



# **2012**

## **Annual Information Form**

**Cominar Real Estate Investment Trust**  
Year ended December 31, 2012

March 28, 2013

## TABLE OF CONTENTS

<b>PART 1 – DATE OF ANNUAL INFORMATION FORM</b> .....	<b>6</b>
<b>PART 2 – STRUCTURE OF THE REIT</b> .....	<b>6</b>
<b>PART 3 – GENERAL DEVELOPMENT OF THE BUSINESS</b> .....	<b>6</b>
3.1 Overview of the REIT .....	6
3.2 Retrospective .....	7
3.3 Acquisitions Made in Fiscal 2012.....	7
3.4 Disposal of properties .....	8
3.5 Projects under development as of December 31, 2012.....	8
3.6 CHUM Expropriation.....	9
<b>PART 4 – DESCRIPTION OF THE BUSINESS</b> .....	<b>9</b>
4.1 General.....	9
4.2 Management and Growth Strategy of the REIT.....	10
4.3 Investment Guidelines and Operating Policies .....	11
4.4 Properties.....	14
4.5 Hypothecs and Debentures .....	42
<b>PART 5 – RISK FACTORS</b> .....	<b>50</b>
5.1 Risk Factors Related to the Business of the REIT .....	50
5.2 Risk Factors Related to the Ownership of Units.....	52
5.3 Risk Factors Related to the Ownership of Debentures .....	56
5.4 Risks Factors Related to the Acquisition of a property portfolio from GE Canada Real Estate Equity.....	57
<b>PART 6 – Subsequent Events After This AIF</b> .....	<b>58</b>
6.1 Acquisition of properties .....	58
6.2 Financing Activities .....	58
6.3 Potential obligations and recoveries with respect to the Holman Grand Hotel and other Canmarc liabilities.....	58
<b>PART 7 – DISTRIBUTIONS</b> .....	<b>59</b>
7.1 General.....	59
7.2 Computation of Distributable Income for Distribution Purposes.....	59
7.3 Computation of Net Realized Capital Gains and Net Recapture Income .....	59
7.4 Tax Deferral on 2012 Distributions .....	60
7.5 Distributions during the Last Three Fiscal Years.....	60
<b>PART 8 – CAPITAL STRUCTURE</b> .....	<b>60</b>
8.1 General Description of Capital Structure.....	60
8.2 Restrictions on the Issue and Transfer of Units.....	61
8.3 Credit Ratings .....	61
<b>PART 9 – DISTRIBUTION REINVESTMENT PLAN</b> .....	<b>61</b>
<b>PART 10 – MARKET FOR SECURITIES OF THE REIT</b> .....	<b>62</b>
10.1 Market for Units .....	62
10.2 Market for convertible Debentures.....	62
10.3 Market for Senior Debentures.....	64
<b>PART 11 – TRUSTEES AND OFFICERS OF THE REIT</b> .....	<b>65</b>
11.1 Information Concerning Trustees.....	65
11.2 Information Concerning Non-Trustee Officers .....	66

11.3	Independence .....	66
11.4	Audit Committee .....	66
11.5	Cease Trade Orders and Bankruptcies .....	68
<b>PART 12 – LEGAL PROCEEDINGS AND REGULATORY ACTIONS.....</b>		<b>69</b>
<b>PART 13 – INTEREST OF MANAGEMENT AND OTHER INFORMED PERSONS IN MATERIAL TRANSACTIONS .....</b>		<b>69</b>
<b>PART 14 – TRANSFER AGENT AND REGISTRAR .....</b>		<b>69</b>
<b>PART 15 – INTEREST OF EXPERTS .....</b>		<b>70</b>
<b>PART 16 – ADDITIONAL INFORMATION .....</b>		<b>70</b>
<b>SCHEDULE “A” .....</b>		<b>A-1</b>

## 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.

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

**“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, May 18, 2010 and May 16, 2012.

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

**“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 Convertible Debentures and of Senior Debentures, and **“Debentureholder”** means any one of them.

**“Debentures”** means, collectively, Convertible Debentures and Senior Debentures.

**“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.

**“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, January 12, 2010 and May 16, 2012.

**“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 and metropolitan area.

**“Net Operating Income”** means the REIT’s operating income before other income, financial expenses, REIT administrative expenses, gains on investments in public entities, restructuring charges, transaction costs – business combinations, the fair value adjustment of investment properties and income tax.

**“Ontario Area”** means the Province of Ontario except, for the purposes of this AIF, the Ottawa Area.

**“Others – Ontario Area”** means the Province of Ontario except, for the purposes of this AIF, the Ottawa Area.

**“Others – Québec Area”** means the city of Victoriaville, the city of Shawinigan, the city of Saguenay, the city of Drummondville, the city of Ste-Anne-des-Monts, the city of Jonquière, the city of Bromont, the city of Granby, the city of Sherbrooke, the city of Magog, the city of Joliette, the city of Rimouski and the city of St-Charles-Boromé.

**“Ottawa Area”** means the city of Ottawa and includes, for the purposes of this AIF, the city of Gatineau.

**“Properties”** means, unless the context requires otherwise, collectively, as at December 31, 2012, the 481 office, retail, industrial and mixed-use properties owned by the REIT, and **“Property”** means any one of them.

**“Province of Ontario”** or **“Ontario”** means the Province of Ontario.

**“Province of Québec”** or **“Québec”** means the Province of Québec.

**“Québec City Area”** means the city of Québec and the city of Lévis, the city of Saint-Romuald, the city of Saint-Nicolas, and the city of Saint-Augustin-de-Desmaures.

**“Real Estate Investment Trust Exception”** has the meaning assigned thereto in section 5.2.6 of this AIF.

**“Senior Debentures”** means, collectively, Series 1 4,274% and Series 2 4,23% debentures.

**“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.

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

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

## 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, competition, changes in government regulation and the factors described under “Risk Factors” in this 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.

## PART 1 – DATE OF ANNUAL INFORMATION FORM

This Annual Information Form (the “AIF”) is dated as of March 28, 2013. Unless otherwise noted, the information contained in this AIF is stated as at December 31, 2012.

## 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. Namely, during the annual and special meeting of Unitholders that took place on May 16, 2012, amendments were made to investment guidelines and operating principles, which are summarized elsewhere in this AIF.

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 Cominar’s wholly-owned companies.

## 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 28, 2013, the REIT owns a diversified portfolio of 500 office, retail, industrial and mixed-use Properties. Cominar’s real estate portfolio totals an area of 36.9 million square feet across Québec, Ontario, the Atlantic Provinces and Western Canada.

As at December 31, 2012, the REIT owned a diversified portfolio of 481 office, retail, industrial and mixed-use properties, of which 106 are located in the Québec City Area, 234 are located in the Montréal Area, 27 are located in the Others – Québec Area, 19 are located in the Ottawa Area, 13 are located in the Others – Ontario Area, 62 are located in the Atlantic Provinces and 20 are located in Western Canada. The REIT’s portfolio was comprised of approximately 13.0 million square feet of office space, 7.8 million square feet of retail space and 14.3 million square feet of industrial and mixed-use space, representing, in the aggregate, approximately 35.1 million square feet of leasable area. As at December 31, 2012, the REIT’s portfolio was approximately 93.9% leased.

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; 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.

As a fully integrated real estate investment trust, the management of all assets and properties is carried out internally. Except for some recently acquired properties whose management currently does not match the REIT's business model, Cominar is not bound to any third party by management contracts or property management fees. This mode of operation reduces the potential for conflict between the interests of management and the REIT, while ensuring that the interests of management and employees are aligned with those of Unitholders. Management considers that this results in a better 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, 2012, the REIT had operating revenues of \$564.5 million and Net Operating Income of \$317.8 million compared to \$317.7 million and \$184.7 million, respectively, the previous year. The REIT's total assets as at December 31, 2012 were \$5.6 billion and it employed approximately 440 full-time people.

### **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 the Montréal Area 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.

Continuing its growth strategy over the last year, Cominar acquired Canmarc Real Estate Investment Trust ("**Canmarc**") and 67 properties from GE Capital Real Estate's portfolio, which have allowed Cominar to increase its number of properties but also its presence on the Canadian market.

Since going public in 1998, Cominar REIT has expanded its leasable space from 51 properties with 3.1 million square feet to 481 properties with approximately 35.1 million square feet and increased the book value of its assets to \$5.6 billion as at December 31, 2012.

### **3.3 ACQUISITIONS MADE IN FISCAL 2012**

Fiscal 2012 was a year of phenomenal asset growth and of successful strategy execution. The REIT completed \$2.6 billion worth of strategic acquisitions this year, increasing the total leasable area by 65.4%, and enhancing the geographical diversification of its portfolio. Net operating income per market segment stood at 49.0% for the office building portfolio; 22.4% for the industrial and mixed-use portfolio; and 27.5% for retail properties, thus constituting a better balance.

#### **3.3.1 ACQUISITION OF CANMARC**

On March 1, 2012, the REIT completed the acquisition of all of the issued and outstanding units of Canmarc, whose real property amounts to \$1.9 billion. Canmarc owned a portfolio of Canadian income-producing commercial properties, consisting of retail and office properties with certain industrial properties. In total, the 142 acquired properties comprise approximately 9.4 million square feet of commercial gross leasable area and 464 residential units. These properties are located in Québec, the Atlantic Provinces, Western Canada and Ontario.

The acquisition of Canmarc increased Cominar's leaseable area by approximately 44% to slightly over 30.6 million square feet at the time of acquisition; this enhanced Cominar's footprint in the Province of Québec and established a meaningful presence in the Atlantic Provinces, Western Canada and Ontario. Furthermore, as a result of this acquisition, Cominar's portfolio benefits from enhanced diversification among the office, retail and industrial asset classes.

### **3.3.2 ACQUISITION OF A PROPERTY PORTFOLIO FROM GE CAPITAL REAL ESTATE**

On September 14, 2012, the REIT acquired a portfolio of 67 office and industrial buildings located in the Montréal and Ottawa Areas from GE Capital Real Estate for a purchase price of \$697 million; these properties represent a total leasable area of approximately 4.3 million square feet.

This acquisition increased the REIT's asset base by approximately 14% to 35 million square feet at the time of the acquisition and had a meaningful impact on the REIT's geographic diversification profile.

### **3.3.3 ACQUISITIONS OF INCOME PROPERTIES**

During the fiscal year, the REIT acquired four income producing properties from Société immobilière Investus inc. further to the exercise of a right of first offer.

This acquisition includes:

- One industrial and mixed-use property (31,000 square feet) located in Winnipeg, Manitoba; this property was acquired at a cost of \$4.7 million, of which \$2.4 million was an assumption of mortgage loan, \$2.2 million was debt, and \$91,000 was paid in cash;
- One industrial and mixed-use property (46,000 square feet) located in Longueuil, Québec; this property was acquired at a cost of \$3.7 million, of which \$2.4 million was an assumption of mortgage loan, and \$1.3 million was paid in cash;
- One industrial and mixed-use property (29,000 square feet) located in Halifax, Nova Scotia; this property was acquired at a cost \$3.2 million, of which \$2.1 million was an assumption of mortgage loan, and \$1.1 million was paid in cash;
- One industrial and mixed-use property (94,000 square feet) located in Brockville, Ontario; this property was acquired at a cost of \$4.4 million, of which \$2.8 million was an assumption of mortgage loan, and \$1.6 million was paid in cash.

### **3.4 DISPOSAL OF PROPERTIES**

On January 2012, the REIT acquired an investment in DEGI Homburg Harris Limited Partnership ("**DEGI LP**") further to the acquisition of Canmarc. The investment in DEGI LP consisted of 10% of the partnership units of DEGI LP, which owns a commercial property (Penn West Plaza in Calgary, Alberta). On October 31, 2012, the REIT completed the sale of its minority interest to Morguard Real Estate Investment Trust for net proceeds of \$22.4 million. No gain or loss resulted from this sale, as the investment was accounted for at fair value in 2012.

On March 8, 2012, the REIT, through Canmarc, sold a property located in British Columbia for an amount of \$3.5 million. This property is not included in the 142 properties acquired from Canmarc, as mentioned in this AIF.

On May 31, 2012, the REIT sold an industrial and mixed-use property in the Québec City Area for \$1.5 million.

### **3.5 PROJECTS UNDER DEVELOPMENT AS OF DECEMBER 31, 2012**

As at December 31, 2012, three projects were under development.



The first project concerns an office building. This project, which was initially planned at 240,000 square feet distributed over 12 floors, is now at 284,000 square feet distributed over 14 floors and its construction cost is now estimated at \$46 million. Adjacent to the Place Laval 1, 2, 3 and 4 complex, this building will be mainly occupied by the Government of Québec, under a long-term lease, for an area representing 79.0% of the building, being the current pre-rental rate. This project is expected to be completed in the second quarter of 2014.

The second project consists of an industrial and mixed-use building located at 125 Fortin Street, in Québec City. With an area of 49,000 square feet and representing an investment estimated at \$3.9 million, this project is 61% pre-leased.

The third project is a retail building with approximately 5,500 square feet; this building will be located on the Promenades Beauport shopping center lot, in Québec City. The cost of construction for this building is estimated at \$1.4 million. Already 100% leased to two tenants, this project should be delivered during the first quarter of 2013, and begin operations during the second quarter of 2013.

### 3.6 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 under deliberation by the administrative judges of the *Tribunal administratif du Québec*. At this stage, it is impossible to estimate or assess the final amount of the indemnity. A notice of transfer of ownership was served on the REIT 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 cashed in 2007.

## 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 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 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 December 31, 2012, the REIT employed approximately 440 full-time 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.

In this context, in November 2011, the Board of Trustees made some modifications to the strategic plan, namely regarding the debt ratio, the distribution ratio and the development strategy of the REIT.

In accordance with the REIT's financial management policies for maintaining a sound and strong financial position over the long-term and providing Unitholders with consistent and stable distributions, the Board of Trustees revised the debt ratio, which should be generally maintained at approximately 50% of the gross carrying amount, even though the Contract of Trust provides for a ratio of up to 65%. In addition, the Board of Trustees resolved that the distribution ratio should gradually attain approximately 90% of distributable income. As at December 31, 2012, the debt ratio stood at 50.0%.

The Board of Trustees also updated the REIT'S development strategy which focuses on a two-fold approach: acquiring properties and property portfolios and carrying out development projects.

To sustain and eventually increase its growth pace, the REIT now explores new markets outside Québec, as demonstrated by the acquisition of a portfolio of properties in the Atlantic Provinces in March 2010, and the acquisition of Canmarc as well as 67 income-producing properties from GE Capital Real Estate's portfolio in 2012. Thanks to this strategy, the REIT now has a footprint across Canada.

The Board of Trustees believes that development projects contribute only a small portion to the REIT's targeted growth and that the impact of major speculative development projects on results is too diluted due to the long periods needed for their construction. Going forward, the REIT will therefore mainly grow through acquisitions and will limit the scale of development projects to execute only those that meet demand and the needs of its clients.

### **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.

The REIT is the third largest diversified real estate investment trust in Canada. As at March 28, 2013, the REIT owns a diversified portfolio of 500 office, retail, industrial and mixed-use Properties, located in the Province of Québec, in the Province of Ontario, in the Atlantic Provinces and in Western Canada. The portfolio comprises approximately 13.1 million square feet of office space, 7.8 million square feet of retail space, 16.0 million square feet of industrial and mixed-use space and 485 units located in multi-residential buildings, for a total leasable area of over 36.9 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 for some recently acquired properties whose management currently does not match the REIT's business model, Cominar is not bound to any third party by management contracts or property management fees. 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 equity incentive plan. The equity incentive 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).

#### **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. In 2012, the REIT has obtained from financial institutions and by issuing units and debentures 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.

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

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

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

For the purpose of the foregoing guidelines, the assets, liabilities and transactions of a corporation or other entity wholly or partially owned by the REIT shall be deemed to be those of the REIT on a proportionate consolidation basis. In addition, any references in the foregoing to investment in Immovable Property shall be deemed to include an investment in a joint venture arrangement. 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.

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

#### 4.3.2 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 amended from time to time;
- (ii) (a) any written instrument creating an obligation which is or includes the granting by the REIT of a hypothec or mortgage, and (b) to the extent the Trustees determine to be practicable and consistent with their duty to act in the best interests of the Unitholders, any written instrument which is, in the judgment of the Trustees, a material obligation, shall contain a provision or be subject to an acknowledgement to the effect that the obligation being created is not personally binding upon, and that resort shall not be had to, nor shall recourse or satisfaction be sought from, the private property of any of the Trustees, Unitholders, annuitants under a plan of which a Unitholder acts as 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 Trust upon the acquisition of immovable property;
- (iii) shall not lease or sublease to any person any immovable property, premises or space where that person and its affiliates would, after the contemplated lease or sublease, be leasing or subleasing immovable property, premises or space having a fair market value in excess of 20% of the Adjusted Unitholders' Equity of the REIT;
- (iv) the limitations contained in paragraph (iii) shall not apply to the renewal of a lease or sublease and shall not apply where the lessee or sublessee is, or where the lease or sublease is guaranteed by:
  - (a) the Government of Canada, the Government of the United States, any province of Canada, any state of the United States or any municipality in Canada or the United States, or any agency thereof;
  - (b) any corporation, the bonds, debentures or other evidences of indebtedness of or guaranteed by which are authorized as an investment for insurance companies pursuant to subsection 86(1)(k) of the *Canadian and British Insurance Companies Act* in effect on December 31, 1991; or
  - (c) a Canadian chartered bank registered under the laws of a province of Canada;

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

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

#### **4.3.3 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.

#### **4.4 PROPERTIES**

As at December 31, 2012, the REIT’s Portfolio included 481 office, retail, and industrial and mixed-use Properties located in Québec, Ontario, the Atlantic Provinces and Western Canada. The portfolio consists of approximately 13 million square feet of office space, 7.8 million square feet of retail space and 14.3 million square feet of industrial and mixed-use space representing, in the aggregate, 35.1 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.

#### 4.4.1 OVERVIEW OF THE PORTFOLIO

The following tables respectively summarize the Properties of the REIT as at December 31, 2012 by operating segment and by geographic market, lease expiries and renewals and new leases as at December 31, 2012 and lease maturities from 2013 to 2017:

##### Allocation by Property Type

	Number of Properties	Leasable Area (square feet)
Office Properties	121	13,011,000
Retail Properties	158	7,758,000
Industrial and Mixed-Use Properties	202	14,328,000
Residential Properties	—	—
<b>Total Portfolio</b>	<b>481</b>	<b>35,097,000</b>

##### Allocation by Geographic Market

	Number of Properties	Leasable Area (square feet)
Québec	106	7,641,000
Montréal	234	19,723,000
Other – Québec	27	814,000
Ottawa <sup>(1)</sup>	19	2,212,000
Other – Ontario	13	589,000
Atlantic Provinces	62	2,907,000
Western Canada	20	1,211,000
<b>Total Portfolio</b>	<b>481</b>	<b>35,097,000</b>

(1) The city of Gatineau is included in the Ottawa Area

##### Expiries, Renewals and New Leases

	Office	Retail	Industrial and Mixed-Use	Total
<b>Leases expiring in 2012</b>				
Number of Clients	362	347	284	993
Leasable Area (square feet)	1,688,000	809,000	2,350,000	4,847,000
Average Net Rent (\$/square foot)	12.95	11.92	6.11	9.46
<b>Renewed Leases</b>				
Number of Clients	253	255	197	705
Leasable Area (square feet)	1,206,000	623,000	1,768,000	3,597,000
Average Net Rent (\$/square foot)	11.51	13.72	6.30	9.31
<b>% of Renewal</b>	<b>71.4</b>	<b>76.9</b>	<b>75.2</b>	<b>74.2</b>
<b>New Leases</b>				
Number of Clients	106	72	87	265
Leasable Area (square feet)	368,000	131,000	671,000	1,170,000
Average Net Rent (\$/square foot)	13.79	13.08	5.23	8.80

**Lease Maturities**

	Office	Retail	Industrial and Mixed-Use	Total
<b>Number of Leases</b>				
2013	395	303	302	1,000
2014	328	268	224	820
2015	324	244	211	779
2016	236	229	135	600
2017	236	235	156	627
<b>Area (square feet)</b>				
2013	1,564,900	907,500	2,203,300	4,675,700
2014	1,893,500	737,000	2,119,300	4,749,800
2015	2,015,700	716,400	2,540,500	5,272,600
2016	1,676,500	684,000	1,829,300	4,189,800
2017	1,528,500	817,400	1,868,000	4,013,900
<b>Weighted Average Net Rent (per sq. ft.)</b>				
2013	\$12.35	\$11.63	\$6.31	\$9.37
2014	\$13.85	\$13.40	\$5.78	\$10.18
2015	\$13.12	\$14.19	\$5.66	\$9.67
2016	\$13.90	\$16.59	\$6.08	\$10.92
2017	\$13.68	\$13.61	\$6.35	\$10.26

**4.4.2 SUMMARY OF THE 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	76.6	Industrial Alliance Life Insurance Company, a Canadian chartered bank, Subway (restaurant)
5055 Wilfrid-Hamel Boulevard West Québec City, Québec	1979/1996	28,000	90.8	Matériaux Blanchet, System EBI, Cyber Cat
5073-5075-5079 Wilfrid-Hamel Boulevard 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	100.0	Canadian Automobile Association (Québec) – “CAA”, Innovetric Logiciels, Opsens, Comact Equipment
2200 Cyrille-Duquet Street Québec City, Québec	1965/1986/ 1996	31,000	100.0	Imprimerie Solisco, Solotech
Place de la Cité 2590-2640 Laurier Boulevard Québec City, Québec	1964/1970/ 1982/1988/ 1993/ 2003/2004	698,000	99.4	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 of North America, Gestion M.D., Aon, Microsoft Canada, SEPAQ, North-Bridge PriceWaterhouseCoopers, Autorité des marchés financiers, a Canadian chartered bank, Hub International, Professionals' Fund/Mutual Funds, Québec Mining Association, La Cité Médicale



<b>Properties</b>	<b>Year Built/ Renovated</b>	<b>Leasable Area (ft<sup>2</sup>)</b>	<b>% Leased</b>	<b>Selected Tenants</b>
455 du Marais Street Québec City, Québec	1977/1997	61,000	97.7	Industrial Alliance Life Insurance Company, Cominar, Corporation des services d'ambulance du Québec, Groupecho Canada, Alpha Assurances
3175 des Quatre-Bourgeois Road Québec City, Québec	1990	102,000	96.1	Re/Max, Société immobilière du Québec, Coveo Solutions
979 de Bourgogne Avenue Québec City, Québec	1976/1988/ 1996	67,000	96.5	Her Majesty the Queen, SIQ, Joint Health and Safety Association, Mining Sector, Groupe Robert Giroux, Clinique médicale Quatre-Bourgeois
Place de la Capitale 150 René-Lévesque Boulevard East Québec City, Québec	1973/1999	229,000	98.9	Société immobilière du Québec, a Canadian chartered bank, Rogers Cantel, Tim Hortons
1265 Charest Boulevard West Québec City, Québec	1975/2002	142,000	91.2	Esri Canada, Société immobilière du Québec, Transcontinental Media, Altus Group, Renaud et Cie
565-585 Charest Boulevard East Québec City, Québec	1950 1999/2000	110,000	99.2	ABB Bomen, Frima Studio, LG2, Jobillico
Complexe Jules-Dallaire – Phase I 2828 Laurier Boulevard Québec City, Québec	2008/2010	343,000 <sup>(2)</sup>	93.1	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, Her Majesty the Queen, RBC Dominion Securities, RBC Philips, Hager & North Services-conseil en placements, three Canadian chartered banks
6777 de la Rive-Sud Boulevard Lévis, Québec	2007	80,000	100.0	Desjardins groupe d'assurances générales inc., La fédération des caisses Desjardins du Québec
888 Saint-Jean Street Québec, Québec	1981/2003	77,000	100.0	Société Radio-Canada, Société Immobilière du Québec
1400 De la Rive-Sud Boulevard Saint-Romuald, Québec	2004/2005	77,000	100.0	Société Immobilière du Québec
1156 De la Rive-Sud Boulevard Saint-Romuald, Québec	1995	34,000	100.0	Société Immobilière du Québec
1135 De la Rive-Sud Boulevard Saint-Romuald, Québec	1997	12,000	100.0	City of Lévis
30-56 Du Vallon Street West Lévis, Québec	1990/1994	78,000	87.5	Desjardins General Assurance Group, Desjardins Financial Security Life Assurance Company
<b>Sub-total</b>		<b>2,302,000</b>		
<b>Montréal Area</b>				
255 Crémazie Boulevard East Montréal, Québec	1967/2002	245,000	99.5	Société immobilière du Québec, Ville de Montréal, Pétrie Raymond LLP, Consultants 3LM, a Canadian chartered bank, Aecon Group, Ordre professionnel des travailleurs sociaux du Québec, Stellar Canada
8500 Décarie Boulevard Mont-Royal, Québec	2001	175,000	100.0	Ericsson Canada
3400 Jean-Béraud Avenue Laval, Québec	2001	156,000	100.0	Her Majesty the Queen
201-211 Laurier Avenue East Montréal, Québec	1916 1989 2001	132,000	82.3	City of Montréal, Softvoyage, the Canadian Corps of Commissionaires, Société immobilière du Québec
375 Sir-Wilfrid-Laurier Boulevard Mont-Saint-Hilaire, Québec	1999	50,000	100.0	Breton, Banville et associés SENC
325 Honorius-Charbonneau Boulevard Mont-Saint-Hilaire, Québec	1985	19,000	100.0	Breton, Banville et associés SENC

<b>Properties</b>	<b>Year Built/ Renovated</b>	<b>Leasable Area (ft<sup>2</sup>)</b>	<b>% Leased</b>	<b>Selected Tenants</b>
8400 Décarie Boulevard Mont-Royal, Québec	1960 1990/1991	227,000	100.0	Ericsson Canada
1080 Beaver Hall Hill Montréal, Québec	1968/ 2000	320,000	91.7	Natis Programming & Tech Inc., Dessau Soprin, Harris/Decima Inc., 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	95.3	Fujitsu Transaction Solutions Canada Inc., The Young & Rubicam Group of Companies ULC, a Canadian chartered bank, Devmont Construction
455 Fénélon Boulevard Dorval, Québec	1990	97,000	71.0	Société immobilière du Québec, Adacel Inc., Securitas Transport Aviation Security
9900 Cavendish Boulevard Montréal, Québec	1987	85,000	96.3	CIBC World Markets Inc., Procter & Gamble Inc., Nymox Pharmaceutical Corp., Cato Research Canada Inc., Fournitures de bureau Denis Inc.
9999 Cavendish Boulevard Montréal, Québec	1988	52,000	84.2	Pitney Bowes Canada, 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	93.7	Carrefour jeunesse-emploi, Groupecho Canada Inc., Société immobilière du Québec, a Canadian chartered bank, Aecom
2 Place Laval Laval, Québec	1965/1989	102,000	100.0	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	185,000	100.0	City of Laval, Vancouver Career College (Burnaby) Inc., Société immobilière du Québec, Her Majesty the Queen, a Canadian chartered bank
4 Place Laval Laval, Québec	1965/1989	141,000	98.3	Société immobilière du Québec, a Canadian chartered bank
3080 Le Carrefour Boulevard Laval, Québec	1990	88,000	76.4	Prevail Energy Ltd, La Capitale services conseils Inc., HB Group Insurance Management Ltd., Les Investissements J.L. Gauthier, BMO Nesbitt Burns Inc., Essor Assurances Placements Conseils
3090 Le Carrefour Boulevard Laval, Québec	1986	74,000	100.0	Scotia Capital Inc., Office municipal d'habitation de Laval, CIT Financial Ltd., Brown Shoe Company of Canada Ltd., a Canadian chartered bank, London Life Insurance Co.
3100 Le Carrefour Boulevard Laval, Québec	1988	77,000	99.6	RBC Life Insurance Co., SNC-Lavalin Inc., Sun Life Insurance Company of Canada, Investors Services Ltd., a Canadian chartered bank
2525 Daniel-Johnson Boulevard Laval, Québec	1977	111,000	95.3	Genivar Limited Partnership, Business Development Bank of Canada, Industrial Alliance Company, a Canadian chartered bank, Lasik MD
1111 Dr.-Frederik-Philips Boulevard Montréal, Québec	1990	104,000	95.9	Makivik Corporation, Sun Life Insurance Company of Canada, A.C. Nielsen Company of Canada, Dundee Securities, Pirelli Tires
3300 de la Côte-Vertu Boulevard Montréal, Québec	1976	98,000	79.5	A Canadian chartered bank, Nikon Canada Inc., Société immobilière du Québec, Geosaf Inc., Gamma Entertainment Inc., Cambridge Mercantile Corp., Synnex Canada Limited, Wrigley Canada
2001 McGill College Avenue Montréal, Québec	1982	535,000	82.6	Société immobilière du Québec, Cascades Canada inc., Vérificateur général du Québec, SITA (Société internationale de télécommunications aéronautiques), a Canadian chartered bank, Equant Canada (Orange Business Services), Rio Tinto, CB Richard Ellis

<b>Properties</b>	<b>Year Built/ Renovated</b>	<b>Leasable Area (ft<sup>2</sup>)</b>	<b>% Leased</b>	<b>Selected Tenants</b>
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	91.1	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, Her Majesty the Queen, a Canadian chartered bank
825 Saint-Laurent Street West Longueuil, Québec	1966/1981 1986	67,000	100.0	Société Immobilière du Québec
2405 Fernand-Lafontaine Boulevard Longueuil, Québec	1966	33,000	100.0	ITR acoustique inc., Genivar société en comandite
895 de la Gauchetière Street West Montréal, Québec	1929/1943 1961, 1981, 1999-2005	626,000	100.0	Canadian National Railway Company, Intelerad Medical Systems Incorporated, Nexacor Realty Management Inc., The Business Depot LTD., a Canadian chartered bank, Société des alcools du Québec, VIA Rail Canada Inc.
3400 de Maisonneuve Boulevard West Montréal, Québec	1967/1971 1986 1987 1988	605,000	85.3	Hapag Lloyd (Canada) Inc., Dale Parizeau Morris Mackenzie Inc., KSH Solutions Inc.
1717 René-Lévesque Boulevard East Montréal (Québec)	1981/2010	70,000	100.0	Astral Radio inc., Gestion Jurlex ltée.
1200 Papineau Avenue Montréal, Québec	1988/2010	95,000	99.7	SSQ, Société d'assurance-vie inc., Le centre de santé et de services sociaux Jeanne-Mance, Production J inc., Ville de Montréal
3669-3681 des Sources Boulevard Dollard-des-Ormeaux, Québec	1981	25,000	77.2	Moksha Yoga West Island, Dr. Joseph-Yossi Mouyal, Health Partners International of Canada
480 Armand-Frappier Boulevard Laval, Québec	2003	49,000	100.0	Laboratoire Garmen
420, Armand-Frappier Boulevard Laval, Québec	2002	50,000	52.2	Corporation Xprima.com, Rocksoft Inc.
440 Armand-Frappier Boulevard Laval, Québec	1999	49,000	55.7	Corporation Datacom Wireless, Instadesign, Pyxis Technologies Inc.
400 Armand-Frappier Boulevard Laval, Québec	2003	50,000	86.2	Technologies 20-20 inc.
1301 Gay-Lussac Street Boucherville, Québec	1999	15,000	100.0	Clark, Drouin, Lefebvre
25 de Lauzon Street Boucherville, Québec	1989	43,000	93.1	Uni-Select Inc., Graymont (Quebec) Inc., Mission-HGE inc.
85 J.-A.-Bombardier Street Boucherville, Québec	2003	26,000	100.0	ITR acoustique inc., Dessin structural B.D. inc.
9975-9995 Catania Avenue Brossard, Québec	2004	124,000	95.7	Tyco Safety Products Canada LTD., Optimont Inc., ICS Triplex Isagraf Inc, Lexmark Canada Inc.
2 Place du Commerce Brossard, Québec	1976	36,000	94.8	Industrielle alliance, assurances et services financiers inc.
5 Place du Commerce Brossard, Québec	1981	19,000	48.7	T. Harris Environnemental Mangement Inc., Traffic Tech Inc.
8 Place du Commerce Brossard, Québec	1981	31,000	69.8	Nutreco Canada Inc., Groupe Axdev Inc.
1 Place du Commerce Brossard, Québec	1978	43,000	79.0	Société immobilière du Québec, Mode le Grenier inc.

<b>Properties</b>	<b>Year Built/ Renovated</b>	<b>Leasable Area (ft<sup>2</sup>)</b>	<b>% Leased</b>	<b>Selected Tenants</b>
11 Place du Commerce Brossard, Québec	1976/2004	41,000	85.2	Société immobilière du Québec, The Great-West Life Assurance Company
3 Place du Commerce Brossard, Québec	1978	28,000	82.6	Pub Fuzzy
7450 des Galeries d'Anjou Boulevard Anjou, Québec	1986	66,000	86.4	Fédération des Caisses populaire Desjardins du Québec, Caisse populaire Desjardins de Tétéautville, Fédération québécoise de hockey sur glace inc., Comité paritaire des agents de sécurité
7400 des Galeries d'Anjou Boulevard Anjou, Québec	1988	118,000	63.6	The Bank of Nova Scotia, Fédération des caisses Desjardins du Québec, General Mills Canada Corporation
8200 Décarie Boulevard Montréal, Québec	1982	61,000	96.1	Silanis Technology Inc., MD Physician Services Inc., a Canadian chartered bank
8250 Décarie Boulevard Montréal, Québec	1989	83,000	99.6	Groupe restaurants Imvescor, Investors Group Financial Services Inc., Syntax Systems LTD.
768-790 Décarie Boulevard Montréal, Québec	1970-1998	36,000	96.3	Centre d'accueil et de référence sociale et économique pour immigrants de Saint-Laurent, Onedesk Software Inc., Lifeline a division of Philips Electronics LTD.
290-316 Benjamin-Hudon Street	1975	67,000	95.5	Prosol Distribution inc, Davflo Management Inc., North Star Engineering Products LTD.
1-243 Place Frontenac Pointe-Claire, Québec	1977	66,000	74.2	Les centres de la jeunesse et de la famille Batshaw, Orchard House Inc.
1000 Saint-Jean Boulevard Pointe-Claire, Québec	1976	108,000	91.5	Société immobilière du Québec, a Canadian chartered bank, CDI-Professional Services LTD., Industrielle alliance assurance et services financiers, CAA Québec
<b>Sub-total</b>		<b>6,741,000</b>		
<b>Ottawa Area</b>				
550 de la Cité Boulevard Gatineau, Québec	2003	321,000	100.0	Her Majesty the Queen
480 de la Cité Boulevard Gatineau, Québec	2003	45,000	100.0	Brookfield Power Inc.
400 Cooper Street Ottawa, Ontario	1974/1998	176,000	92.6	Her Majesty the Queen, Centretown Community Health Center
975, Saint-Joseph Boulevard Gatineau, Québec	1983/1999	195,000	100.0	Her Majesty the Queen, Société de l'assurance automobile du Québec (SAAQ), a Canadian chartered bank
1145 Hunt Club Road Ottawa, Ontario	1990	91,000	100.0	MMM Group Limited, Pharmaceutical Research Associates Inc., Paramed Home Health Care a Division of Extencicare (Canada) Inc.
110 O'Connor Street Ottawa, Ontario	1970/1999 and 2010	189,000	100.0	Her Majesty the Queen
222-230 Queen Street Ottawa, Ontario	1972/1991 and 2002	207,000	99.9	Her Majesty the Queen, a Canadian chartered bank
171 Slater Street Ottawa, Ontario	1970/2011	150,000	100.0	Her Majesty the Queen
2465 Saint-Laurent Boulevard Ottawa, Ontario	1987/2001	62,000	100.0	Her Majesty the Queen
1000 Innovation Drive Kanata, Ontario	2000	146,000	100.0	Entrust Limited

<b>Properties</b>	<b>Year Built/ Renovated</b>	<b>Leasable Area (ft<sup>2</sup>)</b>	<b>% Leased</b>	<b>Selected Tenants</b>
21 Fitzgerald Road Nepean, Ontario	1986/1996	42,000	100.0	Her Majesty the Queen
25 Fitzgerald Road Nepean, Ontario	1998	114,000	100.0	Her Majesty the Queen
35 Fitzgerald Road Nepean, Ontario	2001	63,000	100.0	Her Majesty the Queen, Exar Corporation
1 Antares Road Nepean, Ontario	1989	72,000	98.9	Synopsys Canada ULC, N. Harris Computer Corporation, I.W. Systems Canada Company, Geodigital International Inc.
700 Palladium Drive Ottawa, Ontario	2001	63,000	100.00	DRS Technologies Canada LTD.
750 Palladium Drive Ottawa, Ontario	2001	80,000	95.4	Skywave Mobile Communications Inc., Rohde & Schwarz Canada Inc., Spirent Communications of Ottawa LTD., KPMG Management Services LP
770, Palladium Drive Ottawa (Ontario)	2001	86,000	100.0	IBM Canada Limited
<b>Sub-total</b>		<b>2,102,000</b>		
<b>Atlantic Provinces</b>				
1113 Regent Street Fredericton, New Brunswick	1988	11,000	100.0	Regional Health Authority and Panacea Body Wellness Centre
1115 Regent Street Fredericton, New Brunswick	1964	16,000	95.6	Atlantic Business College, Brunswick Valley Lumber
570 Queen Street Fredericton, New Brunswick	1989	70,000	100.0	Her Majesty the Queen, Sun Life Insurance Company, McInnes Cooper LLP, Business Development Bank of Canada
371 Queen Street Fredericton, New Brunswick	1870/1988	32,000	100.0	RBC Dominion Securities, London Life Insurance Company, Whitechurch
565, Priestman Street Fredericton, New Brunswick	1975/1976	35,000	89.1	Her Majesty the Queen, 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	97.8	Province of New Brunswick, BMO Nesbitt Burns, Eddy & Down, Barrister and Solicitors
1149 Smythe Street Fredericton, New Brunswick	1970	13,000	86.9	Yorkville University, Dillon Consulting Ltd.
81 Albert Street Moncton, New Brunswick	2002/2003	65,000	100.0	Province of New Brunswick, Her Majesty the Queen
84 Chain Lake Drive Halifax, Nova Scotia	2008	76,000	92.1	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, Her Majesty the Queen
1199 Saint-George Boulevard Moncton, New Brunswick	1996	60,000	100.0	a Canadian chartered bank
85 and 123 Halifax Street Moncton, New Brunswick	1961/1977 1989	81,000	100.0	CO-OP Atlantic

<b>Properties</b>	<b>Year Built/ Renovated</b>	<b>Leasable Area (ft<sup>2</sup>)</b>	<b>% Leased</b>	<b>Selected Tenants</b>
1313 Barrington Street Halifax, Nova Scotia	1984-1985	28,000	93.1	BGS Training Incorporated O/A Compucollege (The Eastern College), Her Majesty the Queen, Global Upholstery Co Inc.
11 Akerley Boulevard Dartmouth, Nova Scotia	1973/1987	127,000	97.2	Her Majesty the Queen, NS School Insurance Program Association
1741 Brunswick Street Halifax, Nova Scotia	1978	101,000	98.0	Her Majesty the Queen, CLLC Canadian Language Learning College Inc., Les systèmes Cisco Canada Cie., a Canadian chartered bank
32 Akerley Boulevard Dartmouth, Nova Scotia	2008	14,000	42.4	Homburg Invest Inc.
111-119 Kent Street Charlottetown, Prince Edward Island	1989	3,000	75.1	MC Legal Management Limited Partnership, Atlantic Fitness, Johnson Inc., Canadian Mortgage & Housing Corporation, CIBC World Markets Inc., Sunlife Assurance of Canada, Her Majesty the Queen, Wellington West Capital Inc., a Canadian chartered bank
96-100 Fitzroy Street Charlottetown, Prince Edward Island	2009-2010	34,000	100.0	a Canadian chartered bank, PEI Lending Agency
<b>Sub-total</b>		<b>1,013,000</b>		
<b>Western Canada</b>				
720 28 <sup>th</sup> Street North East Calgary, Alberta	1980	37,000	94.2	Remedy Energy Services Inc., Keyfacts CPI Services Inc., ADT Security Services of Canada Inc.
221 62 <sup>nd</sup> Avenue South East Calgary, Alberta	1965	8,000	100.0	Blast Promotions Inc., Ascension Systems Inc.
253 62 <sup>nd</sup> Avenue South East Calgary, Alberta	1997	8,000	100.0	LPI Communications Group Inc.
6223 2 <sup>nd</sup> Street South East Calgary, Alberta	1965	31,000	93.3	Rockwell Automation Canada Control Systems (Rockwell Automation Canada Inc.), Caliber Planning Inc.
6227 2 <sup>nd</sup> Street South East Calgary, Alberta	1997	14,000	100.0	Cougar Contractors, Autodesk Canada Co
4124 9 <sup>th</sup> Street South East Calgary, Alberta	1961/2000	47,000	100.0	Hemisphere GPS Inc., Canada Brokerlink Inc.
4411 6 <sup>th</sup> Street South East Calgary, Alberta	2006	41,000	100.0	ABB Inc., WSCU Holdings LTD.
700 2 <sup>nd</sup> Street South West Calgary, Alberta	1975	541,000	99.4	Shaw Cablesystems Limited, Nuvista Energy LTD., a Canadian chartered bank, M-I Drilling Fluids Canada Inc., Maj-Car Management & Investments LTD.
4000 4 <sup>th</sup> Street South East (Bldg 200) Calgary, Alberta	2008-2011	45,000	94.3	Stantec Consulting LTD., Clean Energy Developments Corp.
4000 4 <sup>th</sup> Street South East (Bldg 300) Calgary, Alberta	2008-2011	68,000	100.0	Vista Projects Limited, Global Raymac Surveys Inc.
3600 4 <sup>th</sup> Street South East (Bldg 100) Calgary, Alberta	2008-2010	13,000	100.0	Enercore Projects LTD.
<b>Sub-total</b>		<b>853,000</b>		
<b>TOTAL OFFICE PROPERTIES</b>		<b>13,011,000</b>		

<b>Properties</b>	<b>Year Built/ Renovated</b>	<b>Leasable Area (ft<sup>2</sup>)</b>	<b>% Leased</b>	<b>Selected Tenants</b>
<b>RETAIL PROPERTIES</b>				
<b>Québec City Area</b>				
3345 du Carrefour Street 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	Couche-Tard
5600 de la Rive-Sud Boulevard Lévis, Québec	2005	10,000	100.0	Société des alcools du Québec
5 d'Orléans Street Québec City, Québec	1978/1985	6,000	100.0	A Canadian chartered bank
Halles Fleur de Lys 245 Soumande Street Québec City, Québec	1978/1984/ 1994	95,000	93.4	Restaurant Pacini, Dollarama, Aliments M&M, Energie Cardio
2195 de la Rive-Sud Boulevard Saint-Romuald, Québec	1977/1985	6,000	100.0	A Canadian chartered bank
2160 de la Rive-Sud Boulevard 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 Boulevard Québec City, Québec	1964/1970/ 1982/1993	352,000	97.9	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., TD Waterhouse, Liquor Store, Au Petit Coin Breton, HSBC Financial Centre
Carrefour Charlesbourg 8500 Henri-Bourassa Boulevard Québec City, Québec	1976/1988/ 1995/1996/ 2004	323,000	90.5	Metro, Pharmacie Brunet, La Source, a Canadian chartered bank, Industrial Alliance Life Insurance Company, Yellow, Dollarama, Rossy, Société des alcools du Québec, Sirens, Charlemagne
355 du Marais Street Québec City, Québec	1990	37,000	100.0	Schneider Canada Inc., Maître Piscinier, Lebeau Vitres d'Auto/Belron
325 du Marais Street Québec City, Québec	1991	79,000	94.5	Restaurant Tomas Tam, Re/Max, Her Majesty the Queen, 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, TELUS
Les Promenades Beauport 3333 du Carrefour Street Québec City, Québec	1978/2002/ 2004/2008 2009	549,000	97.8	Au Vieux Duluth, Dooly's, Jean Coutu, Dollarama, Yellow, Parfumeries Dans un Jardin, Winners, La Source, Cantel, Her Majesty the Queen, 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, Structube, Liquor Store
1295 Charest Boulevard West Québec City, Québec	1982/ 2007	28,000	100.0	Boiteau Luminaire
Place Lévis 50 Président-Kennedy Road Lévis, Québec	1970/1995	220,000	93.6	Provigo Distribution, SuperClub Vidéotron, Industrielle Alliance, Nautilus Plus, Desjardins Securities, Simon Maranda, Ministère de l'Agriculture, des Pêcheries et de l'Alimentation, La Financière Agricole, Piazzetta, Stéréo Plus, Her Majesty the Queen, Cuisina, Fillions Sports

<b>Properties</b>	<b>Year Built/ Renovated</b>	<b>Leasable Area (ft<sup>2</sup>)</b>	<b>% Leased</b>	<b>Selected Tenants</b>
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 Boulevard West Québec City, Québec	1975/2002	63,000	100.0	Société immobilière du Québec, Tapis du Monde, Dollarama
1075 Wilfrid-Hamel Boulevard Québec, Québec	1994	7,000	100.0	Scores
1095 Wilfrid-Hamel Boulevard Québec, Québec	2000	3,000	100.0	Harvey's
600 Road 116 Saint-Nicolas, Québec	1997	43,000	100.0	Dollarama, Le Groupe Jean Coutu
5150-5200 de l'Ormière Boulevard Québec, Québec	1972/2000 2005	159,000	99.4	Provigo Distribution, Dollarama, Hart Stores Inc., Le groupe Jean Coutu, Les amis de la Villa, Boutique le Pentagone
<b>Sub-total</b>		<b>2,112,000</b>		
<b>Others – Québec Area</b>				
950 Jutras Boulevard East Victoriaville, Québec	2012	4,000	100.0	Restaurant Grigio
230 des Bois-Francis Boulevard South Victoriaville, Québec	1986	8,000	100.0	Burger King, Subway
353-357 des Bois-Franc Boulevard South Victoriaville, Québec	1990/1993	40,000	51.7	Le groupe Jean-Coutu
379 des Bois-Franc Boulevard South Victoriaville, Québec	1993	6,000	100.0	Superclub Vidéo-tron-Microplay
3353-3493 Royal Boulevard Shawinigan, Québec	1988/2006	24,000	86.4	L'équipeur, Bouclair inc.
2722 Royal Boulevard Shawinigan, Québec	2003	17,000	100.0	Le groupe Jean Coutu
400 des Saguenéens Street Saguenay, Québec	1988	19,000	100.0	Le groupe Jean Coutu, Mode le Grenier inc.
520 Saint-Joseph Boulevard Drummondville, Québec	1988	28,000	95.5	Van Houtte café-bistro, Citifinancière Canada inc., Groupe F. Farhat inc., Le groupe Jean Coutu
20 Sainte-Anne Boulevard West Sainte-Anne-des-Monts, Québec	1986	23,000	99.6	Le groupe Jean Coutu, Dollarama.
3103 Royal Boulevard Shawinigan, Québec	1974/2000 2002 2006	220,000	90.7	Métro Richelieu inc. (Super C), Hart Stores inc., L'aubainerie, The Business Depot LTD., Shoppers Realty Inc., a Canadian chartered bank
2600 Saint-Hubert Street Jonquière, Québec	1989	26,000	100.0	Couche-Tard inc., Caisse Desjardins de Jonquière, Le groupe Jean Coutu
2620 Saint-Hubert Street Jonquière, Québec	2008	40,000	100.0	Sobeys Québec Inc. (IGA extra Guy Bergeron)
8 Bromont Boulevard Bromont, Québec	1989/1993	4,000	0.0	Vacant
20 de Toulouse Street Granby, Québec	1989/2006	5,000	100.0	Pizza Hut



<b>Properties</b>	<b>Year Built/ Renovated</b>	<b>Leasable Area (ft<sup>2</sup>)</b>	<b>% Leased</b>	<b>Selected Tenants</b>
50 Lionel-Groulx Boulevard Sherbrooke, Québec	1990/2005	5,000	100.0	Pizza Hut
736 King Street East Sherbrooke, Québec	1986/1988	6,000	100.0	Burger King
3005 King Street East Sherbrooke, Québec	1980/1988	6,000	100.0	Burger King
1331-1363 Belvédère Street South Sherbrooke, Québec	1988	16,000	100.0	Le groupe Jean Coutu
231 Sherbrooke Street Magog, Québec	2001	29,000	100.0	Sobeys Québec inc.
235 Sherbrooke Street Magog, Québec	1990	30,000	93.7	Le groupe Jean Coutu, Pizza Hut
562-566 Saint-Charles-Borromée Street North Joliette, Québec	2001/2009	18,000	92.4	Le groupe Jean Coutu
121 de la Visitation Street Saint-Charles-Borromée, Québec	1991	4,000	100.0	Pizza Hut
2140 King Street East Sherbrooke, Québec	1989/2003	30,000	86.7	Le groupe Jean Coutu, Société des alcools du Québec
2110 King Street East Sherbrooke, Québec	2000	1,000	100.0	Subway
<b>Sub-total</b>		<b>609,000</b>		
<b>Montréal Area</b>				
1479-1481-1483-1485 Saint-Bruno Boulevard Saint-Bruno-de-Montarville, Québec	1997	13,000	100.0	Penningtons, Yellow
1465 Saint-Bruno Boulevard Saint-Bruno-de-Montarville, Québec	1997	26,000	100.0	Bureau en gros
1475 Saint-Bruno Boulevard Saint-Bruno-de-Montarville, Québec	1997	130,000	100.0	Wal-Mart
1495 Saint-Bruno Boulevard Saint-Bruno-de-Montarville, Québec	1997	35,000	100.0	Cineplex Odeon
800 Claude-Juras Boulevard Saint-Bruno-de-Montarville, Québec	2003	30,000	100.0	Déco Découverte
239-245 Samson Boulevard Laval, Québec	1991	40,000	92.8	Rogers Wireless, Jean Coutu, SuperClub Vidéotron
2101-2137 Curé-Labelle Boulevard Laval, Québec	2003	65,000	100.0	SuperClub Vidéotron, Sobeys
2760-2784 Jacques-Cartier Boulevard East Longueuil, Québec	2006	24,000	100.0	Énergie Cardio, La Belle Province, Quizno's subs
2790-2794 Jacques-Cartier Boulevard East Longueuil, Québec	2006	6,000	100.0	Restaurant Bravi, Restaurant Tutti Frutti
1011-1091 Saint-Bruno Boulevard Saint-Bruno-de-Montarville (Québec)	2007/2008	79 000	80.5	Urban Planet, Club Chaussures, Suzy Shier, Récréofun, Encadrement des Cèdres
1101-1191 Saint-Bruno Boulevard Saint-Bruno-de-Montarville (Québec)	2007/2008	31,000	16.2	Encadrement des cèdres
340-360 Sir-Wilfrid-Laurier Boulevard Mont-Saint-Hilaire, Québec	2004/2005	24,000	100.0	Dr. Charles Leroux, Chiropractor, SuperClub Vidéotron, BBA Inc., Breton, Banville & Associés

<b>Properties</b>	<b>Year Built/ Renovated</b>	<b>Leasable Area (ft<sup>2</sup>)</b>	<b>% Leased</b>	<b>Selected Tenants</b>
370-380 Sir-Wilfrid-Laurier Boulevard Mont-Saint-Hilaire, Québec	1991	46,000	97.1	Iris Optométriste, Carrefour jeunesse-emploi Vallée du Richelieu, Industrial Alliance Insurance & Financial Services, Buffet chinois Maison Chan
353-361 Sir-Wilfrid-Laurier Boulevard, 345 Honorius-Charbonneau Boulevard and 365 Sir-Wilfrid-Laurier Boulevard Mont-Saint-Hilaire, Québec	1995/1998	71,000	96.4	Supermarché St-Hilaire Inc. (Metro)
377-383 Sir-Wilfrid-Laurier Boulevard Mont-Saint-Hilaire, Québec	2000	9,000	100.0	Restaurant Laora, Centre Visuel Plus de Mont-Saint-Hilaire
933 Armand-Frappier Boulevard Sainte-Julie, Québec	2000	14,000	100.0	Caisse populaire Desjardins Sainte-Julie, Espace BLU Déco
600-660 Le Corbusier Boulevard Laval, Québec	2008	59,000	86.2	Dollarama, Bouclair, Structube, Roche Bobois, Dormez-vous
690 Le Corbusier Boulevard Laval, Québec	2008	43,000	100.0	Sears Décor
720 Le Corbusier Boulevard Lava, Québec	2009	9,000	100.0	A Canadian chartered bank
760-800 Le Corbusier Boulevard Laval, Québec	2008	12,000	47.2	Eggstyle, Boutique NY Style, The Running Room
830-850 Le Corbusier Boulevard Laval, Québec	2008	10,000	100.0	Axis, Panda d'Or, Farhat Optical
900-950 Le Corbusier Boulevard Laval, Québec	2009	61,000	100.0	Indigo, Golf Town, JYSK
1020-1050 Le Corbusier Boulevard Laval, Québec	2008	10,000	83.7	Thai Express, Allstate Insurance Company, Salon Sugar
1090-1130 Le Corbusier Boulevard Laval, Québec	2008	12,000	100.0	Kanda Sushi Bar, Restaurant Amir, Subway, La Belle Province
1310 Le Corbusier Boulevard Laval, Québec	2008	31,000	100.0	Winners
1340-1350 Le Corbusier Boulevard Laval, Québec	2008	8,000	100.0	Centre Hi-Fi, Tim Hortons
1160-1170 Le Corbusier Boulevard Laval, Québec	2011	12,000	100.0	A Canadian chartered bank, Louis Garneau Sport
99 Saint-Jean-Baptiste Boulevard Chateauguay, Québec	1991/2006	4,000	100.0	Pizza Hut
233-237 Saint-Jean-Baptiste Boulevard Chateauguay, Québec	1989/2002	40,000	94.7	Benjamin Moore-Maison, décor et compagnie, Cadrexpert inc., Le groupe Jean Coutu, Centre de santé et de services sociaux Jardins-Roussillon
484 25 <sup>th</sup> Avenue Saint-Eustache, Québec	1990/2006	4,000	100.0	Pizza Hut
155 25 <sup>th</sup> Avenue Saint-Eustache, Québec	1989	7,000	81.2	Boulangerie pâtisserie fine douceur inc., Shell Canada Products
101 Arthur-Sauvé Boulevard Saint-Eustache, Québec	1963/1995	3,000	100.0	Harvey's
825 Saint-Laurent Street West Longueuil, Québec	1966/1981 1986	338,000	96.3	Target Canada Co., Sobeys Québec inc., Sports experts 200 inc., Dollarama, Les rôtisseries Saint-Hubert Itée., Société des alcools du Québec, Uniprix inc.
920 Douglas Street Saint-Jean-sur-Richelieu, Québec	1991/2007	4,000	100.0	Pizza Hut

<b>Properties</b>	<b>Year Built/ Renovated</b>	<b>Leasable Area (ft<sup>2</sup>)</b>	<b>% Leased</b>	<b>Selected Tenants</b>
947-955 Du Séminaire Boulevard North Saint-Jean-sur-Richelieu, Québec	1972/1994	22,000	100.0	Le groupe Jean Coutu, Lunetterie New Look
1200 Nobel Place Boucherville, Québec	1973/1976	64,000	88.0	Animalerie PLB inc. (Twit palace), Centre de conditionnement l'extrême, Buffet Maison de Jade
2054 Curé-Labelle Boulevard Saint-Jérôme, Québec	1990/2007	4,000	100.0	Pizza Hut
324 Curé-Labelle Boulevard Sainte-Thérèse, Québec	1982/1996 2006	4,000	100.00	Pizza Hut
670 Principale Street Sainte-Agathe-des-Monts, Québec	1990/2009	4,000	100.0	Pizza Hut
1837 Gascon Road Terrebonne, Québec	1990/2006	4,000	100.0	Pizza Hut
1950 Leonard-De-Vinci Street Sainte-Julie, Québec	1991/2006	4,000	100.0	Pizza Hut
170 Curé-Labelle Boulevard Rosemère, Québec	1970/1981 2009	3,000	100.0	Harvey's
1600 Le Corbusier Boulevard Laval, Québec	1967 1998/2003/ /2005	700,000	96.1	Foot Locker Canada Inc., Hudson's Bay Company, The Brick Warehouse L.P., Best Buy Canada LTD., The Business Depot LTD., Ares Equipment Laval LTD., Mark's Work Wearhouse Ltd. (L'équipeur), Sports experts 200 inc., Dollarama
2001 Victoria Avenue Saint-Lambert, Québec	1986	44,000	93.9	Le groupe Jean Coutu, Placements Optibui inc., Centre de conditionnement physique pour la femme
3285 1 <sup>st</sup> Avenue Rawdon, Québec	1990	24,000	100.0	Le groupe Jean Coutu, Centre dentaire Jean-Louis Bélanger inc., Super Club Vidéotron
255 Crémazie Boulevard West Montréal, Québec	1983/2000	4,000	100.0	Harvey's
2986 Saint-Charles Boulevard Kirkland, Québec	1974/1987 1990	2,000	100.0	Harvey's
7, Place du Commerce Montréal, Québec	2004	17,000	83.9	Quincaillerie Hogg inc., The Second Cup LTD.
405 Grand Boulevard L'île-Perrot, Québec	2001	16,000	100.0	Le groupe Jean-Coutu
1460-1470 Mont-Royal Avenue Montréal, Québec	1944	21,000	100.0	École de danse Louise Lapierre, L'Aubainerie
378-380 Harwood Boulevard Vaudreuil-Dorion, Québec	1996	14,000	100.0	a Canadian chartered bank, Le groupe Jean Coutu
3900-3918 Saint-Charles Boulevard Pierrefonds, Québec	1990	21,000	98.6	Le groupe Jean Coutu, a Canadian chartered bank
425-443 Adolphe-Chapleau Street Bois-des-Filion, Québec	1986	39,000	100.0	Metro Richelieu inc., Le groupe Jean Coutu, McDonald's of Canada Limited
4916-4930 Saint-Jean Boulevard Montréal, Québec	1986/2004	20,000	88.6	Le groupe Jean Coutu
5510-5520 de la Côte-des-Neiges Road Montréal, Québec	1992	15,000	100.0	Restaurants Pacini inc., Le groupe Jean Coutu
6455-6461 Christophe-Colomb Avenue Montréal, Québec	1960	20,000	83.6	Le groupe Jean Coutu
9021-9041, boulevard Saint-Michel Montréal, Québec	1959	15,000	100.0	Le groupe Jean coutu

<b>Properties</b>	<b>Year Built/ Renovated</b>	<b>Leasable Area (ft<sup>2</sup>)</b>	<b>% Leased</b>	<b>Selected Tenants</b>
8995 Saint-Michel Boulevard Montréal, Québec	2001	4,000	100.0	a Canadian chartered bank
4211-4219 Wellington Street Montréal, Québec	1927	7,000	100.0	Société des alcools du Québec
895 de la Gauchetière Street West Montréal, Québec	1929/1943 1961, 1981, 1999-2005	115,000	98.2	McDonald's Restaurants of Canada Limited, Deli Planet, The Business Depot, The TPL Group Corp.
1500 Atwater Avenue Montréal, Québec	1967/1971 1986 1987 1988	405,000	98.4	Target Canada Co., Canadian Tire Corporation Limited, Winners Merchants INTL L.P., Xerox Canada LTD., Sobey's Québec inc. (IGA), Sports experts 200 inc., Dollarama
2065-2071 des Laurentides Boulevard Vimont, Québec	1985/2011	29,000	100.0	Le groupe Jean Coutu
1220 des Promenades Boulevard Saint-Bruno de Montarville, Québec	2003	3,000	100.0	The TDL Group LTD.
1220 des Promenades Boulevard Saint-Bruno de Montarville, Québec	2003	5,000	100.0	Central Commercial Management A.C.C. Inc. (Madisons)
3500 de la Côte-Vertu Boulevard and 850-980 Beaulac Street Montréal, Québec	1960/1997 1998	147,000	92.7	Cinéma méga-plex spheretech 14 inc., Fire Grill Restaurant, Énergie Cardio inc., Caisse populaire Desjardins de Saint-Laurent, Centre Hi-Fi
3300 de la Côte-Vertu Boulevard Montréal, Québec	1999-2002	4,000	100.0	McDonald's Restaurants of Canada Limited
3310 de la Côte-Vertu Boulevard Montréal, Québec	1999-2002	5,000	100.0	Cafébuono inc. (Kelsey's)
3450 de la Côte-Vertu Boulevard Montréal, Québec	1999-2002	6,000	100.0	Groupe sportscène inc. (La cage aux sports)
3550 de la Côte-Vertu Boulevard Montréal, Québec	1999-2002	6,000	100.0	Mikes
1059-1095 Jean-Baptiste-Rolland Boulevard West Saint-Jérôme, Québec	1998-2004	78,000	42.3	Reitmans (Canada) LTD., Pier 1 Imports (U.S.) Inc.
1035-1049 Jean-Baptiste-Rolland Boulevard West Saint-Jérôme, Québec	1998-2004	24,000	100.0	L'équipeur
1105-1135 Jean-Baptiste-Rolland Boulevard West Saint-Jérôme, Québec	1998-2004	77,000	100.0	The Business Depot LTD. (Bureau en gros), Jysk Linen'n Furniture Inc., Winners Merchants International L.P.
1051-1055 Jean-Baptiste-Rolland Boulevard West Saint-Jérôme, Québec	1998-2004	17,000	100.0	Énergie Cardio inc., Caisse populaire Desjardins de Saint-Antoine-des-Laurentides
1165 du Tremblay Street Longueuil, Québec	2003	3,000	100.0	Harvey's
1175 du Tremblay Street Longueuil, Québec	2003	5,000	100.0	Kelsey's
2401 Roland-Therrien Boulevard Longueuil, Québec	2003	17,000	100.0	La caisse populaire Desjardins Pierre Boucher
<b>Sub-total</b>		<b>3,348,000</b>		

<b>Properties</b>	<b>Year Built/ Renovated</b>	<b>Leasable Area (ft<sup>2</sup>)</b>	<b>% Leased</b>	<b>Selected Tenants</b>
<b>Ottawa Area</b>				
120 de l'Hôpital Boulevard Gatineau, Québec	1996	67,000	96.8	Cinema 9, Fournitures de bureau Denis, Subway, Deli Chen Restaurant
2310 Saint-Louis Gatineau, Québec	1975/1995 2003	43,000	100.0	Le groupe Jean Coutu, a Canadian chartered bank
<b>Sub-total</b>		<b>110,000</b>		
<b>Others – Ontario Area</b>				
129 Queensway East Simcoe, Ontario	2000	74,000	100.0	Zellers Inc.
600 Mitchell Road South Listowel, Ontario	1995	80,000	100.0	Wal-Mart Canada Corp.
39 Warne Crescent Kingston, Ontario	1990	4,000	100.0	Pizza Hut
268 North Front Street Belleville, Ontario	1970-1980 /1990	4,000	100.0	Pizza Hut
414 Old Highway #2 Trenton, Ontario	1989	4,000	100.0	Pizza Hut
429-431 Kent Street Lindsay, Ontario	1989	6,000	100.0	Harvey's
11 Rea Street North Timmins, Ontario	1993	17,000	100.0	Municipal Property Assessment Corporation, Timmins Decorating Centre LTD.
126 King Street West Brockville, Ontario	1965	11,000	100.0	Shoppers Realty Inc. (Shoppers Drug Mart)
205 King Street East Bowmanville, Ontario	1992	9,000	100.0	Perfect Party Inc.
1 Commerce Road Lindsay, Ontario	1987/1994	5,000	100.0	Pizza Hut
641 King Street East Gananoque, Ontario	1996	2,000	100.0	Nick Giannakouras (Gogo Pizza)
1571 Sandhurst Circle Toronto, Ontario	1977/1980 1990	279,000	96.9	A&P Properties Limited (Food Basics), Woodside Square Cinemas LTD. (Golden Theatres), Shopper's Realty Inc. (Shopper's Drug Mark), Le Château inc. (Le Château Outlet), a Canadian chartered bank, City of Toronto (Toronto Public Library), Liquor Control Board of Ontario
<b>Sub-total</b>		<b>495,000</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	94.1	United Parcel Service (UPS), Her Majesty the Queen, 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

<b>Properties</b>	<b>Year Built/ Renovated</b>	<b>Leasable Area (ft<sup>2</sup>)</b>	<b>% Leased</b>	<b>Selected Tenants</b>
612 Windmill Road Dartmouth, Nova Scotia	1998	41,000	100.0	Sleeman Breweries Ltd, Rio Grande Holdings
20 Record Street Moncton, Nouveau Brunswick	1961/1976	51,000	100.0	CO-OP Atlantic
1300 St-Peter Avenue Bathurst, New Brunswick	1968/2009	212,000	95.7	Zellers Inc., Sears Canada Inc., The Business Depot LTD., Dollarama, Mark's Work Wearhouse, a Canadian chartered bank
11 Wright Street Sackville, New Brunswick	1997/2003	20,000	100.0	CO-OP Atlantic, Société des alcools du Nouveau-Brunswick
118B Wyse Road and 118 Wyse Road Halifax, Nova Scotia	1960/1974 1984 1994	90,000	90.6	Loblaw Properties Limited, Shopper's Drug Mart, Dollarama, The YMCA of Greater Halifax Dartmouth, Subway
950 Bedford Highway Halifax, Nova Scotia	1993-1994	24,000	100.0	Shoppers Rally Inc., Hammond Dental Centre Inc., Rans Entreprises Limited
619 Sackville Drive Sackville, Nova Scotia	1992	10,000	76.4	H & R Block Canada Inc., Jingyoo Lee and Eun Suk Hyun, Milad Farid, 3'S Company Hair Design LTD., Jabacole Ventures
898 Park Street Kentville, Nova Scotia	2004-2005	15,000	100.0	Valley Ford Limited
24 Stavanger Drive St-John's, Newfoundland and Labrador	1994	107,000	100.0	Target Canada Co.
3 MacLean Court Port Hawkesbury, Nova Scotia	1989/2008	17,000	100.0	CO-OP Atlantic
229 J.-D.-Gauthier Boulevard Shippagan, New Brunswick	1960/1981	68,000	82.7	TBS Stores Inc., Loblaw Properties Limited, Shoppers Realty Inc., a Canadian chartered bank
231 J.-D.-Gauthier Boulevard Shippagan, New Brunswick	1981	3,000	100.0	Tazza Caffè
71 Cow Bay Road Halifax, Nova Scotia	1991	5,000	100.0	Subway, Dr. Janice Lowe Dentistry Inc.
69 Cow Bay Road Halifax, Nova Scotia	1991	5,000	100.0	The Nova Scotia Liquor Corporation
81 Cow Bay Road Halifax, Nova Scotia	1991	5,000	100.0	Valuefoods
134 Kent Street (Confederation Court Mall) Charlottetown, Prince Edward Island	1979/2010	160,000		DVA-District #521935, Shopper's Drug Mart, Island Regulatory and Appeals Commission, Eastern College, RBC Dominion Securities, a Canadian chartered bank
<b>Sub-total</b>		<b>975,000</b>		
<b>Western Canada</b>				
600 Manning Crossing Edmonton, Alberta	2001	12,000	100.0	Goodwill Industries of Alberta
700-2 <sup>nd</sup> Street South West Calgary, Alberta	1975	97,000	88.5	A Canadian bank
<b>Sub-total</b>		<b>109,000</b>		
<b>TOTAL RETAIL PROPERTIES</b>		<b>7,758,000</b>		

<b>Properties</b>	<b>Year Built/ Renovated</b>	<b>Leasable Area (ft<sup>2</sup>)</b>	<b>% Leased</b>	<b>Selected Tenants</b>
<b>INDUSTRIAL AND MIXED-USE PROPERTIES</b>				
<b>Québec City Area</b>				
2383-2393 Watt Avenue Québec City, Québec	1973/1981	66,000	93.6	Pâtisserie Dumas, Distribution Silpro, Arteau Récupération
2345-2349 Dalton Avenue Québec City, Québec	1973/1981	54,000	100.0	Royal Mat, Vast Autodistribution
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	89.9	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	74.8	ADT Service de sécurité, Thyssen Elevators, Hilti Canada, LAFCO Outillage
2006-2010 Lavoisier Street Québec City, Québec	1976	68,000	100.0	United Auto Parts
2022 Lavoisier Street Québec City, Québec	1978	59,000	93.7	Otis Canada, Canadian Broadcasting Corporation, Réseau Furtive Inc.
2025 Lavoisier Street Québec City, Québec	1978/1983/ 1990	37,000	100.0	AVW-Telav, General Motors of Canada, Cristal Controls, Commission Scolaire de la Capitale
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
1400 Saint-Jean-Baptiste Avenue Québec City, Québec	1979/1995	106,000	100.	Meubles Zip International Ltée, Mega Fitness Gym, Société de l'assurance automobile du Québec, Tetra Tech Industries inc., Services conseils Teknika
1515 Saint-Jean-Baptiste Avenue Québec City, Québec	1979/1989	62,000	100.0	Meubl'en vrac (MEV), Fixatech, Industrie L.D.
955 Saint-Jean-Baptiste Avenue Québec City, Québec	1978/1991	33,000	100.0	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	51.9	Nutaq Innovation
2160 Cyrille-Duquet Street Québec City, Québec	1965/1981/ 1994	45,000	87.8	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	92.9	Bingo de la Capitale, Jouet K.I.D.

Properties	Year Built/ Renovated	Leasable Area (ft <sup>2</sup> )	% Leased	Selected Tenants
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, Her Majesty the Queen
5000 Rideau Street Québec City, Québec	1995	2,000	100.0	Her Majesty the Queen
5125 Rideau Street Québec City, Québec	1987/1997	11,000	100.0	Canpar Transport
4600 Sainte-Anne Boulevard Québec City, Québec	1974/1977/ 1985/1988	39,000	100.0	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
2755 Dalton Avenue Québec City, Québec	1971/1989	24,000	100.0	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	97.2	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	83.7	CorActive Hightech, Canada Post Corporation, Télémag, 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	86.4	Beauvais et Verret, C.S.S.T., Compagnie de Gestion MDJ
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	91.3	Gentec Electro-optique, Moteurs Électriques 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, Groupe Gecko Alliance, Essilor, CCSI Technologies
5275 Wilfrid-Hamel Boulevard Québec City, Québec	1981	30,000	100.00	Acousti-Plus, Mirco Service Québec
1670 Semple Street Québec City, Québec	1972/2000	89,000	94.5	Société immobilière du Québec, Canadian Broadcasting Corporation, Solutions Victrix
2500 Jean-Perrin Street Québec City, Québec	1998	76,000	95.1	Ricoh Canada, Proludik, Amants de la Nature, AECON, Provençal et Breton
2600 Jean-Perrin Street Québec City, Québec	2001	49,000	100.0	Maburco Québec plomberie, chauffage, Shred-It Canada, Intria Items, Laboratoires Choisy
765 Godin Avenue Québec City, Québec	1976/1989	15,000	100.0	Tyco International of Canada



<b>Properties</b>	<b>Year Built/ Renovated</b>	<b>Leasable Area (ft<sup>2</sup>)</b>	<b>% Leased</b>	<b>Selected Tenants</b>
1041 Pierre-Bertrand Boulevard Québec City, Québec	1963/2002	119,000	100.0	Sears Canada, Centre Massicotte, Déménagement et transport Dolbec, MS2 Electronique
989 Pierre-Bertrand Boulevard Québec City, Québec	1974/1994	40,000	99.8	Bicycles et Sports G.T.H., Ville de Québec, Laboratoire dentaire Esthétique-Art
955 Pierre-Bertrand Boulevard Québec City, Québec	1995	48,000	97.3	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	86.7	Descair, Centre d'estimation de la capitale, Larose et Fils
300 Métivier Street Québec City, Québec	2004	29,000	100.0	Dolbec Déménagement et Transport
1255 des Artisans Street Québec City, Québec	2007	44,000	80.1	Produits Forestiers C.J.P., ATS and Lauer Transportation
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 Céragrés, Ville de Québec, Les rangements Spacer
1775 Léon-Harmel Street Québec City, Québec	2004	22,000	100.0	Westburne – Wolseley Canada
2600 Saint-Jean-Baptiste Avenue Québec City, Québec	2004	35,000	100.0	Telops, Studio Ross, Dooly's
2800 Saint-Jean-Baptiste Avenue Québec City, Québec	2004	102,000	100.0	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	Groupe Colabor
1010 Godin Avenue Québec City, Québec	1985	65,000	100.0	Déménagement et transport Dolbec
750 Olivier Road Saint-Nicolas (Québec)	1992-1994	25,000	87.2	Techmed 3D inc.
5205 Rideau Street Québec (Québec)	1994	24,000	100.0	Federal Express Canada
<b>Sub-total</b>		<b>3,227,000</b>		

<b>Properties</b>	<b>Year Built/ Renovated</b>	<b>Leasable Area (ft<sup>2</sup>)</b>	<b>% Leased</b>	<b>Selected Tenants</b>
<b>Others – Québec Area</b>				
1870 Saint-Paul Boulevard Saguenay, Québec	1964/1978/ 2007/2008	133,000	100.0	Groupe Colabor
336 Montée Industrielle Rimouski (Québec)	1996	4,000	100.0	Air Liquide Canada
4148-4150 de Portland Boulevard Sherbrooke, Québec	2000	68,000	48.4	Roche limitée, Trafalgar Inc.
<b>Sub-total</b>		<b>205,000</b>		
<b>Montréal Area</b>				
8288 Pie-IX Boulevard Montréal, Québec	1989	120,000	100.0	Belron Canada
1415 32nd Avenue Montréal, Québec	1989/1993	72,000	100.0	C.A.C. Transport
1455 32nd Avenue Montréal, Québec	2001	32,000	100.0	GGI International
1475 32nd Avenue Montréal, Québec	1988	92,000	100.0	Pneutech, Acier Airport Steel
3300 Jean-Baptiste-Deschamps Boulevard 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 Boulevard Montréal, Québec	1964/1972	110,000	100.0	Produits de sécurité North
2105 Dagenais Boulevard West Laval, Québec	1999/2003	276,000	100.0	Dura Housewares, Yourtruckshop, Papier Baldwin, Minimedia International, Canada Bread Company
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	89.9	Megalab, Solutions de rangement Prisma, Contrôles électriques Auper
3370-3418 Industriel Boulevard Laval, Québec	1986	55,000	79.8	Franklyn Supply, Plani Bureau, Compresseurs d'air express
3401-3421 Industriel Boulevard Laval, Québec	1986	53,000	100.0	ATM PRQ, Rexel Canada Electrical (Westburne), Équipements Tramac, UAP
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 Boulevard Longueuil, Québec	1988	82,000	97.0	Genivar, Technologie Clemex, Kinacor

<b>Properties</b>	<b>Year Built/ Renovated</b>	<b>Leasable Area (ft<sup>2</sup>)</b>	<b>% Leased</b>	<b>Selected Tenants</b>
9101-9175 des Sciences Boulevard Montréal, Québec	1999/2000	72,000	70.7	Hibbert International
1675 de Montarville Boulevard Boucherville, Québec	1989/2003	142,000	100.0	Groupe Master
5250 Armand-Frappier Street Longueuil, Québec	1992	59,000	100.0	Hydro-Québec
1405-1495 55th Avenue Dorval, Québec	2001	66,000	88.4	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	64.0	PH Vitres d'Auto, Univers numérique couleur, Le Groupe Impact
2900-2976 Joseph-A.-Bombardier Street Laval, Québec	2006	104,000	73.9	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	86.4	Agence de recouvrement TCR, Câblages informatiques Instacâble, Industrial Alliance, Life Insurance Company, Mitek Canada, Philippe Dagenais Mobilier Décoration, Informatel services informatiques
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 Boulevard Montréal, Québec	1965	217,000	100.0	Meubles Concordia, Groupe Data
20 Hymus Boulevard Pointe-Claire, Québec	1986	61,000	100.0	Diversified Ulbrich of Canada Inc.
2156-2168 de la Province Street Longueuil, Québec	1990	41,000	75.9	Futech Hitec, Rubanco, Miburco Longueuil
2170 de la Province Street Longueuil, Québec	1990	23,000	0.0	Vacant
715 Delage Street Longueuil, Québec	1990	42,000	86.5	C.E.L. Équipement d'essai aérospatial, L.E.M. Technologies, Propec
6445 de la Côte-de-Liesse Road Montréal, Québec	1980/1999	50,000	100.0	SE CE Apparel
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 Boulevard Brossard, Québec	1988	27,000	96.1	Altrom Canada Corp., Nasuco Canada Inc., As Hanging Systems
3650 Matte Boulevard Brossard, Québec	1987	43,000	100.0	Les Technologies Polycontrôles Inc., Cedarome Canada Inc.
115 de Vaudreuil Street Boucherville, Québec	1987	16,000	86.7	Services Pharmaceutiques Melvin Dionne Inc.
3071-3075 Louis-A.-Amos Street and 1922-1996 Onésime-Gagnon Street Montréal, Québec	1987	164,000	96.6	AVW-TELAV Inc., GE Lighting Solutions, Astral Média

<b>Properties</b>	<b>Year Built/ Renovated</b>	<b>Leasable Area (ft<sup>2</sup>)</b>	<b>% Leased</b>	<b>Selected Tenants</b>
1615-1805 55th Avenue Dorval, Québec	1990	158,000	90.9	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 Boulevard Montréal (Québec)	1981	115,000	100.0	IKÉA Properties Limited, Boutique Jacob inc.
1949 Onésime-Gagnon Street Montréal, Québec	1988	96,000	100.0	Novelis, Richards Packaging, Kintetsu World Express
2260 32 <sup>nd</sup> Avenue and 3142-3190 Joseph-Dubreuil Street Montréal, Québec	1983	92,000	57.4	Andritz Fibre Drying Ltd., Rogers Wireless
2102-2150 32 <sup>nd</sup> Avenue Montréal, Québec	1984	77,000	100.0	NSK-RHP Canada Inc., East West Plastics & Electrical Products, Canadian Automobile Association (Québec)
2024-2080 32 <sup>nd</sup> Avenue Montréal, Québec	1984	68,000	100.0	AVW-Telav Inc., Harlan Sprague Dawley Inc., VF Imagewear Canada
6320-6380 de la Côte-de-Liesse Road Montréal, Québec	1955 1981 1990	58,000	51.0	Cominar, Distribution Maroline inc., Speedware
2025 Metropole Street Longueuil, Québec	1977/1993	201 000	100.0	Solution Extrême, Groupe LMT
1925-1975 Hymus Boulevard Dorval, Québec	1988	104,000	96.6	Ceva Freight Canada, Apple Express Courier Ltd., PNH Enterprises Inc., Canaflex
80-140 Lindsay Avenue Dorval, Québec	1986	44,000	87.9	Bio Lonreco Inc., ICC Compliance Centre, Hazmasters Environmental Products
8411-8453 Dalton Road Mount-Royal, Québec	1975	32,000	0.0	Vacant
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 Boulevard Montréal, Québec	1975	138,000	77.9	Pavigrès Ceramics Inc., Automotive Training Center, Reliure Ké-Ro Inc.
8552-8648 Pie-IX Boulevard Montréal, Québec	1988	146,000	73.6	Memtronik Innovations Inc., Tapico, UAP, Éclairage Dimension Plus
8740-8878 Pie-IX Boulevard Montréal, Québec	1992	164,000	64.0	Laboratoires d'essais Mequaltech Inc., Société de transport de Montréal
7075 Robert-Joncas Place Montréal, Québec	1975	217,000	79.8	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
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.

<b>Properties</b>	<b>Year Built/ Renovated</b>	<b>Leasable Area (ft<sup>2</sup>)</b>	<b>% Leased</b>	<b>Selected Tenants</b>
1200 55th Avenue Montréal, Québec	1987	68,000	100.0	A.R. Medicom
5055 Lévy Street Montréal, Québec	1989/1990	61,000	91.2	TI-Titanium Ltd, Services Kamtech Inc.,
2400 Trans-Canada Highway Pointe-Claire, Québec	1969/1976/ 1995	111,000	100.0	Elfe Juvenile Products, Esstrac
243 Hymus Boulevard Pointe-Claire, Québec	1969	40,000	100.0	Signode Canada
2555 Pitfield Boulevard Montréal, Québec	2003	99,000	100.0	Arden
731-749 Meloche Avenue and 11450 de la 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.
1730-1850 55th Avenue and 5435 François-Cusson Street Montréal, Québec	1986	79,000	98.7	Transit Nord-Plus inc., Teco-Westinghouse Motors (Canada) Inc., Waters, Ventes Créatives Graham, MR Graphique
1520-1660 55th Avenue and 5430 Fairway Street Montréal, Québec	1986	79,000	58.3	Elkon Inc., Regulvar
1875 55th Avenue and 20-62 Lindsay Street Dorval, Québec	1988	82,000	80.3	Omnimedia Corporation, Distribution Amscan inc., Airport Courier, Clearpoint
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 Boulevard Blainville, Québec	2000	43,000	100.0	Xebec Adsorption
895 de la Gauchetière Street West Montréal, Québec	1929/1943 1961, 1981, 1999-2005	992,000	100.0	Canadian National Railway Company
5200, J-A Bombardier Longueuil, Québec		46,000	100.0	Les produits de papier Lapaco Ltée.
2789-2855 Le Corbusier Boulevard Laval, Québec	1981	59,000	100.0	S.D. Variations Inc., Procity inc, Prestige-piscines et spas
900-950 Saint-Martin Boulevard West Laval, Québec	1975/1988	143,000	100.0	Messagerie dynamique, A Division of Corporation Sun Media, Comark Inc.
1415-1531 Berlier Street Laval, Québec	1981/2002	70,000	84.5	Le Groupe Master Ltée., Bento nouveau LTD., Les revêtements Lemay et Beloin inc.

<b>Properties</b>	<b>Year Built/ Renovated</b>	<b>Leasable Area (ft<sup>2</sup>)</b>	<b>% Leased</b>	<b>Selected Tenants</b>
982-1002 Place Trans-Canada (Jean-Neveu Street) Longueuil, Québec	1988	29,000	100.0	Location Luber inc., Rexel Canada électrique inc.
938-952 Place Trans-Canada (Jean-Neveu Street) Longueuil, Québec	1989	29,000	71.5	Macpek Inc.
908-926 Place Trans-Canada (Jean-Neveu Street) Longueuil, Québec	1989	28,000	79.8	Gestion d'achat Ram inc., Éditions sciences et cultures inc.
847-896 Place Trans-Canada (Jean-Neveu Street) Longueuil, Québec	1994	28,000	100.0	SP International Inc., Bromont International
601-623 Le Breton Street Longueuil, Québec	1975	49,000	100.0	Image folie 2000 inc., Coalision inc.
2115-2147 de la Province Street Longueuil, Québec	1987	48,000	100.0	Opale Impressions inc., Cima + S.E.N.C, Armfoam Inc.
601-631 Bériault Street Longueuil, Québec	1989	49,000	87.3	Ilot 307 inc., Jade produits de chauffage inc.
1351 Gay-Lussac Street Boucherville, Québec	1995	13,000	100.0	Géo énergie inc., Rolmex international
35 de Lauzon Street Boucherville, Québec	1990	28,000	86.7	Northeastern Swimming Pool Distribution Inc., Denson Automation Inc, GL&V Canada inc. (Division ovivo)
90 Marie-Victorin Boulevard Boucherville, Québec	1998	25,000	100.0	Air liquide Canada inc.
1550 de Coulomb Street Boucherville, Québec	1994/1998	10,000	100.0	Keystone Manufacturing (Plastic) LTD.
10 Place du Commerce Brossard, Québec	2001	18,000	100.0	Canada Post Corporation
7 Place du Commerce Brossard, Québec	1977	32 000	81.0	Alstom Canada Inc.
9 Place du Commerce Brossard, Québec	1976	51,000	70.3	Maison de vêtements piacente ltée., Désirs de Provence inc., Télécommunication câblage intégré TCI inc.
605-607 Deslauriers Street Montréal, Québec	1972	44,000	100.0	Aménagement exposition T.C.D. inc.
295-371 Deslauriers Street Montréal, Québec	1973	135,000	95.5	Essilor Canada ltée., Satellite Metal Inc., Heinemann Electric Canada LTD., Fesko Consultants Inc.
375-455 Deslauriers Street Montréal, Québec	1972	139 ,000	74.4	Hostmann Steinberg Limited, Graphiques Cosmex inc., K.B. Fruits & Vegetables, Distributeur H. Miron
457-485 and 491-533 Deslauriers Street Montréal, Québec	1972	135,000	86.9	Rideau Recognition Solutions Inc., Circuits Labo inc., Gian Rocco Creations Inc.
555 and 604-678 Deslauriers Street Montréal, Québec	1971	67,000	77.5	Armen industries inc., D. Dubé artisan inc., Technogestas ltée.
295-341 Benjamin-Hudon Street and 255 Deslauriers Street Montréal, Québec	1972	54,000	63.8	Robert Charbonneau fruits & légumes inc., Les aliments fresco inc., Les lacques oméga du Canada inc.
<b>Sub-total</b>		<b>9,634,000</b>		

Properties	Year Built/ Renovated	Leasable Area (ft <sup>2</sup> )	% Leased	Selected Tenants
<b>Others – Ontario Area</b>				
1201 California Avenue Brockville, Ontario		94,000	100.0	The Data Group Limited Partnership
<b>Sub-total</b>		<b>94,000</b>		
<b>Atlantic Provinces</b>				
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 1994	32,000	88.0	Carmichael Engineering, NB Society of Certified Technicians, Union of New Brunswick Indians
50, 70 and 110 Crown Street (Courtenay Centre) Saint John, New Brunswick	1965	34,000	71.6	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	56.9	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	82.7	Atlantic Hydrogen Inc.
440 Wilsey Road Fredericton, New Brunswick	1970	44,000	85.6	Enbridge Gas New Brunswick
50 MacNaughton Avenue Moncton, New Brunswick	2007	20,000	71.3	Kinecor L.P., SMS Equipment, Van Houtte
245 Hilton Road (Hilton Building) Fredericton, New Brunswick	1975	18,000	86.4	Activation Laboratories, Her Majesty the Queen, 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	89.2	Stellar Industrial Sales Ltd., Transform Pack Inc., Sanipro
699 Champlain Street Dieppe, New Brunswick	1981	10,000	100.0	Nanoptix inc.
140 Commerce Street Moncton, New Brunswick	1996-1998	66,000	100.0	Western Waffles Corp.
114 Price Street Moncton, New Brunswick	1968/1973 1976	183,000	100.0	CO-OP Atlantic
33 Henri Dunant Street Moncton, New Brunswick	1969	118,000	100.0	CO-OP Atlantic
22 Carr Crescent Gander, Newfoundland and Labrador	1973	60,000	100.0	CO-OP Atlantic

<b>Properties</b>	<b>Year Built/ Renovated</b>	<b>Leasable Area (ft<sup>2</sup>)</b>	<b>% Leased</b>	<b>Selected Tenants</b>
667 Barnes Drive Halifax, Nova Scotia	2000	29,000	100.0	Purolator Courier LTD.
<b>Sub-total</b>		<b>919,000</b>		
<b>Western Canada</b>				
640-820 28 <sup>th</sup> Street North East Calgary, Alberta	1980	138,000	100.0	Suncor Energy Inc., Sumwa Trading Co. LTD., Brink's Canada Limited, Rotork Controls (Canada) LTD., Golder Associates LTD.
1801-1835 1 <sup>st</sup> Avenue Stage 1 Prince George, British Columbia	1967	12,000	80.1	Roger's Custom Meats (1981) LTD., Robert Marks (Marks Marine Cycle & Sled)
1849-1873 1 <sup>st</sup> Avenue Stage 2 Prince George, British Columbia	1968	9,000	100.0	North Chainsaws, Morfco Supplies LTD., Signtek Industries
1839 1 <sup>st</sup> Avenue Stage 3 Prince George, British Columbia	1973	12,000	40.0	Mark Johnson
1839 1 <sup>st</sup> Avenue Stage 4 Prince George, British Columbia	1974	13,000	100.0	Takia Lake First Nation, Simplex Grinnell L.P.
1839 1 <sup>st</sup> Avenue Stage 5 Prince George, British Columbia	1975	13,000	100.0	Essex Precision Inc., Simba Motors, Kimberley A. Collins (Pawsitive Steps Canine Sports Centre)
1839 1 <sup>st</sup> Avenue Stage 6 Prince George, British Columbia	1976	21,000	78.6	Peerless Engineering Sales LTD., SNC-Lavalin Inc., City of Prince George
560 Camiel Sys Street Winnipeg, Manitoba	2007	31,000		Fedex Ground Package System Inc.
<b>Sub-total</b>		<b>249,000</b>		
<b>Total Industrial And Mixed-Use Properties</b>		<b>14,328,000</b>		
<b>Total Portfolio</b>		<b>35,097,000</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.



#### **4.4.3 DESCRIPTION OF 10 OF THE REIT'S MAJOR BUILDINGS IN TERMS OF VALUE**

##### ***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 40 000 square foot clinic. 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.

##### ***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 93.1% leased and major tenants include Société immobilière du Québec, Norton Rose, Fulbright, 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.

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

##### ***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 82.6% 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.

##### ***5100 Sherbrooke Street East, 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.

##### ***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 189,000 square feet in 2002. The second 123,000 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 53,300 square feet and adding 51,000 square feet of leasable space. The shopping centre is 97.8% 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, Groupe Ledor, Structube and Liquor store.

***Complexe de la Gare Centrale  
895 de la Gauchetière Street East, Montréal, Québec***

The *Complexe de la Gare Centrale* is located in downtown Montréal, in the heart of the business district. The complex consists of an office tower, a shopping centre, CN central station, parking spaces and rail spaces. The 626,000 square foot office tower is mainly occupied by CN headquarters which occupies about 572,000 square feet. The shopping centre is approximately 115,000 square feet which is set up as a food court (Halles de la Gare). The main retail client in the shopping centre is Bureau en Gros (Staples). The complex also includes 1,623 parking spaces and a rail section of about 992,000 square feet. The property was built in several phases, beginning with central station in 1929, followed by several expansions in 1943, 1961, 1981 and 1995. The office tower was completely renovated between 1999 and 2005. Overall, the occupancy rate of the complex is 100.0%.

***Scotia Centre  
700 2<sup>nd</sup> Street S.W., Calgary, Alberta***

Centrally located in downtown Calgary, this 42-storey, 638,000 square-foot tower is built on a 55,555 square-foot lot. The property was originally built in 1976 and was subsequently renovated in 1988 and 1998. In addition, the food court section was renovated recently. The tower is almost fully rented (99.4%) and offers 84 indoor parking spaces spread over two storeys. Some of the major tenants include, among others, Chinook Energy, a Canadian bank, Shaw Cablesystems and Nuvista Energy.

***Place Alexis-Nihon  
3400 de Maisonneuve Boulevard West, Montréal, Québec and 1500 Atwater Avenue, Montréal, Québec***

Located in downtown Montréal, the Place Alexis Nihon complex consists of a shopping centre, two office towers, a residential tower, and a parking area. The office spaces represent a leasable area of approximately 605,000 square feet and the shopping centre's area is 405,000 square feet. The residential tower contains 426 units of various sizes and layouts. The three-tier parking area contains 1091 spaces.

The shopping centre has four main tenants—Canadian Tire, Target (under construction), Winners and IGA—and a mix of national and local tenants. The two office towers are considered Class A spaces and some of the major tenants include Netbx Services, Groupe KWA, Fédération des médecins omnipraticiens du Québec, Dale Parizeau Morris MacKenzie, Xerox and Tecsys. The shopping centre was built in 1968, the residential tower was built in 1971, the office tower located at 1 Place Alexis Nihon (Xerox Tower) was built in 1987-1988 and the office tower located at 2 Place Alexis Nihon was completed in 1986.

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

This suburban 700,000 square-foot shopping centre is built on a 2,299,785 square-foot lot and includes 3,150 outdoor parking spaces. The centre benefits from excellent visibility, as it is located along the Trans-Canada highway (Autoroute 15). The property was originally built in 1967 and was then renovated in 1998, 2003 and 2005. The building is rented at 96.1%. Some of the major tenants include Target (under construction), Sports Experts, The Brick, The Bay, Best Buy and Bureau en Gros (Staples).

***Place Longueuil  
825 Saint-Laurent Street West, Longueuil, Québec***

This community-type 406,000 square-foot enclosed shopping centre, including 68,000 square foot office, is built on a 1,210,556 square-foot lot and includes 1,780 outdoor parking spaces. The property was built in 1966 and subsequently renovated in 1981 and 1986. Place Longueuil is strategically located at the heart of Longueuil, and close to Autoroute 20, the Jacques-Cartier bridge leading to Montréal as well as the Longueuil-Université de Sherbrooke metro station. The lease rate for this property is 96.3% and some of the major tenants include Target (under construction), Sobey's, Sports Experts, Société immobilière du Québec and Rôtisserie Saint-Hubert.

#### **4.5 HYPOTHECS AND DEBENTURES**

As at December 31, 2012, the REIT's debt ratio stood at a cautious 50.0%, consisting mainly of fixed-rate loans. Mortgages payable represent about 60% of total debt, whereas Senior Debentures and Convertible Debentures represent about 26%. As at December 31, 2012, the weighted average contractual interest rate of mortgages payable was approximately 5.23% per

year, and the weighted average residual term of mortgages payable was about 3.6 years. The weighted average interest rate of stood at about 4.25% for unsecured debentures, and about 6.0% for Convertible Debentures.

#### 4.5.1 HYPOTHECS

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

Properties	Balance as at December 31, 2012	Interest Rate <sup>1)</sup>		Maturity Date
565-585 Charest Blvd. East, Québec, Québec	\$7,013,801	5.00%	F	February 2015
2105 Dagenais Blvd. West, Laval, Québec	\$2,482,571	6.79%	F	May 2014
800 Claude-Jutras Blvd., Saint-Bruno, Québec	\$2,570,692	5.72%	F	January 2019
2101-2137 Curé-Labelle Blvd., Laval, Québec	\$4,856,886	6.85%	F	January 2013
3400 Jean-Béraud Avenue, Montréal, Québec	\$22,000,000	3.21%	F	December 2017
330 Avro Avenue, Pointe-Claire, Québec	\$143,193	8.35%	F	March 2013
150 René-Lévesque Blvd. East, Québec, Québec	\$26,780,000	2.71%	F	December 2015
8400 Décarie Blvd., Montréal, Québec	\$10,136,287	5.55%	F	April 2016
1479-1481-1483-1485 Saint-Bruno Blvd., Saint-Bruno, Québec <sup>2)</sup>	\$7,293,289	6.94%	F	January 2019
1465 Saint-Bruno Blvd., Saint-Bruno, Québec <sup>2)</sup>	—			
1475 Saint-Bruno Blvd., Saint-Bruno, Québec <sup>2)</sup>	—			
1495 Saint-Bruno Blvd., Saint-Bruno, Québec <sup>2)</sup>	—			
5130 Rideau Street, Québec, Québec <sup>3)</sup>	\$23,529,501	5.83%	F	July 2021
5600 de la Rive-Sud Blvd., Lévis, Québec <sup>3)</sup>	—			
2150 Cyrille-Duquet Street, Québec, Québec <sup>3)</sup>	—			
100 Chabot Street, Québec, Québec <sup>3)</sup>	—			
625 des Canetons Street, Québec, Québec <sup>3)</sup>	—			
325 du Marais Street, Québec, Québec <sup>3)</sup>	—			
650 Godin Avenue, Québec and 450 Desrochers Street, Québec, Québec <sup>3)</sup>	—			
5275 Wilfrid-Hamel Blvd., Québec, Québec <sup>3)</sup>	—			
3000 Saint-Jean-Baptiste Avenue, Québec <sup>3)</sup>	—			
4500-4536 Louis-B.-Mayer Street, Laval, Québec <sup>3)</sup>	—			
5073-5075-5079 Wilfrid-Hamel Blvd. west, Québec, Québec <sup>4)</sup>	\$27,637,151	5.83%	F	July 2021
1515 Saint-Jean-Baptiste Avenue, Québec, Québec <sup>4)</sup>	—			
2180 Cyrille-Duquet Street, Québec, Québec <sup>4)</sup>	—			
4600 Sainte-Anne Blvd., Québec, Québec <sup>4)</sup>	—			
4975 Rideau Street, Québec, Québec <sup>4)</sup>	—			
355 du Marais Street, Québec, Québec <sup>4)</sup>	—			
2755 Dalton Avenue, Québec, Québec <sup>4)</sup>	—			
1775 Léon-Harmel Street, Québec, Québec <sup>4)</sup>	—			
2600 Saint-Jean-Baptiste Avenue, Québec, Québec <sup>4)</sup>	—			
8288 Pie-IX Blvd., Montréal, Québec <sup>4)</sup>	—			
3424-3428 Francis-Hughes Avenue, Laval, Québec <sup>4)</sup>	—			
667-687 Giffard Street, Longueuil, Québec <sup>4)</sup>	—			
19701 Clark-Graham Avenue, Baie-d'Urfé, Québec <sup>4)</sup>	—			
2025 Lavoisier Street, Québec, Québec <sup>5)</sup>	\$31,922,983	5.35%	F	March 2022
5055 Wilfrid Hamel Blvd. West, Québec, Québec <sup>5)</sup>	—			
2014 Cyrille-Duquet Street, Québec, Québec <sup>5)</sup>	—			
2020 Cyrille-Duquet Street, Québec, Québec <sup>5)</sup>	—			
245 Soumande Street, Québec, Québec <sup>5)</sup>	—			
455 du Marais Street, Québec, Québec <sup>5)</sup>	—			
2181-2211 Léon-Harmel Street, Québec, Québec <sup>5)</sup>	—			
445 Saint-Jean-Baptiste Avenue, Québec, Québec <sup>5)</sup>	—			
1455 32 <sup>e</sup> Avenue, Montréal, Québec <sup>5)</sup>	—			
11000-11020 Parkway Blvd., Montréal, Québec <sup>5)</sup>	—			
1400 Saint-Jean-Baptiste Avenue, Québec, Québec <sup>6)</sup>	\$74,914,670	5.30%	F	May 2017
1990 Cyrille-Duquet Street, Québec, Québec <sup>6)</sup>	—			
4451-4479 Laval Ouest Highway, Laval and 2800-2816 Joseph-A.-Bombardier Street, Laval, Québec <sup>6)</sup>	—			
2800 Saint-Jean-Baptiste Avenue, Québec, Québec <sup>6)</sup>	—			

Properties	Balance as at December 31, 2012	Interest Rate <sup>1)</sup>		Maturity Date
3175 des Quatre-Bourgeois Road, Québec, Québec <sup>6)</sup>	—			
9101-9175 des Sciences Blvd., Montréal, Québec <sup>6)</sup>	—			
2900-2976 Joseph-A.-Bombardier Street, Laval, Québec <sup>6)</sup>	—			
201 Laurier Street East, Montréal, Québec <sup>6)</sup>	—			
4635 1 <sup>st</sup> Avenue, Québec, Québec <sup>6)</sup>	—			
625 Godin Avenue, Québec, Québec <sup>6)</sup>	—			
1367-1371 Sainte-Foy Road, Québec, Québec <sup>6)</sup>	—			
1730-1790 Newton Avenue, Québec, Québec <sup>6)</sup>	—			
2006-2010 Lavoisier Street, Québec, Québec <sup>6)</sup>	—			
2022 Lavoisier Street, Québec, Québec <sup>6)</sup>	—			
2200 Cyrille-Duquet Street, Québec, Québec <sup>6)</sup>	—			
2383-2393 Watt Avenue, Québec, Québec <sup>6)</sup>	—			
2760-2784 Jacques-Cartier Blvd. East, Longueuil, Québec <sup>6)</sup>	—			
2790-2794 Jacques-Cartier Blvd. East, Longueuil, Québec <sup>6)</sup>	—			
955 Saint-Jean-Baptiste Avenue, Québec, Québec <sup>7)</sup>	\$46,750,209	5.51%	F	July 2017
2100 Cyrille-Duquet Street, Québec, Québec <sup>7)</sup>	—			
2700 Jean-Perrin Street, Québec, Québec <sup>7)</sup>	—			
1540 Cyrille-Duquet Street, Québec, Québec <sup>7)</sup>	—			
450-500 Saint-Jean-Baptiste Avenue, Québec, Québec <sup>7)</sup>	—			
450 Saint-Jean-Baptiste Avenue, Québec, Québec <sup>7)</sup>	—			
1670 Semple Street, Québec, Québec <sup>7)</sup>	—			
2500 Jean-Perrin Street, Québec, Québec <sup>7)</sup>	—			
2600 Jean-Perrin Street, Québec, Québec <sup>7)</sup>	—			
50 du Président-Kennedy Road and 5410-5500, de la Rive-Sud Blvd., Lévis, Québec <sup>7)</sup>	—			
9100 du Parcours Street, Montréal, Québec <sup>7)</sup>	—			
1455 55 <sup>th</sup> Avenue, Dorval, Québec <sup>7)</sup>	—			
795 Craig Street, Lévis, Québec <sup>8)</sup>	\$27,838,756	5.36%	F	April 2018
2156-2168 de la Province Street, Longueuil, Québec <sup>8)</sup>	—			
2170 de la Province Street, Longueuil, Québec <sup>8)</sup>	—			
715 Delage Street, Longueuil, Québec <sup>8)</sup>	—			
3600 Matte Blvd., Brossard, Québec <sup>8)</sup>	—			
3650 Matte Blvd., Brossard, Québec <sup>8)</sup>	—			
115 de Vaudreuil Street, Longueuil, Québec <sup>8)</sup>	—			
1615-1805 55 <sup>th</sup> Avenue, Dorval, Québec <sup>8)</sup>	—			
2102-2150 32 <sup>th</sup> Avenue, Montréal, Québec <sup>8)</sup>	—			
120 de l'Hôpital Blvd., Gatineau, Québec <sup>8)</sup>	—			
120 de New York Street, Saint-Augustin-de-Desmaures, Québec <sup>9)</sup>	\$20,452,260	5.75%	F	June 2018
979 de Bourgogne Avenue, Québec, Québec <sup>9)</sup>	—			
40 du Tremblay Road, Boucherville, Québec <sup>9)</sup>	—			
1675 de Montarville Blvd., Boucherville, Québec <sup>9)</sup>	—			
2260 32 <sup>th</sup> Avenue and 3142-3190, Joseph-Dubreuil Street, Montréal, Québec <sup>9)</sup>	—			
8500 Henri-Bourassa Blvd., Québec, Québec <sup>10)</sup>	\$57,510,515	2.68%	F	July 2013
830 Godin Avenue, Québec, Québec <sup>10)</sup>	—			
989-999 Pierre-Bertrand Blvd., Québec, Québec <sup>10)</sup>	—			
955 Pierre-Bertrand Blvd., Québec, Québec <sup>10)</sup>	—			
255 Crémazie Blvd. East, Montréal, Québec <sup>10)</sup>	—			
784-818 Guimond Blvd., Longueuil, Québec <sup>10)</sup>	—			
239-245 Samson Blvd., Laval, Québec <sup>10)</sup>	—			
340-360 Sir-Wilfrid-Laurier Blvd., Mont-Saint-Hilaire, Québec <sup>11)</sup>	\$15,745,130	6.68%	F	November 2018
370-380 Sir-Wilfrid-Laurier Blvd., Mont-Saint-Hilaire, Québec <sup>11)</sup>	—			
353-361-365 Sir-Wilfrid-Laurier Blvd. and 345 Honorius-Charbonneau Blvd., Mont-Saint-Hilaire, Québec <sup>11)</sup>	—			
377-383 Sir-Wilfrid-Laurier Blvd., Mont-Saint-Hilaire, Québec <sup>11)</sup>	—			
375 Sir-Wilfrid-Laurier Blvd., Mont-Saint-Hilaire, Québec <sup>11)</sup>	—			
325 Honorius-Charbonneau Blvd., Mont-Saint-Hilaire, Québec <sup>11)</sup>	—			
1285-1287-1295-1297 Charest Blvd. West, Québec, Québec <sup>12)</sup>	\$22,609,494	5.42%	F	April 2014
1269-1271-1272-1275-1283 Charest Blvd. West, Québec, Québec <sup>12)</sup>	—			

Properties	Balance as at December 31, 2012	Interest Rate <sup>1)</sup>	Maturity Date
1255-1265-1267 Charest Blvd. West, Québec, Québec <sup>12)</sup>	—		
579 Godin Avenue, Québec, Québec <sup>12)</sup>	—		
1041 Pierre-Bertrand Blvd., Québec, Québec <sup>12)</sup>	—		
1075 des Basses-Terres Street, Québec, Québec <sup>12)</sup>	—		
235 Fortin Street, Québec, Québec <sup>12)</sup>	—		
275 Métivier Street, Québec, Québec <sup>13)</sup>	\$17,995,656	5.87%	F July 2014
300 Métivier Street, Québec, Québec <sup>13)</sup>	—		
1475 32 <sup>th</sup> Avenue, Montréal, Québec <sup>13)</sup>	—		
894-930 Bergar Street, Laval, Québec <sup>13)</sup>	—		
901-937 Michelin Street, Laval, Québec <sup>13)</sup>	—		
3370-3418 Industriel Blvd., Laval and 1000 Bergar Street, Laval, Québec <sup>13)</sup>	—		
620-650 Giffard Street, Longueuil and 2325 de la Province Steet, Longueuil, Québec <sup>13)</sup>	—		
5250 Armand-Frappier Street, Longueuil, Québec <sup>13)</sup>	—		
1200 55 <sup>th</sup> Avenue, Montréal, Québec <sup>13)</sup>	—		
72 du Tremblay Road, Boucherville, Québec <sup>13)</sup>	—		
1 place Laval, Laval, Québec <sup>14)</sup>	\$56,610,874	5.41%	F March 2015
2 place Laval, Laval, Québec <sup>14)</sup>	—		
3 place Laval, Laval, Québec <sup>14)</sup>	—		
4 place Laval, Laval, Québec <sup>14)</sup>	—		
3080 Le Carrefour Blvd., Laval, Québec <sup>14)</sup>	—		
3090 Le Carrefour Blvd., Laval, Québec <sup>14)</sup>	—		
3100 Le Carrefour Blvd., Laval, Québec <sup>14)</sup>	—		
2525 Daniel-Johnson Blvd., Laval, Québec <sup>14)</sup>	—		
1010 Godin Avenue, Québec, Québec, Québec <sup>15)</sup>	\$4,860,000	5.05%	F January 2014
2685-2715 Francis-Hughes Avenue, Laval, Québec <sup>15)</sup>	—		
2745 Francis-Hughes Avenue, Laval, Québec <sup>15)</sup>	—		
1925-1975 Hymus Blvd., Dorval, Québec	\$3,497,962	5.17%	F February 2021
80-140 Lindsay Avenue, Dorval, Québec	\$1,617,570	5.17%	F February 2021
8411-8453 Dalton Road, Mont-Royal, Québec	\$1,031,751	5.17%	F February 2021
8459-8497 Dalton Road, Mont-Royal, Québec	\$1,385,763	5.17%	F February 2021
8545-8579 Dalton Road, Mont-Royal, Québec	\$1,526,381	5.17%	F February 2021
8605-8639 Dalton Road, Mont-Royal, Québec	\$1,282,168	5.17%	F February 2021
6320-6380 de la Côte-de-Liesse Road, Montréal, Québec	\$2,381,224	5.17%	F February 2021
3339-3403 Griffith Street, Montréal, Québec	\$4,457,231	5.17%	F February 2021
9960-9970 de la Côte-de-Liesse Road, Montréal, Québec	\$1,098,959	5.17%	F February 2021
455 Fénelon Blvd., Dorval, Québec	\$7,625,163	5.17%	F February 2021
8100 Cavendish Blvd., Montréal, Québec	\$3,066,268	5.17%	F February 2021
1225 Volta Street, Boucherville and 1275 Graham-Bell Street, Boucherville, Québec	\$5,033,285	5.17%	F February 2021
2024-2080 32 <sup>th</sup> Avenue, Montréal, Québec	\$1,494,904	6.46%	F July 2014
1949 Onésime-Gagnon Street, Montréal, Québec	\$1,939,276	6.46%	F July 2014
3071-3075 Louis-A.-Amos Street and 1922-1996 Onésime-Gagnon Street, Montréal, Québec	\$3,994,474	6.46%	F July 2014
7075 place Robert-Joncas, Montréal, Québec	\$8,018,748	6.30%	F October 2014
1111 46 <sup>th</sup> Avenue, Montréal, Québec	\$3,221,274	4.98%	F July 2015
2000 Halpern Street, Montréal, Québec	\$15,649,631	4.51%	F September 2015
9900 Cavendish Blvd., Montréal, Québec	\$5,040,990	6.30%	F March 2014
9999 Cavendish Blvd., Montréal, Québec	\$4,316,675	5.30%	F December 2021
1111 Dr.-Frederick-Philips Blvd., Montréal, Québec	\$6,846,779	6.30%	F October 2014
3300 de la Côte-Vertu Blvd., Montréal, Québec	\$5,304,727	6.30%	F October 2014
550 de la Cité Blvd., Gatineau, Québec	\$18,994,316	5.51%	F December 2018
480 de la Cité Blvd., Gatineau, Québec	\$2,957,441	6.61%	F July 2019
400 Cooper Street, Ottawa, Ontario	\$9,096,737	5.19%	F September 2015
400 Cooper Street, Ottawa, Ontario	\$6,436,103	4.92%	F September 2015
2001 McGill College Avenue, Montréal, Québec	\$88,736,519	5.41%	F November 2013
4141 Highway 440, Laval, Québec	\$6,707,745	5.20%	F February 2015
5100 Sherbrooke Street East, Montréal, Québec	\$35,000,000	4.00%	F January 2013

Properties	Balance as at December 31, 2012	Interest Rate <sup>1)</sup>		Maturity Date
2555 Pitfield Blvd., Montréal, Québec	\$3,840,055	3.17%	F	January 2017
727 Wilsey road, Fredericton, New Brunswick	\$509,951	6.75%	F	October 2013
81 Albert Street, Moncton New Brunswick	\$5,304,329	7.25%	F	January 2023
81 Albert Street, Moncton New Brunswick	\$721,672	7.75%	F	July 2023
403-415 Elmwood Drive, Moncton, New Brunswick	\$1,214,816	5.72%	F	June 2014
1 Agar Place, Saint John, New Brunswick	\$4,809,071	4.80%	F	December 2029
1080 Champlain Street, Dieppe, New Brunswick	\$1,983,792	5.21%	F	December 2013
1113 Regent Street, Fredericton, New Brunswick <sup>16)</sup>	\$1,498,533	6.95%	F	March 2018
1115 Regent Street, Fredericton, New Brunswick <sup>16)</sup>	—			
140 MacNaughton Avenue, Moncton, New Brunswick	\$1,847,970	6.72%	F	March 2018
291 Industrial Drive, Saint John, New Brunswick	\$1,363,206	6.39%	F	July 2020
570 Queen Street, Fredericton, New Brunswick	\$5,530,801	5.80%	F	May 2016
385 Wilsey Road, Fredericton, New Brunswick	\$1,080,274	5.37%	F	March 2015
900 Hanwell Road, Fredericton, New Brunswick	\$4,210,988	5.21%	F	March 2013
360 Pleasant Sreet, Miramichi, New Brunswick	\$1,734,956	5.40%	F	March 2015
245 Hilton Road, Fredericton, New Brunswick	\$508,356	5.37%	F	March 2015
146-154 Main Sreet, Fredericton, New Brunswick	\$579,428	6.39%	F	August 2014
371 Queen Street, Fredericton, New Brunswick	\$1,431,194	7.15%	F	July 2013
371 Queen Street, Fredericton, New Brunswick	\$537,520	6.26%	F	July 2013
371 Queen Street, Fredericton, New Brunswick	\$1,124,699	6.19%	F	July 2013
565 Priestman Street, Fredericton, New Brunswick	\$1,884,327	6.39%	F	October 2014
1133 Regent Street, Fredericton, New Brunswick	\$5,369,502	6.68%	F	May 2013
134 Kent Street (Confederation Court Mall), Charlottetown, Prince-Edward-Island	\$2,854,431	5.85%	F	May 2013
111-119 Kent street, Charlottetown, Prince-Edward-Island	\$1,749,916	5.85%	F	May 2013
134 Kent Street (Confederation Court Mall), Charlottetown, Prince-Edward-Island	\$9,005,746	4.00%	F	November 2014
96-100 Fitzroy Street, Charlottetown, Prince-Edward-Island	\$4,720,877	4.00%	F	December 2013
3103 Royal Blvd., Shawinigan, Québec	\$3,755,914	6.25%	F	April 2014
3353-3493 Royal Blvd., Shawinigan, Québec	\$802,474	6.31%	F	January 2014
230 des Bois-Francis Blvd. South, Victoriaville, Québec	\$1,438,634	6.08%	F	August 2013
736 King Street East, Sherbrooke, Québec	\$1,264,249	6.08%	F	August 2013
3005 King Street West, Sherbrooke, Québec	\$1,656,592	6.08%	F	August 2013
895 de la Gauchetière Street East (CN Station), Montréal, Québec	\$238,253,381	5.67%	F	February 2018
3310-3550 de la Côte-Vertu Blvd., Montréal, Québec <sup>17)</sup>	\$11,904,869	6.30%	F	October 2014
3330 de la Côte-Vertu Blvd., Montréal, Québec <sup>17)</sup>	—			
3310 de la Côte-Vertu Blvd. , Montréal, Québec <sup>17)</sup>	—			
3450 de la Côte-Vertu Blvd., Montréal, Québec <sup>17)</sup>	—			
3550 de la Côte-Vertu Blvd., Montréal, Québec <sup>17)</sup>	—			
1165 du Tremblay Street, Longueuil, Québec <sup>18)</sup>	\$4,335,659	5.77%	F	June 2021
1175 du Tremblay Street, Longueuil, Québec <sup>18)</sup>	—			
2401 Roland-Therrien Boulevard, Longueuil, Québec <sup>18)</sup>	—			
1220 des Promenades Blvd., Saint-Bruno-de-Montarville, Québec <sup>19)</sup>	\$1,821,913	5.77%	F	June 2021
1200 des Promenades Blvd., Saint-Bruno-de-Montarville, Québec <sup>19)</sup>	—			
1035-1135 Jean-Baptiste-Rolland Blvd. West, Saint-Jérôme, Québec <sup>20)</sup>	\$13,870,710	6.33%	F	July 2014
1035-1135 Jean-Baptiste-Rolland Blvd. West, Saint-Jérôme, Québec <sup>20)</sup>	—			
1035-1135 Jean-Baptiste-Rolland Blvd. West, Saint-Jérôme, Québec <sup>20)</sup>	—			
1035-1135 Jean-Baptiste-Rolland Blvd. West, Saint-Jérôme, Québec <sup>20)</sup>	—			
1200 Place Nobel, Boucherville, Québec	\$2,949,355	6.25%	F	July 2014
3400 de Maisonneuve Blvd. West, Montréal, Québec	\$125,693,790	5.16%	F	May 2013
1741 Brunswick Street, Halifax, Nova Scotia	\$4,902,316	5.70%	F	March 2015
85 and 123 Halifax Street, Moncton, New Brunswick <sup>21)</sup>	\$9,229,977	6.91%	F	February 2013
114 Price Street, Moncton, New Brunswick <sup>21)</sup>	—			
33 Henri Dunant Street, Moncton, New Brunswick <sup>21)</sup>	—			
22 Carr Crescent, Gander, Newfoundland and Labrador <sup>21)</sup>	—			
20 Record Street, Moncton, New Brunswick <sup>21)</sup>	—			
11 Wright Street, Sackville, New Brunswick <sup>21)</sup>	—			
3 MacLean Court, Port Hawkesbury, Nova Scotia <sup>21)</sup>	—			
118B Wyse Road, Halifax, Nova Scotia <sup>22)</sup>	\$3,665,247	6.40%	F	January 2014
118 Wyse Road, Halifax, Nova Scotia <sup>22)</sup>	—			

Properties	Balance as at December 31, 2012	Interest Rate <sup>1)</sup>		Maturity Date
4124 9th Street S.E., Calgary, Alberta	\$4,370,594	4.31%	F	September 2021
950 Bedford Highway, Halifax, Nova Scotia	\$958,328	6.04%	F	January 2013
129 Queensway East, Simcoe, Ontario	\$3,700,800	5.76%	F	February 2015
600 Mitchell Road South, Listowel, Ontario	\$3,978,355	5.76%	F	February 2015
920 Douglas Street, Saint-Jean-sur-Richelieu, Québec <sup>23)</sup>	\$3,577,974	6.27%	F	February 2014
950 Jutras Blvd. East, Victoriaville, Québec <sup>23)</sup>	—			
99 Saint-Jean-Baptiste Blvd., Chateauguay, Québec <sup>23)</sup>	—			
1950 Leonard-De-Vinci Street, Sainte-Julie, Québec <sup>23)</sup>	—			
324 Curé-Labelle Blvd., Sainte-Thérèse, Québec <sup>23)</sup>	—			
484 25 <sup>th</sup> Avenue, Saint-Eustache, Québec <sup>23)</sup>	—			
2054 Curé-Labelle Blvd., Saint-Jérôme, Québec <sup>23)</sup>	—			
121 de la Visitation Street, Saint-Charles-Borromée, Québec <sup>23)</sup>	—			
670 Principale Street, Sainte-Agathe-des-Monts, Québec <sup>23)</sup>	—			
1837 Gascon Road, Terrebonne, Québec <sup>23)</sup>	—			
4411 6 <sup>th</sup> Street S.E., Calgary, Alberta	\$5,578,643	4.75%	F	July 2016
1313 Barrington Street, Halifax, Nova Scotia	\$3,276,921	6.56%	F	September 2013
7 de la Place-du-Commerce Street, Montréal, Québec	\$2,687,120	6.23%	F	September 2013
825 Saint-Laurent Street West, Longueuil, Québec	\$40,782,016	5.28%	F	April 2015
1717 René-Lévesque Blvd. East, Montréal, Québec <sup>24)</sup>	\$17,322,701	5.24%	F	January 2021
1200 Papineau Avenue, Montréal, Québec <sup>24)</sup>	—			
700 2 <sup>nd</sup> Street S.W., Calgary, Alberta	\$67,145,656	4.60%	F	May 2018
2405 Fernand-Lafontaine Blvd., Longueuil, Québec	\$2,291,491	6.64%	F	May 2017
6777 de la Rive-Sud Blvd., Lévis, Québec	\$6,239,559	6.30%	F	September 2015
6777 de la Rive-Sud Blvd., Lévis, Québec	\$1,352,565	3.00%	V	July 2030
2986 Saint-Charles Blvd., Montréal, Québec <sup>25)</sup>	\$2,113,976	4.06%	F	November 2016
170 Curé-Labelle Blvd., Rosemère, Québec <sup>25)</sup>	—			
255 Crémazie Blvd. West, Montréal, Québec <sup>25)</sup>	—			
101 Arthur-Sauvé Blvd., Saint-Eustache, Québec <sup>25)</sup>	—			
888 Saint-Jean Street, Québec, Québec	\$3,325,709	4.16%	F	May 2013
4000 4 <sup>th</sup> Street SE (Bldg 200), Calgary, Alberta <sup>26)</sup>	\$23,747,459	3.77%	F	November 2016
4000 4 <sup>th</sup> Street SE (Bldg 300), Calgary, Alberta <sup>26)</sup>	—			
3600 4 <sup>th</sup> Street SE (Bldg 100), Calgary, Alberta <sup>26)</sup>	—			
2065-2071 des Laurentides Blvd., Vimont, Québec <sup>27)</sup>	\$34,977,259	5.22%	F	November 2015
4211-4219 Wellington Street, Montréal, Québec <sup>27)</sup>	—			
3285 1 <sup>st</sup> Avenue, Rawdon, Québec <sup>27)</sup>	—			
2140 King Street East, Sherbrooke, Québec <sup>27)</sup>	—			
2110 King Street East, Sherbrooke, Québec <sup>27)</sup>	—			
231-235 Sherbrooke Street, Magog, Québec <sup>27)</sup>	—			
231-235 Sherbrooke Street, Magog, Québec <sup>27)</sup>	—			
3900-3918 Saint-Charles Blvd., Pierrefonds, Québec <sup>27)</sup>	—			
400 des Saguenéens Street, Saguenay, Québec <sup>27)</sup>	—			
425-443 Adolphe-Chapleau Street, Bois-des-Filion, Québec <sup>27)</sup>	—			
520 Saint-Joseph Blvd., Drummondville, Québec <sup>27)</sup>	—			
2001 Victoria Avenue, Saint-Lambert, Québec <sup>27)</sup>	—			
9021-9041 Saint-Michel Blvd., Montréal, Québec <sup>27)</sup>	—			
8995 Saint-Michel Blvd., Montréal, Québec <sup>27)</sup>	—			
11 Rea Street N, Timmins, Ontario <sup>27)</sup>	—			
20 Sainte-Anne Blvd. West, Sainte-Anne-des-Monts, Québec <sup>27)</sup>	—			
2722 Royal Blvd., Shawinigan, Québec <sup>27)</sup>	—			
353-357 des Bois-Francis Sud Blvd., Victoriaville, Québec <sup>28)</sup>	\$37,419,450	5.22%	F	November 2015
379 des Bois-Francis Blvd. South, Victoriaville, Québec <sup>28)</sup>	—			
1331-1363 Belvédère Street South, Sherbrooke, Québec <sup>28)</sup>	—			
947-955 du Séminaire Nord Blvd., Saint-Jean-sur-Richelieu, Québec <sup>28)</sup>	—			
233-237 Saint-Jean-Baptiste Blvd., Châteauguay, Québec <sup>28)</sup>	—			
5510-5520 de la Côte-des-Neiges Road, Montréal, Québec <sup>28)</sup>	—			
1460-1470 Mont-Royal Avenue, Montréal, Québec <sup>28)</sup>	—			
6455-6461 Christophe-Colomb Avenue, Montréal, Québec <sup>28)</sup>	—			
4916-4930 Saint-Jean Blvd., Montréal, Québec <sup>28)</sup>	—			

Properties	Balance as at December 31, 2012	Interest Rate <sup>1)</sup>	Maturity Date
405 Grand Blvd., L'Île-Perrot, Québec <sup>28)</sup>	—		
378-380 Harwood Blvd., Vaudreuil-Dorion, Québec <sup>28)</sup>	—		
562-566 Saint-Charles-Borromée Street North, Joliette, Québec <sup>28)</sup>	—		
600 Road 116, Saint-Nicolas, Lévis, Québec <sup>28)</sup>	—		
2310 Saint-Louis Street, Gatineau, Québec <sup>28)</sup>	—		
126 King Street West, Brockville, Ontario <sup>28)</sup>	—		
205 King Street East, Bowmanville, Ontario <sup>28)</sup>	—		
1570 Sandhurst Circle, Toronto, Ontario	\$28,169,248	5.53%	F December 2014
2600-2620 Longueuil Street, Jonquière, Québec	\$8,179,198	4.35%	F February 2017
123-125 Grafton Street, Charlottetown, Prince-Edward-Island	\$14,700,000	4.00%	F January 2013
1570 Sandhurst Circle, Toronto, Ontario	\$10,000,000	5.00%	F December 2014
3103 Royal Blvd., Shawinigan, Québec	\$5,000,000	6.50%	F April 2014
560 Camiel Sys Street, Winnipeg, Manitoba	\$2,396,497	5.50%	F May 2018
5200, J.-A.-Bombardier, Longueuil, Québec	\$2,295,294	6.22%	F August 2014
667 Barnes Road, Enfield, Nova Scotia	\$2,075,609	6.48%	F January 2016
1201 California avenue, Brockville, Ontario	\$2,818,741	5.57%	F January 2018
171 Slater Street, Ottawa, Ontario	\$2,169,363	5.08%	F November 2015
1415-1503 Berlier Street, Laval, Québec	\$3,069,795	5.00%	F February 2016
1400 de la Rive-Sud Blvd., Saint-Romuald, Québec	\$8,287,453	4.93%	F February 2017
Entrust Tower, 1000 Innovation Drive, Kanata, Ottawa, Ontario	\$16,310,533	5.19%	F January 2016
<b>Other mortgages payable guaranteed by bond investments</b>	\$20,508,062	5.02% to 6.76%	F August 2013 to June 2016
<b>Total mortgages payable</b>	<b>\$1,651,201,839</b>	<b>5.23%</b>	

**Notes:**

- 1) F = fixed rate, V = variable rate.
- 2) These four properties constitute the collateral securing the mortgage payable.
- 3) These ten properties constitute the collateral securing the mortgage payable.
- 4) These thirteen properties constitute the collateral securing the mortgage payable.
- 5) These ten properties constitute the collateral securing the mortgage payable.
- 6) These eighteen properties constitute the collateral securing the mortgage payable.
- 7) These twelve properties constitute the collateral securing the mortgage payable.
- 8) These ten properties constitute the collateral securing the mortgage payable..
- 9) These five properties constitute the collateral securing the mortgage payable..
- 10) These seven properties constitute the collateral securing the mortgage payable.
- 11) These six properties constitute the collateral securing the mortgage payable.
- 12) These seven properties constitute the collateral securing the mortgage payable.
- 13) These ten properties constitute the collateral securing the mortgage payable.
- 14) These eight properties constitute the collateral securing the mortgage payable.
- 15) These three properties constitute the collateral securing the mortgage payable.
- 16) These two properties constitute the collateral securing the mortgage payable.
- 17) These five properties constitute the collateral securing the mortgage payable.
- 18) These three properties constitute the collateral securing the mortgage payable.
- 19) These two properties constitute the collateral securing the mortgage payable.
- 20) These four properties constitute the collateral securing the mortgage payable.
- 21) These seven properties constitute the collateral securing the mortgage payable.
- 22) These two properties constitute the collateral securing the mortgage payable.
- 23) These ten properties constitute the collateral securing the mortgage payable.
- 24) These two properties constitute the collateral securing the mortgage payable.
- 25) These four properties constitute the collateral securing the mortgage payable.
- 26) These three properties constitute the collateral securing the mortgage payable.
- 27) These seventeen properties constitute the collateral securing the mortgage payable.
- 28) These sixteen properties constitute the collateral securing the mortgage payable.



The following table shows the REIT's mortgage repayments for the coming periods:

#### 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>
2013	44,033,969	348,326,013	392,359,982	4.95%
2014	36,746,680	164,273,172	201,019,852	5.85%
2015	30,134,633	252,770,080	282,904,713	5.01%
2016	25,562,314	60,302,821	85,865,135	4.78%
2017	23,219,645	147,604,982	170,824,627	4.99%
2018 and thereafter	43,372,261	474,855,269	518,227,530	5.44%
<b>Total</b>	<b>203,069,502</b>	<b>1,448,132,337</b>	<b>1,651,201,839</b>	<b>5.23%</b>

**Note:**

(1) Calculated on balances at maturity

#### 4.5.2 DEBENTURES

The following table presents the features of Cominar's Convertible Debentures and the balances as at December 31, 2012:

#### Convertible Debentures

	Series C	Series D	Series E	Total
Contractual interest rate	5.80%	6.50%	5.75%	
Issue date	October 2007	September 2009	January 2010	
Amount issued	\$110,000	\$115,000	\$86,250	
Conversion price per unit	\$25.25	\$20.50	\$25.00	
Interest payment date	March 31 and September 30	March 31 and September 30	June 30 and December 31	
Date of redemption at Cominar's election – conditional	September 2010	September 2012	June 2013	
Date of redemption at Cominar's election – unconditional	September 2012	September 2014	June 2015	
Maturity date	September 2014	September 2016	June 2017	
Balance as at December 31, 2012	\$110,000,000	\$99,806,000	\$86,250,000	\$296,056,000

The following table presents the features of of Cominar's Senior Debentures as well as the balances as at December 31, 2012:

#### Senior Debentures

	Series 1	Series 2	Total
Contractual interest rate	4.274%	4.230%	
Issue date	June 2012	December 2012	
Interest payment date	June 15 and December 15	June 4 and December 4	
Maturity date	June 2017	December 2019	
Balance as at December 31, 2012	\$250,000,000	\$200,000,000	\$450,000,000

**Note:**

(1) On February 8, 2013, Cominar announced the closing of the re-opening of its 4.23% Series 2 senior unsecured debentures for additional capital of \$100 million.

## **PART 5 – 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.

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

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

The real estate industry is 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 assurance that the REIT will have access to sufficient capital (including debt financing) on terms favorable to the REIT for future property acquisitions and developments, including for the financing or refinancing of properties, for funding operating expenses or for other purposes. In addition, the REIT may not be able to borrow funds under its credit facilities due to limitations on the REIT's ability to incur debt set forth in the Contract of Trust. Failure by the REIT to access required capital could adversely impact the REIT's financial position and results of operations and reduce the amount of cash available for distributions.

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

#### **5.1.2 DEBT FINANCING**

The REIT has and will continue to have substantial outstanding consolidated borrowings comprised primarily of hypothecs, property mortgages, debentures, bridge loan, and borrowings under its acquisition and operating credit facilities. The REIT intends to finance its growth strategy, including acquisitions and developments, through a combination of its working capital and liquidity resources, including cash flows from operations, additional borrowings and public or private sales of equity or debt securities. The REIT's activities are therefore partially dependent upon the interest rates applied to its existing debt. The REIT may not be able to refinance its existing debt or renegotiate the terms of repayment at favourable rates. In addition, the terms of the REIT'S indebtedness generally contain customary provisions that, upon an event of default, result in accelerated repayment of the amounts owed and that restrict the distributions that may be made by the REIT. Therefore, upon an event of default under such borrowings or an inability to renew same at maturity, the REIT's ability to make distributions will be adversely affected.

A portion of the REIT's cash flows is dedicated to servicing its debt, and there can be no assurance that the REIT will continue to generate sufficient cash flows from operations to meet required interest or principal payments, such that it could be required to seek renegotiation of such payments or obtain additional financing, including equity or debt financing. The REIT's current credit facilities, of a stated amount of \$550.0 million as at December 31, 2012, are repayable in two tranches over two and three years. the REIT also has a bridge loan of an amount of \$84.0 million, renewable in 2013.

The REIT is exposed to debt financing risks, including the risk that the existing hypothecary borrowings secured by its properties cannot be refinanced or that the terms of such refinancing will not be as favourable as the terms of the existing loans. In order to minimize this risk, the REIT tries to appropriately structure the timing of the renewal of significant tenant leases on its respective properties in relation to the times at which the hypothecary borrowings on such properties become due for refinancing.

#### **5.1.3 OWNERSHIP OF IMMOVABLE PROPERTY**

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

The value of immovable property and improvements thereto may also depend on the solvency and financial stability of tenants 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 unable to meet their lease obligations or if a significant portion of vacant space in the properties in which the REIT has an interest cannot be leased on economically favorable lease terms. In the event of default by a tenant, delays or limitations may be experienced in enforcing the REIT's rights as a lessor and

substantial costs may be incurred to protect the REIT's investment. The ability to rent unleased space in the properties in which the REIT has an interest will be affected by many factors, including the level of general economic activity and competition for tenants by other properties. Costs may need to be incurred to make improvements or repairs to property as required by a new tenant. The failure to rent unleased space on a timely basis or at all or at rents that are equivalent to or higher than current rents would likely have an adverse effect on the REIT's financial position and the value of its properties.

Certain significant expenditures, including property taxes, 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 mortgage payments on a property, a loss could be sustained as a result of the mortgage creditor's exercise of its hypothecary remedies.

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

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

#### **5.1.4 ENVIRONMENTAL MATTERS**

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

Pursuant to the REIT's operating policies, the REIT shall obtain or review a Phase I environmental audit of each immovable property to be acquired by it. See "Investment Guidelines and Operating Policies — Operating Policies"

#### **5.1.5 LEGAL RISKS**

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

#### **5.1.6 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 the REIT, or operate without the investment or operating restrictions applicable to the REIT or under more flexible conditions. An increase in the availability of investment funds and heightened interest in immovable property investments could increase competition for immovable property investments, thereby increasing the purchase prices of such investments and reducing their yield.

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

### **5.1.7 ACQUISITIONS**

The REIT's business plan is focused in part on growth by identifying suitable acquisition opportunities, pursuing such opportunities, completing acquisitions and effectively operating and leasing such properties. If the REIT is unable to manage its growth effectively, this could adversely impact the REIT'S financial position 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..

### **5.1.8 PROPERTY DEVELOPMENT PROGRAM**

Information regarding the REIT's development projects, development costs, capitalization rates and expected returns are subject to change, which may be material, as assumptions regarding items such as, but not limited to, tenant rents, building sizes, leasable areas, project completion timelines and project costs, are updated periodically based on revised site plans, the REIT's cost tendering process, continuing tenant negotiations, demand for leasable space in the REIT's markets, the obtaining of required building permits, ongoing discussions with municipalities and successful property 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 development program, asset values and financial performance.

### **5.1.9 RECRUITMENT AND RETENTION OF EMPLOYEES AND EXECUTIVES**

Competition for qualified employees and executives is intense. If the REIT is unable to attract and retain qualified and capable employees and executives, the conduct of its activities may be adversely affected.

### **5.1.10 GOVERNMENT REGULATION**

The REIT and its properties are subject to various government statutes and regulations. Any change in such statutes or regulations that is adverse to the REIT and its properties could affect the REIT's operating results and financial performance.

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.

### **5.1.11 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.

## **5.2 RISK FACTORS RELATED TO THE OWNERSHIP OF UNITS**

### **5.2.1 MARKET PRICE**

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

Although the REIT intends to make distributions of its available cash to Unitholders, these cash distributions are not assured. The actual amount distributed will depend on numerous factors including 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 REIT's payout ratio. An increase in market interest rates may lead purchasers of Units to demand a higher annual yield which could adversely affect the market price of the Units. Unlike fixed-income securities, there is no obligation of the REIT to distribute to Unitholders any fixed amount and reductions in, or suspensions of, distributions may occur that would reduce yield based on the market price of the Units. In addition, the market price for the Units may be affected by changes in general market conditions, fluctuations in the markets for equity securities, changes in the economic environment and numerous other factors beyond the control of the REIT.

### **5.2.2 CREDIT RATING**

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

### **5.2.3 STRUCTURAL SUBORDINATION OF UNITS**

In the event of a bankruptcy, liquidation or reorganization of the REIT or any of its subsidiaries, holders of certain of their indebtedness and certain trade creditors will generally be entitled to payment of their claims from the assets of the REIT and those subsidiaries before any assets are made available for distribution to the Unitholders. The Units will be effectively subordinated to most of the 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.

### **5.2.4 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.

### **5.2.5 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 or annuitants personally. Except in case of bad faith or gross negligence on their part, no personal liability will attach under the laws of the Province of Québec to Unitholders or annuitants for contract claims under any written instrument disclaiming personal liability as aforesaid.

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

The REIT will use all reasonable efforts to obtain acknowledgments from the hypothecary creditors under assumed hypothecs that assumed hypothec obligations will not be binding personally upon the Trustees, 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, as well, the nature of the REIT's activities are such that most of its obligations arise by contract, with non-contractual risks being largely insurable. In the event that payment of 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.

### **5.2.6 STATUS FOR TAX PURPOSES**

The REIT currently qualifies as a mutual fund trust for income tax purposes. While the amount of distributions remains at the discretion of its trustees, the REIT intends to annually distribute all of its Distributable 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, income tax considerations 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 version of the Tax Act, 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 (Canada), 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 (Canada) indicated in a concurrent release that further discussions would be pursued with the private sector in this regard.

The Tax Act contains rules, the SIFT Rules, applicable to SIFTs and their investors, which generally tax the SIFT at a rate similar to a taxable Canadian corporation on income from business carried on in Canada and on income (other than taxable dividends) or capital gains from non-portfolio properties (as defined in the Tax Act), and the distribution of such income to unitholders of the SIFT is generally treated as dividends received from a taxable Canadian corporation. In general, distributions paid as returns of capital will not be subject to this tax. The SIFT Rules are not applicable to a real estate investment trust that meets the Real Estate Investment Trust Exception. On December 16, 2010, the Department of Finance (Canada) announced the SIFT Amendments and, on October 24, 2012, Canada's Minister of Finance tabled a Notice of Ways and Means Motion, which contained SIFT amendments and received a first reading in the House of Commons on November 21, 2012.

As of the date of this AIF, based on its assessment of the SIFT Rules and the SIFT amendments, Management believes that the REIT meets, and has met at all times during the current taxation year, all the necessary conditions and qualifies for the 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 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.

## **5.2.7 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 Equity Incentive Plan and any other incentive plan of the REIT, and upon conversion of the Convertible Debentures and Units issuable to the Convertible Debenture Indenture Trustee in payment of interest on the Convertible Debentures. Any issuance of Units may have a dilutive effect on Unitholders.

## **5.2.8 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 Tax Act and remits such payment to the tax authorities on behalf of the Unitholder. The Tax Act contains measures to subject to Canadian non-resident withholding tax 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.

## **5.2.9 CASH DISTRIBUTIONS ARE NOT GUARANTEED**

There can be no assurance regarding the amount of income to be generated by the REIT's properties. The ability of the REIT to make cash distributions, and the actual amounts distributed, will be entirely dependent on the operations and assets of the REIT and its subsidiaries, and will be subject to various factors including financial performance, 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.

## 5.2.10 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.

## 5.3 RISK FACTORS RELATED TO THE OWNERSHIP OF DEBENTURES

An investment in the Debentures is subject to certain risks. Prior to investing, investors in the Debentures should carefully consider the risk factors and investment considerations described below and in the Base Shelf Prospectus and in Management's Discussion and Analysis for 2012. If any of such or other risks occur, the REIT's business, prospects, financial condition, results of operations and cash flows could be materially adversely impacted. There is no assurance that risk management steps taken will avoid future loss caused by the occurrence of the below described or other unforeseen risks.

### 5.3.1 CREDIT RATINGS

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

### 5.3.2 DEBENTURES CREDIT RISK, PRIOR RANKING INDEBTEDNESS AND STRUCTURAL SUBORDINATION OF THE DEBENTURES

The likelihood that purchasers of the Debentures 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, 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 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.

Liabilities of a parent entity with assets held by various subsidiaries may result in the structural subordination of the lenders of the parent entity. The parent entity is entitled only to the residual equity of its subsidiaries after all debt obligations of its subsidiaries are discharged. In the event of a bankruptcy, liquidation or reorganization of the REIT, holders of indebtedness of the REIT (including holders of Debentures) may become subordinate to lenders to the subsidiaries of the REIT.

### 5.3.3 TRADING MARKET FOR SENIOR DEBENTURES

There is no market through which the Senior Debentures may be sold and purchasers may not be able to resell Senior Debentures. This may affect the pricing of the Debentures in the secondary market, the transparency and availability of trading prices, the liquidity of the Debentures and the extent of issuer regulation. No assurance can be given as to whether an active trading market will develop or be maintained for such Debentures. To the extent that an active trading market for the Senior Debentures does not develop, the liquidity and trading prices for these Debentures may be adversely affected.

### 5.3.4 TRADING MARKET FOR CONVERTIBLE DEBENTURES

The REIT obtained a TSX listing for its Convertible Debentures, which are traded under the CUF.DB.C, CUF.DB.D and CUF.DB.E ticker symbols. There is no assurance that an active or liquid trading market will be sustained. Should the market not be sustained, the prices of these Debentures could be adversely affected.



### **5.3.5 MARKET PRICE OR VALUE FLUCTUATION**

If the Debentures are traded after their initial issuance, they may trade at a discount from their initial public offering price. The market price or value of the Debentures 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 prospects.

Assuming all other factors remain unchanged, the market price or value of the Debentures, which carry a fixed interest rate, will likely decline as prevailing interest rates for comparable debt instruments rise, and increase as prevailing interest rates for comparable debt instruments decline.

Challenging market conditions, the health of the economy as a whole and numerous other factors beyond the control of the REIT may have a material effect on the business, financial condition, liquidity and results of operations of the REIT. In recent years, financial markets have experienced significant price and volume fluctuations that have particularly affected the market prices of securities of issuers and that have often been unrelated to the operating performance, underlying asset values or prospects of such issuers. There can be no assurance that such fluctuations in price and volume will not occur. Accordingly, the market price of the Debentures may decline even if the REIT's operating results, underlying asset values or prospects have not changed. In periods of increased levels of volatility and market turmoil, the REIT's operations could be adversely impacted and the market price of the Debentures may be adversely affected.

### **5.3.6 DEBENTURES REDEMPTION RIGHT RISK**

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

### **5.3.7 INABILITY OF THE REIT TO PURCHASE DEBENTURES ON A CHANGE CONTROL**

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

### **5.3.8 CONVERSION AFTER CERTAIN TRANSACTIONS**

Following certain transactions, each Convertible Debenture can be converted to stock, cash or other such assets whose value would be comparable to the value a Unitholder could receive upon conversion of the Convertible Debenture immediately preceding the said transaction. This change could greatly reduce or eliminate the value of the conversion privilege of the Convertible Debentures in the future. For example, if the REIT was acquired through a merger for cash consideration, each Convertible Debenture could only be converted to cash and could no longer be converted to stock whose value would depend on on the REIT's future outlook and other factors.

## **5.4 RISKS FACTORS RELATED TO THE ACQUISITION OF A PROPERTY PORTFOLIO FROM GE CANADA REAL ESTATE EQUITY**

The acquisition of 67 properties from GE Canada Real Estate Equity was completed as of September 14, 2012. Although the REIT conducted customary due diligence in connection with the GE acquisition, some risk remains regarding any undisclosed or unknown liabilities of, or issues concerning, the properties acquired. The REIT may discover that it has inherited substantial undisclosed liabilities. In most cases, the REIT would not be able to claim indemnification from GE Canada Real Estate Equity, as it purchased the properties acquired on an "as is, where is" basis. The existence of any undisclosed liabilities and the REIT's inability to claim indemnification from GE Canada Real Estate Equity could have a material adverse effect on the REIT.

The anticipated benefits and synergies of the GE acquisition will depend in part in the REIT's ability to reduce the vacancy rate for the industrial properties located in the greater Montréal area which were acquired as part of the GE acquisition.

## PART 6 – SUBSEQUENT EVENTS AFTER THIS AIF

### 6.1 ACQUISITION OF PROPERTIES

On January 31, 2013, the REIT acquired a portfolio of 18 industrial properties and one office property located primarily in Montréal, for a purchase price of \$149.8 million, subject to certain closing adjustments. The portfolio represents a total of approximately 1.8 million square feet of leasable area, consisting of approximately 1.7 million square feet of industrial space and approximately 0.1 million square feet of office space. As part of this transaction, Cominar also acquired a vacant lot of 173,569 square feet located in Saint-Bruno-de-Montarville, for \$1.4 million. The portfolio has an occupancy rate of 97.2%.

On March 15, 2013, the REIT acquired vacant lots in Calgary, Alberta, for \$20.5 million; these lots whose area totals approximately 508,780 square feet include a parking area with about 347 spaces. Thanks to the acquisition of these lots, which are adjacent to the Centron Park office buildings, already owned by Cominar, the REIT is now the sole proprietor of the Centron Park Complex.

On March 21, 2013, the REIT acquired an industrial and mixed-use building located in Fredericton, New Brunswick, at a cost of \$5.6 million; this building has an area of approximately 44,500 square feet.

### 6.2 FINANCING ACTIVITIES

On February 5, 2013, the REIT re-opened its Series 2 offering, issuing \$100.0 million worth of Senior Debentures bearing an interest rate of 4.23% and expiring on December 4, 2019. The REIT allocated the net proceeds to repaying its credit facility and to its general needs, thereby replacing a short-term debt with a long-term debt at a lower interest rate, without increasing overall debt.

### 6.3 POTENTIAL OBLIGATIONS AND RECOVERIES WITH RESPECT TO THE HOLMAN GRAND HOTEL AND OTHER CANMARC LIABILITIES

The REIT, through the acquisition of Canmarc, is the ultimate shareholder of Dyne Holdings Limited (“**Dyne**”). Dyne is the owner of the land on which the Holman Grand Hotel (the “**Hotel**”) located in Charlottetown, Prince Edward Island was built (the “**Land**”). The Hotel was acquired by Homburg Investissement Inc. (“**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 (the “**Ground Lease**”).

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 approximately \$3.7 million 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.

HII filed for protection under the Companies' Creditors Arrangement Act (“**CCAA**”) on September 9, 2011. In late November 2011, Dyne received written notice from the Century Fund to the effect that Dyne was in default under the Loan. No formal enforcement proceedings have commenced under the Loan. As part of the restructuring of HII, the Ground Lease was effectively disclaimed and terminated on November 30, 2012 and the Grand Holman Hotel reverted to Dyne. The Holman Grand Hotel is presently closed.

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. Construction-related trade payables of HII alleged to be secured by a lien on Dyne's freehold interest in the Land currently total approximately \$4.1 million.

As a result of the events described above, Dyne has accounted for the amount payable on the mortgage of \$14.7 million, as well as \$4.1 million of outstanding liens and \$200,000 of unpaid interest in the accounts payable and accrued liabilities, as well as a corresponding receivable amount from HII of \$19.0 million, in its balance sheet, as at January 27, 2012.

Management has analyzed the possible outcomes of the events and obligations described above and has determined that there is a partial impairment of the receivable from HII due to its current financial position. The company has recorded an impairment of \$9.2 million in allocation of the acquisition price for Canmarc.

In connection with HII's CCAA restructuring, the REIT filed a number of proofs of claim against HII. As of February 5, 2013, the REIT and HII entered into a memorandum of understanding related to, among other things, the settlement of these proofs of claim (except for the transfer duties indemnification claim, which is expected to be withdrawn upon confirmation that the City of Laval's claim is prescribed). Under this settlement, the REIT received, among other things, a cash payment of approximately \$6.26 million in settlement of various secured claims against HII. HII also sold to the REIT approximately 508,780 square feet of vacant land in Calgary, which includes a parkade structure with approximately 347 parking spaces and that is adjacent to the Centron Park complex owned by the REIT, for \$20.5 million. The sale of the vacant land was completed on March 15, 2013, at the price that was agreed upon.

## **PART 7 – 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.

### **7.1 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 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.

### **7.2 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.

### **7.3 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.

#### 7.4 TAX DEFERRAL ON 2012 DISTRIBUTIONS

The distributions made by the REIT to Unitholders in 2012 were tax-deferred at 90.3% by reason of the REIT's ability to claim capital cost allowance and certain other deductions. In the year of acquisition of a property, capital cost allowance is restricted to one-half of the normal annual rates. The adjusted cost base of Units held by a Unitholder will generally, subject to certain conditions under the Tax Act, be reduced by the non-taxable portion of distributions made to the Unitholder (other than the non-taxable portion of certain capital gains). A Unitholder will generally realize a capital gain to the extent that the adjusted cost base of the Unitholder's Units would otherwise be a negative amount.

#### 7.5 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 (\$)
2012	1.44
2011	1.44
2010	1.44

### PART 8 – CAPITAL STRUCTURE

#### 8.1 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, 2012, there were 124,349,608 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.

The REIT also issued Convertible Debentures. As at December 31, 2012, 12,675,021 Units could potentially be issued following the conversion of these Debentures. For details, see "PART 4 – Description of the Business - Hypothecs and Debentures – Debentures".

Under the stock option plan, the REIT grants Unit options to the company's executives and employees. As at December 31, 2012, there were 5,979,500 Unit options outstanding.

The REIT also has a Distribution Reinvestment Plan under which Unitholders can choose to automatically reinvest their cash distributions in additional Units. See "PART 9 – Distribution Reinvestment Plan".

## 8.2 RESTRICTIONS ON THE ISSUE AND TRANSFER OF UNITS

The Contract of Trust imposes certain restrictions on Unitholders who are non-residents of Canada, including that they may not be the beneficial owners of more than 49% of Units. See “5.2.8 – Restrictions on Certain Unitholders and Liquidity of Units”.

## 8.3 CREDIT RATINGS

On May 15, 2012, the REIT received an Issuer Rating of BBB (low), with a Stable trend, from DBRS Limited (“**DBRS**”). DBRS also attributed to the REIT’s Senior Debentures a rating of BBB (low), with a Stable trend. The request for a credit rating in respect of the Senior Debentures was initiated by the REIT. The requests for such credit ratings were initiated by the REIT and these credit ratings were the first such ratings received by the REIT.

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

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

The BBB (low), with a Stable trend, rating assigned to the REIT and the Senior Debentures by DBRS is the fourth highest rating of DBRS’s ten rating categories, which range from AAA to D. With the exception of the AAA and D categories, DBRS uses high or low designations to indicate the relative standing of the securities being rated within a particular rating category, and the absence of either a high or low designation indicates the rating is in the middle of the category. Under the DBRS rating system, debt securities rated BBB are of adequate credit quality and the capacity for payment of financial obligations is considered acceptable, but the entity may be vulnerable to future events.

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

The REIT paid to DBRS the customary fee in connection with the ratings assigned to the REIT and the Senior Debentures, and it will continue to make payments to DBRS from time to time in connection with the confirmation of such ratings or in connection with credit ratings to be assigned to debt securities of the REIT, if any, which may be offered for sale from time to time in the future, as the case may be. The REIT did not make any payments to DBRS in respect of any other service provided to the REIT by DBRS during the last two (2) years.

## PART 9 – 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 Unitholders who participate in the Distribution Reinvestment Plan are 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 are not entitled to participate in the Distribution Reinvestment Plan.

## PART 10 – MARKET FOR SECURITIES OF THE REIT

### 10.1 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.

CUF.UN		TSX	
Fiscal year ended December 31, 2012	High (\$)	Low (\$)	Trading Volumes
January	22.52	21.41	9,533,600
February	23.45	21.68	11,668,700
March	24.25	22.90	11,791,600
April	24.25	23.17	2,809,600
May	24.35	23.42	4,628,000
June	24.19	23.11	4,475,600
July	25.46	23.97	4,359,100
August	24.76	23.83	6,683,800
September	24.66	23.84	7,174,700
October	23.96	23.28	3,893,133
November	23.69	22.08	5,149,126
December	22.45	21.99	4,924,100

### 10.2 MARKET FOR CONVERTIBLE DEBENTURES

The Debentures are listed and posted for trading on the TSX under the symbols "CUF.DB.A", "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.

CUF.DB.A <sup>1)</sup>		TSX	
Fiscal year ended December 31, 2012	High (\$)	Low (\$)	Trading Volumes (in thousands)
January	127.71	123.71	72
February	133.51	123.71	183
March	137.59	130.44	73
April	138.00	134.00	118
May	138.61	133.00	756
June	103.25	102.00	632
July	—	—	—

August	—	—	—
September	—	—	—
October	—	—	—
November	—	—	—
December	—	—	—

1) *All of such Convertible Debentures still outstanding were redeemed on June 29, 2012.*

#### CUF.DB.B<sup>2)</sup>

TSX			
Fiscal year ended December 31, 2012	High (\$)	Low (\$)	Trading Volumes (in thousands)
January	104.00	102.60	345
February	104.00	103.00	141
March	104.00	102.87	112
April	103.75	101.75	666
May	104.20	101.90	422
June	103.25	102.00	632
July	104.00	102.45	111
August	104.00	100.10	1,904
September	—	—	—
October	—	—	—
November	—	—	—
December	—	—	—

2) *All of such Convertible Debentures still outstanding were redeemed on September 19, 2012.*

#### CUF.DB.C

TSX			
Fiscal year ended December 31, 2012	High (\$)	Low (\$)	Trading Volumes (in thousands)
January	104.91	103.55	643
February	105.00	102.50	491
March	105.02	103.00	561
April	104.00	100.60	1,119
May	104.50	102.51	687
June	105.00	101.41	3,376
July	104.61	102.75	1,717
August	104.20	101.00	1,216
September	101.80	100.50	1,357
October	102.10	101.25	957
November	103.00	101.50	675
December	103.50	101.52	428

**CUF.DB.D**

<b>TSX</b>			
<b>Fiscal year ended December 31, 2012</b>	<b>High (\$)</b>	<b>Low (\$)</b>	<b>Trading Volumes (in thousands)</b>
January	111.00	107.50	578
February	115.92	108.00	932
March	119.19	112.98	10,476
April	119.99	115.00	3,769
May	119.49	116.50	6,332
June	118.99	115.00	3,656
July	123.65	118.50	8,680
August	120.50	117.75	1,316
September	120.17	117.18	4,623
October	119.00	114.40	318
November	117.00	109.50	1,161
December	112.00	110.25	891

**CUF.DB.E**

<b>TSX</b>			
<b>Fiscal year ended December 31, 2012</b>	<b>High (\$)</b>	<b>Low (\$)</b>	<b>Trading Volumes (in thousands)</b>
January	112.75	103.50	381
February	106.00	103.42	770
March	108.00	105.00	344
April	107.15	105.25	1,272
May	108.00	105.00	776
June	106.25	104.25	884
July	108.85	105.90	1,112
August	108.93	105.00	1,455
September	108.48	105.55	418
October	107.00	105.05	795
November	108.25	104.05	1,329
December	108.24	105.00	721

**10.3 MARKET FOR SENIOR DEBENTURES**

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



**PART 11 – TRUSTEES AND OFFICERS OF THE REIT****11.1 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 are beneficially owned, directly or indirectly, by them or over which they exercise control or direction as at March 28, 2013:

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. <sup>(2) (5)</sup> Québec City, Québec Independent Trustee	Chairman of the Board, Corporate director	1998-	17,000
<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-	8,773,385 <sup>(6)</sup>
<b>Me Michel Paquet</b> Québec City, Québec Non-Independent Trustee, Senior Executive Vice-President and Secretary of the REIT	Senior Executive Vice-President and Secretary of the REIT	1998-	8,659,481 <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-	8,705,959 <sup>(6)</sup>
<b>Pierre Gingras</b> <sup>(3)</sup> Québec City, Québec Non-Independent Trustee	Corporate director	1998-	104,735 <sup>(7)</sup>
<b>Alban D'Amours</b> , G.O.Q., <sup>(2) (4)</sup> Québec City, Québec Independent Trustee	Corporate director	2009-	8,182
<b>Me Gérard Coulombe</b> , Q.C. <sup>(4) (5)</sup> Sainte-Marthe, Québec Independent Trustee	Partner, Lavery, Montréal	2007-	2,831
<b>Mary-Ann Bell</b> , Eng, M.Sc., ASC <sup>(2) (3)</sup> Montréal, Québec Independent Trustee	Senior Vice-President, Quebec and Ontario Bell Aliant Regional Communications	2012-	–
<b>Ghislaine Laberge</b> , ASC <sup>(3) (4) (5)</sup> Montréal, Québec Independent Trustee	Corporate director	1998-	7,249

**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 held 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.

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, for Mr. Alban D'Amours who was President and Chief Executive Officer of Mouvement des caisses Desjardins from 2000 to 2008, and Ms.

Mary-Ann Bell, who was with the BCE group since 1982 and has been Senior Vice-President, Quebec and Ontario at Bell Aliant Regional Communications since 2009.

## 11.2 INFORMATION CONCERNING NON-TRUSTEE OFFICERS

<b>Non-Trustee Officer</b>	<b>Office with the REIT</b>	<b>Province and Country of Residence</b>
Sylvain Cossette	Executive Vice-President and Chief Operating Officer	Québec, Canada
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, Atlantic Provinces	Nova Scotia, Canada
Guy Charron	Executive Vice President, Operations – Retail	Québec, Canada
René Bérubé	Vice-President, Leasing - Québec City	Québec, Canada
Wally Commisso	Vice-President, Property Management - Montréal	Québec, Canada
Steve Gilbert	Vice-President, Acquisitions	Québec, Canada
Gerry McBride	Vice-President, Operations – New Brunswick	New Brunswick, Canada
Jean-Guy Moreau	Vice-President, Development – Québec City Area	Québec, Canada
Richard Nolin	Vice-President, Commercial	Québec, Canada
Carl Pépin	Vice-President, Finances and Accounting	Québec, Canada
Michael Racine	Vice-President, Leasing - Montréal	Québec, Canada
Roger Turpin	Vice-President and Treasurer	Québec, 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, 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; (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, (vii) Sylvain Cossette, Executive Vice-President and Chief Operating Officer since December 2012, who was previously a partner at Davies Ward Phillips & Vineberg, LLP, law firm; and (viii) Guy Charron, Executive Vice-President, Operations – Retail since May 2012, who was Executive Vice-President and Chief Operating Officer - Québec of Canmarc Real Estate Investment Trust.

As at March 28, 2013, the executive officers and Trustees of the REIT beneficially owned as a group, directly or indirectly, 9,147,741 Units.

## 11.3 INDEPENDENCE

The REIT considers that the Independent Trustees are independent within the meaning of Regulation 58-101 respecting Disclosure of Corporate Governance Practices and that the members of the Audit Committee are independent within the meaning of Regulation 52-110 respecting Audit Committees. The Trustees appointed by the Dallaire Group are not considered independent.

## 11.4 AUDIT COMMITTEE

### 11.4.1 GENERAL PROVISIONS

The REIT has an Audit Committee which currently consists of Messrs. Alban D'Amours and Robert Després and Ms. Mary-Ann Bell. All the members of the Audit Committee are Independent Trustees and are considered "independent" and "financially literate" within the meaning of Regulation 52-110 respecting Audit Committees. Mr. 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*. Ms. Bell is a member of the *Ordre des ingénieurs du Québec* (Quebec order of professional engineers), and is currently Senior Vice-President, Quebec and Ontario at Bell Aliant Regional Communications.

#### 11.4.2 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".

#### 11.4.3 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
Robert Després, OC., GOQ., M.Sc.C., FCMA, FCPA, FCGA, FICD, FCAS	Mr. Després, M.Sc., is a Fellow of the <i>Ordre des comptables en gestion accrédités du Québec</i> and a Fellow of the Corporation of Certified General Accountants of Québec. He is also a Fellow of the Institute of Corporate Directors and of the <i>Collège des administrateurs de sociétés</i> . He has acted as director of several public companies and has chaired several audit committees.
Alban D'Amours, M.C, G.O.Q., F.AdM.A.	Mr. 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.
Mary-Ann Bell, Eng, M.Sc., ASC	Ms. Mary-Ann Bell has been Senior Vice-President, Quebec and Ontario at Bell Aliant Regional Communications since January 2009. From 1982 to January 2009, she was with the BCE group, Ms. Bell presides the <i>Conseil des universités du Québec</i> (Quebec Universities Board) and is a board member for several private companies and non-profit organizations. Ms. Bell is a member of the <i>Ordre des ingénieurs du Québec</i> .

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

#### 11.4.4 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, 2012 (\$)	Year ended December 31, 2011 (\$)
Audit Fees	789,409	399,313
Audit Related Fees	–	–
Fees related to fiscal services	568,155	56,420
Other Fees	105,445	17,295
<b>Total:</b>	<b>1,463,009</b>	<b>473,028</b>

##### Audit Fees

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

##### Audit Related Fees

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

##### Fees Related to Fiscal Services

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

##### Other Fees

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

#### 11.4.5 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.

#### 11.5 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 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, and emerged from bankruptcy on April 4, 2008, are as of the date of this AIF or have been, within the ten years before such date, a director, trustee, chief executive officer or chief financial officer or, in respect of subsection (iii) below, an executive officer of a company which, while the person was acting in such capacity:

- (i) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (ii) was, after the director or executive officer ceased to be a director or executive officer, the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a

period of more than 30 consecutive days as a result of an event which occurred while the director or executive officer was acting in such capacity; or

- (iii) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

### **11.5.1 PERSONAL BANKRUPTCIES**

No trustee or officer has within the past 10 years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his, her or its assets.

## **PART 12 – 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, 2012, 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 13 – INTEREST OF MANAGEMENT AND OTHER INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Michel Dallaire and Alain Dallaire, Trustees and executive officers of the REIT indirectly control the Dallaire Group inc. (“**GDI**”), Société de développement Laurier (SDL) inc., and Dalcon inc. (“**Dalcon**”).

During the fiscal year ended December 31, 2012, the REIT recorded \$0.2 million in net rental income from Dalcon and GDI for spaces occupied in the REIT’s properties. The REIT incurred \$12.0 million in expenditures for tenant improvements made by Dalcon on its behalf, and \$20.2 million for the construction and development of investment properties executed by Dalcon on the REIT’s behalf. The Board of Trustees considers that these expenditures reflect competitive and favorable rates for the REIT and that there is no dispute with Dalcon.

On June 28, 2012, the REIT acquired three single-tenant industrial properties from Société immobilière Investus inc. The purchase price of \$11,6 million was paid in cash and through the assumption of debt. On November 1, 2012, the REIT acquired an industrial and mixed-use property from this same company, for a cash consideration of \$4,4 million and the assumption of debt. The Dallaire family had acquired these properties in June 2011 during the privatization of Investus. The purchase price paid by the REIT, through its right of first opportunity, corresponds to the purchase price paid by the Dallaire family at the time of purchase, as established by an independent evaluation.

These transactions were entered into in the normal course of business and are measured at exchange value. They are reflected in the REIT’s consolidated financial statements.

Apart from the information provided in this AIF or in the consolidated financial statements of the REIT for the fiscal year ended December 31, 2012 and since January 1, 2013, 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 14 – 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 15 – INTEREST OF EXPERTS**

PricewaterhouseCoopers LLP are the external auditors of the REIT who prepared the Independent Auditor's Report to the Unitholders dated March 12, 2013 with respect to the consolidated annual financial statements of the REIT for the fiscal year ended December 31, 2012. 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 16 – 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, 2012 available on SEDAR at [www.sedar.com](http://www.sedar.com).

**SCHEDULE “A”**  
**COMINAR REAL ESTATE INVESTMENT TRUST**  
**(the “REIT”)**  
**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 Standards Applicable to Audit Committees) who are financially literate.

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

## **RESPONSIBILITIES OF THE CHAIR OF THE COMMITTEE**

The Chair of the Committee is responsible for the following:

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

## **QUORUM**

A majority of the Committee members constitutes the quorum.

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

## **POWERS OF THE COMMITTEE**

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

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

The Committee 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 and operational risks and the procedures set up to ensure compliance with the code of ethics and professional conduct and the laws and regulations governing the REIT. In performing its duties, the Committee shall promote good relations with the Board, Management and the 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 a review of the REIT's quarterly financial statements and an audit of the REIT's annual financial statements, in accordance with Canadian generally accepted auditing standards, which are intended among other things to establish with reasonable assurance that the financial information set forth in the financial statements is free from material inaccuracies pursuant to generally accepted accounting principles. The external auditor must also inform the Committee of any deficiency that it may find during its annual audit regarding the 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 ("MD&A"), 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 2012*

**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 made, 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 unitholders, 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 statements		√		√

<b>Regular Committee meetings</b>	<b>February</b>	<b>May</b>	<b>August</b>	<b>November</b>
Establish, implement, update and monitor the implementation of procedures pertaining to the conservation and handling of complaints concerning accounting, internal accounting controls or any aspects of the audit	√	√	√	√
Establish, implement, update and monitor the implementation of procedures for the confidential and anonymous communication of employees' concerns about questionable matters relating to accounting or audit and receiving such communications	√	√	√	√
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 implementation 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, if any, 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, 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, update them as required and ensure that the charter is disclosed when required			√	

<b>Regular Committee meetings</b>	<b>February</b>	<b>May</b>	<b>August</b>	<b>November</b>
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 discusses 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 2012*