1988 and has 47 outdoor parking spaces. The building is 100% leased. Major tenants include Toromont, True World Foods and Olympus NDT Canada Inc.

**2955 Kepler Avenue, Québec City, Québec**

An approximately 15,000 square foot industrial building erected on 82,290 square feet of land. The building is used for offices and warehousing. It was built in 1978. The Property is 100% leased to Groupe conseil en croissance urbaine and has 54 outdoor parking spaces. The tenant's lease provides for a right in favour of the tenant to approve any purchaser of the Property, such consent not to be withheld without a valid reason.

**1515 Saint-Jean-Baptiste Avenue, Québec City, Québec**

An approximately 62,000 square foot industrial building erected on 284,078 square feet of land. It was built in 1979 and renovated in 1989 and is used for stores and showrooms. The building is 100% leased and has 87 outdoor parking spaces. Major tenants include Meubles Barnabé, Fixatech and Industrie LD.

**955 Saint-Jean-Baptiste Avenue, Québec City, Québec**

An approximately 33,000 square foot industrial building erected on 197,925 square feet of land which is used for businesses, showrooms and warehousing. It was built in 1978 and renovated in 1991 and has 65 outdoor parking spaces. The building is 94.5% leased. Major tenants include Distribution D.E.M., Mirabau Group and Location Brossard.

**2020 Cyrille-Duquet Street, Québec City, Québec**

An approximately 41,000 square foot industrial building erected on 129,002 square feet of land. The building is used for a bowling alley. It was built in 1968. The Property is 100% leased to Quillorama and has 62 outdoor parking spaces.

**2100 Cyrille-Duquet Street, Québec City, Québec**

An approximately 32,000 square foot industrial building erected on 88,948 square feet of land. The building is used for offices, showrooms and warehousing. It was built in 1962, expanded in 1975 and renovated in 1995 at a total cost of \$240,000. The building is 89.9% leased and has 76 outdoor parking spaces. The major tenant is Weston Foods.

**2150 Cyrille-Duquet Street, Québec City, Québec**

An approximately 22,000 square foot industrial building erected on 58,002 square feet of land. The building is used for offices, showrooms and warehousing. It was built in 1970, expanded in 1985 and renovated in 1994 for a total of \$260,000. The Property is 100% leased. The major tenants are Show Distribution and Lyrtech RD and the property has 59 outdoor parking spaces.

**2160 Cyrille-Duquet Street, Québec City, Québec**

An approximately 45,000 square foot industrial building erected on 115,692 square feet of land. The building is used for offices, showrooms and warehousing. It was built in 1965, expanded in 1981 and renovated in 1994 at a total cost of \$220,000. The building is 85.8% leased and has 71 outdoor parking spaces. Major tenants include Opération Enfant Soleil and Club Tissus Québec.

**2180 Cyrille-Duquet Street, Québec City, Québec**

An approximately 20,000 square foot industrial building erected on 50,382 square feet of land. It was built in 1969, expanded in 1984, renovated in 1997 and expanded in 2003 at a total cost of \$425,000. The building is 100% leased and has 44 outdoor parking spaces. The tenants are Mobilier International Inc. (furniture store) and Henri Shein Canada.

**100 Chabot Street, Québec City, Québec**

An approximately 60,000 square foot industrial building erected on 109,684 square feet of land. It was built in 1968, expanded in 1986 and renovated in 2004. The building is 50% leased to Bingo de la Capitale and Défis Fort Brouillard and has 94 outdoor parking spaces.

**310 Métivier Street, Québec City, Québec**

An approximately 19,000 square foot industrial building erected on 50,000 square feet of land. It is used for warehousing and workshops. It was built in 1972 and renovated in 1991 and has 57 outdoor parking spaces. The building is 100% leased. Major tenants include Centre Hydraulique GMB and Machinage Usitech.

**454-456 Marconi Avenue, Québec City, Québec**

An approximately 15,000 square foot industrial building erected on 65,183 square feet of land. The building is used for offices and warehousing. It was built in 1984. The Property is 100% leased and has 58 outdoor parking spaces. The major tenant is Axion Sonorisation Éclairage.

**1730-1790 Newton Avenue, Québec City, Québec**

An approximately 63,000 square foot industrial building erected on 163,786 square feet of land. It was built in 1987 and is used for offices and warehousing. The building is 100% leased and has 65 outdoor parking spaces. Major tenants include Unisource, Kone Québec and Public Works Canada.

**5000 Rideau Street, Québec City, Québec**

An approximately 2,000 square foot industrial building erected on 46,395 square feet of land. It was built in 1995, has 36 outdoor parking spaces and is 100% leased to Public Works Canada. The tenant's lease provides for a right of first refusal in favour of the tenant in respect of any third party offer to purchase at certain times during the initial term or renewal term of the lease on the same terms as such third party offer, subject to certain conditions. The tenant's lease also provides for an option to purchase the Property in favour of the tenant for a price significantly higher than the purchase price to the REIT, exercisable at certain times during the term of the lease or renewal term of the lease, subject to certain conditions.

**5125 Rideau Street, Québec City, Québec**

An approximately 11,000 square foot industrial building erected on 90,062 square feet of land. It was built in 1987, renovated in 1997 and has 56 outdoor parking spaces. The Property is 100% leased to Canpar Transport.

**4175 Sainte-Anne Blvd., Québec City, Québec**

An approximately 39,000 square foot industrial building erected on 96,342 square feet of land. The building is used for showrooms and warehousing. It was built in 1974 and expanded in 1977, 1985 and 1998. The building is 93.6% leased and has 66 outdoor parking spaces. The major tenants are Bingo des Chutes and Verdure Beauport-Charlesbourg.

**625 des Canetons Street, Québec City, Québec**

An approximately 20,000 square foot industrial building erected on 178,624 square feet of land. It was built in 1989, has 64 outdoor parking spaces and is 100% leased to United Parcel Service (UPS).

**4975 Rideau Street, Québec City, Québec**

An approximately 33,000 square foot industrial building erected on 106,598 square feet of land. It was built in 1990 and is used for offices, showrooms and warehousing. The building is 100% leased and has 64 outdoor parking spaces. The largest tenants are Black & Decker Canada, Groupe Excelso and Feldan Bio.

**2755 Dalton Avenue, Québec City, Québec**

An approximately 24,000 square foot industrial building erected on 69,648 square feet of land. It is used for offices and warehousing. It was built in 1971 and renovated in 1989 and has 67 outdoor parking spaces. The building is 76.4% leased. The largest tenant is Distribution 20/20.

**120 New-York Street, Saint-Augustin-de-Desmaures, Québec**

An approximately 34,000 square foot industrial and mixed-use building erected on 260,479 square feet of land. It was built in 2006 and is located on New-York Street in the Saint-Augustin industrial park. It is 100% leased to KCL West Holdings Inc./Federal Equipment.

**650 Godin Avenue and 460 Desrochers Street, Québec City, Québec**

An approximately 189,000 square foot industrial building erected on 334,215 square feet of land. It was built in 1967, expanded in 1975 and 1977 and renovated at the end of the 1980s. The building is used for offices, workshops and specialized warehousing. The building is 100% leased and major tenants include Société immobilière du Québec, CAA/Canadian Automobile Association and L.P.A. Médical.

**625 Godin Avenue, Québec City, Québec**

An approximately 60,000 square foot industrial building erected on 131,200 square feet of land. This building was built in 1989 and 1990 and is used for warehousing and showrooms. It is 100% leased and has 103 outdoor parking spaces. Major tenants are Messageries Dynamiques, a division of Communications Quebecor, Viking Chains, Brûlerie Tatum and Old Dutch Foods.

**579 Godin Avenue, Québec City, Québec**

An approximately 22,000 square foot industrial building erected on 124,003 square feet of land. It was built in 1981, renovated in 1999 and expanded by 10,000 square feet in 2007. The building is 100% leased to Linde and has 25 outdoor parking spaces.

**2700 Jean-Perrin Street, Québec City, Québec**

An approximately 129,000 square foot mixed-use building, including 28,511 square foot of office space, erected on 327,528 square feet of land. It was built in 1987 and renovated in 1999. The building is 92.7% leased and has 325 outdoor parking spaces. Major tenants include CorActive Hightech, Canada Post Corporation, Télémaq, Fondation Mira, Imprimerie Litho-Chic, Bell Technical Solutions, Bois Franc de la Capitale, Zero Gravity Clinic, Brain Center International and Rogers.

**2181-2211 Léon-Harmel Street, Québec City, Québec**

An approximately 71,000 square foot mixed-use building erected on 174,315 square feet of land. It was built in 1974 and expanded in 2003. This building is 91.3% leased and has 70 outdoor parking spaces. Major tenants include Groupe SPL, Beauvais and Verret, Groupe Show Distribution and the C.S.S.T.



***1540 Cyrille-Duquet Street, Québec City, Québec***

An approximately 9,000 square foot industrial and mixed-use building erected on 100,003 square feet of land. The property is located in a major industrial park in the Québec City Area and is adjacent to a group of industrial and mixed-use Properties owned by the REIT. It was built in 2000 and is a build-to-suit for a single tenant for warehouse and office use. The warehouse has a 24-foot clear ceiling height. The building is 100% leased to Caravane Marco and has 110 parking spaces.

***445 Saint-Jean-Baptiste Avenue, Québec City, Québec***

An approximately 92,000 square foot industrial building erected on 262,348 square feet of land. It was built in 1986 and expanded in 2003. The building is 93.7% leased and has 110 outdoor parking spaces. Major tenants include Gentec Électro-optique, Arrow Electronics Canada, ABF Freight Systems Canada, Moteurs Électriques Laval, Rosedale Transport, Inspec-Sol and Freins Inter-continental.

***450 and 500 Saint-Jean-Baptiste Avenue, Québec City, Québec***

An approximately 87,000 square foot industrial building, erected on 262,997 square feet of land. It was built in 1987 and is used for office and warehouse. The building is 100% leased and has 120 outdoor parking spaces. Major tenants include FISO Technologies, a Canadian chartered bank, Groupe Gecko Alliance, Essilor and CCSI Technologies.

***5275 Wilfrid-Hamel Blvd., Québec City, Québec***

An approximately 30,000 square foot mixed-use building erected on 88,692 square feet of land. It was built in 1981. The building is 82.5% leased and has 78 outdoor parking spaces. Major tenants include Acousti-Plus and Micro Service Québec.

***1670 Semple Street, Québec City, Québec***

An approximately 89,000 square foot industrial and mixed-use building erected on 271,354 square feet of land. The property is located in a major industrial park and is adjacent to a group of industrial and mixed-use Properties owned by the REIT. It was built in 1972 and renovated in 2000. It is used for warehousing and offices. The warehouse has a 22-foot clear ceiling height. The building is 98% leased and has 225 parking spaces. Major tenants include Société immobilière du Québec, the Canadian Broadcasting Corporation and Solutions Victrix.

***2500 Jean-Perrin Street, Québec City, Québec***

An approximately 76,000 square foot industrial and mixed-use building erected on 155,666 square feet of land. The property is located in a major industrial park adjacent to Highway 40, Québec City's main east-west artery. It was built in 1988 and is used for warehousing and offices. The warehouse has a 20-foot clear ceiling height. The building is 98.4% leased and has 160 parking spaces. Major tenants are Ricoh Canada, Primerica, Proludik, Amants de la Nature, Sico, AECON and Provencal et Breton.

***2600 Jean-Perrin Street, Québec City, Québec***

An approximately 49,000 square foot industrial and mixed-use building erected on 197,375 square feet of land. The property is located in a major industrial park adjacent to Highway 40, Québec City's main east-west highway. Located between two Properties already owned by the REIT, the property is in a geographically favourable location. The building contains warehousing and office space. The warehouse has a 22-foot clear ceiling height. The building is 93.8% leased and has 201 parking spaces. Major tenants are Intria Item, Miburco Québec plomberie chauffage, Shred-it Canada, Laboratoires Choisy and La vie sportive.

***470 Godin Avenue, Québec City, Québec***

An approximately 22,000 square foot industrial and mixed-use building erected on 49,967 square feet of land. The property is located in an industrial park and is adjacent to a group of industrial and mixed-use Properties owned by the REIT. It was built in 1980 and contains warehousing and office space. The warehouse has a 24-foot clear ceiling height. The building is 100% leased to Meubles normalisés Québec and has 28 parking spaces.

**765 Godin Avenue, Québec City, Québec**

An approximately 15,000 square foot industrial and mixed-use building erected on 54,914 square feet of land. The property is located in an industrial park and is adjacent to a group of industrial and mixed-use Properties owned by the REIT. It was built in 1976, expanded in 1989 and contains warehousing and office space. The warehouse has a 23-foot clear ceiling height. The building is 100% leased to Tyco International of Canada.

**1041 Pierre-Bertrand Blvd., Québec City, Québec**

An approximately 119,000 square foot industrial and mixed-use building erected on 267,264 square feet of land located in a major industrial area. It is close proximity to Highway 40, Québec City's main east-west thoroughfare. The building was built in 1963 and renovated and expanded in 2002 and is used for warehousing and offices. The warehouse has a 24-foot ceiling height. The building has 200 parking spaces and is 100% leased. Major tenants include Sears Canada, Centre Massicotte and Déménagement et transport Dolbec.

**989 Pierre-Bertrand Blvd., Québec City, Québec**

An approximately 40,000 square foot industrial building, erected on 68,524 square feet of land. It was built in 1974 and renovated in 1994. The building is 99.8% leased and has 180 outdoor parking spaces. Major tenants include Bicycles et Sports G.T.H., Ville de Québec and Laboratoire dentaire Esthétique-Art.

**955 Pierre-Bertrand Blvd., Québec City, Québec**

An approximately 48,000 square foot industrial building, erected on 227,341 square feet of land. It was built in 1995. The building is 58.2% leased and has 225 outdoor and indoor parking spaces. Major tenants include Restaurant La Casa Grecque and Groupe PMT/Roy.

**1080 des Rocailles Street, Québec City, Québec**

An approximately 48,000 square foot industrial building, erected on 186,194 square feet of land. It was built in 1995. The building is 100% leased to Wolseley and has 110 outdoor parking spaces.

**235 Fortin Street, Québec City, Québec**

An approximately 26,000 square foot industrial building, erected on 150,000 square feet of land. It was built in 1996. The building is 100% leased to Frito-Lay/Pepsico and has 60 parking spaces.

**275 Métivier Street, Québec City, Québec**

An approximately 39,000 square foot industrial building, erected on 110,000 square feet of land. It was built in 2003. The building is 100% leased and has 75 outdoor parking spaces. Major tenants include Déclair, Centre d'estimation de la capitale, Vision Audio-Visuel and Larose et Fils.

**300 Métivier Street, Québec City, Québec**

An approximately 29,000 square foot industrial building erected on 128,963 square feet of land. It was built in 2004. The building is 100% leased to Déménagement et transport Dolbec and has 33 outdoor parking spaces.

**1255 des Artisans Street, Québec City, Québec**

An approximately 42,000 square foot industrial and mixed-use building erected on 141,178 square feet of land. It was built in 2007. It is 80.1% leased. Major tenants include Produits Forestiers C.J.P. and ATS & Lauer Transportation.

**275 Saint-Sacrement Avenue, Québec City, Québec**

An approximately 61,000 square foot industrial and mixed-use building erected on 193,017 square feet of land. It was built in 1949 and renovated and expanded in 2006. It is 100% leased. Major tenants include Wood Wyant Canada, Fastenal Canada Company, Groupe Carreaux Céragrès, Ryder Truck Rental Canada, Crobél, Ville de Québec and Les rangements Spacer.

**1775 Léon-Harmel Street, Québec City, Québec**

An approximately 22,000 square foot industrial building erected on 61,853 square feet of land. It was built in 2004. It is 100% leased to Westburne-Wolseley Canada and has 31 outdoor parking spaces.

**2600 Saint-Jean-Baptiste Avenue, Québec City, Québec**

An approximately 35,000 square foot industrial and mixed-use building part of a three-building project known as the "Projet Henri IV". It is located next to the Henri-IV Highway, one of Québec City's main arteries, and is erected on 550,424 square feet of land. It is 100% leased and major tenants include Telops, Studio Ross, Sinclair Dentaire and Dooly's.

**2800 Saint-Jean-Baptiste Avenue, Québec City, Québec**

An approximately 102,000 square foot industrial and mixed-use building erected on 336,630 square feet of land. It was built in 2004. It is located at the intersection of Henri-IV highway and Wilfrid-Hamel Blvd. It is 92.3% leased and has a vast parking lot. Major tenants include Coveo Solution, Desjardins Insurance Group, Dr. Yves Bélanger & Dr. Marc Bureau, Jardin Mobile, CBCI Telecom, Mission-HE and Siemens.

**3000 Saint-Jean-Baptiste Avenue, Québec City, Québec**

An approximately 47,000 square foot industrial and mixed-use building erected on 113,802 square feet of land. It was built in 2004. It is located at the intersection of Henri-IV highway and Wilfrid-Hamel Blvd. It is 100% leased and has a vast parking lot. The main tenant is Société de gestion informatique Sogique.

**1990 5th Street, Saint-Romuald, Québec**

An approximately 51,000 square foot two-storey industrial and mixed-use building. It was built in 2008 and is 100% leased. Major tenants include Maibec, Cooper Industrie, Société immobilière du Québec and Services de gestion Teknika.

**795 Craig Street, Saint-Nicolas, Québec**

An approximately 23,000 square foot industrial and mixed-use building erected on 68,201 square feet of land. It was built in 1997 and expanded in 1999. The building is located in the Laporte industrial park in Lévis, near Québec City bridges and local and regional highways, including Highways 20 and 73 and Highways 40 and 175 by Pierre-Laporte Bridge. It is used for offices and warehousing. The warehouse ceilings are 18 feet high. The building was vacant as of March 30, 2012.

**820 Alphonse-Desrochers Street, Saint-Nicolas, Québec**

An approximately 212,000 square foot industrial building erected on 550,019 square feet of land. Built in 2004, it is located near Highway 20 in the Bernières Industrial Park. It is 100% leased to Bertrand distributeur en alimentation and has a vast parking lot.

**1870 Saint-Paul Blvd., Saguenay, Québec**

An approximately 133,000 square foot industrial building erected on 583,218 square feet of land. Built in 1964, it was expanded in 1978 and 2007 and renovated in 2008. It is located near Autoroute 70. It is 100% leased to Colabor/Bertrand distributeur en alimentation and has a vast parking lot.

**1010 Godin Avenue, Québec City, Québec**

An approximately 65,000 square foot industrial building erected on 175,578 of land. Built in 1985, it is located near the Félix-Leclerc Highway. It is 100% leased to Déménagement et transport Dolbec and has a vast parking lot.

**8288 Pie-IX Blvd., Montréal, Québec**

An approximately 120,000 square foot industrial building, erected on 250,302 square feet of land. It was built in 1989 and is used for offices and warehousing. The building is 100% leased to Belron Canada and has 133 outdoor parking spaces.

**1415 32nd Avenue, Montréal, Québec**

An approximately 72,000 square foot industrial building, erected on 119,388 square feet of land. It was built in 1989 and expanded in 1993. The building is 100% leased to CAC Transport and has 88 outdoor parking spaces.

**1455 32nd Avenue, Montréal, Québec**

An approximately 32,000 square foot industrial building, erected on 119,164 square feet of land. It was built in 1989 and is used for offices and warehousing. The building is 100% leased to CGI International and has 70 outdoor parking spaces.

**1475 32nd Avenue, Montréal, Québec**

An approximately 92,000 square foot industrial building, erected on 206,264 square feet of land. It was built in 1988 and is used for offices and warehousing. The building is 89.4% leased to Pneutech and Acier Airport Steel and has 96 outdoor parking spaces.

**3300 J.B. Deschamps Blvd., Montréal, Québec**

An approximately 19,000 square foot industrial building, erected on 118,456 square feet of land. It was built in 1989 and has 46 outdoor parking spaces. The building is 100% leased to Paquette White.

**9100 du Parcours Street, Montréal, Québec**

An approximately 123,000 square foot industrial and mixed-use building erected on 351,633 square feet of land. The property is located in a major industrial park and is in reasonable proximity to Highway 40, Montréal's main east-west artery. It was built in 1998 and expanded in 2000, and is used for warehousing and offices. The warehouse has a 23-foot clear ceiling height. The building is 100% leased to Ventrol Air Handling Systems and has 180 parking spaces.

**10550 Parkway Blvd., Montréal, Québec**

An approximately 110,000 square foot industrial and mixed-use building erected on 177,247 square feet of land. The property is located in a major industrial park and in reasonable proximity to Highway 40, Montréal's main east-west artery. The building was built in 1964 and renovated in 1972, and contains warehouse and office space. The warehouse has an 18-foot ceiling height. The building is 100% leased to Produits de sécurité North and has 170 outdoor parking spaces.

**2105 Dagenais Blvd. West, Laval, Québec**

An approximately 276,000 square foot industrial and mixed-use building erected on 585,550 square feet of land. The property is located in a major industrial park in Laval and is within reasonable proximity to Highway 440 with easy access to Montréal-Trudeau Airport. The building was built in 1999 and expanded by 31,700 square feet in 2003. It contains warehouse space and office space. The warehouse has an 18-foot clear ceiling height. The building is 100% leased and has 253 parking spaces. Major tenants include Dura Housewares, Yourtruckshop, Minimedia International, Canada Bread Company, Les aliments Martel and Baldwin Paper Company.

**894-930 Bergar Street, Laval, Québec**

An approximately 33,000 square foot industrial building, erected on 75,654 square feet of land. It was built in 1989. It is 100% leased and has 75 outdoor parking spaces. Major tenants include Linde Canada, Aero Chem and Kinecor SC.

**901-937 Michelin Street, Laval, Québec**

An approximately 43,000 square foot industrial building, erected on 142,389 square feet of land. It was built in 1988. It is 80% leased and has 65 outdoor parking spaces. The major tenants are Megalab, Solutions de rangement Prisma and Contrôles électriques Auper.

**3370-3418 Industriel Blvd., Laval, Québec**

An approximately 55,000 square foot industrial building, erected on 136,564 square feet of land. It was built in 1986. The building is 57.2% leased and has 86 outdoor parking spaces. Major tenants include Franklin Supply, Plani Bureau and Compresseurs d'air express.

**3401-3421 Industriel Blvd., Laval, Québec**

An approximately 53,000 square foot industrial building, erected on 139,807 square feet of land. It was built in 1986. The building is 100% leased and has 82 outdoor parking spaces. Major tenants include Rexel Canada Électrique (Westburne), ATM PRQ and Tramac Equipment.

**1405-1453 Bergar Street, Laval, Québec**

An approximately 33,000 square foot industrial building, erected on 93,279 square feet of land. It was built in 1988. The building is 84% leased and has 58 outdoor parking spaces. Major tenants include Town & Country Uniforms, SMT Hautes Technologies and Attaches Richard.

**3424-3428 Francis-Hugues Avenue, Laval, Québec**

An approximately 16,000 square foot industrial building erected on 45,499 square feet of land. It was built in 2003. The building is 100% leased and has 33 outdoor parking spaces. The major tenants are Trane Québec and Industries Mecanorac.

**1315 Gay-Lussac Street, Boucherville, Québec**

An approximately 44,000 square foot industrial building, erected on 120,000 square feet of land. It was built in 1991. The building is 100% leased to Produits Packlab and has 48 outdoor parking spaces.

**40 du Tremblay Road, Boucherville, Québec**

An approximately 143,000 square foot industrial building, erected on 302,943 square feet of land. It was built in 1991 and expanded in 2006. The building is 100% leased to Ikea Wholesale and has 170 outdoor parking spaces.

**620-650 Giffard Street, Longueuil, Québec**

An approximately 53,000 square foot industrial building, erected on 191,254 square feet of land. It was built in 1980. The building is 100% leased and has 141 outdoor parking spaces. Major tenants include Groupe Master, Lumen and Enertrak.

**667-687 Giffard Street, Longueuil, Québec**

An approximately 43,000 square foot industrial building, erected on 93,626 square feet of land. It was built in 1980. The building is 100% leased and has 41 outdoor parking spaces. Major tenants are Construction Michel Gagnon, Aliments Krispy Kernels and Trane Canada.

**784-818 Guimond Blvd., Longueuil, Québec**

An approximately 82,000 square foot industrial building, erected on 234,457 square feet of land. It was built in 1988 and expanded in 2003. The building is 97% leased and has 65 outdoor parking spaces. Major tenants include Genivar, Technologie Clemex and Kinecor.

**9101-9175 des Sciences Blvd., Montréal, Québec**

An approximately 72,000 square foot industrial and mixed-use building erected on 136,062 square feet of land. It was built in 2000. The building is 70.5% leased and has 63 outdoor parking spaces. Major tenants include Hibbert International.

**1675 de Montarville Blvd., Boucherville, Québec**

An approximately 142,000 square foot industrial building, erected on 300,100 square feet of land. It was built in 1989 and expanded in 2003. The building is 100% leased to Groupe Master and has 90 outdoor parking spaces.

**5250 Armand-Frappier Street, Longueuil, Québec**

An approximately 59,000 square foot industrial building, erected on 325,014 square feet of land. It was built in 1992. The building is 100% leased to Hydro-Québec and has 242 outdoor parking spaces.

**1405-1495 55th Avenue, Dorval, Québec**

An approximately 66,000 square foot industrial building erected on 119,111 square feet of land. It was built in 2001. The building is 100% leased and has 60 outdoor parking spaces. Major tenants include Intermove Canada, International Paint, division of Akzo Nobel Coatings Ltd. and Total Logistick Partner (Ocean consolidators).

**4500-4536 Louis-B.-Mayer Street, Laval, Québec**

An approximately 46,000 square foot industrial and mixed-use building that is part of a four-building project known as the Laval "Highway 440 Project". The project is located next to the Highway 440. The four buildings are erected on a total of 936,750 square feet of land. The Property is 42.1% leased and major tenants include PH Vitres d'Auto, Laboratoires de construction 2000 and Univers numérique couleur.

**2900-2976 Joseph-A.-Bombardier Street, Laval, Québec**

This approximately 104,000 square foot industrial and mixed-use building is the third building forming part of the "Highway 440 Project". It is 92.7% leased. Major tenants include Caterpillar, Mitek Canada Inc., TVAchats Inc., Cadbury Adams Canada and Distribution Nordix.

**3025 Joseph-A.-Bombardier Street, Laval, Québec**

This approximately 78,000 square foot industrial and mixed-use property is the fourth building forming part of the "Highway 440 Project". It is 100% leased. Major tenants include Wood Wyant Canada, Systemex Technologies Inc., Rockwell Automation Canada Inc. and Star Pipe Products.

**4451-4479 Laval Highway West, Laval, Québec**

An approximately 116,000 square foot industrial and mixed-use property. It was built in 2004 and is the second building forming part of the "Highway 440 Project". It is 98.3% leased and has a vast parking lot. Major tenants are Agence de recouvrement TCR, Câblages informatiques Instacâble, Industrial Alliance Life Insurance Company, Mitek Canada, Philippe Dagenais Mobilier Décoration, Informatel services informatiques and Neks technologies.

**330 Avro Avenue, Pointe-Claire, Québec**

An approximately 89,000 square foot industrial and mixed-use building erected on 225,646 square feet of land. It was built in 1991 and expanded in 1998. The building is located west of Sources Boulevard and south of the Trans-Canada Highway in Pointe-Claire. It contains warehouses and offices. It is 100% leased to Motion Industries and has approximately 215 parking spaces.

**19701 Clark-Graham Avenue, Baie-d'Urfé, Québec**

An approximately 162,000 square foot industrial and mixed-use building erected on 383,500 square feet of land. It was built in 1994 and expanded in 1999. The building is located next to the Trans-Canada Highway in the Beaconsfield-Baie d'Urfé area. It contains warehouses and offices. It is 100% leased to Emballages Amcor and has approximately 200 parking spaces.

**940 Bergar Street, Laval, Québec**

An approximately 15,000 square foot industrial and mixed-use property erected on 70,001 square feet of land, built in 1987. It is located in an industrial park in Laval, close to the Industriel Blvd. and north of Laval Highway. It is 100% leased to Brite-Lite Maintenance Co. Ltd. and has a vast parking lot.

**11000 Parkway Blvd., Montréal, Québec**

An approximately 217,000 square foot industrial and mixed-use property erected on 245,358 square feet of land, built in 1965. It is located at the corner of Parkway Blvd. and Jean-René-Ouimet Street, in the heart of the Anjou industrial park. It is 100% leased and has 75 parking spaces. Major tenants are Groupe Data and Meubles Concordia.

**20 Hymus Blvd., Pointe-Claire, Québec**

An approximately 61,000 square foot industrial and mixed-use property erected on 176,591 square feet of land, built in 1987. It is located on Hymus Blvd., in the Pointe-Claire industrial park, and has been 100% leased to Diversified Ulbrich of Canada Inc. since February 2011.

**2156-2168 de la Province Street, Longueuil, Québec**

An approximately 41,000 square foot industrial and mixed-use building erected on 198,352 square feet of land, built in 1990. It is located on de la Province Street in the Vieux-Longueuil industrial park. It is 94.5% leased and has a vast parking lot. Major tenants include Futech Hitec, Keystone Manufacturing Plastics and Rubanco.

**2170 de la Province Street, Longueuil, Québec**

An approximately 23,000 square foot industrial and mixed-use building erected on 198,352 square feet of land, built in 1990. It is located on de la Province Street in the Vieux-Longueuil industrial park. It is 100% leased to Relieure Rive-Sud.

**715 Delage Street, Longueuil, Québec**

An approximately 42,000 square foot industrial and mixed-use building erected on 198,352 square feet of land, built in 1990. It is adjacent to de la Province Street in the Vieux-Longueuil industrial park. It is 100% leased and has a vast parking lot. Major tenants include C.E.L. Équipement d'essai aérospatial, L.E.M. Technologies, SID Distribution and Propec.

**6445 Côte-de-Liesse Road, Montréal, Québec**

An approximately 50,000 square foot industrial and mixed-use building erected on 91,192 square feet of land, built in 1980 and expanded in 1999. It is located on the North side of Côte-de-Liesse Road in the Saint-Laurent industrial park. It is 100% leased to SE CE Apparel.

**19100-19180 Trans-Canada Highway, Baie-d'Urfé, Québec**

An approximately 25,000 square foot industrial and mixed-use building erected on 137,650 square feet of land. It was built in 1987. The property is located in the Baie-d'Urfé industrial park, near local and regional highways, including Highways 13, 20 and 40. It is used for offices and warehousing. The warehousing area ceilings are 18 feet high. The building is 100% leased and has 82 parking spaces. Major tenants included Déménagement Excellence, Mountain View Bag Inc. and Arrow Electronics Canada Ltd.

**3600 Matte Blvd., Brossard, Québec**

An approximately 27,000 square foot industrial and mixed-use building erected on 78,158 square feet of land. It was built in 1988. The property is located in the Brossard industrial park, near local and regional roads, including Highway 132. It is used for offices and warehousing. The warehousing area ceilings are 20 feet high. The building is 96.1% leased and has 91 parking spaces. Major tenants include Altrom Canada Corp., Nasuco Canada Inc. and As hanging Systems.

**3650 Matte Blvd., Brossard, Québec**

An approximately 43,000 square foot industrial and mixed-use building erected on 121,842 square feet of land. It was built in 1987. The property is located in the Brossard industrial park, near local and regional roads, including Highway 132. It is used for offices and warehousing. The warehouse ceilings are 20 feet high. The building is 100% leased and has 123 parking spaces. Major tenants include Technologies Polycontrôles Inc. and Cedarome Canada Inc.

**115 de Vaudreuil Street, Boucherville, Québec**

An approximately 16,000 square foot industrial and mixed-use building erected on 35,714 square feet of land. It was built in 1987. The property is located in the Borough of Boucherville industrial park, near Highways 132 and 20. It is used for offices and warehousing. The warehousing area ceilings are 22 feet high. The building is 75.8% leased and has 30 parking spaces. Major tenants include Services pharmaceutiques Melvin Dionne Inc.

**4148-4150 Portland Blvd., Sherbrooke, Québec**

An approximately 68,000 square foot industrial building erected on 300,000 square feet of land. It was built in 2000. It is located in the City of Sherbrooke's regional industrial park and is 48.4% leased. Major tenants include Roche Limitée and The Color Group Division of Canada.

**3071-3075 Louis A. Amos Street and 1922-1996 Onésime-Gagnon Street, Montréal, Québec**

An approximately 164,000 square foot industrial building erected on 462,399 square feet of land and built in 1987. The Property is 81.6% leased and has 365 outdoor parking spaces. Major tenants include AVW Telav Inc., GE Lighting Solutions, Allstream and Astral Média.

**1615-1805 55th Avenue, Dorval, Québec**

An approximately 158,000 square foot industrial building erected on 434,373 square feet of land in close proximity to the Montréal-Trudeau Airport and built in 1990. The Property is has 252 outdoor parking spaces and is 65.4% leased. The building's major tenants include Ecosys Canada Inc., John L. Schultz Limited and Sabic Innovative Plastics.

**3339-3403 Griffith Street, Montréal, Québec**

An approximately 117,000 square foot industrial building, which was built in 1987, erected on 457,918 square feet of land near Cavendish Boulevard and the Trans-Canada Highway. The building has 222 outdoor parking spaces. The building is 100% leased. Major tenants include Corporation Presse Commerce, Henry Schein Ash Arcona, Futur Tel and Floorco Distribution.

**8100 Cavendish Blvd., Montréal, Québec**

An approximately 115,000 square foot industrial building erected on 262,913 square feet of land. It was built in 1981 and has 21 outdoor parking spaces, as well as a sizeable shipping and trucking area. The building is 76.4% leased to Boutique Jacob and Simard Warehouse.

**1949 Onésime-Gagnon Street, Montréal, Québec**

An approximately 96,000 square foot industrial building erected on 244,192 square feet of land. It was built in 1988 and is 100% leased. The property has 181 outdoor parking spaces, as well as a sizeable shipping and trucking area. This class A building is well situated near major arteries. Major tenants include Novelis, Richards Packaging Inc. and Kintetsu World Express.



**2260 32nd Avenue and 3142-3190 Joseph-Dubreuil Street, Montréal, Québec**

An approximately 92,000 square foot industrial building erected on 216,244 square feet of land. It was built in 1983 and has 136 outdoor parking spaces. It is 77.2% leased. Major tenants include Andritz Fiber Drying Ltd. and Rogers Wireless.

**2102-2150 32nd Avenue, Montréal, Québec**

An approximately 77,000 square foot industrial building erected on 203,761 square feet of land. It was built in 1984, is 94.4% leased and has 109 outdoor parking spaces. Major tenants include NSK-RHP Canada Inc., East West Plastics & Electrical Products and the Canadian Automobile Association (Québec).

**2024-2080 32nd Avenue, Montréal, Québec**

An approximately 68,000 square foot industrial building built in 1984, erected on 182,983 square feet of land. The building is 100% leased and has 99 outdoor parking spaces. Major tenants include AVW Telav Inc., Harlan Sprague Dawley Inc. and VF Imagewear Canada.

**6320-6380 Côte-de-Liesse Road, Montréal, Québec**

An approximately 58,000 square foot industrial building erected on 253,203 square feet of land. It was built in 1955, renovated in 1981 and expanded twice in the 1990's. Over \$2 million was spent on the renovations and expansion. The building is 82.5% leased and has 104 outdoor parking spaces. Major tenants include Speedware, Distribution Maroline Inc. and Interfast.

**2025 de la Métropole Street, Longueuil, Québec**

An approximately 201,000 square foot industrial building erected on a 434,700 square feet of land, featuring approximately 117,300 square feet of industrial space at 25 feet clear height, 73,000 square feet of industrial space at 16 feet clear height as well as a 14,400 square foot office component on two floors. This building was built in phases from 1977 to 1993. The Property has approximately 60 parking spaces outdoor in proximity to the office section of the property. Major tenants include Solution Extrême and Groupe LMT.

**1925-1975 Hymus Blvd., Dorval, Québec**

An approximately 104,000 square foot detached multi-tenant industrial building erected on 202,204 square feet of land fronting on Hymus Boulevard, adjacent to the Trans-Canada Highway and in close proximity to Montréal-Trudeau Airport. The building was built in 1988 and is 97.8% leased. It has 94 outdoor parking spaces. Major tenants include Ceva Freight Canada, Apple Express Courier Ltd., PNH Enterprises inc. and Canaflex.

**80-140 Lindsay Avenue, Dorval, Québec**

An approximately 44,000 square foot industrial building erected on 114,314 square feet of land fronting on Lindsay Avenue, adjacent to Highway 20 and Côte-de-Liesse Road, near the Montréal-Trudeau Airport. The property was built in 1986. It is 100% leased and has 80 outdoor parking spaces. Major tenants include ICC International Compliance Center, Bio Lonreco Inc. and Produits environnementaux Hazmasters.

**8411-8453 Dalton Road, Mount-Royal, Québec**

An approximately 32,000 square foot industrial building erected on 73,120 square feet of land fronting on Dalton Road, adjacent to the Trans-Canada Highway and near the Montréal-Trudeau Airport. The building was built in 1975 and is currently vacant. It has 30 outdoor parking spaces.

**8459-8497 Dalton Road, Mount-Royal, Québec**

An approximately 41,000 square foot industrial building erected on 80,255 square feet of land fronting on Dalton Road, adjacent to the Trans-Canada Highway and in close proximity to the Montréal-Trudeau Airport. The building was built in 1975. It is 99.4% leased and has 30 outdoor parking spaces. Major tenants include Muxlab Inc., CBM N.A. and AMG Medical.

**8545-8579 Dalton Road, Mount-Royal, Québec**

An approximately 38,000 square foot industrial building erected on 88,818 square feet of land fronting on Dalton Road, adjacent to the TransCanada Highway and in close proximity to the Montréal-Trudeau Airport. The property was built in 1987. The building is 86.9% leased and has 52 outdoor parking spaces. Major tenants include VWR Scientific of Canada, Schindler Elevators Corp. and Neopost Canada.

**8605-8639 Dalton Road, Mount-Royal, Québec**

An approximately 37,000 square foot detached multi-tenant industrial building erected on 87,714 square feet of land fronting on Dalton Road, adjacent to the Trans-Canada Highway and in close proximity to the Montréal-Trudeau Airport. The property was built in 1986. The building is 100% leased and has 69 outdoor parking spaces. Major tenants include Câblage Dynamique and Stan International.

**7527-7583 Henri-Bourassa Blvd., Montréal, Québec**

An approximately 139,000 square foot industrial building erected on 275,311 square feet of land, strategically located on Henri-Bourassa Boulevard. The building was built in 1975. It is 56.3% leased and has 147 outdoor parking spaces. Major tenants include Reliure Ké-Ro Inc., Pavigres Ceramics Inc. and Automotive Training Center.

**8552-8648 Pie-IX Blvd., Montréal, Québec**

An approximately 146,000 square foot industrial complex erected on 212,038 square feet of land located on the west side of Pie-IX Blvd., near Robert Street, north of the Trans-Canada Highway in the heart of the east-end industrial park. The building was built in 1988. It is 61.2% leased and has 178 outdoor parking spaces. Major tenants include Memtronik Innovations Inc., Kasco Atlantic Service Company and Tapico.

**8740-8878 Pie-IX Blvd., Montréal, Québec**

An approximately 165,000 square foot industrial complex erected on 259,707 square feet of land, located on the west side of Pie-IX Blvd., near Robert Street, north of the Trans-Canada Highway in the heart of the east-end industrial park. The building was built in 1992. It is 33.8% leased and has 178 outdoor parking spaces. Major tenants include Laboratoires d'essais Mequaltech inc. and Société de transport de Montréal.

**7075 Place Robert-Joncas, Montréal, Québec**

An approximately 217,000 square foot industrial complex erected on 439,498 square feet of land. It was built in 1975. The property is 91.5% leased and has 350 outdoor parking spaces. Major tenants include Ingram Micro Logistics LP Inc., Best Buy Canada Ltd., Purolator Courier Ltd., Tornatech inc., Dalsa Montréal and Hospira Healthcare Corp.

**1225 Volta Street, Boucherville, Québec**

An approximately 226,000 square foot industrial building featuring about 206,500 square feet of industrial space at 25 feet of clear height and a two floors of 19,100 square feet of Class "B" office space. It is located on approximately 483,100 square feet of land and is serviced by a rail siding. The building was built in phases between 1988 and 1991 and has 95 outdoor parking spaces. The building is 100% leased to Metro Richelieu.

**2000 Halpern Street, Montréal, Québec**

An approximately 527,000 square foot industrial building built in 1977 and erected on 19.42 acres of land. The building is 100% leased to LDC Logistic Development Corp.

**2105 23rd Avenue, Montréal, Québec**

An approximately 319,000 square foot industrial building built in 1964 and erected on 19.04 acres of land. The building is 100% leased to Hudson's Bay Company.

**1111 46th Avenue, Montréal, Québec**

An approximately 107,000 square foot industrial building erected on 7.92 acres of land and built in 1973. The building is 100% leased to Vitesse transport corporation.

**1200 55th Avenue, Montréal, Québec**

An approximately 68,000 square foot industrial building erected on 257,986 square feet of land in close proximity to Montréal-Trudeau Airport. The building was built in 1987 and is 100% leased to A.R. Medicom Inc. It has 57 outdoor parking spaces. The building has expansion potential for approximately 35,000 additional square feet.

**5055 Lévy Street, Montréal, Québec**

An approximately 61,000 square foot industrial complex, built in 1989/1990, consisting of 34,651 square feet of industrial space and approximately 30 feet of clear height, and 25,700 square feet of office space. The property is located in proximity to Montréal-Trudeau Airport. It is 100% leased. Major tenants include TI Titanium Ltd., Services Kamtech Inc. and Aviya Technologies Inc.

**2400 Trans-Canada Highway, Pointe-Claire, Québec**

An approximately 111,000 square foot industrial complex erected on 894,300 square feet of land bordering the south service road of the TransCanada Highway, in the heart of the west-end industrial park. The property was built in 1969/1976/1995. It is 100% leased to Elfe Juvenile Products and Esstrac.

**243 Hymus Blvd., Pointe-Claire, Québec**

An approximately 40,000 square foot industrial building built in 1969. It is 100% leased to Harwell Packaging Inc.

**2555 Pitfield Blvd., Montréal, Québec**

An approximately 99,000 square foot industrial building built in 2003 consisting of 85,200 square feet of warehouse space at 22 feet of clear height and 14,700 square feet of office/showroom space. It is erected on approximately 200,100 square feet of land and is 100% leased to Arden.

**731-749 Meloche Avenue and 11450 Côte-de-Liesse Road, Dorval, Québec**

An approximately 36,000 square foot industrial building erected on 92,282 square feet of land in close proximity to Montréal-Trudeau Airport. The building was built in 1979 and is 100% leased to nine tenants and has 20 outdoor parking spaces. Major tenants include Gemmar Computers Int., Kodiak Fret Int., Abrasicorp & Equipment Ltd. and Gestion Sarcelle.

**703-729 Meloche Avenue, Dorval, Québec**

An approximately 32,000 square feet industrial building erected on 75,567 square feet of land in close proximity to Montréal-Trudeau Airport. The building was built in 1980 and is 100% leased. Major tenants include Heidelberg Canada Graphic Equipment Limited, Tafisa Canada, Chic-Tex and Powers Industries.

**679-701 Meloche Avenue and 135-137 Lindsay Avenue, Dorval, Québec**

An approximately 35,000 square foot industrial building erected on 85,500 square feet of land in close proximity to Montréal-Trudeau Airport. The building was built in 1981 and is 69.8% leased to nine tenants and has 20 outdoor parking spaces. Major tenants include Gold-Tech, CFT Canada, Opéra Électronique inc. and Sabot Universel inc.

**1710-1850 55th Avenue and 5435 François-Cusson Street, Montréal, Québec**

An approximately 79,000 square foot industrial building erected on 222,781 square feet of land in close proximity to Montréal-Trudeau Airport. The building was built in 1986 and is 91.2% leased to eight tenants and has 154 outdoor parking spaces. Major tenants include Transit Nord-Plus Inc., Teco-Westinghouse Motors (Canada) Inc., Waters and Ventes Créatives Graham.

***1520-1660 55th Avenue and 5430 Fairway Street, Montréal, Québec***

An approximately 79,000 square foot industrial building erected on 228,707 square feet of land in close proximity to Montréal-Trudeau Airport. The building was built in 1986. It is 58.3% leased to nine tenants and has 154 outdoor parking spaces. Major tenants include Joslyn Canada Inc., Elkon Inc., Motion Industries and Regulvar.

***1875 55th Avenue and 22-62 Lindsay Avenue, Dorval, Québec***

An approximately 82,000 square foot industrial building built in 1988 and erected on 216,434 square feet of land in close proximity to Montréal-Trudeau Airport. The building is 80.3% leased to nine tenants and has 171 outdoor parking spaces. Major tenants include Omnimedia Corporation, Distribution Amscan inc. and Airport Courie, Customs Specialist.

***72 du Tremblay Road, Boucherville, Québec***

An approximately 29,000 square foot industrial building erected on 220,738 square feet of land. It is located on Montréal's South Shore, near Highway 20. It was built in 2008 and is 100% leased to Société en commandite Strongco.

***3855 Matte Blvd., Brossard, Québec***

An approximately 31,000 square foot industrial building erected on 285,195 square feet of land. It is located on Montréal's South Shore, near Highways 10 and 30. It was built in 2009 and is 100% leased to Nortrax Canada Inc.

***2685-2715 Francis-Hughes Ave., Laval, Québec***

An approximately 40,000 square foot industrial building erected on 119,413 square feet of land. It is 100% leased to Location Express and Penske.

***2745 Francis-Hughes Ave., Laval, Québec***

An approximately 31,000 square foot industrial building erected on 104,690 square feet of land. It is 100% leased to Roy Livraison.

***4141-4149 Highway 440, Laval, Québec***

An approximately 196,000 square foot industrial building with storage areas and office space. It is 92.2% leased and major tenants are Staples Canada and Pro du Hockey.

***730 Industriel Blvd., Blainville, Québec***

An approximately 43,000 square foot industrial building erected in 2000 on 209,628 square feet of land. It is 100% leased to Xebec Adsorption.

***291 Industrial Drive, Saint-John, New Brunswick***

An approximately 33,000 square foot industrial building erected on 169,884 square feet of land with storage areas and showrooms. It was built in 1987 and renovated in 1994. The property is 100% leased and has 30 parking spaces. The major tenant is Interplast Bags and Films Corporation.

***385 Wilsey Road, Fredericton, New Brunswick***

An approximately 32,000 square foot industrial building erected on 187,308 square feet of land with storage areas and showrooms. It was built in 1974, 1975, 1976 and 1994. It is 76.3% leased and has 70 parking spaces. Major tenants are Carmichael Engineering, NB Society of Certified Technicians and Union of New Brunswick Indians.

**50, 70 and 110 Crown Street, Saint-John, New Brunswick**

An approximately 34,000 square foot industrial building erected on 74,052 square feet of land with storage areas and showrooms. It was built in the mid 1960s. It is 64.1% leased and has 110 parking spaces. Major tenants are the Province of New Brunswick, Wade Co. Ltd. and Carnaghan Taylor Fowler Insurance.

**1080 Champlain Street, Dieppe, New Brunswick**

An approximately 37,000 square foot industrial building erected on 226,507 square feet of land with storage areas and showrooms. It was built in 2004. It is 83.7% leased and has 72 parking spaces. Major tenants are Johnson Equipment, Direct Energy and Honeywell Limited.

**115 Whiting Road, Fredericton, New Brunswick**

An approximately 18,000 square foot industrial building erected on 182,908 square feet of land with storage areas and offices. It was built in 2004. It is 86.2% leased and its major tenant is Go Packaging.

**140 MacNaughton Avenue, Moncton, New Brunswick**

An approximately 38,000 square foot industrial building erected on 153,767 square feet of land with storage areas and offices. It was built in 2002 and is 100% leased to Kraft Canada Inc.

**125 Whiting Road, Fredericton, New Brunswick**

An approximately 44,000 square foot industrial building erected on 182,908 square feet of land with storage areas, offices and showrooms. It was built in 1975 and is 86.5% leased. Major tenants are FedEx and Kerr Controls Ltd.

**140 Alison Boulevard, Fredericton, New Brunswick**

An approximately 47,000 square foot industrial building erected on 215,186 square feet of land with storage areas and offices. It was built in two phases, in 2006 and in 2007, and is 100% leased. Major tenants are Province of New Brunswick and Barrett Xplore Ltd.

**420 Wilsey Road, Fredericton, New Brunswick**

An approximately 19,000 square foot industrial building erected on 72,571 square feet of land with storage areas, offices and showrooms. It was built in 1971 and is 100% leased. The major tenant is Atlantic Hydrogen Inc.

**440 Wilsey Road, Fredericton, New Brunswick**

An approximately 44,000 square foot industrial building erected on 101,795 square feet of land with storage areas and offices. It was built in the 1970s. It is 84.4% leased and its major tenant is Enbridge Gas New Brunswick.

**50 MacNaughton Avenue, Moncton, New Brunswick**

An approximately 20,000 square foot industrial building erected on 157,251 square feet of land with storage areas and offices. It was built in 2007. It is 100% leased and major tenants are Focus Logistics Ltd. and Kinacor L.P.

**245 Hilton Road, Fredericton, New Brunswick**

An approximately 18,000 square foot industrial building erected on 101,495 square feet of land with storage areas and offices. It was built in 1975 and is 100% leased. Major tenants include Activation Laboratories, Public Works Canada and Controls & Equipment Ltd.

**727 Wilsey Road, Fredericton, New Brunswick**

An approximately 14,000 square foot industrial building erected on 71,874 square feet of land with storage areas and offices. It was built in 2002 and is 100% leased with Purolator Canada as its major tenant.

**749 Wilsey Road, Fredericton, New Brunswick**

An approximately 16,000 square foot industrial building erected on 71,874 square feet of land with storage areas and offices. It was built in the 1970s and renovated in 2005. The property is 100% leased with Coast Tire Ltd. as its major tenant.

**520 Edinburg Drive, Moncton, New Brunswick**

An approximately 39,000 square foot industrial building erected on 121,968 square feet of land with storage areas and offices. It was built in the 1980s and renovated twice, in 1993 and 2003. The property is 84.7% leased and has 72 parking spaces. Major tenants are Stellar Industrial Sales Ltd., Acklands Grainger and Transform Pack Inc.

**699 Champlain Street, Dieppe, New Brunswick**

An approximately 10,000 square foot industrial building erected on 73,181 square feet of land. It is 100% leased to Nanoptix inc.

**4.4.7 OVERVIEW OF CANMARC PORTFOLIO**

On March 1, 2012, Cominar completed the acquisition of all of the issued and outstanding units of Canmarc, which owns a portfolio of Canadian income-producing commercial properties, consisting of retail and office properties with certain industrial properties. In total, Canmarc properties comprise approximately 9.4 million square feet of commercial gross leasable area and 464 multi-residential units located in Québec, Atlantic Canada, Western Canada and Ontario.

The following tables respectively summarize Canmarc's properties as at December 31, 2011 by asset class, lease expiries and renewals and new leases as at December 31, 2011 and lease maturities from 2012 to 2016:

**Breakdown by Property Type**

Property Type <sup>(1)</sup>	Number of Properties	Total Area (square feet)	%	% Leased
Office Properties	24	2,891,897	33.0	96.4
Retail Properties	83	4,241,673	48.4	94.9
Industrial and Mixed-Use Properties	6	1,633,233	18.6	99.0
<b>Total Portfolio</b>	<b>113</b>	<b>8,766,803</b>	<b>100.0</b>	<b>96.2</b>

**Note:**

(1) Canmarc also owns 464 units located in two multi-residential buildings

**Expiries, Renewals and New Leases as of December 31, 2011**

	Office	Retail	Industrial and Mixed-Use	Total
<b>Leases expiring in 2011</b>				
Number of clients	42	89	12	143
Leasable Area (square feet)	171,000	201,000	25,000	397,000
Average net rent/square foot	14.91	18.59	7.92	16.35

	Office	Retail	Industrial and Mixed-Use	Total
<b>Renewed Leases</b>				
Number of clients	28	81	7	116
Leasable Area (square feet)	142,000	190,000	13,000	345,000
Average net rent (\$)/square foot	15.87	21.37	6.56	18.57
<b>% renewed</b>	83.0	94.5	52.0	86.9
<b>New Leases</b>				
Number of clients	16	44	9	69
Leasable Area (square feet)	54,000	128,000	25,000	207,000
Average net rent (\$)/square foot	10.21	14.64	7.04	12.58

**Lease Maturities<sup>(1)</sup>**

	Office	Retail	Industrial and Mixed-Use	Total
<b>Number of Leases</b>				
2012	58	184	13	255
2013	44	133	9	186
2014	46	126	9	181
2015	41	112	1	154
2016	35	114	5	154
<b>Area (square feet)</b>				
2012	287,000	409,000	51,000	747,000
2013	155,000	561,000	107,000	823,000
2014	210,000	390,000	38,000	638,000
2015	326,000	304,000	7,000	637,000
2016	244,000	351,000	29,000	624,000
<b>Weighted Average Net Rent (per sq. ft.)</b>				
2012	17.58	16.18	6.67	16.07
2013	16.13	12.19	6.33	12.17
2014	23.28	14.89	7.74	17.22
2015	12.19	18.95	7.00	15.35
2016	16.15	22.21	8.60	19.21

**Note:**

(1) Data for the 12-month period ending December 31<sup>st</sup> of each calendar year.

The following table summarizes the contribution of Canmarc's ten largest clients as a percentage of its income (as at December 31, 2011):

Client	% of income	Leased surface area (sq. ft.)
Canadian National Railway Company	11.2	1,561,046
Jean Coutu Group	3.9	316,213
Co-op Atlantic	2.3	522,736
Penn West Petroleum Limited <sup>(1)</sup>	1.6	61,893
Target Corporation	1.5	272,712
Homburg Invest Inc.	1.5	117,289
Gowlings <sup>(2)</sup>	1.3	43,807
Pizza Hut	1.3	65,360
Shoppers Drug Mart	1.1	80,902

<b>Client</b>	<b>% of income</b>	<b>Leased surface area (sq. ft.)</b>
Richter Management Limited	1.1	95,027
<b>Total</b>	<b>26.8</b>	<b>3,136,985</b>

**Notes:**

- (1) A tenant of Penn West Plaza, a property in which Canmarc owns a 10% interest. Leased surface area for this tenant corresponds to the 10% interest owned by Canmarc.
- (2) A tenant of Scotia Centre, a property in which Canmarc owned a 50% interest as at December 31, 2011. Leased surface area for this tenant corresponds to the 50% interest owned by Canmarc.

The following table summarizes certain aspects of each of Canmarc's properties:

**Office**

<b>Address</b>	<b>Year Built/ Renovated</b>	<b>Leasable-Area (ft<sup>2</sup>)</b>	<b>As at Dec. 31<sup>st</sup> % Leased</b>
535 Yates Street, Victoria, British Columbia <sup>(1)</sup>	1895	19,310	90.8
700, 2 <sup>nd</sup> Street S.W., Calgary, Alberta <sup>(2)(3)</sup>	1976/1988/1998	315,216	91.3
4000 4th Street S.E. (Bldg 300), Calgary, Alberta	2011	68,382	100.0
207-209 9th Avenue S.W., Calgary, Alberta <sup>(4)</sup>	2007/2009	63,670	100.0
6227 2 <sup>nd</sup> Street S.E., Calgary, Alberta	1997	60,195	100.0
4124, 9 <sup>th</sup> Street S.E., Calgary, Alberta	2000	46,976	100.0
4411 6 <sup>th</sup> Street S.E., Calgary, Alberta	2006	40,845	100.0
4000 4th Street S.E. (Bldg 200), Calgary, Alberta	2009	38,933	96.4
720 28 <sup>th</sup> Street N.E., Calgary, Alberta	1979	36,902	100.0
3600 – 4000 Street S.E., Calgary, Alberta	2011	12,517	100.0
895 de la Gauchetière Street East, Montréal, Québec <sup>(5)</sup>	1943/1961/1981/ 1995/2005	1,704,325	99.9
3400 de Maisonneuve Blvd. West, Montréal, Québec <sup>(6)</sup>	1967/1988	999,794	92.4
1717 René-Lévesque East Blvd., Montréal, Québec	1981/1989	168,947	98.8
6777 de la Rive-Sud Blvd., Lévis, Québec	2007	80,378	100.0
888 Saint-Jean Street, Québec City, Québec	1980/2003	76,713	100.0
2405 Fernand-Lafontaine Blvd., Longueuil, Québec	2006	32,881	100.0
85 and 123 Halifax Street, Moncton, New Brunswick <sup>(7)</sup>	1961/1977	80,693	100.0
1199 St. George Blvd., Moncton, New Brunswick <sup>(7)</sup>	1996	60,000	100.0
134 Kent Street, Charlottetown, Prince-Edward-Island <sup>(8)</sup>	1980/1990	263,314	87.1
2 Morris Drive, Dartmouth, Nova Scotia <sup>(7)</sup>	1986	105,949	100.0
1741 Brunswick Street, Halifax, Nova Scotia	1987	101,149	96.9
1313 Barrington Street, Halifax, Nova Scotia	1986	28,410	82.4
11 Akerley Blvd., Dartmouth, Nova Scotia	1987	21,332	65.3
32 Akerley Blvd., Dartmouth, Nova Scotia	2008	14,446	100.0
		<b>4,441,277</b>	

**Retail**

<b>Address</b>	<b>Year Built/ Renovated</b>	<b>Leasable-Area (ft<sup>2</sup>)</b>	<b>% Leased</b>
600 Manning Crossing, Edmonton, Alberta <sup>(7)</sup>	2001	12,349	100.0



Address	Year Built/ Renovated	Leasable-Area (ft <sup>2</sup> )	% Leased
600 Mitchell Road S., Listowel, Ontario <sup>(7)</sup>	1995	80,005	100.0
129 Queensway East, Simcoe, Ontario <sup>(7)</sup>	1999	74,250	100.0
11 Rea St. N., Timmins, Ontario	1992	16,513	100.0
126 King St. W., Brockville, Ontario	1973	10,823	100.0
205 King St. E., Bowmanville, Ontario	1992	8,929	100.0
429-431 Kent St., Lindsay, Ontario	1989	6,238	100.0
1 Commerce Road, Lindsay, Ontario <sup>(7)</sup>	1983/1994	4,700	100.0
414 Old Highway #2, Trenton, Ontario <sup>(7)</sup>	1989	4,190	100.0
268 North Front St., Belleville, Ontario <sup>(7)</sup>	1979/1990	4,000	100.0
39 Warne Crescent, Kingston, Ontario <sup>(7)</sup>	1990	3,500	100.0
641 King St. E., Gananoque, Ontario <sup>(7)</sup>	1990	1,864	100.0
1600 Le Corbusier Blvd., Laval, Québec	1968/1991/1998 2001/2004/2006	699,685	97.3
825 Saint-Laurent St. W., Longueuil, Québec <sup>(9)</sup>	1981/1987/2002	397,600	99.6
3103 Royal Blvd., Shawinigan, Québec	1974/2006	223,821	92.5
1035-1135 Jean-Baptiste-Rolland Blvd. W., Saint-Jérôme, Québec	1998/2001/2003/ 2004	195,953	77.0
3310-3550 Côte-Vertu Blvd., Montréal, Québec	1960/1997/2002	189,015	92.1
5150-5200 de l'Ormière Blvd., Québec City, Québec	1978/1995/2005	159,138	98.9
1200 Place Nobel, Boucherville, Québec	1973/1997/2002	65,099	88.5
231-235 Sherbrooke St., Magog, Québec	1990/2001	59,009	96.8
353-357 and 379 des Bois-Francs Sud Blvd., Victoriaville, Québec	1990	46,101	84.4
600 Highway 116, Saint-Nicolas, Québec	1997	42,703	100.0
2310 St-Louis Street, Gatineau, Québec	1975/2003	42,689	100.0
2001 Victoria Ave., Saint-Lambert, Québec	1986	42,081	86.6
233-237 Saint-Jean-Baptiste Blvd., Châteauguay, Québec	1989	39,734	100.0
425-443 Adolphe-Chapleau St., Bois-des-Filion, Québec	1986	39,306	100.0
2110-2140 King St. E., Sherbrooke, Québec	1989/2003	31,135	78.7
2065-2071 Laurentian Autoroute, Vimont, Québec	1985	28,846	100.0
520 Saint-Joseph Blvd., Drummondville, Québec	1988	27,569	95.5
1165 Tremblay Rd., Longueuil, Québec	2003	24,875	100.0
3285 1 <sup>st</sup> Avenue, Rawdon, Québec	1990	24,041	86.6
3353-3493 Royal Blvd., Shawinigan, Québec	1988	23,548	86.4
20 Sainte-Anne Blvd. W., Ste-Anne-des-Monts, Québec	1986	23,380	100.0
947-955 Séminaire Blvd. N., St-Jean-sur-Richelieu, Québec	1972/1994	21,984	100.0
1460-1470 Mont-Royal Ave., Montréal, Québec	1939	21,867	100.0
3900-3918 St-Charles Blvd., Pierrefonds, Québec	1990	20,659	95.5
6455-6461 Christophe Colomb Ave., Montréal, Québec	1934	20,396	100.0
4916-4930 Saint-Jean Blvd., Montréal, Québec	1986/2004	20,153	88.6
8995-9021-9041 Saint-Michel Blvd., Montréal, Québec	1993/2002	18,945	100.0
400 des Saguenéens Street, Saguenay, Québec	1988	18,769	100.0
562-566 Saint-Charles-Borromée St. N., Joliette, Québec	2001	18,264	100.0
2722 Royal Blvd., Shawinigan, Québec	2003	16,744	100.0
7 Place du Commerce, Montréal, Québec	2004	16,650	89.5

Address	Year Built/ Renovated	Leasable-Area (ft <sup>2</sup> )	% Leased
1331-1363 Belvédère St. S., Sherbrooke, Québec	1988	15,717	100.0
405 Grand Blvd, Ile-Perrot, Québec	2001	15,619	83.6
5510 – 5520 Côte-des-Neiges, Montréal, Québec	1992	15,333	100.0
378-380 Harwood Blvd., Vaudreuil-Dorion, Québec	1996	14,165	100.0
230 des Bois-Francis Sud Blvd., Victoriaville, Québec	1985	8,318	100.0
1200 des Promenades Blvd., Saint-Bruno-de-Montarville, Québec	2002-2003	8,143	100.0
155 25 <sup>th</sup> Avenue, Saint-Eustache, Québec	1990	7,433	81.2
1075 Wilfrid-Hamel Blvd., Québec City, Québec <sup>(7)</sup>	1994/2004	6,576	100.0
4211-4219 Wellington St., Montréal, Québec <sup>(7)</sup>	1877	6,527	76.4
736 King St. E., Sherbrooke, Québec <sup>(7)</sup>	1986	6,000	100.0
3005 King St. W., Sherbrooke, Québec <sup>(7)</sup>	1981/1988	5,768	100.0
50 Lionel-Groulx Blvd., Sherbrooke, Québec <sup>(7)</sup>	1990/2005	4,847	100.0
20 Toulouse St., Granby, Québec <sup>(7)</sup>	1989	4,519	100.0
8 Bromont Blvd., Bromont, Québec <sup>(7)</sup>	1989/1993	4,398	0.0
121 Visitation Street, Saint-Charles-Borromée, Québec <sup>(7)</sup>	1991	4,100	100.0
484 25 <sup>th</sup> Avenue, Saint-Eustache, Québec <sup>(7)</sup>	1990/2006	4,100	100.0
670 Principale St., Sainte-Agathe-des-Monts, Québec <sup>(7)</sup>	1990	4,100	100.0
1837 Gascon St., Terrebonne, Québec <sup>(7)</sup>	1990	4,100	100.0
2054 Curé-Labelle Blvd., Saint-Jérôme, Québec <sup>(7)</sup>	1990	4,100	100.0
255 Crémazie Blvd. W., Montréal, Québec	1983	3,945	100.0
324 Curé-Labelle Blvd., Sainte-Thérèse, Québec <sup>(7)</sup>	1982/1996/2006	3,840	100.0
99 Saint-Jean-Baptiste Blvd., Chateauguay, Québec <sup>(7)</sup>	1991/2006	3,832	100.0
920 Douglas St., St-Jean-sur-Richelieu, Québec <sup>(7)</sup>	1991/2007	3,832	100.0
950 Jutras Blvd. E., Victoriaville, Québec <sup>(7)</sup>	1993/2007	3,800	100.0
1950 Léonard-De-Vinci St., Sainte-Julie, Québec <sup>(7)</sup>	1991/2006	3,800	100.0
170 Curé-Labelle Blvd., Rosemère, Québec <sup>(7)</sup>	1970/1981/2009	3,314	100.0
1095 Wilfrid-Hamel Blvd., Québec City, Québec <sup>(7)</sup>	2000	2,841	100.0
101 Arthur-Sauvé Blvd., Saint-Eustache, Québec <sup>(7)</sup>	1963/1995	2,508	100.0
2986 Saint-Charles Blvd., Montréal, Québec <sup>(7)</sup>	1974/1995	2,497	100.0
1300 St.Peter Ave., Bathurst, New Brunswick	1968/1989/1998	210,676	96.7
118 Wyse Road, Halifax, Nova Scotia	2006	117,187	93.9
231 J.D. Gauthier Blvd., Shippagan, New Brunswick	1960/1981	70,035	82.8
20 Record St., Moncton, New Brunswick <sup>(7)</sup>	1961/1976	51,438	100.0
950 Bedford Highway, Halifax, Nova Scotia	1994	23,794	100.0
11 Wright St., Sackville, New Brunswick	1997/2002	19,585	100.0
69-81 Cow Bay Road, Halifax, Nova Scotia	1991	14,456	100.0
619 Sackville Drive, Halifax, Nova Scotia	1992	10,003	88.7
24 Stavenger Drive, St. John's, Prince Edward Island <sup>(7)</sup>	1994	107,400	100.0
3 MacLean Court, Port Hawkesbury, Nova Scotia <sup>(7)</sup>	1987	17,259	100.0
846 Park St., Kentville, Nova Scotia <sup>(7)</sup>	1971/2005	14,700	100.0
		<b>3,681,724</b>	

**Industrial and multi-use**

<b>Address</b>	<b>Year Built/ Renovated</b>	<b>Leasable Area (ft<sup>2</sup>)</b>	<b>% Leased</b>
01-1873 First Avenue, Prince George, British Columbia	1967	78,818	86.0
640-820 28 <sup>th</sup> St. N.E., Calgary, Alberta	1979	138,038	96.3
114 Price St., Moncton, New Brunswick	1968/1972/1986	182,582	100.0
33 Henri Dunant St., Moncton, New Brunswick	1969	118,354	100.0
140 Commerce St., Moncton, New Brunswick	1996	65,600	100.0
22 Carr Crescent, Gander, Newfoundland	1982/1989	60,410	100.0
		<b>643,802</b>	
<b>Total Portfolio</b>		<b>8,766,803</b>	<b>96.2</b>

**Notes:**

(1) Canmarc completed the sale of this building on March 8, 2012.

(2) On December 31, 2011, Canmarc owned a 50% interest in this building and has since acquired the remaining 50%.

(3) Includes 273,247 square feet of office space and 41,969 square feet of retail space.

(4) Canmarc owns a 10% minority interest in this building through its investment in DEGI Homburg Harris Limited Partnership. Canmarc has a right of first refusal on the 90% interest of DEGI Homburg Harris Limited Partnership with respect to this building.

(5) Includes 625,876 square feet of office space, 89,018 square feet of retail space and 989,431 square feet of industrial and mixed-use space.

(6) Includes 610,348 square feet of office space and 389,446 square feet of retail space.

(7) Building with a single tenant.

(8) Includes 156,686 square feet of office space and 106,628 square feet of retail space.

(9) Includes 330,488 square feet of retail space and 67,112 square feet of office space.

Canmarc also owns 464 units in multi-residential buildings in Québec and the Atlantic Provinces.

Canmarc also completed the following acquisitions after December 31, 2011:

On January 11, 2012, Canmarc announced that it had signed agreements to purchase two retail buildings: Woodside Square in Toronto, Ontario and the Marché Jonquière in Jonquière, Québec, as well as the remaining 50% interest in the retail and office complex in the Scotia Centre, i.e. the interest it did not already hold, for a total consideration of \$213 million. Woodside Square is a 282,952 square foot retail centre purchased for \$59.25 million whereas Marché Jonquière is a 66,189 square foot retail centre purchased for \$13.76 million. The purchase price for the remaining 50% of the Scotia Centre was \$140 million. Canmarc completed the acquisitions of Woodside Square and Marché Jonquière on January 18, 2012, and the remaining 50% interest in the Scotia Centre on January 24, 2012.

**4.4.8 DESCRIPTION OF CERTAIN IMPORTANT PROPERTIES OF CANMARC**

A brief description of Canmarc's most important properties is set out below.

**CN Central Station Complex****895 De La Gauchetière Street West, Montréal, Québec**

The CN Central Station Complex, a 1,704,325 square foot mixed-use office, retail and industrial complex, is a true landmark in the heart Montréal's central business district. With close to 30 million visitors per year, the CN Central Station is the second busiest passenger train transportation facility in Canada and a major gateway to 60 kilometres of underground shopping and services in Montréal. This multi-modal transportation hub also hosts Via Rail, whose network links cities, towns and villages across Canada from the Atlantic to the Pacific oceans. Amtrak also operates from CN Central Station, with services between Montréal and New York City.

CN Central Station Complex houses CN's headquarter building, the passenger rail activities of VIA Rail Canada, l'Agence métropolitaine de Transport and Amtrak. It is the busiest passenger train transportation facility in Montréal and it is connected to Montréal's public transit and passenger train systems. The Complex is directly linked by pedestrian tunnels and corridors to neighbouring properties including Queen Elizabeth Hotel, Place Ville Marie, 800 René-Lévesque, 1000 De La Gauchetière, 1100 University, 1060 University and Place Bonaventure.

CN Central Station Complex is located in the heart of Montréal's downtown core. At surface level, CN Central Station Complex is located in the city block bounded by René-Lévesque Boulevard to the north, University Street to the east, De La Gauchetière Street to the south and Mansfield Street to the west. It extends underground over three city blocks from Cathcart Street at its northern limit to Saint-Antoine Street at its southern limit, with direct access to Montréal's underground pedestrian network, including access to public transit (including Bonaventure subway station).

CN Central Station Complex is composed of the following main elements:

- CN Central Station, which includes the Grand Hall, train platforms and sub-track levels. CN Central Station may be a candidate for a potential rail link between downtown Montréal and the Pierre-Elliott Trudeau International Airport;
- *Les Halles de la Gare*, which includes retail and commercial services, including a food court and major retail outlets;
- Two office towers, one comprising 17 storeys, the other one comprising two storeys; and
- An extensive strategically-located downtown parking facility for 1,623 cars.

CN Central Station's anchor tenant is the Canadian National Railway, whose head office is located within the Complex. Other major retail tenants include Staples Business Depot, Deli Planet Restaurant, McDonald's and Banque Nationale, while the major office tenants are the CN, Intelrad Medical Systems and HII. The CN office and industrial leases will mature in 2027 and 2037 respectively.

***Place Alexis-Nihon Complex***  
***3400 De Maisonneuve Boulevard West, Montréal, Québec***

The Place Alexis-Nihon Complex is a 999,794 square foot mixed-use office, retail and multi-residential complex built between 1967 and 1988 located in the west sector of Montréal's central business district. Place Alexis Nihon Complex provides direct access to the Atwater subway station.

Place Alexis Nihon has 1,080 sheltered parking spaces, being one space per 2000 square feet of leasable area. It is composed of a six level commercial podium, three levels of shopping concourse, three levels of parking, two office towers of ten and 18 storeys respectively, and a 27 floor multi-residential tower.

With direct access to Montréal's underground network, including access to public transit (including Atwater subway station), Place Alexis Nihon is located in the west sector of the Montréal business district, with exposure on Atwater Avenue, Sainte-Catherine Street West and De Maisonneuve Boulevard West.

Major retail tenants include Zellers, Canadian Tire, Winners, IGA, Sports Experts and Shoppers Drug Mart, while the major office tenants are RSM Richter Chamberland LLP, Hapag-Lloyd, KSH Solutions, DPMM, Le Groupe KWA and Xerox Canada.

***Centre Laval***  
***1600 Le Corbusier Boulevard, Laval, Québec***

Centre Laval is a prominent regional shopping centre located at 1600 Le Corbusier Boulevard in Laval. It is located at the intersection of Le Corbusier Boulevard and St-Martin Boulevard in Laval, and bordered by Highway 15, providing primary accessibility and visibility. It is also located within walking distance of the Montmorency subway station. Centre Laval was built in four phases between 1968 and 1991 and renovated between 1998 and 2006. Over \$27 million has been spent on expansions and renovations since 1999.

Centre Laval comprises 699,685 square feet of gross leasable area, including 9,792 square feet of ancillary office space, as well as over 3,150 outdoor parking spaces.

Benefiting from a diversified tenant mix, Centre Laval's significant tenants include Wal-Mart, The Brick, Best Buy, Future Shop, Staples Business Depot, Mark's Work Warehouse, Sports Experts, Société des Alcools du Québec, a Canadian

chartered bank, Librairie Renaud-Bray, Ultramar and The Bay. The leasable area includes a 134,377 square feet building owned by The Bay situated on land which is leased from Canmarc pursuant to an emphyteutic lease expiring in 2065. Canmarc will become the owner of the building at the end of such lease at no additional cost. Approximately 28% of the 576,349 square feet land on which the Centre Laval is erected is leased by Canmarc pursuant to an emphyteutic lease expiring in 2065.

***Place Longueuil***  
***825 Saint-Laurent Street W., Longueuil, Québec***

A significant enclosed shopping centre for the immediate and surrounding population, Place Longueuil serves at a strategic high density entry point into the growing and high-density South Shore of Montréal, the second largest suburban region in the Greater Montréal Area.

The centre is strategically located on the South Shore of the Saint Lawrence River, in close proximity to the Jacques-Cartier Bridge and the Victoria Bridge, important metropolitan highways and the Longueuil metro station, the only metro station serving the South Shore of Montréal.

Place Longueuil is located on 28.4 acres of land and comprises 397,600 square feet of gross leasable area, including 67,112 square feet of second floor office space, and 1,780 parking stalls.

***Scotia Centre***  
***700, 2nd Street S.W., Calgary, Alberta***

Scotia Centre is a 42-storey class "A" office tower with a 3-storey retail concourse prominently located in the heart of Calgary's financial and retail district.

The complex totals 630,431 square feet of gross leasable area, including 546,494 square feet of office space, 83,937 square feet of retail space and 84 tenant parking stalls. It is located directly across the street from Calgary's C-Train, a light rapid transit system.

The retail component of Scotia Centre represents 13.3% of the total leasable area of the complex, with 29 retail tenants. It connects directly to the Stephen Avenue pedestrian mall, which is lined with shops and restaurants, the CORE retail development and the Bay. The area attracts more than 250,000 people per week.

Scotia Centre houses Calgary's main branch of Scotiabank and from the building, shoppers and workers have easy access to Banker's Hall, and other buildings and shopping facilities in the area, by way of Calgary's 18-kilometre long network of elevated walkways and bridges known locally as the "+15" - the longest of its kind in the world.

The five largest tenants of Scotia Centre include Scotiabank, Gowlings, Shaw Cablesystems, NuVista Energy and Chinook Energy, who together occupy more than 60% of the building.

***Papineau-Lévesque Complex***  
***1717 René-Lévesque East Boulevard, Montréal, Québec***

Strategically situated within three kilometres of downtown, in Montréal's broadcasting district, the Papineau-Levesque Complex is comprised of two adjacent five storey office towers. The building is in close proximity to a metro station, with access to all major thoroughfares in the area as well as the Jacques-Cartier Bridge, one of Montréal's main access points.

The Papineau-Levesque Complex totals 168,947 square feet of gross leasable area, 1.1 acres of land and 267 parking stalls, 258 of which are underground. Five major tenants occupy approximately 75% of the gross leasable area of the building, with the average lease maturity of the total complex at just less than five years.

## 4.5 HYPOTHECS AND DEBENTURES

### 4.5.1 HYPOTHECS

The Portfolio of the REIT is conservatively leveraged, with predominantly fixed rate debt. As at December 31, 2011, the contractual weighted average interest rate pursuant to the Hypothecs was approximately 5.38% per annum and the weighted average term to maturity of the Hypothecs is approximately 4.8 years.

The following table summarizes the Immovable Hypothecs on the REIT's Properties:

<b>Properties<sup>(1)</sup></b>	<b>Balance as at December 31, 2011</b>	<b>Interest Rate</b>	<b>Maturity Date</b>
<b>HYPOTHECS - FIXED RATE</b>			
<b>OFFICE PROPERTIES</b>			
4635 1st Avenue, Québec City, Québec	\$1,833,377	5.30%	May 2017
5055 Wilfrid-Hamel Blvd. West, Québec City, Québec	\$1,269,640	5.35%	March 2022
5075 Wilfrid-Hamel Blvd. West, Québec City, Québec	\$1,864,433	5.83%	July 2021
2014 Cyrille-Duquet Street, Québec City, Québec	\$3,320,596	5.35%	March 2022
2200 Cyrille-Duquet Street, Québec City, Québec	\$1,680,595	5.30%	May 2017
455 du Marais Street, Québec City, Québec	\$3,548,480	5.35%	March 2022
3175 des Quatre-Bourgeois Road, Québec City, Québec	\$8,097,414	5.30%	May 2017
979 de Bourgogne Avenue, Québec City, Québec	\$3,993,132	5.75%	June 2018
150 René-Lévesque Blvd., Québec City, Québec	\$26,780,000	3.10%	December 2015
50 Président-Kennedy Road, Lévis, Québec	\$12,384,269	5.51%	July 2017
1265 Charest Blvd. West, Québec City, Québec	\$9,913,496	5.42%	April 2014
565-585 Charest Blvd. East, Québec City, Québec	\$7,267,026	5.00%	February 2015
255 Crémazie Blvd. East, Montréal, Québec	\$20,423,046	3.04%	July 2013
3400 Jean-Béraud Avenue, Laval, Québec	\$6,845,226	7.46%	October 2012
201 Laurier Avenue East, Montréal, Québec	\$14,514,233	5.30%	May 2017
375 Sir-Wilfrid-Laurier Blvd., Mont-Saint-Hilaire, Québec	\$4,021,063	6.68%	November 2018
325 Honorius-Charbonneau Blvd., Mont-Saint-Hilaire, Québec	\$1,286,740	6.68%	November 2018
8400 Décarie Blvd., Mont-Royal, Québec	\$11,070,638	5.55%	April 2016
4700 de la Savane Street, Montréal, Québec	\$3,833,163	8.16%	April 2012
455 Fénelon Blvd., Dorval, Québec	\$7,792,795	5.17%	February 2021
9900 Cavendish Blvd., Montréal, Québec	\$5,347,640	6.30%	March 2014
9999 Cavendish Blvd., Montréal, Québec	\$4,445,957	5.30%	December 2021
9960-9970 Côte-de-Liesse Road, Montréal, Québec	\$1,123,135	5.17%	February 2021
1 Place Laval, Laval, Québec	\$6,311,235	5.41%	March 2015
2 Place Laval, Laval, Québec	\$5,442,717	5.41%	March 2015
3 Place Laval, Laval, Québec	\$9,727,408	5.41%	March 2015
4 Place Laval, Laval, Québec	\$7,179,754	5.41%	March 2015
3080 Le Carrefour Blvd., Laval, Québec	\$7,585,062	5.41%	March 2015
3090 Le Carrefour Blvd., Laval, Québec	\$6,195,433	5.41%	March 2015
3100 Le Carrefour Blvd., Laval, Québec	\$7,179,754	5.41%	March 2015
2525 Daniel-Johnson Blvd., Laval, Québec	\$8,279,877	5.41%	March 2015
1111 Dr.-Frederik-Philips Blvd., Montréal, Québec	\$7,070,476	6.30%	October 2014

<b>Properties<sup>(1)</sup></b>	<b>Balance as at December 31, 2011</b>	<b>Interest Rate</b>	<b>Maturity Date</b>
3300 Côte-Vertu Blvd., Montréal, Québec	\$5,478,039	6.30%	October 2014
2001 McGill College Avenue, Montréal, Québec	\$90,982,719	5.41%	November 2013
5100 Sherbrooke Street East, Montréal, Québec	\$17,362,770	8.05%	December 2012
5100 Sherbrooke Street East, Montréal, Québec	\$18,660,695	4.62%	December 2012
120 de l'Hôpital Blvd., Gatineau, Québec	\$6,605,033	5.36%	April 2018
550 de la Cité Blvd., Gatineau, Québec	\$21,600,396	5.51%	December 2018
480 de la Cité Blvd., Gatineau, Québec	\$3,053,419	6.61%	July 2019
400 Cooper Street, Ottawa, Québec	\$9,403,112	5.19%	September 2015
400 Cooper Street, Ottawa, Québec	\$6,667,053	4.92%	September 2015
1113 Regent Street, Fredericton, New Brunswick	\$769,728	6.95%	March 2018
1115 Regent Street, Fredericton, New Brunswick	\$782,769	6.95%	March 2018
570 Queen Street, Fredericton, New Brunswick	\$5,695,500	5.80%	May 2016
570 Queen Street, Fredericton, New Brunswick	\$1,732,212	5.97%	August 2012
371 Queen Street, Fredericton, New Brunswick	\$1,509,295	7.15%	July 2013
371 Queen Street, Fredericton, New Brunswick	\$568,666	6.26%	July 2013
371 Queen Street, Fredericton, New Brunswick	\$1,148,916	6.19%	July 2013
565 Priestman Street, Fredericton, New Brunswick	\$1,967,137	6.39%	October 2014
565 Priestman Street, Fredericton, New Brunswick	\$518,080	5.97%	August 2012
1133 Regent Street, Fredericton, New Brunswick	\$5,564,203	6.68%	May 2013
1133 Regent Street, Fredericton, New Brunswick	\$1,718,701	5.97%	August 2012
65 Regent Street, Fredericton, New Brunswick	\$2,074,824	7.06%	August 2012
65 Regent Street, Fredericton, New Brunswick	\$689,996	5.97%	August 2012
81 Albert Street, Moncton, New Brunswick	\$5,635,862	7.25%	May 2023
81 Albert Street, Moncton, New Brunswick	\$781,266	7.75%	April 2021
1 Place Agar, Saint John, New Brunswick	\$4,987,558	4.80%	December 2029
<b>Sub-total</b>	<b>\$443,585,758</b>		
<b>RETAIL PROPERTIES</b>			
1371 Sainte-Foy Road, Québec City, Québec	\$534,735	5.30%	May 2017
5600 de la Rive-Sud Blvd., Lévis, Québec	\$699,308	5.83%	July 2021
1400 Saint-Jean-Baptiste Blvd., Québec City, Québec	\$5,118,177	5.30%	May 2017
245 Soumande Street, Québec City, Québec	\$6,087,760	5.35%	March 2022
8500 Henri-Bourassa Blvd., Québec City, Québec	\$25,484,151	3.04%	July 2013
355 du Marais Street, Québec City, Québec	\$2,485,911	5.83%	July 2021
325 du Marais Street, Québec City, Québec	\$4,685,364	5.83%	July 2021
1285-1297 Charest Blvd. West, Québec City, Québec	\$1,436,067	5.42%	April 2014
1275 Charest Blvd. West, Québec City, Québec	\$3,312,219	5.42%	April 2014
2600 Saint-Jean-Baptiste Avenue, Québec City, Québec	\$2,485,911	5.83%	July 2021
2800 Saint-Jean-Baptiste Avenue, Québec City, Québec	\$7,027,944	5.30%	May 2017
3000 Saint-Jean-Baptiste Avenue, Québec City, Québec	\$3,076,956	5.83%	July 2021
1479-1485 Saint-Bruno Blvd., Saint-Bruno-de-Montarville, Québec	\$530,801	6.94%	January 2019
1465, Saint-Bruno Blvd., Saint-Bruno-de-Montarville, Québec	\$1,021,277	6.94%	January 2019
1475, Saint-Bruno Blvd., Saint-Bruno-de-Montarville, Québec	\$4,548,428	6.94%	January 2019

<b>Properties<sup>(1)</sup></b>	<b>Balance as at December 31, 2011</b>	<b>Interest Rate</b>	<b>Maturity Date</b>
1495, Saint-Bruno Blvd., Saint-Bruno-de-Montarville, Québec	\$2,128,964	6.94%	January 2019
800 Claude-Jutras Blvd., Saint-Bruno-de-Montarville, Québec	\$2,647,392	5.72%	January 2019
239 Samson Blvd., Laval, Québec	\$4,763,393	3.04%	July 2013
2101-2137 Curé-Labelle Blvd., Laval, Québec	\$5,036,441	6.85%	January 2013
2790 Jacques-Cartier Blvd., Longueuil, Québec	\$2,979,237	5.30%	May 2017
2761 Jacques-Cartier Blvd., Longueuil, Québec	\$993,079	5.30%	May 2017
340-360 Sir-Wilfrid-Laurier Blvd., Mont-Saint-Hilaire, Québec	\$1,930,110	6.68%	November 2018
370-380 Sir-Wilfrid-Laurier Blvd., Mont-Saint-Hilaire, Québec	\$2,895,165	6.68%	November 2018
345-365 Honorius-Charbonneau Blvd., Mont-Saint-Hilaire, Québec	\$5,146,960	6.68%	November 2018
377-383 Sir-Wilfrid-Laurier Blvd., Mont-Saint-Hilaire, Québec	\$804,213	6.68%	November 2018
360 Pleasant Street, Miramichi, New Brunswick	\$1,794,698	5.40%	March 2015
900 Hornwell Road, Fredericton, New Brunswick	\$4,358,785	5.21%	March 2013
146-154 Main Street, Fredericton, New Brunswick	\$598,492	6.39%	August 2014
403-415 Elmwood Drive, Moncton, New Brunswick	\$1,365,261	5.72%	June 2014
<b>Sub-total</b>	<b>\$105,977,199</b>		
<b>INDUSTRIAL AND MIXED-USE PROPERTIES</b>			
2385 Watt Street, Québec City, Québec	\$1,986,158	5.30%	May 2017
830 Godin Avenue, Québec City, Québec	\$1,607,645	3.04%	July 2013
1990 Cyrille-Duquet Street, Québec City, Québec	\$4,965,395	5.30%	May 2017
2010 Lavoisier Street, Québec City, Québec	\$2,444,502	5.30%	May 2017
2022 Lavoisier Street, Québec City, Québec	\$2,673,674	5.30%	May 2017
2025 Lavoisier Street, Québec City, Québec	\$1,367,304	5.35%	March 2022
5130 Rideau Street, Québec City, Québec	\$979,031	5.83%	July 2021
1515 Saint-Jean-Baptiste Avenue, Québec City, Québec	\$2,485,911	5.83%	July 2021
955 Saint-Jean-Baptiste Avenue, Québec City, Québec	\$1,524,218	5.51%	July 2017
2020 Cyrille-Duquet Street, Québec City, Québec	\$1,432,414	5.35%	March 2022
2100 Cyrille-Duquet Street, Québec City, Québec	\$1,190,795	5.51%	July 2017
2150 Cyrille-Duquet Street, Québec City, Québec	\$979,031	5.83%	July 2021
2180 Cyrille-Duquet Street, Québec City, Québec	\$828,637	5.83%	July 2021
100 Chabot Street, Québec City, Québec	\$1,398,616	5.83%	July 2021
1730-1790 Newton Avenue, Québec City, Québec	\$1,986,158	5.30%	May 2017
4600 Sainte-Anne Blvd., Québec City, Québec	\$1,035,796	5.83%	July 2021
625 des Canetons Street, Québec City, Québec	\$1,118,893	5.83%	July 2021
4975 Rideau Street, Québec City, Québec	\$1,450,115	5.83%	July 2021
2755 Dalton Avenue, Québec City, Québec	\$759,584	5.83%	July 2021
120 de New York Street, Saint-Augustin-de-Desmaures, Québec	\$2,807,671	5.75%	June 2018
650 Godin Avenue, Québec City, Québec	\$7,902,182	5.83%	July 2021
625 Godin Avenue, Québec City, Québec	\$2,597,284	5.30%	May 2017
579 Godin Avenue, Québec City, Québec	\$1,204,443	5.42%	April 2014
2700 Jean-Perrin Street, Québec City, Québec	\$6,763,716	5.51%	July 2017
2181-2211 Léon-Harmel Street, Québec City, Québec	\$2,767,164	5.35%	March 2022
1540 Cyrille-Duquet Street, Québec City, Québec	\$714,477	5.51%	July 2017



<b>Properties<sup>(1)</sup></b>	<b>Balance as at December 31, 2011</b>	<b>Interest Rate</b>	<b>Maturity Date</b>
445 Saint-Jean-Baptiste Avenue, Québec City, Québec	\$4,785,565	5.35%	March 2022
500 Saint-Jean-Baptiste Avenue, Québec City, Québec	\$2,857,908	5.51%	July 2017
5275 Wilfrid-Hamel West Blvd., Québec City, Québec	\$1,188,824	5.83%	July 2021
1670 Semple Street, Québec City, Québec	\$3,048,435	5.51%	July 2017
450 Saint-Jean-Baptiste Avenue, Québec City, Québec	\$2,143,431	5.51%	July 2017
2500 Jean-Perrin Street, Québec City, Québec	\$4,382,126	5.51%	July 2017
2600 Jean-Perrin Street, Québec City, Québec	\$2,953,172	5.51%	July 2017
1041 Pierre-Bertrand Blvd., Québec City, Québec	\$4,447,176	5.42%	April 2014
989-999 Pierre-Bertrand Blvd., Québec City, Québec	\$1,369,475	3.04%	July 2013
955 Pierre-Bertrand Blvd., Québec City, Québec	\$2,917,578	3.04%	July 2013
1075 des Basses-Terres Street, Québec City, Québec	\$1,737,178	5.42%	April 2014
235 Fortin Street, Québec City, Québec	\$1,111,794	5.42%	April 2014
275 Métivier Street, Québec City, Québec	\$1,396,788	5.87%	July 2014
300 Métivier Street, Québec City, Québec	\$912,568	5.87%	July 2014
1775 Léon-Harmel Street, Québec City, Québec	\$897,690	5.83%	July 2021
795 Craig Street, Saint-Romuald, Québec	\$992,172	5.36%	April 2018
1010 Godin Avenue, Québec City, Québec	\$2,478,600	5.05%	January 2014
8288 Pie-IX Blvd., Montréal, Québec	\$4,212,238	5.83%	July 2021
1455 32nd Avenue, Montréal, Québec	\$1,627,743	5.35%	March 2022
1475 32nd Avenue, Montréal, Québec	\$2,681,833	5.87%	July 2014
9100 du Parcours Street, Montréal, Québec	\$6,144,503	5.51%	July 2017
10550 Parkway Blvd., Montréal, Québec	\$1,270,633	9.13%	January 2012
2105 Dagenais West Blvd., Laval, Québec	\$2,782,362	6.79%	May 2014
894-930 Bergar Street, Laval, Québec	\$968,440	5.87%	July 2014
901-937 Michelin Street, Laval, Québec	\$1,266,421	5.87%	July 2014
3370-3418 Industrial Blvd., Laval, Québec	\$1,769,265	5.87%	July 2014
3424-3428 Francis-Hugues Avenue, Laval, Québec	\$690,531	5.83%	July 2021
40 du Tremblay Road, Boucherville, Québec	\$5,344,973	5.75%	June 2018
2325 de la Province Street, Longueuil, Québec	\$1,471,284	5.87%	July 2014
667-687 Giffard Street, Longueuil, Québec	\$1,726,327	5.83%	July 2021
784-818 Guimond Blvd., Longueuil, Québec	\$2,977,120	3.04%	July 2013
9101-9175 des Sciences Blvd., Montréal, Québec	\$2,902,847	5.30%	May 2017
1675 Montarville Blvd., Boucherville, Québec	\$4,658,653	5.75%	June 2018
5250 Armand-Frappier Street, Longueuil, Québec	\$2,868,072	5.87%	July 2014
1405-1475 55th Avenue, Dorval, Québec	\$3,524,753	5.51%	July 2017
4500 Louis-B.-Mayer Street, Laval, Québec	\$1,958,063	5.83%	July 2021
2900-2976 Joseph-A.-Bombardier Street, Laval, Québec	\$6,034,865	5.30%	May 2017
4451-4479 Laval Highway, Laval, Québec	\$8,021,023	5.30%	May 2017
330 Avro Street, Pointe-Claire, Québec	\$687,565	8.35%	March 2013
19701 Clark-Graham Avenue, Baie-d'Urfé, Québec	\$7,250,573	5.83%	July 2021
11000 Parkway Blvd., Montréal, Québec	\$6,348,199	5.35%	March 2022
2156-2168 de la Province Street, Longueuil, Québec	\$1,700,867	5.36%	April 2018
2170 de la Province Street, Longueuil, Québec	\$935,477	5.36%	April 2018

<b>Properties<sup>(1)</sup></b>	<b>Balance as at December 31, 2011</b>	<b>Interest Rate</b>	<b>Maturity Date</b>
715 Delage Street, Longueuil, Québec	\$1,700,867	5.36%	April 2018
3600 Matte Blvd., Brossard, Québec	\$1,502,432	5.36%	April 2018
3650 Matte Blvd., Brossard, Québec	\$2,834,778	5.36%	April 2018
115 de Vaudreuil Street, Boucherville, Québec	\$935,477	5.36%	April 2018
3071-3075 Louis-A.-Amos Street, Montréal, Québec	\$4,220,624	6.46%	July 2014
1615-1805 55th Avenue, Dorval, Québec	\$7,568,857	5.36%	April 2018
3339-3403 Griffith Street, Montréal, Québec	\$4,555,219	5.17%	February 2021
8100 Cavendish Blvd., Montréal, Québec	\$3,166,109	5.17%	February 2021
1949 Onésime-Gagnon Street, Montréal, Québec	\$2,049,077	6.46%	July 2014
2260 32nd Avenue, Montréal, Québec	\$3,993,132	5.75%	June 2018
2102-2150 32th Avenue, Montréal, Québec	\$3,571,820	5.36%	April 2018
2024-2080 32th Avenue, Montréal, Québec	\$1,579,540	6.46%	July 2014
6320-6380 Côte-de-Liesse Road, Montréal, Québec	\$2,433,580	5.17%	February 2021
1925-1975 Hymus Blvd., Laval, Québec	\$3,574,869	5.17%	February 2021
80-140 Lindsay Avenue, Dorval, Québec	\$1,653,135	5.17%	February 2021
8411-8453 Dalton Road, Mount-Royal, Québec	\$1,054,441	5.17%	February 2021
8459-8497 Dalton Road, Mount-Royal, Québec	\$1,416,225	5.17%	February 2021
8545-8579 Dalton Road, Mount-Royal, Québec	\$1,559,950	5.17%	February 2021
8605-8639 Dalton Road, Mount-Royal, Québec	\$1,310,364	5.17%	February 2021
7075 Place Robert-Joncas, Montréal, Québec	\$8,280,736	6.30%	October 2014
1225 Volta Street, Boucherville, Québec	\$5,197,178	5.17%	February 2021
2000 Halpern Street, Montréal, Québec	\$16,038,114	4.51%	September 2015
1111 46th Avenue, Montréal, Québec	\$3,333,740	4.98%	July 2015
1200 55th Avenue, Montréal, Québec	\$2,272,109	5.87%	July 2014
243 Hymus Blvd., Pointe-Claire, Québec	\$1,168,367	4.84%	January 2012
2555 Pitfield Blvd., Montréal, Québec	\$3,982,602	4.84%	January 2012
72 du Tremblay Road, Boucherville, Québec	\$3,017,063	5.87%	July 2014
2745 Francis-Hughes Avenue, Laval, Québec	\$1,020,600	5.05%	January 2014
4141-4145 440 West Highway, Laval, Québec	\$6,945,160	5.20%	February 2015
291 Industrial Drive, Saint-John, New Brunswick	\$1,395,494	6.39%	July 2020
385, Wilsey Road, Fredericton, New Brunswick	\$1,125,103	5.37%	March 2015
1080 Champlain Street, Dieppe, New Brunswick	\$2,024,614	5.21%	December 2013
140 MacNaughton Avenue, Moncton, New Brunswick	\$1,889,991	6.72%	March 2018
245 Hilton Road, Fredericton, New Brunswick	\$529,455	5.37%	March 2015
727 Wilsey Road, Fredericton, New Brunswick	\$540,582	6.75%	October 2013
749 Wilsey Road, Fredericton, New Brunswick	\$363,643	5.15%	July 2012
<b>Sub-Total</b>	<b>\$289,581,773</b>		

**Hypothecs - Floating Interest Rate**

None

**Total Hypothecs****\$839,144,730****5.38%**

Properties <sup>(1)</sup>	Balance as at December 31, 2011	Interest Rate	Maturity Date
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**Note:**

(1) With respect to loans which are secured by a basket of properties, the information in this table reflects the REIT's allocation of such hypothecary loans to each particular property within the basket.

The following table shows the REIT's mortgage repayments for the coming periods, and other related information:

**Repayments of Mortgages Payable**

12 month Fiscal Year Ending December 31	Repayment of Principal	Repayment of Balances at Maturity	Total	Weighted Average Rate <sup>(1)</sup>
2012	25,377,879	58,073,188	83,451,067	6.44%
2013	22,527,590	162,657,961	185,185,551	4.69%
2014	18,291,262	74,192,635	92,483,897	5.97%
2015	15,124,316	127,255,761	142,380,077	4.74%
2016	13,799,853	11,517,938	25,317,791	5.65%
2017 and beyond	44,861,799	265,464,548	310,326,347	5.54%
<b>Total</b>	<b>139,982,699</b>	<b>699,162,031</b>	<b>839,144,730</b>	

**Note:**

(1) Calculated on balances at maturity

Weighted average interest rate of mortgages as at December 31, 2011 5.38%

Weighted average remaining period of mortgages 4.8 years

**Note:** As at December 31, 2011, the REIT's indebtedness excluding the debentures was 30.8% of book value.

Canmarc's portfolio is conservatively leveraged, with predominantly fixed rate debt. As at December 31, 2011, the contractual weighted average interest rate pursuant to the Hypothecs was approximately 5.43% per annum and the weighted average term to maturity of the Hypothecs is approximately 4.0 years.

The following table summarizes the Immovable Hypothecs on Canmarc's Properties:

Properties	Balance as at December 31, 2011	Interest Rate	Maturity Date
1313 Barrington Street, Halifax, Nova Scotia	3,392,104	6.56 F	October 2013
2 Morris Drive, Dartmouth, Nova Scotia <sup>(2)</sup>	1,640,681	2.98 F	April 2012
11 Akerley Blvd., Dartmouth, Nova Scotia <sup>(2)</sup>	-		
1199 St. George Blvd., Moncton, New Brunswick	125,587	5.01 F	March 2012
1741 Brunswick Street, Halifax, Nova Scotia	5,066,020	5.70 F	March 2015
1300 St-Peter Avenue, Bathurst, New Brunswick	6,616,682	5.83 F	August 2012
231 J.D. Gauthier Blvd., Shippagan, New Brunswick	527,650	7.25 F	October 2012
3 MacLean Court, Port Hawkesbury, Nova Scotia <sup>(3)</sup>	9,838,209	6.91 F	February 2013
11 Wright Street, Sackville, New Brunswick <sup>(3)</sup>	-		
33 Henri Dunant Street, Moncton, New Brunswick <sup>(3)</sup>	-		
20 Records Street, Moncton, New Brunswick <sup>(3)</sup>	-		
114 Price Street, Moncton, New Brunswick <sup>(3)</sup>	-		

<b>Properties</b>	<b>Balance as at December 31, 2011</b>	<b>Interest Rate</b>	<b>Maturity Date</b>
22 Carr Crescent, Gander, Newfoundland <sup>(3)</sup>	-		
118 Wyse Road, Halifax, Nova Scotia	3,791,805	6.40 F	February 2014
4124, 9 <sup>th</sup> Street S.E., Calgary, Alberta	4,474,665	4.31 F	September 2021
600 Manning Crossing, Edmonton, Alberta	646,362	6.45 F	August 2012
950 Bedford Highway, Halifax, Nova Scotia	1,073,761	6.04 F	January 2013
619 Sackville Drive, Sackville, Nova Scotia	679,979	6.00 F	May 2012
69-81 Cow Bay Road, Halifax, New Brunswick	349,949	6.00 F	May 2012
129 Queensway East, Simcoe, Ontario	3,821,848	5.76 F	March 2015
600 Mitchell Road S., Listowel, Ontario	4,108,486	5.76 F	March 2015
99 Saint-Jean-Baptiste Blvd., Chateauguay, Québec <sup>(4)</sup>	4,032,922	6.27 F	March 2014
121 de la Visitation Street, Saint-Charles-Borromée, Québec <sup>(4)</sup>			
324 Curé-Labelle Blvd., Sainte-Thérèse, Québec <sup>(4)</sup>	-		
484, 25 <sup>e</sup> Avenue, Saint-Eustache, Québec <sup>(4)</sup>	-		
670 Main Street, Sainte-Agathe-des-Monts, Québec <sup>(4)</sup>	-		
920 Douglas Street, St-Jean-sur-Richelieu, Québec <sup>(4)</sup>	-		
950 Jutras Blvd. East, Victoriaville, Québec <sup>(4)</sup>	-		
1837, chemin Gascon, Terrebonne, Québec <sup>(4)</sup>	-		
1950 Léonard-De-Vinci Street, Sainte-Julie, Québec <sup>(4)</sup>	-		
2054 Curé-Labelle Blvd., Saint-Jérôme, Québec <sup>(4)</sup>	-		
4411 6 <sup>th</sup> Street S.E., Calgary, Alberta	5,762,566	4.75 F	July 2016
101 Arthur-Sauvé Blvd., Saint-Eustache, Québec <sup>(5)</sup>	2,188,017	4.06 F	October 2016
170 Curé-Labelle Blvd., Rosemère, Québec <sup>(5)</sup>	-		
255 Crémazie Blvd. West, Montréal, Québec <sup>(5)</sup>	-		
2986 Saint-Charles Blvd., Montréal, Québec <sup>(5)</sup>	-		
3103 Royal Blvd., Shawinigan, Québec	9,740,466	6.25 F	April 2014
3353-3493 Royal Blvd., Shawinigan, Québec	852,720	6.25 F	January 2014
230 des Bois-Francis Blvd. South, Victoriaville, Québec	1,492,377	6.08 F	September 2013
736 King Street East, Sherbrooke, Québec	1,311,490	6.08 F	September 2013
3005 King Street West, Sherbrooke, Québec	1,718,491	6.08 F	September 2013
895 de la Gauchetière Street East, Montréal, Québec	242,000,000	5.67 F	February 2018
3310-3550 de la Côte-Vertu Blvd., Montréal, Québec	12,293,803	6.30 F	October 2014
1165 chemin du Tremblay, Longueuil, Québec	4,421,079	5.77 F	June 2021
1200 des Promenades Blvd., Saint-Bruno-de-Montarville, Québec	1,857,804	5.77 F	June 2021
1600 Le Corbusier Blvd., Laval, Québec	27,450,986	6.53 F	February 2012
1035-1135 Jean-Baptiste-Rolland Blvd. West, Saint-Jérôme, Québec	14,334,082	6.33 F	June 2014
1200 Place Nobel, Boucherville, Québec	3,118,652	6.25 F	September 2015
3400 de Maisonneuve Blvd. West, Montréal, Québec	129,106,075	5.16 F	May 2013
535 Yates Street, Victoria, British Columbia	167,261	6.12 F	December 2013
1801-1873 First Avenue, Prince George, British Columbia	205,527	5.54 F	November 2012
700, 2 <sup>nd</sup> Street S.W., Calgary, Alberta	68,716,263	4.60 F	May 2018
4000 4th Street S.E. (Bldg 200), Calgary, Alberta <sup>(6)</sup>	24,350,736	3.77 F	November 2016
4000 4th Street S.E. (Bldg 300), Calgary, Alberta <sup>(6)</sup>	-		
3600 – 4000 Street S.E., Calgary, Alberta <sup>(6)</sup>	-		
7 Place du Commerce, Montréal, Québec	2,768,240	6.23 F	September 2013
825 Saint-Laurent Street West, Longueuil, Québec	42,192,918	5.28 F	April 2015
6777 de la Rive-Sud Blvd., Lévis, Québec	6,434,899	6.30 F	September 2015

Properties	Balance as at December 31, 2011	Interest Rate	Maturity Date
6777 de la Rive-Sud Blvd., Lévis, Québec	1,429,488	4.13 V	August 2030
888 Saint-Jean Street, Québec City, Québec	3,538,341	4.16 F	May 2013
2405 Fernand-Lafontaine Blvd., Longueuil, Québec	2,360,948	6.64 F	May 2017
1717 René-Lévesque East Blvd., Montréal, Québec	17,700,085	5.24 F	January 2021
5150-5200 de l'Ornière Blvd., Québec City, Québec	6,089,090	7.53 F	July 2012
134 Kent Street, Charlottetown, Prince-Edward-Island	3,292,442	5.85 F	May 2018
134 Kent Street, Charlottetown, Prince-Edward-Island	2,029,897	5.85 F	May 2018
134 Kent Street, Charlottetown, Prince-Edward-Island	9,311,722	4.00 F	September 2016
134 Kent Street, Charlottetown, Prince-Edward-Island	4,817,927	4.00 F	January 2016
846 Park, Kentville, Nova Scotia	709,920	4.92 V	June 2016
2065-2071 Laurentian Blvd., Vimont, Québec <sup>(7)</sup>	35,863,295	5.22 F	December 2015
4211-4219 Wellington Street, Montréal, Québec <sup>(7)</sup>	-		
3285 1st Avenue, Rawdon, Québec <sup>(7)</sup>	-		
2110-2140 King East Street, Sherbrooke, Québec <sup>(7)</sup>	-		
231-235 Sherbrooke Street, Magog, Québec <sup>(7)</sup>	-		
3900-3918 St-Charles Blvd., Pierrefonds, Québec <sup>(7)</sup>	-		
400 des Saguenéens Street, Saguenay, Québec <sup>(7)</sup>	-		
425-443 Adolphe-Chapleau Street, Bois-des-Filion, Québec <sup>(7)</sup>	-		
520 Saint-Joseph Blvd., Drummondville, Québec <sup>(7)</sup>	-		
2001 Victoria Avenue, Saint-Lambert, Québec <sup>(7)</sup>	-		
8995-9021-9041 Saint-Michel Blvd., Montréal, Québec <sup>(7)</sup>	-		
11 Rea N. Street, Timmins, Ontario <sup>(7)</sup>	-		
20 Sainte-Anne West Blvd., Ste-Anne-des-Monts, Québec <sup>(7)</sup>	-		
2722 Royal Blvd., Shawinigan, Québec <sup>(7)</sup>	-		
353-357 and 379 des Bois-Francis South Blvd., Victoriaville, Québec <sup>(8)</sup>	38,246,433	5.22 F	December 2015
1331-1363 Belvédère Street S., Sherbrooke, Québec <sup>(8)</sup>	-		
947-955 du Séminaire Blvd. N., St-Jean-sur-Richelieu, Québec <sup>(8)</sup>	-		
233-237 Saint-Jean-Baptiste Blvd., Châteauguay, Québec <sup>(8)</sup>	-		
5510-5520 Côte-des-Neiges Road, Montréal, Québec <sup>(8)</sup>	-		
1460-1470 Mont-Royal Avenue, Montréal, Québec <sup>(8)</sup>	-		
6455-6461 Christophe Colomb Avenue, Montréal, Québec <sup>(8)</sup>	-		
4916-4930 Saint-Jean Blvd., Montréal, Québec <sup>(8)</sup>	-		
405 Grand Blvd., Ile-Perrot, Québec <sup>(8)</sup>	-		
378-380 Harwood Blvd., Vaudreuil-Dorion, Québec <sup>(8)</sup>	-		
562-566 Saint-Charles-Borromée North Street, Joliette, Québec <sup>(8)</sup>	-		
600 116 Road, Saint-Nicolas, Québec <sup>(8)</sup>	-		
2310 St-Louis Street, Gatineau, Québec <sup>(8)</sup>	-		
126 King Street W., Brockville, Ontario <sup>(8)</sup>	-		
205 King Street E., Bowmanville, Ontario <sup>(8)</sup>	-		
	<b>777,787,845</b>		

**Notes:**

(1) F= fixed rate, V = variable rate

(2) These two properties are the security granted under the mortgage.

(3) These seven properties are the security granted under the mortgage.

(4) These ten properties are the security granted under the mortgage.

(5) These four properties are the security granted under the mortgage.

(6) These three properties are the security granted under the mortgage.

(7) These fourteen properties are the security granted under the mortgage.

Properties	Balance as at December 31, 2011	Interest Rate	Maturity Date
<i>(8) These fifteen properties are the security granted under the mortgage.</i>			

The following table shows Canmarc's mortgage repayments for the coming periods, and other related information:

<b>Repayments of Mortgages Payable</b>					
Fiscal years ending December 31	Repayment of Principal	Repayment of Balances at Maturity	Total	Weighted Average Rate <sup>(1)</sup>	
2012	20,007,282	48,435,492	68,442,774	6.47%	
2013	17,411,984	148,399,159	165,811,143	5.88%	
2014	15,016,445	34,222,840	49,239,285	6.77%	
2015	12,587,157	124,379,506	136,966,664	5.50%	
2016	10,425,982	40,257,132	50,683,114	4.43%	
2017 and beyond	14,838,100	291,806,763	306,644,863	5.47%	
<b>Total</b>	<b>90,286,951</b>	<b>657,500,893</b>	<b>777,787,843</b>	<b>5.43%</b>	

**Note:**

*(1) Calculated on balances at maturity*

Weighted average interest rate of mortgages as at December 31, 2011	5.43%
Weighted average remaining period of mortgages	4.0 years

**Note:** As at December 31, 2011, Canmarc's indebtedness was 50.8% of book value.

## 4.5.2 DEBENTURES

The following table presents the features of Cominar's unsecured convertible subordinated Debentures and the balances as at December 31, 2011:

	Series A	Series B	Series C	Series D	Series E	Total
Contractual Interest rate	6.30%	5.70%	5.80%	6.50%	5.75%	
Issue date	September 2004	May 2007	October 2007	September 2009	January 2010	
Conversion price per unit	\$17.40	\$27.50	\$25.25	\$20.50	\$25.00	
Interest payment date	June 30 and December 31	June 30 and December 31	March 31 and September 30	March 31 and September 30	June 30 and December 31	
Date of redemption at Cominar's election	June 2008	June 2010	September 2010	September 2012	June 2013	
Maturity date	June 2014	June 2014	September 2014	September 2016	June 2017	
Balance as at December 31, 2011	\$14,949,000	\$80,500,000	\$110,000,000	\$100,772,000	\$86,250,000	<b>\$392,471,000</b>

**Note:** *As at December 31, 2011, the REIT's indebtedness excluding the debentures was 44.6% of its book value.*

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Given the distribution of securities completed on February 28, 2012 for net proceeds of approximately \$192.9 million, their allocation and the completion of the acquisition of Canmark, the REIT's indebtedness and other developments since December 31, 2011, the REIT's indebtedness is approximately 54.5% of its book value.

## PART 5 – CAPITALIZATION

The following table shows the REIT's capitalization as at December 31, 2011.

Capitalization	As at December 31, 2010
	(\$000)
Hypothecs	840,558
Debentures	<u>382,060</u>
<b>Total Long-Term Debt</b>	<b>1,222,618</b>
Market Capitalization <sup>(1)</sup>	1,697,439
<b>Total Capitalization</b>	<b>2,920,057</b>
<b>Long-Term Debt As % of Total Capitalization</b>	<b>41.9%</b>

**Note:**  
*(1) Based on 77,051,260 Units outstanding and a Unit price of \$22.03*

## PART 6 – NON-COMPETITION AGREEMENT

### 6.1 GENERAL

The corporations and partnerships comprising the Dallaire Group (collectively referring to AM Total Investissement (SENC), Dallaire Group inc. (formerly "Corporation financière Alpha (CFA) inc."), 6839673 Canada inc., Dallaire immobilier inc. (formerly "Société de développement Alpha (SDA) inc."), 9205-8460 Québec inc., 2542-4276 Québec inc., 9093-1841 Québec inc. and 7045441 Canada Inc.), Michel Dallaire and Alain Dallaire entered into a Non-Competition Agreement with the REIT, which restricts certain real estate related activities by them and their spouses (collectively the "Restricted Group").

### 6.2 SCOPE OF RESTRICTIONS AND RIGHT OF FIRST REFUSAL

Except as provided in the Non-Competition Agreement, each member of the Restricted Group will be prohibited from investing in office, retail, industrial or mixed-use Properties in Canada unless the REIT has been offered such investment in accordance with the terms of the Non-Competition Agreement. The Non-Competition Agreement provides that each member of the Restricted Group, during the term of any lease of a tenant occupying a rental space of more than 10,000 square feet in a property of the REIT or within 60 days of the expiry of such lease, may not solicit such tenant to move to a building in which the REIT does not have an interest. The foregoing restriction does not apply to a tenant which no longer wishes to deal with the REIT for the space in question, or to a tenant which has contacted a member of the Restricted Group of its own initiative and without being solicited, or a tenant which the REIT has allowed in writing to be solicited by a member of the Restricted Group.

Except to the extent provided for in the Non-Competition Agreement, the Non-Competition Agreement provides for a right of first refusal in favour of the REIT with respect to any proposed sale of any office, retail, industrial or mixed-use property owned by



any member of the Restricted Group pursuant to a third party offer to purchase which such member is prepared to accept, for the same price and on the same terms and conditions as such third party offer to purchase.

### **6.3 DURATION OF RESTRICTIONS**

The Non-Competition Agreement specifies when the restrictions will end. The restrictions cease to apply to the limited group on the earlier of the following events: i) the date on which the Dallaire Group, directly or indirectly, ceases to own, in the aggregate, at least 10% of the outstanding Units of the REIT or ii) upon the occurrence of an acquisition event as defined in the Non-Competition Agreement, such an event being likened to a change of control of the REIT.

Michel Dallaire and Alain Dallaire cease to be bound by the restrictions in the Non-Competition Agreement upon the occurrence of the later of the following events: (i) the date he ceases to be a Trustee, officer or employee of the REIT; or (ii) the earlier of the following events: (a) the date on which he ceases to have an interest in the Dallaire Group, whether as a shareholder, director or officer of a corporation comprising the Dallaire Group or as a partner of a partnership comprising the Dallaire Group; or (b) the date the Dallaire Group ceases to own, in the aggregate, at least 10% of the outstanding Units. Upon Michel Dallaire or Alain Dallaire ceasing to be bound by such restrictions, his spouse will also cease to be so bound.

As at March 30, 2012, the Dallaire Group held approximately 9.7% of the outstanding Units.

## **PART 7 – RISK FACTORS**

The activities of the REIT and an investment in Units or Debentures involve certain risks. Investors should carefully consider, in light of their own financial circumstances, the factors set out below as well as other information contained or incorporated by reference in this AIF.

### **7.1 RISK FACTORS RELATED TO THE BUSINESS OF THE REIT**

#### **7.1.1 ACCESS TO CAPITAL AND DEBT FINANCING, AND CURRENT GLOBAL FINANCIAL CONDITIONS**

The real estate industry is highly capital intensive. The REIT will require access to capital to maintain its properties, as well as to fund its growth strategy and significant capital expenditures from time to time. There can be no assurances that the REIT will have access to sufficient capital (including debt financing) or access to capital (including debt financing) on terms favourable to the REIT for future property acquisitions and improvements, financing or refinancing of properties, funding operating expenses or other purposes. In addition, the REIT may not be able to borrow funds under its credit facilities due to the limitations on the incurrence of debt by the REIT set forth in the Contract of Trust. Failure by the REIT to access required capital could adversely impact the REIT's financial condition and results of operations and decrease the amount of cash available for distribution.

Market events and conditions, including disruptions in the international and regional credit markets and other financial systems and the deterioration of global economic conditions, could impede the REIT's access to capital (including debt financing) or increase the cost of capital (including debt financing). Continued concerns about the uncertainty over the economy, including whether the economy will, in the future, be adversely affected by inflation, deflation or stagflation, and the systematic impact of increased unemployment, volatile energy costs, geopolitical issues, have contributed to increased market volatility and weakened business and consumer confidence, creating a climate of greater volatility, less liquidity and tighter credit conditions, from time to time. Notwithstanding various actions by governments and central banks, concerns about the general condition of the capital markets, financial instruments, banks, investment banks, insurers and other financial institutions have caused, and may in the future cause, the credit markets to deteriorate, stock markets to decline substantially and the economy to slow down. There is also significant uncertainty as to the duration of current events and as to the further deterioration of these conditions. Failure to raise capital in a timely fashion or under favourable terms could have a material adverse effect on the REIT's financial position and operating results, as well as on its ability to pursue acquisitions and developments.

#### **7.1.2 DEBT FINANCING**

The REIT has and will continue to have substantial outstanding consolidated indebtedness comprised primarily of hypothecs, property mortgages and indebtedness under its credit facility and its debentures. The REIT intends to finance its growth strategy, including acquisitions and developments, through a combination of its working capital and liquidity resources, including its cash flow from operations, additional indebtedness and public or private sales of equity or debt securities. 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 generally contain customary provisions that, upon an event of default, result in the acceleration of repayment of amounts owed and that restrict the distributions that may be made by the REIT. Therefore, upon an event of default under such indebtedness or an inability to renew or refinance same at maturity, the REIT's ability to make distributions will be adversely affected.

A portion of the REIT's cash flow is devoted to servicing its debt, and there can be no assurance that the REIT will continue to generate sufficient cash flow from operations to meet required interest or principal payments, such that it could be required to seek renegotiation of such payments or obtain additional equity, debt or other financing, including equity financing or borrowing. The REIT's current credit facility for a stated amount of \$550 million, is renewable annually. The next annual renewal is scheduled for the first quarter of 2013.

The REIT is subject to the risk that any of its existing indebtedness may not be able to be refinanced upon maturity or that the terms of such refinancing may not be as favourable as the terms of its existing indebtedness.

### **7.1.3 OWNERSHIP OF IMMOVABLE PROPERTY**

All immovable property investments are subject to risks. Such investments are affected by general economic conditions, local real estate markets, demand for leased premises, competition from other available premises, municipal valuations and assessments and various other factors.

The value of immovable property and any improvements thereto may also depend on the solvency and financial stability of the tenants and the economic environment in which they operate. The REIT's income and Distributable Income would be adversely affected if one or more major tenants or a significant number of tenants were to become unable to meet their obligations under their leases or if a significant amount of available space in the properties in which the REIT has an interest is not able to be leased on economically favourable lease terms. In the event of default by a tenant, delays or limitations in enforcing rights as a lessor may be experienced and substantial costs in protecting the REIT's investment may be incurred. The ability to rent unleased space in the properties in which the REIT has an interest will be affected by many factors, including the level of economic activity generally and the competition for tenants by other properties. Costs may be incurred in making improvements or repairs to property required by a new tenant. Failure to rent unleased space, or to rent it on a timely basis or at rents at least equal to their current levels, would likely have an adverse effect on the REIT's financial condition and the value of its properties. This risk is heightened in the present economic context.

Certain significant expenditures, including property taxes, maintenance costs, 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. If the REIT is unable to meet hypothecary payments on any property, loss could be sustained as a result of the hypothecary creditor's exercise of its hypothecary recourses.

Immovable property investments tend to be relatively illiquid, with the degree of liquidity generally fluctuating in relationship with demand for and the perceived desirability of such investments. Such illiquidity may tend to limit the REIT's ability to vary 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.

The REIT is subject to the risks associated with debt financing, including the risk that existing hypothecary indebtedness secured by the REIT's properties will not be able to be refinanced or that the terms of such refinancing will not be as favourable as the terms of existing indebtedness. In order to minimize this risk, the REIT will attempt to appropriately structure the timing of the renewal of significant tenant leases on its respective Properties in relation to the time at which hypothecary indebtedness on such properties becomes due for refinancing.

Some of the leases of the REIT's properties have early termination provisions, which, if exercised, would reduce the average lease term. However, such termination rights are generally exercisable only at a cost to the tenant and the amount of space in the REIT's portfolio which could be affected and operating revenues derived therefrom are not significant.

Expiries of leases for the REIT's properties, including those of major tenants, will occur from time to time over the short and long-term. No assurances can be provided that the REIT will be able to renew any or all of the leases upon their expiration 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 condition and results of operations and decrease the amount of cash available for distribution.

#### **7.1.4 COMPETITION**

The REIT competes for suitable immovable property investments with individuals, corporations and 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 those of the REIT, or operate without the investment or operating restrictions of the REIT or according to more flexible conditions. An increase in the availability of investment funds and an increase in interest in immovable property investments may tend to increase competition for immovable property investments, thereby increasing purchase prices and reducing the yield on them.

In addition, numerous other developers, managers and owners of properties 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.

#### **7.1.5 ACQUISITIONS**

The REIT's business plan includes growth through identifying suitable acquisition opportunities, pursuing such opportunities, consummating acquisitions and effectively operating and leasing such properties. If the REIT is unable to manage its growth effectively, it could adversely impact the REIT's financial condition and results of operations and decrease the amount of cash available for distribution. There can be no assurance as to the pace of growth through property acquisitions or that the REIT will be able to acquire assets on an accretive basis, and as such there can be no assurance that distributions to Unitholders will increase in the future.

#### **7.1.6 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 re-zonings. 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 asset values and financial results and have a material adverse impact on the REIT's return on investments. Certain development projects are material to the REIT, and in particular the Complexe Jules-Dallaire.

#### **7.1.7 DEPENDENCE ON KEY PERSONNEL**

The management of the REIT depends on the services of certain key personnel, including Michel Dallaire, President and Chief Executive Officer of the REIT. The loss of the services of any key personnel could have a material adverse effect on the REIT.

#### **7.1.8 POTENTIAL CONFLICTS OF INTEREST**

The REIT may be subject to various conflicts of interest because of the fact that the Dallaire Group and their respective directors, officers and associates, as well as the Trustees, are engaged in a wide range of real estate and other business activities. The REIT may become involved in transactions that conflict with the interests of the foregoing.

The Trustees may from time to time deal with persons, firms, institutions or corporations with which the REIT may be dealing, or which may be seeking investments similar to those desired by the REIT. The interests of these persons could conflict with those of the REIT. In addition, from time to time, these persons may be competing with the REIT for available investment opportunities.

Any decisions regarding the enforcement by the REIT of the terms of any agreement entered into by the REIT with a Trustee who is not an Independent Trustee, with the Dallaire Group or an affiliate thereof, or with an associate of a non-Independent Trustee may be made by a majority of the Independent Trustees only.

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. The REIT concluded a non-competition agreement with the

corporation and partnerships comprising the Dallaire Group and Messrs. Michel Dallaire and Alain Dallaire, which allows for the resolution of certain potential conflicts of interest.

### **7.1.9 GENERAL UNINSURED LOSSES**

The REIT subscribed a blanket comprehensive general liability 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 from 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 exclusions 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 borrowers 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 operation and decrease the amount of cash available for distribution.

### **7.1.10 GOVERNMENT REGULATION**

The REIT and its properties are subject to various governmental legislation and regulation. Any change in such legislation or regulation adverse to the REIT and its properties could affect the operating and financial performance of the REIT.

In addition, environmental and ecological legislation and policies have become increasingly important in recent decades. Under various laws, the REIT could 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 or for the costs of other remedial or preventive work. The failure to remove or remediate such substances, or to effect such remedial or preventive work if any, may adversely affect an owner'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 owner by private plaintiffs or governmental agencies. Notwithstanding the above, the REIT is not 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 expenditure by the REIT.

### **7.1.11 LIMIT ON ACTIVITIES**

In order to maintain its status as a "mutual fund trust" under the Income 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.

### **7.1.12 ACHIEVEMENT AND IMPLEMENTATION OF STRATEGIC GOALS**

Though the REIT has established the strategic goal of revising its debt ratio to generally bring it to approximately 50% of the gross book value and to revise its distribution rate to about 90%, there is no guarantee that it will be able to meet these goals. In connection with the Canmarc acquisition, it may be necessary for the REIT to maintain or even increase its current debt ratio and to maintain its current distribution rate. Further, though the REIT intends, as part of its strategic plan, to add Ontario to its target market, there is no guarantee that it will be successful in achieving this goal or that expansion into Ontario will result in similar profitability to the REIT's current portfolio of assets or the achievement of synergies with the REIT's current portfolio of assets.

## **7.2 RISK FACTORS RELATED TO THE OWNERSHIP OF UNITS AND DEBENTURES**

### **7.2.1 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.

Whether or not the Debentures will trade at lower prices depends on many factors, including liquidity of the Debentures, prevailing interest rates and the markets for similar securities, the market price of the Units, general economic conditions and the REIT's financial condition, historic financial performance and future prospects.

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 current global financial conditions and disruptions in the marketplace 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 payout/earnings 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 of the REIT to distribute a fixed amount to Unitholders 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.

#### **7.2.2 STRUCTURAL SUBORDINATION OF UNITS AND DEBENTURES**

In the event of a bankruptcy, liquidation or reorganization of the REIT or any of its subsidiaries, holders of certain of their indebtedness and certain trade creditors will generally be entitled to payment of their claims from the assets of the REIT and those subsidiaries before any assets are made available for distribution to the Unitholders and Debentureholders. The Units and Debentures 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 indebtedness.

#### **7.2.3 CREDIT RISK AND PRIOR RANKING INDEBTEDNESS: ABSENCE OF COVENANT PROTECTION**

The likelihood that Debentureholders will receive payments owing to them under the terms of the Debentures will depend on the financial health of the REIT and its creditworthiness. In addition, the Debentures are unsecured obligations of the REIT and are subordinate in right of payment to all the REIT's existing and future senior indebtedness. Therefore, if the REIT becomes bankrupt, liquidates its assets, reorganizes or enters into certain other transactions, the REIT's assets will be available to pay its obligations with respect to the Debentures only after it has paid all of its senior and secured indebtedness in full. There may be insufficient assets remaining following such payments to pay amounts due on any or all of the Debentures then outstanding. The Debentures are also effectively subordinate to claims of creditors of the REIT's subsidiaries except to the extent the REIT is a creditor of such subsidiaries ranking at least *pari passu* with such other creditors. The Indenture does not prohibit or limit the ability of the REIT or its subsidiaries to incur additional debt or liabilities or to make distributions, except, in respect of distributions, where an event of default has occurred and such default has not been cured or waived. The Indenture does not contain any provision specifically intended to protect Debentureholders in the event of a future leveraged transaction involving the REIT.

#### **7.2.4 CONVERSION FOLLOWING CERTAIN TRANSACTIONS**

In the case of certain transactions, each Debenture will become convertible into the securities, cash or property receivable by a Unitholder in the kind and amount of securities, cash or property into which the Debenture was convertible immediately prior to the transaction. This change could substantially lessen or eliminate the value of the conversion privilege associated with the Debentures in the future. For example, if the REIT were acquired in a cash transaction, each Debenture would become convertible solely into cash and would no longer be convertible into securities whose value would vary depending on the REIT's future prospects and other factors.

## 7.2.5 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 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.

## 7.2.6 INABILITY TO REDEEM DEBENTURES IN THE EVENT OF A CHANGE OF CONTROL

In the event of a change of control including the acquisition, by one or more persons acting jointly or in concert, of voting control or direction over an aggregate of 66<sup>2</sup>/<sub>3</sub>% or more of the outstanding Units (a “**Change of Control**”), a Debentureholder may require the REIT to purchase, on the date which is 30 days after the delivery of a notice of a Change of Control, all or any part of such Debentureholder’s Debentures at a price equal to 101% of the principal amount of the Debentures plus accrued and unpaid interest up to but not including the date of the put option. The REIT does not have the funds required to make the purchases that may be required, and there is no guarantee that it will have access to such funds.

## 7.2.7 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 liable and 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 personally or upon any annuitant. 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, 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 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 will use all reasonable efforts to obtain acknowledgments from the hypothecary creditors under assumed hypothecary loans that assumed hypothec obligations will not be binding personally upon the Trustees, the Unitholders or any annuitant.

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 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 payments of a REIT 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.

### 7.2.8 STATUS FOR TAX PURPOSES

The REIT currently qualifies as "mutual fund trust" under the Income Tax Act. While the amount of distributions remains at the discretion of its Trustees, the REIT intends to annually distribute all of its taxable income to Unitholders and thus is generally not subject to tax on such amount. In order to maintain its current mutual fund status, the REIT is required to comply with specific restrictions regarding its activities and the investments held by it. If it were to cease to qualify as a mutual fund trust, the consequences could be material and adverse.

There can be no assurance that the laws and regulations and the administrative and assessing practices of the CRA respecting the treatment of mutual fund trusts will not be changed in a manner that adversely affects the Unitholders. If the REIT ceases to qualify as a mutual fund trust under the Tax Act, the income tax considerations described in this AIF would be materially and adversely different in certain aspects.

Although the REIT is of the view that all expenses to be claimed by the REIT and any of its Subsidiaries in the determination of their respective incomes under the Tax Act will be reasonable and deductible in accordance with the applicable provisions of the Tax Act, there can be no assurance that the Tax Act or the interpretation of the Tax Act will not change, or that CRA will agree with the expenses claimed.

As per the current legislation, a mutual fund trust cannot be established or maintained primarily for the benefit of non-resident persons. Under draft legislation that was released on September 16, 2004 by the Department of Finance, an income fund will cease to qualify as a mutual fund trust if at any time after 2004 the fair market value of all units held by non-residents of Canada, or by partnerships which are not "Canadian partnerships" for the purposes of the Tax Act, is more than 50% of the fair market value of all issued and outstanding units issued by the trust where more than 10% (based on fair market value) of the trust's property is specified types of taxable Canadian property or certain other types of property. For this purpose, a partnership would only qualify as a "Canadian partnership" at a particular time if all its members at that time are resident of Canada. There is no provision in the draft legislation which would allow for rectification of the loss of mutual fund trust status. On December 6, 2004, a Notice of Ways and Means of Motion, including other changes affecting mutual fund trusts, was tabled which did not include the proposed changes referred to above. In a concurrent release, the Department of Finance announced that implementation of the proposed changes would be suspended so as to allow further consultation with interested parties. The December 6, 2004 Notice of Ways and Means Motion to implement the tax proposals contained in the 2004 Federal Budget did not contain this proposal and the Department of Finance indicated in a concurrent release that further discussions would be pursued with the private sector in this regard.

As of the date of this AIF, based on its assessment of the SIFT Rules, management of the REIT believes that the REIT meets, and has met at all times during the current taxation year, all the necessary conditions and qualifies for the exception from the SIFT Rules for a trust that qualifies as a "real estate investment trust" under the Income Tax Act ("**Real Estate Investment Trust Exception**") Real Estate Investment Trust Exception. The SIFT Rules have only recently been enacted and there is an absence of specific interpretation from the tax authorities or courts on how these rules should be interpreted. Should management's interpretation of these rules not coincide with the interpretation of the tax authorities or the courts, the REIT would not meet the Real Estate Investment Trust Exception and, as a result, the new SIFT Rules would be applicable to the REIT. Management intends to take all the necessary steps to continue to meet these conditions on a regular basis in the future.

Were the Real Estate Investment Trust Exception not applicable to the REIT at any time in a year (including the current taxation year), the SIFT Rules (under which amounts deductible will no longer be deductible in computing the income of the REIT and additional taxes will be payable by the REIT) will, commencing in such year, impact materially the level of cash distributions which would otherwise be made by the REIT.

### 7.2.9 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, the Unit Option Plan and any other incentive plan of the REIT, and upon conversion of the Debentures and Units issuable to the Debenture Trustee (as defined in the Indenture) in payment of interest on Debentures. Any issuance of Units may have a dilutive effect on the Unitholders.

### **7.2.10 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 non-residents of Canada to withholding tax of 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.

### **7.2.11 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 amount 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, 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.

### **7.2.12 NATURE OF AN INVESTMENT**

A holder of a Unit of the REIT does not hold a share of a body corporate. As holders of Units of the REIT, 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 *Canada Business Corporations Act*, which sets out the rights, and entitlements of shareholders of corporation in various circumstances.

## **7.3 RISK FACTORS RELATED TO THE CANMARC ACQUISITION**

### **7.3.1 CERTAIN HEAD LEASES BETWEEN CANMARC AND HII COULD BE DISCLAIMED OR RESILIATED IN THE CONTEXT OF THE LATTER'S PROCEEDINGS UNDER THE COMPANIES' CREDITORS ARRANGEMENT ACT (CANADA)**

In connection with its initial public offering in 2010, Canmarc entered into head leases with HII as head tenant in order to provide Canmarc with stable and predictable income with respect to limited portions of leasable space. The head leases are described in the documents publicly filed by Canmarc (including Canmarc's annual information form for the year ended December 31, 2010 dated March 31, 2011) and available at [www.sedar.com](http://www.sedar.com). Also in connection with its initial public offering in 2010, Homburg Realty Fund (199) Limited Partnership, a subsidiary of HII, agreed to certain indemnification and other obligations towards a subsidiary of Canmarc, including with respect to remediation and/or monitoring costs in the event environmental issues are discovered, in certain situations.

In the event that the head leases were no longer in place, there could be an adverse effect on the Net Operating Income of Canmarc and of the REIT. While there is no assurance that this will be the case, there exists a risk that the head leases could be disclaimed or resiliated by HII in the context of its proceedings under the *Companies' Creditors Arrangement Act* (Canada). The head leases and the obligations described above are secured by pledges on an aggregate of the proceeds of sale of 1,300,000 Canmarc Units further to Cominar's offer. In the event that these pledges were challenged or set aside in the context of HII's proceedings under the *Companies' Creditors Arrangement Act* (Canada), there could be an adverse effect on the Net Operating Income.

### **7.3.2 POTENTIAL LIABILITIES AND RECOVERIES ASSOCIATED WITH THE HOLMAN GRAND HOTEL**

The REIT has been advised of the following developments in respect of matters pertaining to the Holman Grand Hotel (the "Hotel") located in Charlottetown, Prince Edward Island and which is owned and operated by HII. HII filed for protection under the *Companies' Creditors Arrangement Act* (Canada) on September 9, 2011.



Dyne Holdings Limited (“**Dyne**”), an indirect wholly-owned subsidiary of Canmarc acquired from HII in May 2010 in connection with the initial public offering of Canmarc, is the owner of the land on which the Hotel was built (the “**Land**”). The Hotel was acquired by HII from Dyne pursuant to an agreement dated April 2010, and HII acquired a leasehold interest in respect of the Land under a ground lease entered into between Dyne and HII in May 2010. Pursuant to the provisions of the ground lease, HII agreed to construct the Hotel on the Land.

Dyne is indebted to the Prince Edward Island Century 2000 Fund Inc. (the “**Century Fund**”) under a secured loan contracted by Dyne in November 2008 to finance the construction of the Hotel (the “**Loan**”). The Loan is secured by a collateral mortgage in favour of the Century Fund over the Land. The Loan was guaranteed by HII in September 2009 and assumed by HII in April 2010 as part of the conveyance of the Hotel to HII by Dyne in connection with Canmarc’s subsequent initial public offering. At such time an amount of \$3,740,912 was drawn down under the Loan. Dyne however remained liable under the Loan and was indemnified by HII in respect thereof. HII also agreed to use its best efforts to assist Dyne to obtain a release of the obligations of Dyne from the Century Fund. The REIT has been advised by Canmarc that, at such time, it had determined that it was not required to reflect the Loan in its financial statements as a result of its assumption by HII.

The principal amount outstanding under the Loan as at September 30, 2011 was \$14,725,211.

The REIT has also been advised by Canmarc that HII is in default under the ground lease and the assumption of the Loan, and that in late November 2011 Dyne received written notice from the Century Fund to the effect that Dyne was in default under the Loan. No enforcement proceedings have commenced under the Loan. Canmarc has been in active and constructive discussions with the Century Fund and the Government of Prince Edward Island to find a solution to the current situation. A friendly resolution of the matter is anticipated.

The REIT has also been informed by Canmarc that as at September 30, 2011, in addition to the Loan, liens with respect to HII’s construction of the Hotel have been filed against Dyne’s freehold interest in the Land in the aggregate amount of \$548,892. As at such date, Canmarc estimated that an eventual recovery on the Hotel and the Land, if ever required, would be sufficient such that the Loan and associated liabilities of Dyne were not material to Canmarc. In addition, Canmarc has determined that the maximum loss to Dyne, if one were realized, would be approximately \$5 million.

The REIT has been informed by Canmarc that in light of the status and financial condition of HII, it intends to reflect the Loan and the potential recovery amounts in its December 31, 2011 consolidated financial statements and the construction related trade payables either in a contingent liability note to the December 31, 2011 consolidated financial statements or as a liability. Any shortfall between the liabilities recognized on the December 31, 2011 consolidated financial statements and the estimated recovery amounts will be recorded as an impairment charge.

Construction related trade payables of HII alleged to be secured by a lien on Dyne’s freehold interest in the Land currently aggregate approximately \$3.1 million. According to preliminary legal advice received by Canmarc, Dyne’s liability on account of such trade payables in excess of the value of Dyne’s freehold interest in the Land appears to be without merit. Canmarc intends to contest the alleged claims.

There are, however, no assurances as to the amounts that could be recovered from HII and the timing of such recoveries.

### **7.3.3 THE COMBINATION OF THE REIT AND CANMARC MAY NOT REALIZE THE ANTICIPATED BENEFITS, IN THE EXPECTED TIME-FRAMES OR AT ALL, DUE TO UNANTICIPATED CHALLENGES OR DELAYS WITH INTEGRATING THE TWO COMPANIES**

The REIT expects that the combination of the REIT and Canmarc will result in greater long-term potential and value creation than the individual companies could achieve on their own. This expectation is based, in part, on a presumed increase in the financial strength and access to capital of the combined entity and certain presumed synergies from consolidation, including the elimination of certain public company costs of Canmarc and duplicative head office and general administrative expenses. These anticipated benefits and synergies will depend in part on whether the operations, systems, management and cultures of Canmarc and the REIT can be integrated in an efficient and effective manner and whether the presumed bases or sources of synergies produce the benefits anticipated. Most operational and strategic decisions, and certain staffing decisions, with respect to the combined entity have not yet been made and may not have been fully identified. These decisions and the integration of the two entities will present significant challenges to management, including the integration of systems and personnel of the two entities, and special risks, including possible unanticipated liabilities and expenses, significant one-time write-offs or restructuring charges and the loss of key employees. In addition, the REIT is currently in the process of reviewing Canmarc’s portfolio and this review may lead to dispositions or complementary acquisitions. There can be no assurance that there will be operational or other synergies realized by the combined entity, or that the integration of the two entities’ operations, systems,

management, personnel and cultures will be timely or effectively accomplished, or ultimately will be successful in achieving the anticipated benefits. The integration process may lead to greater than expected operating costs, customer loss and business disruption (including, without limitation, difficulties in maintaining relationships with employees, customers, client or suppliers) that may affect the ability of the combined business to realize the anticipated benefits and synergies of the combination or may materially and adversely affect the REIT's business, results of operations and/or financial condition.

## **PART 8 – 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.

### **8.1 GENERAL**

The REIT distributes to Unitholders monthly, on or about the 15th day in each calendar month (other than January) and on December 31 each calendar year (a "**Distribution Date**"), not less than 85% of the Distributable Income of the REIT for the preceding calendar month and, in the case of distributions made on December 31, for the calendar month then ended. Unitholders also receive a distribution on December 31 of each year of: (i) the net realized capital gains of the REIT and the net recapture income of the REIT for the year then ended; and (ii) any excess of the income of the REIT for the purposes of the Income Tax Act over distributions otherwise made for that year.

Distributions are made in cash. Distributions may be adjusted for amounts paid in prior periods if the actual Distributable Income for the prior periods is greater than or less than the Trustees' estimates for the prior periods.

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.

### **8.2 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 tenant 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.

### **8.3 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.

### **8.4 TAX DEFERRAL ON 2011 DISTRIBUTIONS**

The distributions made by the REIT to Unitholders in 2011 were tax-deferred at approximately 73.04% 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 Unitholders' Units would otherwise be a negative amount.

## 8.5 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 (\$)
2011	1.44
2010	1.44
2009	1.44

## PART 9 – CAPITAL STRUCTURE

### 9.1 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, 2011, there were 77,051,260 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.

On October 20, 2011, the REIT issued 5,207,000 units at \$21.50 each for gross proceeds of \$112.0 million.

On December 22, 2011, the REIT issued 6,594,100 units at \$21.80 each for gross proceeds of \$144.0 million.

On February 28, 2012, the REIT issued 9,168,950 units at \$21.95 each for gross proceeds of \$201.3 million.

The REIT has also issued Debentures. See "Part 4 – Description of the Business – Hypothecs and Debentures – Debentures".

### 9.2 RESTRICTION ON THE ISSUE AND TRANSFER OF UNITS

The Contract of Trust imposes certain restrictions to non-residents of Canada, who may not be the beneficial owners of more than 49% of Units. See "Part 7 – Risk Factors – Risk Factors Relating to the Ownership of Units and Debentures – Restrictions on Certain Unitholders and Liquidity of Units".

## PART 10 – DISTRIBUTION REINVESTMENT PLAN

The REIT has set up a Distribution Reinvestment Plan 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 will be payable in connection with the purchase of Units under the Distribution Reinvestment Plan and all administrative costs will be borne by the REIT. Proceeds received by the REIT upon the issuance of additional Units under the Distribution Reinvestment Plan will be used by the REIT for future property acquisitions, capital improvements and working capital.

In order to encourage participation in the Distribution Reinvestment Plan, the Trustees of the REIT amended it on March 27, 2001, so that the Unitholders who participated in the Distribution Reinvestment Plan will be granted the right to receive an additional number of Units equal to 5% of the distributions to which they are entitled and which they choose to reinvest.

Unitholders who reside in the United States or who are United States citizens will not be entitled to participate in the Distribution Reinvestment Plan.

## PART 11 – MARKET FOR SECURITIES OF THE REIT

### 11.1 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 12 months of the most recently completed fiscal year.

<b>CUF.UN</b>			
		<b>TSX</b>	
<b>Fiscal year ended December 31, 2011</b>	<b>High (\$)</b>	<b>Low (\$)</b>	<b>Trading Volumes</b>
January	22.00	20.56	3,207,431
February	22.16	21.32	2,117,638
March	22.88	21.33	2,546,464
April	23.00	22.00	1,603,508
May	22.99	22.17	1,383,465
June	22.49	21.75	1,396,277
July	23.00	21.94	1,359,316
August	22.85	20.00	1,906,121
September	22.88	21.00	2,631,203
October	22.82	20.14	1,713,076
November	22.72	21.61	1,881,981
December	22.60	21.74	3,652,985

### 11.2 MARKET FOR DEBENTURES

The Debentures are listed and posted for trading on the TSX under the symbols "CUF.DB", "CUF.DB.B", "CUF.DB.C", "CUF.DB.D" and "CUF.DB.E". The following tables set forth the market price range and trading volumes of the Debentures on the TSX for each of the 12 months of the most recently completed fiscal year.

<b>CUF.DB</b>			
		<b>TSX</b>	
<b>Fiscal year ended December 31, 2011</b>	<b>High (\$)</b>	<b>Low (\$)</b>	<b>Trading Volumes (000)</b>
January	127.00	118.42	182
February	126.50	122.71	210
March	129.70	122.10	144
April	130.37	128.00	74
May	131.39	127.00	393
June	127.30	124.75	239

July	137.20	125.97	471
August	-	-	-
September	126.93	123.42	23
October	123.25	118.31	185
November	128.39	124.65	202
December	125.16	124.71	157

**CUF.DB.B**

TSX			
Fiscal year ended December 31, 2011	High (\$)	Low (\$)	Trading Volumes (000)
January	104.00	101.50	127
February	103.00	102.00	119
March	103.50	102.55	230
April	104.00	103.00	92
May	104.50	103.00	328
June	104.25	100.00	315
July	103.95	101.50	301
August	103.95	101.50	205
September	102.52	101.25	59
October	102.50	100.50	195
November	103.00	101.42	174
December	104.45	101.00	263

**CUF.DB.C**

TSX			
Fiscal year ended December 31, 2011	High (\$)	Low (\$)	Trading Volumes (000)
January	104.50	102.25	378
February	104.50	102.25	402
March	104.50	102.06	342
April	105.00	102.76	516
May	104.75	102.50	709
June	104.95	102.50	406
July	104.00	102.75	307
August	103.50	101.25	5,222
September	103.00	101.25	936
October	103.00	98.00	2,491
November	103.00	102.00	1,324
December	104.00	103.00	877

**CUF.DB.D**

<b>TSX</b>			
<b>Fiscal year ended December 31, 2011</b>	<b>High (\$)</b>	<b>Low (\$)</b>	<b>Trading Volumes (000)</b>
January	109.16	107.02	3,604
February	111.48	108.40	5,934
March	113.00	108.11	4,625
April	113.90	111.00	2,765
May	113.50	110.73	3,450
June	113.25	110.00	1,297
July	113.90	110.17	1,994
August	113.75	105.00	3,142
September	111.00	106.76	2,576
October	111.65	103.00	663
November	112.00	107.87	1,690
December	112.00	107.16	1,069

**CUF.DB.E**

<b>TSX</b>			
<b>Fiscal year ended December 31, 2011</b>	<b>High (\$)</b>	<b>Low (\$)</b>	<b>Trading Volumes (000)</b>
January	103.50	100.75	364
February	104.50	103.00	316
March	104.00	102.50	640
April	104.25	103.00	467
May	103.80	102.80	392
June	104.00	101.00	474
July	103.75	102.50	419
August	104.00	101.20	464
September	103.50	100.00	811
October	103.00	99.50	774
November	103.56	101.50	613
December	103.50	102.00	602

**PART 12 – TRUSTEES AND OFFICERS OF THE REIT****12.1 INFORMATION CONCERNING TRUSTEES**

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 years, the period during which each served as Trustee of the REIT and the approximate number of Units they have advised are beneficially owned, directly or indirectly, by them or over which they exercise control or direction as at March 24, 2012:

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 <sup>(1)</sup>
<b>ROBERT DESPRÉS</b> , O.C., G.O.Q. (2) (5) Québec City, Québec Independent Trustee	Chairman of the Board Corporate director	1998-	16,500
<b>Michel Dallaire</b> , Eng. Québec City, Québec Non-Independent Trustee, President and Chief Executive Officer of the REIT	President and Chief Executive Officer of the REIT	1998-	8,770,597 <sup>(6)</sup>
<b>Me Michel Paquet</b> Québec City, Québec Non-Independent Trustee, Senior Executive Vice-President of the REIT	Senior Executive Vice-President of the REIT	1998-	8,757,080 <sup>(6)</sup>
<b>Alain Dallaire</b> Lac Beauport, Québec Non-Independent Trustee, Executive Vice-President, Operations	Executive Vice-President, Operations of the REIT	2006-	8,681,569 <sup>(6)</sup>
<b>Pierre Gingras</b> (3) Québec City, Québec Non-Independent Trustee	Corporate director	1998-	104,735 <sup>(7)</sup>
<b>Alban D'Amours</b> , G.O.Q. (2) (4) Québec City, Québec Independent Trustee	Corporate director	2009-	5,000
<b>Me Gérard Coulombe</b> , Q.C. (4) (5) Sainte-Marthe Québec Independent Trustee	Partner, Lavery, Montréal	2007-	2,689
<b>Dino Fuoco</b> , CMA, FCMA (2) (3) Montreal, Québec Independent Trustee	President of Matvet Veterinary Equipment Inc.	2006-	–
<b>Ghislaine Laberge</b> , ASC (3) (4) (5) Montréal, Québec Independent Trustee	Corporate director	1998-	6,805

**Notes:**

(1) Each Trustee has furnished information as to the Units beneficially owned by him or over which he exercises control or direction.

(2) Member of the Audit Committee.

(3) Member of the Investment Committee.

(4) Member of the Compensation Committee.

(5) Member of the Nominating and Corporate Governance Committee.

(6) Comprises 8,277,175 Units held by AM Total Investments, general partnership (formerly known as Cominar, general partnership). The Units held by AM Total Investments, general partnership, are indirectly held by Dallaire Group inc. ("GDI") (formerly "Corporation financière Alpha (CFA) Inc. ("CFA")" and 357,000 Units are held by Fiducie testamentaire Jules Dallaire. The shares of GDI are owned by the children of the late Jules Dallaire, including Michel Dallaire, and related family trusts.

(7) Comprises 21,235 Units held by Placements Moras inc.

The term of Michel Dallaire, Alain Dallaire, Michel Paquet and Pierre Gingras will expire upon the election or appointment of their respective successors by the Dallaire Group.

Each of the Trustees listed above has held his or her principal occupation for the five (5) preceding years, except for M<sup>tre</sup> Gérard Coulombe who, from 1977 to 2007, was a senior partner with Desjardins Ducharme S.E.N.C., a law firm, and for Mr. Alban D'Amours who was President and Chief Executive Officer of Mouvement des caisses Desjardins from 2000 to 2008.

## 12.2 INFORMATION CONCERNING NON-TRUSTEE OFFICERS

Non-Trustee Officer	Office with the REIT	Province and Country of Residence
Michel Berthelot	Executive Vice-President and Chief Financial Officer	Québec, Canada
Michel Ouellette	Executive Vice-President, Acquisitions and Development	Québec, Canada
Todd Bechard	Executive Vice-President, Finance - Atlantic Provinces	Nova Scotia, Canada
René Bérubé	Vice-President, Leasing - Québec City	Québec, Canada
Wally Commisso	Vice-President, Property Management - Montréal	Québec, Canada
Jean-Guy Moreau	Vice-President, Development	Québec, Canada
Richard Nolin	Vice-President, Commercial	Québec, Canada
Carl Pépin	Vice-President, Accounting	Québec, Canada
Roger Turpin	Vice-President and Treasurer	Québec, Canada
Steve Gilbert	Vice-President Acquisitions	Québec, Canada
Gerry McBride	Vice-President Operations – New Brunswick	New Brunswick, Canada

Each of the non-trustee officers of the REIT has held his or her present principal office or another position with the REIT for the five preceding years, with the exception of: (i) Jean-Guy Moreau, who joined the REIT as Vice-President, Development in May 2007 and who was previously Director of Québec City's land management division; (ii) Wally Commisso Vice-President, Property Management – Montréal who joined the REIT in June 2007, and who was previously Vice-President, Building Operations for the Alexis Nihon REIT; (iii) Roger Turpin, who joined the REIT as Vice-President and Treasurer in September 2007 and who was previously Vice-President, Secretary and Treasurer of the Alexis Nihon REIT; and (iv) Todd Bechard, the REIT's Executive Vice-President, Atlantic Provinces since August 2011 and who was previously Vice-President Finance, Atlantic Provinces from March 2010 to August 2011 and Chief Financial Officer of Overland Realty Limited from June 2006 to March 2010; (v) Gerry McBride, Vice-President, Operations – New Brunswick of the REIT since September 2011 and who was previously General Manager of the REIT for New Brunswick from November 2010 to September 2011 and President and Chief Executive Officer of Bird Holdings Ltd. from January 2005 to November 2010; and (vi) Steve Gilbert, Vice-President, Acquisitions of the REIT since October 2011 and who was previously General Manager of Altus Group from May 2001 to October 2011.

As at March 30, 2012, the executive officers and Trustees of the REIT beneficially owned as a group or exercised control or direction, directly or indirectly, over 9,096,541 Units representing approximately 8.9% of the outstanding Units.

## 12.3 INDEPENDENCE

The REIT considers that the Independent Trustees are independent within the meaning of *National Instrument 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. The Trustees appointed by the Dallaire Group are not considered independent.

## 12.4 AUDIT COMMITTEE

### 12.4.1 GENERAL PROVISIONS

The REIT has an Audit Committee which currently consists of Messrs. Dino Fuoco (Chairman), Alban D'Amours and Robert Després. All the members of the Audit Committee are Independent Trustees and are considered "independent" and "financially



literate” within the meaning of *Multilateral Instrument 52-110* with respect to Audit Committees. Mr. Fuoco is a Fellow member of the *Ordre des comptables en management accrédités du Québec*, Mr. Després is a Fellow of the Corporation of Certified General Accountants of Québec and a Fellow of the *Ordre des comptables en management accrédités du Québec*, and 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*.

#### 12.4.2 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 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 “A”.

#### 12.4.3 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
Dino Fuoco, FCMA	Mr. Fuoco is a member and Fellow member of the <i>Ordre des comptables en management accrédités du Québec</i> . He has held financial management positions in large publicly traded companies and has chaired a number of Audit Committees. Mr. Fuoco presently chairs the REIT’s Audit Committee.
Robert Després, OC., GOQ., M.Sc.C., FCGA, FCMA	Mr. Després, M.Sc., is a Fellow of the <i>Ordre des comptables en management accrédités du Québec</i> and a Fellow of the <i>Corporation professionnelle des comptables généraux licenciés du Québec</i> . He has acted as director of several public companies and has chaired several audit committees.
Alban D’Amours, Ph.D., G.O.Q., F.Adm.A.	Alban D’Amours was President and Chief Executive Officer of the <i>Mouvement des caisses Desjardins</i> from 2000 to 2008. In 1988 he joined the <i>Confédération des caisses Desjardins du Québec</i> , where he held various management positions. He held various positions in the Québec civil service, including those of Associate Deputy Minister of Energy and Deputy Minister of Revenue. He taught for 12 years at the <i>Université de Sherbrooke</i> , where he helped set up the Economics Department. Mr. D’Amours completed his doctoral studies with a major in monetary policy, public finance and econometrics.

Each of the Audit Committee members therefore 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. Fuoco, Després and D’Amours 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 reasonable be expected to be raised by the REIT’s financial statements. Messrs. Fuoco, Després and D’Amours also understand internal controls and disclosure controls and procedures.

#### 12.4.4 EXTERNAL AUDITOR SERVICE FEES

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

	Year ended December 31, 2011 (\$)	Year ended December 31, 2010 (\$)
Audit Fees	108,918	139,517
Audit – Related Fees	85,200	27,900
Audit – Operating Expenses	10,000	12,400
Fees related to conversion to IFRS	47,715	26,906
Fees related to fiscal services	67,420	76,668
Other Fees	153,715	64,965
<b>Total:</b>	<b>473,028</b>	<b>348,356</b>

##### Audit Fees

These fees include professional services rendered by the external auditors for statutory audits of the annual financial statements.

##### Audit – Related Fees

These fees include professional services for consultation services during the statutory audits or interim reviews.

##### Audit – Operating Expenses

These fees include professional services for audits of the operating expenses of certain properties in accordance with leases in place for such properties.

##### Fees Related to Fiscal Services and Other Fees

These fees include the total fees paid to the auditors for services other than those presented in the preceding categories, including services related to obtaining comfort letters in connection with the issuance of debentures and units, fiscal services and fees incurred in connection with the conversion from GAAP to IFRS, reviews of internal controls and translation.

#### 12.4.5 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.

#### 12.5 CEASE TRADE ORDERS AND BANKRUPTCIES

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 Independent Trustee of the REIT, other than (i) Robert Després who was a director and an officer of McWatters Mining Inc., a mining company which filed in January 2004 a notice of intention to submit a proposal to its creditors under the *Bankruptcy and Insolvency Act* (Canada) which was accepted by its creditors in June 2004 and subsequently ratified by the Superior Court of the district of Québec City in July 2004, and (ii) Gérard Coulombe who, until September 28, 2005, was a Board member of Centre International de Gestion de Projets G.P., a non-profit company which went bankrupt on September 29, 2005, is, as of the date of this AIF or has 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) 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 subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being 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; 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.

### 12.5.1 PERSONAL BANKRUPTCIES

No trustee or officer has within the past 10 years, 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 his, her or its assets.

## PART 13 – 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.

In addition, in the fiscal year ended December 31, 2011, the REIT has not been subject of any penalties or sanctions imposed by a court pursuant to securities legislation or 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.

## PART 14 – INTEREST OF MANAGEMENT AND OTHER INFORMED PERSONS IN MATERIAL TRANSACTIONS

Michel Dallaire and Alain Dallaire, Trustees and officers of the REIT indirectly control the Dallaire Group inc. (“GDI”) (formerly Corporation financière Alpha CFA Inc.), Société de développement Laurier (SDL) inc. (“SDL”), Dallaire immobilier inc. (“DII”) (formerly “Société de développement Alpha (SDA) inc.) and Dalcon inc. (“Dalcon”). Michel Paquet, also a Trustee and officer of the REIT, is associated with these corporations, acting as their corporate secretary.

During the fiscal year ended December 31, 2011, the REIT recorded net leasing revenues of \$0.2 million from GDI and Dalcon. For various unrelated projects, the REIT incurred expenses of \$12.1 million for the completion by Dalcon, on its behalf, of leasehold improvements and of \$14.0 million for the construction and development of income-producing properties on its behalf by Dalcon. The REIT’s Board of Trustees believes that these expenses are at competitive levels and beneficial to the REIT and there are no disputes with Dalcon.

On December 31, 2011, following an agreement in principle involving a partnership with the Dallaire Family to develop Phase II of the Complexe Jules-Dallaire, the REIT sold surface rights to the Dallaire Family for a total consideration of \$20.2 million, an amount corroborated by independent experts, which was paid in cash, which will allow it to build ten storeys of office space above the three levels built during the development of Phase I, plus some 200 condominium units on fifteen floors. The REIT’s share of the proceeds of disposition is \$19.1 million.

Once the development of the ten floors of office space is complete, the Dallaire Family may increase its interest by up to 50% of the fair market value of the entire Complexe Jules-Dallaire (excluding the condominium units), by way of a cash consideration. Subsequently, the entire property (excluding the condominium units) will be managed by Cominar.

On December 31, 2011, the REIT sold land held for future development in Québec City to the Dallaire Family. The transaction amounted to \$20.4 million, an amount corroborated by independent experts, which was paid in cash. This transaction is part of the modifications brought to Cominar’s strategic plan, which aims to restrict the ownership of land for future development only to land associated with potential development projects for the purpose of meeting the specific needs of Cominar’s clients.

Moreover, such transaction is in line with the new Québec City guidelines in this sector, which require real estate developers to combine a mix of residential and retail premises, especially those located near Laurier Boulevard.

Apart from the information provided in this AIF or in the consolidated financial statements of the REIT for the fiscal year ended December 31, 2011 and since January 1, 2012, the REIT has no knowledge of any material interest of a Trustee or of an officer, current or proposed, in any transaction, or in a proposed transaction, that could or will materially affect the REIT.

#### **PART 15 – TRANSFER AGENT AND REGISTRAR**

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

#### **PART 16 – INTEREST OF EXPERTS**

PricewaterhouseCoopers LLP are the external auditors of the REIT who prepared the Auditor's Report to the Unitholders dated March 2, 2012 with respect to the consolidated annual financial statements of the REIT for the fiscal year ended December 31, 2011. PricewaterhouseCoopers LLP is independent with respect to the REIT within the meaning of the Code of Ethics of the *Ordre des comptables agréés du Québec*.

#### **PART 17 – ADDITIONAL INFORMATION**

Additional information with respect to the REIT may be found on SEDAR at [www.sedar.com](http://www.sedar.com).

Additional information, including Trustees and officers' remuneration, principal holder of the REIT's Units and Units authorized for issuance under the Unit Option 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.

Additional financial information is provided in the REIT's financial statements and Management's Discussion and Analysis for the fiscal year ended December 31, 2011 available on SEDAR at [www.sedar.com](http://www.sedar.com).

## **SCHEDULE “A” AUDIT COMMITTEE CHARTER**

### **CONSTITUTION**

The Board of Trustees (the “**Board**”) has by resolution set up an Audit Committee (the “**Committee**”) made up of three unrelated and independent trustees (as such term is defined in the Independence 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, 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.

### **MEMBER TERMS**

Members appointed to the Committee hold office until the first meeting of the Board following the annual general meeting of Unitholders 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.

### **PRESENCE OF EXTERNAL AUDITORS**

The external auditor attends Committee meetings when the auditor’s presence is considered necessary, and in particular for the part thereof during which the auditor’s approach and the audit scope are presented and when the auditor’s remuneration is

discussed as well as when the audited annual financial statements, the audit report, the auditor's responses to the Committee's questions and the letter to Management with comments from Management are reviewed. The external auditor may request that the Committee Chair convene a meeting of the Committee.

## **POWERS OF THE COMMITTEE**

The Committee exercises all powers and duties conferred upon it under the Contract of Trust 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 is also authorized to obtain any information it may require from employees, who must respond promptly to the requests of the Committee or its representatives, and to meet as often as necessary with the officers, internal and external auditors or external advisors.

The Committee may engage independent attorneys or other advisors it deems necessary in the exercise of its duties, and fix and pay their remuneration. However, should the amounts incurred exceed \$40,000 during a given year, the Committee shall obtain Board approval in the form of a resolution adopted to this effect.

## **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 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 internal and external auditors.

The REIT's 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 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 auditor must also inform the Committee of any deficiency that it may find during its annual audit regarding the effective functioning of the system of internal controls, including as concerns 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 of Trustees – the latter 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 the external auditor, whose work it is directly responsible for overseeing, and remind same that the ultimate client are the Unitholders and not Management.
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 the audit program, 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 external auditors 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 external auditors 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 intended for the public, the regulatory authorities, etc. and recommend their approval to the Board..
8. Review the annual audited 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 MD&A, the annual information form and any prospectus.

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 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 Chief Executive Officer and the Chief Financial Officer to the effect that the quarterly and annual financial statements and the related MD&A 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 external auditor's quarterly report as well as those the auditor may produce following the interim and final 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 with the auditor, 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 as well as the number of people working in each of these areas.
12. Assess the performance of the external auditor.
13. Following consultation with the external and internal auditors, 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. Following a review, the Committee shall make any necessary modifications.
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 audit 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 program and the internal auditor's program.
16. Obtain at each quarterly meeting an officer certificate stating that the REIT complies with all applicable laws and regulations, including 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.
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 irregularities.
18. Review quarterly the status of pending, ongoing and threatened litigation or actions.
19. Ensure that a code of ethics and professional conduct is in place and that all trustees, officers and employees are made aware of it, evaluate the system established to ensure compliance with the code and make sure the Committee is advised, at least once a year, of all infringements reported and, as quickly as possible following the occurrence thereof, of any material infringement.
20. Review the policies and procedures in place for the approval of the expenses and bonuses of officers.
21. Periodically address important accounting issues and review the manner in which the most recent reports and statements, both professional and regulatory, are presented.
22. 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.
23. Review and report to the Board on contingent liabilities and commitments of the REIT and its subsidiaries.
24. Establish procedures for the confidential and anonymous communication of employees' concerns about questionable matters relating to accounting or audit.
25. Review and approve the REIT's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor.
26. 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 financial statements.
27. Ensure that the Committee's Charter is disclosed when required, including in the annual information form.
28. Review any financing proposal and its impact on the REIT's operations, financial results and financial situation.



29. Review the findings of any investigation conducted by any regulatory body.
30. 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.
31. 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.
32. Periodically meet separately with Management, the internal auditor, if any, and the external auditor.
33. Review once a year and update the Committee's Charter and its work program, as required.
34. Assess the performance of the Committee and its members at least once a year and inform the Board thereof.
35. Confirm each year that the Committee has fulfilled its responsibilities as per its Charter; and
36. 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.

*Revised August 2010*

**COMINAR REAL ESTATE INVESTMENT TRUST  
(the “REIT”)**

**Audit Committee  
(the “Committee”)**

**ANNUAL WORK PROGRAM**

Regular Committee meetings	February	May	August	November
Recommend the choice of the external auditors	√			
Review the external audit plan: approach, scope, time required, audit team, professional fees				√
Oversee the work of the external auditor	√	√	√	√
Determine and confirm the independence of the external auditor				√
Assess the performance of the external auditor and internal auditor	√			
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, plan and budget				√
Examine the internal audit reports with comments by Management and ensure that accepted recommendations have been implemented	√	√	√	√
Receive the report of the Executive Vice-President and Chief Financial Officer respecting provisions and adjustments, asset acquisitions and dispositions, risk factors that could influence the financial performance or financial structure of the REIT, redemption of units, etc.	√	√	√	√
Receive the report respecting capital expenditures budget	√	√	√	√
Receive the report on pending, ongoing and threatened litigation or actions	√	√	√	√
Obtain an officer certificate stating that the REIT complies with all laws and regulations, including rules of corporate governance, that there are no off-balance sheet transactions and that the REIT is not in default under any loan	√	√	√	√
Review the quality of the accounting principles and practices applied, underlying assumptions and material judgments affecting the financial statements	√	√	√	√
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	√	√	√	√
Ensure approval and consideration of non-audit services entrusted to the external auditor and establish prior approval procedures if desired	√	√	√	√
Review the contingent liabilities and off-balance sheet activities	√	√	√	√
Receive the certificate signed by the CEO and CFO concerning the quarterly and annual financial statements	√	√	√	√
Examine the quarterly financial statements, the notes and Management's Discussion and Analysis	√	√	√	√
Examine the disclosed financial information intended for Unitholders, the business sector and other persons (annual report, quarterly newsletter to unit holders, press releases, Management's Discussion and Analysis, Annual Information Form, Prospectus, etc.	√	√	√	√
Verify the implementation and adequacy of procedures for reviewing public disclosure of financial information excerpted from or resulting from financial		√		√

Regular Committee meetings	February	May	August	November
statements				
Establish, implement, update and monitor the implementation of procedures pertaining to the conservation and handling of complaints concerning accounting, accounting controls internal accountants or respecting any aspects of the audit	√	√	√	√
Establish, implement, update and monitor the implementation of procedures for the confidential and anonymous communication and receipt of employees' concerns about questionable matters relating to accounting or audit	√	√	√	√
Review and approve 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 ensure that the Committee is informed of any such hiring	√	√	√	√
Establish the list of questions to be transmitted to the external auditors and Management and review the responses received	√			√
Receive the verbal comments, as the case may be, of the external auditor further to the interim and final audits	√			√
On a yearly basis, examine the list of work entrusted to other accounting firms	√			
Examine the annual financial statements and the auditor's report ensuring that there is no disagreement between Management and the external auditor and, in the case of any such disagreement, ensure that it is resolved	√			
Review the annual financial reports submitted to the Autorité des marchés financiers and other regulatory authorities i.e. Annual Information Form, etc.	√			
Following the interim and final audits, examine the external auditor's letter to Management together with Management's comments		√		
Receive the semi-annual report of the Executive Vice-President and Chief Financial Officer respecting internal controls, management systems, computer systems and other areas that could expose all or part of the company to risk		√		√
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 ( <i>MD&amp;A</i> )				√
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				√
Annually review the financial and accounting staff, from a qualitative and quantitative perspective		√		
Ensure that a code of ethics and of professional conduct is in place, that all persons to whom it applies are made aware of it and that a system is established to ensure compliance therewith and the reporting of infringements thereof		√		√
Review the policies and procedures in place for the approval of the expenses and bonuses of officers			√	
Annually review the Committee's charter and its Annual Work Program,			√	

<b>Regular Committee meetings</b>	<b>February</b>	<b>May</b>	<b>August</b>	<b>November</b>
update them as required and ensure that the charter is disclosed when required				
Annually confirm that the Committee has fulfilled all its duties	√			
Assess the performance of the Committee and its members				√
Meet separately with external and internal auditors and then with the Chairman of the Board, the President and Chief Executive Officer and the Executive Vice-President and Chief Financial Officer	√	√	√	√
Resolve any disagreement between Management and the external auditor and with the internal auditor, if any	√	√	√	√
Examine every use of pro-forma financial statements or financial information that is not in compliance with GAAP and that would be disclosed in financial documents other than financial statements	√	√	√	√
Examine any major financing proposal and its impact on the REIT's financial performance, financial situation and activities	√	√	√	√
Ensure that the Committee is informed of and discuss with Management any legal or regulatory issue or issue pertaining to legislative and regulatory compliance that could have a major impact on the REIT's financial situation or activities	√	√	√	√
Ensure external auditor's partners are rotated in accordance with applicable standards				√
Review the emergency plans for handling financial information in the event of a computer system and applications breakdown	√			√

*Revised August 2010*