



# **2016**

## **Annual Information Form**

**Cominar Real Estate Investment Trust**  
Year ended December 31, 2016

March 31, 2017

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## GLOSSARY

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

**“Adjusted Unitholders’ Equity”**: means, at any time, the aggregate of the amount of Unitholders’ equity and the amount of accumulated depreciation recorded in the books and records of the REIT in respect of its Properties, calculated in accordance with IFRS;

**“Atlantic Provinces Area” or “Atlantic Provinces”**: includes the Provinces of New-Brunswick, Nova Scotia 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;

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

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

**“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 GDI or any one of its subsidiaries;

**“DBRS”**: means DBRS Limited;

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

**“Distribution Reinvestment Plan” or “DRIP”**: means the REIT distribution reinvestment plan set forth under PART 12 - “DISTRIBUTION REINVESTMENT PLAN”;

**“GDI”**: means Groupe Dallaire Inc.;

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

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

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

**“Income Properties”**: means properties generating revenues to the REIT;

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

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

**“Investment Properties”**: means, collectively, the Income Properties, properties under development, land held for future development and Income Properties held for sale;

**“Management”**: means the management of the REIT;

**“Montréal Area”**: means the area generally known as Greater Montréal, and includes the City of Laval, the North Shore of Montréal and the South Shore of Montréal;

**"NCIB"**: means the normal course issuer bid of the REIT, which expired on September 1, 2016;

**"Net Operating Income" or "NOI"**: means the REIT's operating income before the change in fair value of investment properties, financial charges, REIT administrative expenses, share of joint ventures' net income and income tax;

**"Plan"**: means the REIT's equity-based incentive Plan;

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

**"Province of Québec" or "Québec"**: means the Province of Québec;

**"Québec City Area"**: means the area generally known as the *Communauté métropolitaine de Québec*;

**"Senior Debentures"**: means, collectively, the Series 1 4.274%, the Series 2 4.23%, the Series 3 4.00%, the Series 4 4.941%, the Series 7 3.62%, the Series 8 4.25%, the Series 9 4.164% and the Series 10 4.247% senior unsecured debentures of the REIT;

**"Shelf Prospectus"**: means the short form base shelf prospectus dated January 10, 2017;

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

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

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

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

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

**"Unitholder"**: means a holder of REIT Units; and

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

## FORWARD-LOOKING STATEMENTS

This Annual Information Form (the “AIF”) may contain forward-looking statements with respect to the REIT and its operations, strategy, financial performance and condition. 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 the REIT 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 the REIT 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 AIF is dated as of March 31, 2017. Unless otherwise noted, the information contained in this AIF is stated as at December 31, 2016.

## PART 2 – STRUCTURE OF THE REIT

Cominar Real Estate Investment Trust is an unincorporated closed-end investment trust created by the Contract of Trust under, and governed by, the laws of the Province of Québec. Amendments to the Contract of Trust were made at various times to give the REIT greater flexibility in operating its portfolio. The Contract of Trust is available electronically under the REIT’s profile on SEDAR at [www.sedar.com](http://www.sedar.com). For further details concerning the Contract of Trust, see PART 6 – “Contract of Trust”. The REIT was established on March 31, 1998 and began its activities on May 21, 1998, at the time of the completion of its initial public offering.

The head office of the REIT is located at Complexe Jules-Dallaire – T3, 2820 Laurier Boulevard, Suite 850, Québec City, Québec G1V 0C1, 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 or in partnership.

## 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 has a leading presence and enjoys significant economies of scale in this market. It is also the third largest diversified real estate investment trusts in Canada in terms of size of leasable area owned. As at March 31, 2017, the REIT owns a diversified portfolio of 530 office, retail, industrial and mixed-use Investment Properties comprising an area of 44.1 million square feet across the province of Québec, the province of Ontario, the Atlantic Provinces and Western Canada.

As at December 31, 2016, the REIT owned a diversified portfolio of 539 office, retail, industrial and mixed-use Investment Properties, of which 129 were located in the Québec City Area, 288 were located in the Montréal Area, 48 were located in the Province of Ontario, 60 were located in the Atlantic Provinces and 14 were located in Western Canada. The REIT’s portfolio was comprised of approximately 14.5 million square feet of office space, 12.4 million square feet of retail space and 18.0 million square feet of industrial and mixed-use space, representing, in the aggregate, approximately 44.9 million square feet of leasable area. As at December 31, 2016, the REIT’s portfolio was approximately 92.4% leased.

### 3.2 THREE FISCAL YEARS RETROSPECTIVE

Following its creation, the REIT leveraged its positioning in the Québec City commercial real estate market to diversify into the Montréal market and in other Canadian markets. In doing so, the REIT continued to pursue its profitable long-term strategy of owning and operating a diversified portfolio of Investment Properties concentrated in a specific regional market.

During fiscal year ended December 31, 2014, the REIT conducted important strategic acquisitions worth over two billion dollars, which enhanced its segment diversification, primarily on retail, while pursuing its geographic diversification. These strategic acquisitions resulted in the addition of 66 Investment Properties to the REIT's property portfolio and representing a total of 8.1 million square feet. Among others, on September 30 and October 17, 2014, the REIT acquired, for a purchase price of \$1.63 billion, 35 Income Properties, one property under development and land held for future development from Ivanhoé Cambridge Inc.

During fiscal year ended December 31, 2015, the REIT acquired a portfolio of 3 industrial properties with total leasable area of approximately 697,000 square feet, located in the Montréal Area. The REIT has developed a strategy of asset dispositions in order to maintain a sound financial position over the long term. Accordingly, the REIT completed the sale of one industrial and mixed-use property and two office properties located in the Montréal Area, for a total purchase price of \$98.0 million. Also, the REIT and Dallaire Group partnered up in joint ventures, being *Société en commandite Bouvier-Bertrand*, *Société en commandite Chaudière-Duplessis* and *Société en commandite Marais*, to carry out real estate developments.

For details concerning developments pertaining to the REIT in 2016, see PART 3 – “General Development Of The Business – 3.3 Developments in 2016”.

### 3.3 DEVELOPMENTS IN 2016

#### 3.3.1 DISPOSITIONS

During fiscal year ended December 31, 2016, the REIT completed the sale of 31 properties for a total sale price of \$115.6 million, net of costs, as follows:

- On January 29, 2016, sale of a portfolio of ten (10) retail properties located in Quebec and Ontario, for a total price of \$14.9 million, net of costs.
- On March 31, 2016, sale of a portfolio of fourteen (14) retail properties located in Quebec and Ontario, for a total price of \$55.5 million, net of costs.
- On May 2, 2016, sale of a portfolio of five (5) retail properties located in the Quebec Area and Montréal Area, for a total price of \$39.3 million, net of costs.
- On December 19, 2016, sale of two (2) retail properties located in the Montréal Area, for a total price of \$5.9 million, net of costs.

The net sale proceeds of these properties were used to repay a portion of the credit facility as well as to repurchase units under the NCIB.

#### 3.3.2 TRANSFERS TO INCOME PROPERTIES

During the third quarter of 2016, the REIT completed the construction of an industrial and mixed-use property that was transferred from properties under development to Income Properties. Located in the City of Québec, this \$5.6 million property, with a leasable area of 46,000 square feet, has an occupancy rate of 100%.

During the fourth quarter of 2016, the REIT completed the construction of two properties that were transferred from properties under development to Income Properties. The first one, a \$2.3 million retail property located in the City of Trois-Rivières with a leasable area of 6,000 square feet, has an occupancy rate of 100%. The second one, a \$20.0 million industrial and mixed-use property located in the City of Laval with a leasable area of 130,000 square feet, has an occupancy rate of 100%.

#### 3.3.3 BUILDINGS UNDER CONSTRUCTION AND DEVELOPMENT PROJECTS

As part of the acquisition of the Investment Property portfolio from Ivanhoé Cambridge in 2014, the REIT acquired an office property under development with a leasable area of 118,000 square feet located in Laval as part of the Centropolis complex. The occupancy rate of this property is as at March 7, 2016 75% and leasing activities will continue in 2017.

During fiscal 2016, the REIT, as partner of *Société en commandite Bouvier-Bertrand*, continued the development of the *Espace Bouvier* project. For further details, see PART 4 – “Description Of The Business — 4.7 Investments in Joint Ventures”. The first

retail building in this development, a property with a leasable area of approximately 65,000 square feet, was completed in fiscal 2015 and is 100% occupied. The second retail building in this development, a property with a leasable area of approximately 25,000 square feet 100% leased by a single tenant, was delivered to the tenant in May 2016. A third retail building, a property with a leasable area of approximately 9,000 square feet 100% leased by a single tenant, was completed and delivered to the tenant at the end of 2016. Two more buildings of approximately 95,000 square feet will be added to the development. Finally, the office building, with a leasable area of approximately 83,000 square feet, is 57% leased as at March 7, 2016.

### **3.3.4 INVESTMENTS IN INVESTMENT PROPERTIES**

The REIT continues to develop its Investment Properties in the normal course of business. Investments made include additions, expansions, modernizations, modifications and upgrades to existing properties with a view to increasing or maintaining their rental income generating capacity.

During fiscal 2016, the REIT incurred \$110.7 million in capital expenditures particularly to increase the rental income generating capacity of its properties or to reduce the related operating expenses. The REIT also incurred \$8.5 million in capital expenditures to maintain rental income generating capacity, consisting mainly of major expenditures for maintenance and repairs, as well as property equipment replacements, which will generate benefits for the REIT for the coming years. These expenditures do not include current repair and maintenance costs.

Finally, the REIT invested in leasehold improvements aiming to increase the value of its properties through higher lease rates, as well as in other leasing costs, mostly brokerage fees and client inducements. The level of investment required may vary from quarter to quarter since it closely depends on lease renewals and the signing of new leases. It also depends on increases in rental space due to newly acquired, expanded or upgraded properties, or rental space transferred from properties under development. During fiscal 2016, the REIT made investments of \$45.0 million in this respect.

### **3.3.5 CHANGES IN FINANCING ACTIVITIES**

On September 14, 2016, the REIT announced the resumption of its Distribution Reinvestment Plan, suspended since January 20, 2016. Investors registered in the plan are entitled to receive an additional amount equal to 3% of the reinvested distributions, paid in the form of Units.

On September 1, 2016, the REIT's NCIB, which commenced on September 2, 2015, expired without being renewed. Under the NCIB, the REIT repurchased 3,248,232 Units for a total cash consideration of \$48.5 million.

### **3.3.6 CHANGES IN THE MANAGEMENT AND IN THE BOARD OF TRUSTEES**

On March 3, 2016, Mr. Michel Dallaire announced that he was transferring the office of president of the REIT to Mr. Sylvain Cossette, while retaining the office of chief executive officer. The role of president is in addition to Mr. Cossette's role of chief operating officer of the REIT. As chief executive officer, Michel Dallaire remains the senior executive officer of the REIT and fully responsible and committed to the REIT's strategy, including finances, acquisitions and developments.

At the annual and special meeting of Unitholders held on May 10, 2016, Mr. Luc Bachand was elected as a Trustee, while Mr. Robert Després withdrew his candidacy. Subsequently to the annual meeting Michel Dallaire was appointed as Chairman of Board, in addition to his role as chief executive officer of the REIT.

Following Mr. Gérard Coulombe's death on August 1, 2016, the Nominating and Governance Committee conducted a selection process to identify a replacement candidate to the Board. The candidacy of Mr. Claude Dussault was submitted to the Board and it was decided to present Mr. Dussault's candidacy at the upcoming annual meeting of Unitholders for election as a trustee of the REIT. In addition, following Mr. Coulombe's death, Mr. Alban D'Amours was appointed Lead Trustee on November 1, 2016.

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

### **4.1 GENERAL**

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.

The REIT maintains a conservative approach to its borrowing policies and in general seeks to spread out its 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 a 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.

## **4.2 OBJECTIVES AND STRATEGY**

The REIT's primary objectives are to provide Unitholders with stable and growing monthly cash distributions which are tax deferred, from investments in a diversified portfolio of properties and to increase and maximize unit value through the proactive management of Investment Properties and the expansion of its real estate portfolio.

To reach its objectives, the REIT continues to manage growth, operational risks and debt in a flexible and prudent manner.

In accordance with the REIT's financial management policies, the REIT developed a capital optimization strategy through asset dispositions. The net proceeds from the disposition of assets were used to pay down debt. Accordingly, during fiscal year 2016, the REIT sold the assets further detailed in section 3.3.1 herein. For further details, see PART 3 – "General Development Of The Business – 3.3.1 Dispositions". This capital optimization program was completed in the first quarter of 2017.

### **4.2.1 THE MARKET**

The REIT has a leading presence and enjoys significant economies of scale in the Canadian market by virtue of the size of the portfolio, the diversity of its properties and the attractiveness of their locations, all of which help create opportunities and increase the likelihood that the REIT will conclude leasing with most prospective commercial clients within such market.

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

The REIT can count on a high-quality real estate portfolio, a diversified client 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 an integrated and self-managed real estate operation. The REIT benefits from the experience and expertise of its executives and employees. This property management structure enables to rapidly and efficiently respond to its clients' needs, while minimizing its operating cost. The REIT also believes that interests of eligible participants are further aligned with those of Unitholders through the granting of Unit options, deferred units and restricted units under the Plan. The Plan provides an incentive for eligible employees to increase the REIT's 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 client base, which allow Management to better identify and fulfill clients' needs;
- ability to identify and close acquisition and joint venture opportunities;
- strategic alliances with suppliers and innovative cost control measures which reduce or limit the increase in operating costs and 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 and geographic sectors 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 client base, reduce cash flow volatility and increase potential capital appreciation.

#### **4.2.5 DEBT MANAGEMENT**

The REIT seeks to spread its 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 long-term debt and by maintaining a conservative level of debt relative to Book Value.

### **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 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 FINANCINGS

As at December 31, 2016, the REIT's debt ratio stood at 52.4%, consisting of fixed-rate hypothec loans, Senior Unsecured Debentures and bank borrowings. Mortgages payable represented approximately 47.1% of total debt, whereas Senior Unsecured Debentures represented approximately 45.3% of total debt. As at December 31, 2016, the weighted average contractual interest rate of mortgages payable was 4.37% per year, and the residual weighted average term of mortgages payable was 5.5 years. The weighted average interest rate stood at approximately 4.23% for Senior Unsecured Debentures.

### 4.4.1 BANK BORROWINGS

As at December 31, 2016, the REIT had an unsecured revolving operating and acquisition credit facility of up to \$700.0 million which will mature in August 2019. As at December 31, 2016, bank borrowings under such facility totalled \$332.1 million.

### 4.4.2 HYPOTHECS

The following table shows mortgage contractual maturity dates for the specified years:

#### CONTRACTUAL MATURITY DATES OF MORTGAGES PAYABLE

For the years ending December 31	Repayment of principal (\$)	Balances at maturity (\$)	Total (\$)	Weighted average contractual rate
2017	56,418,000	198,088,000	254,506,000	4.60%
2018	45,986,000	443,806,000	489,792,000	4.94%
2019	38,490,000	4,141,000	42,631,000	6.18%
2020	39,890,000	82,013,000	121,903,000	4.37%
2021	38,987,000	89,437,000	128,424,000	5.48%
2022	37,655,000	56,036,000	93,691,000	4.14%
2023	33,414,000	254,650,000	288,064,000	4.56%
2024	24,679,000	181,733,000	206,412,000	4.21%
2025	17,583,000	29,548,000	47,131,000	3.55%
2026	5,850,000	345,685,000	351,535,000	3.51%
2027 and thereafter	10,157,000	11,711,000	21,868,000	4.19%
<b>Total</b>	<b>349,109,000</b>	<b>1,696,848,000</b>	<b>2,045,957,000</b>	<b>4.37%</b>

### 4.4.3 DEBENTURES

#### 4.4.3.1 Senior Debentures

On May 20, 2016, the REIT issued \$225.0 million in Series 10 senior unsecured debentures bearing interest at a rate of 4.247% and maturing in May 2023.

On September 21, 2016, the REIT reimbursed at maturity its Series 6 senior unsecured debentures totalling \$250.0 million and bearing interest at a variable rate using its unsecured revolving operating and acquisition credit facility.

As at December 31, 2016, the residual weighted average term of senior unsecured debentures was 3.7 years. For further details, see PART 7 – “DESCRIPTION OF DEBENTURES – General”.

#### 4.5 EMPLOYEES

As at December 31, 2016, the REIT had 754 permanent employees (full time or partial time). These employees are spread throughout the REIT's offices across Canada. More specifically, as at December 31, 2016, 624 employees were located in the province of Québec, 66 in the province of Ontario, 21 in the province of Alberta, 22 in the province of New Brunswick and 21 in the province of Nova Scotia.

#### 4.6 OPERATING REVENUES

For the fiscal year ended December 31, 2016, the REIT had operating revenues of \$867.0 million and Net Operating Income of \$468.6 million compared to \$889.2 million and \$487.5 million, respectively, the previous year. The REIT's total assets as at December 31, 2016 were \$8.3 billion.

#### 4.7 INVESTMENTS IN JOINT VENTURES

The REIT invested with Dallaire Group in joint ventures whose business objective is the ownership, management and development of real estate projects. Accordingly, as at December 31, 2016, the REIT and Dallaire Group were involved in the 4 joint ventures described hereinafter.

Each of the REIT and Dallaire Group owns a 50% interest in *Société en Commandite CJD*, for the purpose of operating a real estate project, being the Complexe Jules-Dallaire located in the City of Quebec.

Each of the REIT and Dallaire Group owns a 50% interest in *Société en commandite Bouvier-Bertrand*, which is involved in a real estate development project in several phases on land located along Highway 40, one of Québec City's main highway. This project, Espace Bouvier, consists of an office building of approximately 83,000 square feet and five commercial buildings totalling approximately 194,000 square feet.

The REIT and Dallaire Group are also limited partners in *Société en Commandite Marais* and *Société en Commandite Chaudière-Duplessis*. The limited partnerships were created to carry out real estate developments in the Québec City Area and the REIT has a 75% interest and Dallaire Group has a 25% interest in each of these two limited partnership.

On January 13, 2017, the REIT purchased the interest of Dallaire Group in *Société en Commandite Chaudière-Duplessis* and now owns 100% of such limited partnership. For further details, see PART 9 – “Subsequent events to December 31, 2016 — 9.3 *Société en Commandite Chaudière-Duplessis*”.

#### 4.8 INVESTMENT IN A MORTGAGE RECEIVABLE

In 2014, the REIT entered into a loan agreement with Dallaire Group regarding the realization of a future real estate development project on Laurier Boulevard, in Québec City. The underlying land is subject to a mortgage guarantee in favour of the REIT. The mortgage receivable of \$8.3 million bears interest at bankers' acceptance rate plus 250 basis points, payable monthly. The timeline, the construction plans and the terms of the REIT's interest in this project are to be finalized. Once the foregoing is done, the REIT can elect either to have the mortgage receivable repaid or to participate in the development of the project. The joint agreement provides the REIT with the opportunity to contribute to the realization of this large-scale project, in the Québec City Area, while reducing the risk associated with the development of such project.

### PART 5 – PROPERTIES

#### 5.1 OVERVIEW OF THE PORTFOLIO

The properties comprising the portfolio are generally in prime locations along major thoroughfares and benefit from high visibility and easy access by both clients and clients' customers. Further details concerning the portfolio are highlighted in Schedule “A” attached to this AIF.

The following tables summarize the properties of the REIT as at December 31, 2016.

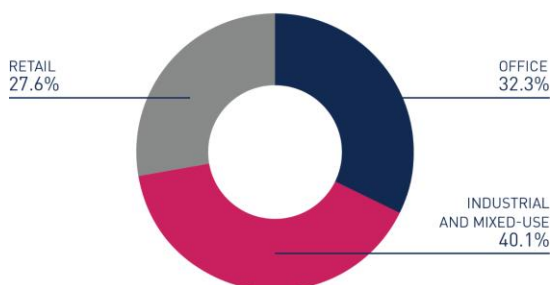
### 5.1.1 SUMMARY BY OPERATING SEGMENT

The following tables and charts summarize the portfolio of the REIT by operating segment as at December 31, 2016:

As at December 31, 2016

	Number of properties	Leasable area (sq. ft.)	Occupancy rate (%)
Office	134	14,522,000	89.6
Retail	168	12,372,000	93.0
Industrial and mixed-use	237	18,025,000	94.3
<b>Total</b>	<b>539</b>	<b>44,919,000</b>	<b>92.4</b>

DISTRIBUTION OF THE LEASABLE AREA  
OF THE INVESTMENT PROPERTIES  
BY OPERATING SEGMENT



DISTRIBUTION OF THE NOI  
OF THE INVESTMENT PROPERTIES  
BY OPERATING SEGMENT



### 5.1.2 SUMMARY BY GEOGRAPHIC MARKET

The following tables and charts summarize the portfolio of the REIT by geographic market as at December 31, 2016:

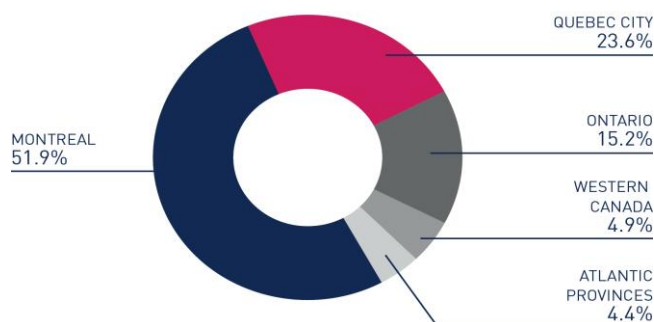
As at December 31, 2016

	Number of properties	Leasable area (sq. ft.)
Québec City Area	129	10,139,000
Montréal Area	288	25,254,000
Ontario	48	5,703,000
Atlantic Provinces	60	2,715,000
Western Canada	14	1,108,000
<b>Total</b>	<b>539</b>	<b>44,919,000</b>

**DISTRIBUTION OF THE LEASABLE AREA  
OF THE INVESTMENT PROPERTIES  
BY GEOGRAPHIC MARKET**



**DISTRIBUTION OF THE NOI  
OF THE INVESTMENT PROPERTIES  
BY GEOGRAPHIC MARKET**



### 5.1.3 TOP TEN CLIENTS

The following table presents the top ten clients by percentage of net operating income and percentage of their leased premises on the total leasable area of the portfolio of the REIT:

Client	Area leased (square feet)	% on the total leasable area of the REIT	% of net operating income
Public Works Canada	1,732,000	3.9	4.9
Société Québécoise des infrastructure	1,811,000	4.0	4.8
Canadian National Railway Company	1,561,000	3.5	4.0
Scotiabank	220,000	0.5	1.1
Thales Canada	219,000	0.5	0.8
Harvest Operations Corp.	143,000	0.3	0.8
Shoppers Drug Mart	139,000	0.3	0.7
Dollarama	223,000	0.5	0.6
Jean Coutu Group	196,000	0.4	0.6
Kraft Canada	156,000	0.4	0.6
<b>Total</b>	<b>6,400,000</b>	<b>14.3</b>	<b>18.9</b>

### 5.1.4 LEASING ACTIVITY

The following table summarizes the REIT's leasing activity in 2016:

	Office	Retail	Industrial and mixed-use	Total
<b>Leases that matured in 2016</b>				
Number of clients	414	563	303	1,280
Leasable area (sq. ft.)	2,015,000	1,611,000	3,088,000	6,714,000
Average minimum rent (\$/sq. ft.)	17.18	21.69	6.12	12.97
<b>Renewed leases in 2016</b>				
Number of clients	259	433	214	906
Leasable area (sq. ft.)	1,146,000	1,352,000	2,078,000	4,576,000
Average minimum rent of renewed leases (\$/sq. ft.)	17.31	21.09	6.30	13.13
<b>Retention rate (%)</b>	<b>56.9</b>	<b>83.9</b>	<b>67.3</b>	<b>68.2</b>
<b>New leases in 2016</b>				
Number of clients	135	161	110	406
Leasable area (sq. ft.)	759,000	619,000	1,364,000	2,742,000
Average minimum rent (\$/sq. ft.)	15.88	14.67	5.42	10.21



### 5.1.5 LEASE MATURITIES

	2017	2018	2019	2020	2021
<b>Office</b>					
Leasable area (sq. ft.)	2,132,000	2,246,000	1,816,000	1,113,000	1,357,000
Average minimum rent (\$/sq. ft.)	17.27	17.84	18.16	18.16	17.15
% of portfolio in terms of sq. ft. – Office	14.7	15.5	12.5	7.7	9.3
<b>Retail</b>					
Leasable area (sq. ft.)	2,198,000	2,306,000	1,642,000	1,296,000	1,213,000
Average minimum rent (\$/sq. ft.)	18.93	16.64	18.97	22.65	22.86
% of portfolio in terms of sq. ft. – Retail	17.8	18.6	13.3	10.5	9.8
<b>Industrial and mixed-use</b>					
Leasable area (sq. ft.)	3,826,000	2,313,000	1,354,000	2,161,000	1,590,000
Average minimum rent (\$/sq. ft.)	6.70	6.98	7.60	6.84	6.77
% of portfolio in terms of sq. ft. – Industrial and mixed-use	21.2	12.8	7.5	12.0	8.8
<b>Portfolio total</b>					
Leasable area (sq. ft.)	8,156,000	6,865,000	4,812,000	4,570,000	4,160,000
Average minimum rent (\$/sq. ft.)	12.56	13.67	15.39	14.03	14.79
% of portfolio in terms of sq. ft.	18.2	15.3	10.7	10.2	9.3

### 5.2 DESCRIPTION OF THE REIT'S 10 MAJOR PROPERTIES IN TERMS OF VALUE AS OF DECEMBER 31, 2016

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

Place de la Cité in Québec City is a fully-integrated multifunctional office and retail complex of approximately 1.03 million square foot built between 1964 and 2004, which comprises approximately 718,000 square feet of Class “A” office space and 307,000 square feet of retail space, including a 40,000 square foot clinic. Place de la Cité enjoys a prime location on Laurier Boulevard, the most important thoroughfare of the Borough of Sainte-Foy-Sillery and into Québec, 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 42,500 students, is in the immediate vicinity. Major tenants include the *Société québécoise des infrastructures* (SQI), la *Cité Médicale*, the *Autorité des marchés financiers* (AMF), AON Canada and a Canadian chartered bank. Overall, the occupancy rate of Place de la Cité was 95.2% as at December 31, 2016.

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

This 24-storey office building of approximately 511,000 square feet was built in 1982 on 50,973 square feet of land. This building having approximately 305 indoor parking spaces is located at the corner of McGill College Avenue and Sherbrooke Street West, in the heart of the business district. As at December 31, 2016, the occupancy rate was 96.1%. Major tenants include SITA (*Société internationale de télécommunications aéronautiques*), a Canadian chartered bank, McGill University, Orange Business Services Canada, BFL Canada Risk and Insurance, Eidos Interactive Corporation, Joli-Cœur Lacasse, the Lucie and André Chagnon Foundation and Street Trust Company Canada.

#### **Complexe de la Gare Centrale 895 De La Gauchetière Street West, Montréal, Québec**

The *Complexe de la Gare Centrale* is located in downtown Montréal, in the heart of the business district. The complex consists of an office tower, a shopping centre, CN central station, parking spaces and rail spaces. The 649,000 square-foot office tower is mainly occupied by CN headquarters which occupies about 572,000 square feet. The shopping centre is approximately 88,000 square feet which is set up as a food court (Halles de la Gare). The main retail client in the shopping centre is Bureau en Gros

(Staples). The complex also includes 1,623 parking spaces and a rail section of about 990,000 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 was 99.8% as at December 31, 2016.

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

This 42-storey and 609,000 square-foot tower, which includes a 92,000 square-foot shopping centre, is built on a 55,555 square-foot lot and offers 84 indoor parking spaces spread over two storeys. The property is strategically located in downtown Calgary. The building was originally built in 1975 and was subsequently renovated in 1988 and 1998. In addition, the food court section was renovated recently. As at December 31, 2016, the tower was rented at 95.6%. Some of the major tenants include, among others, a Canadian bank and Harvest Operations Corp.

**Alexis Nihon Complex**  
**3400 de Maisonneuve Blvd. West, Montréal, Québec, and**  
**1500 Atwater Ave., Montréal, Québec**

Located in downtown Montréal, the Alexis Nihon Complex consists of a shopping centre, two office towers, a residential tower, and a parking area. The office spaces represent a leasable area of approximately 608,000 square feet and the shopping centre's area is 410,000 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 Winners, FGL Sports, Canadian Tire, Sobeys Québec, and a mix of national and local tenants. The two office towers are considered Class A spaces and some of the major tenants include Hapag Lloyd (Canada), Dale Parizeau Morris MacKenzie, KSH solutions, AGA Benefit Solutions, Tecsys, Xerox Canada, Oceanwide, Optimum and *Fédération des médecins omnipraticiens du Québec*. The shopping centre was built in 1968, the residential tower was built in 1971, the office tower located at 1 Place Alexis Nihon (Xerox Tower) was built in 1987-1988 and the office tower located at 2 Place Alexis Nihon was completed in 1986. Overall, the occupancy rate of the Alexis Nihon Complex was 96.8% as at December 31, 2016.

**Centre Les Rivières**  
**4125-4575 des Forges Blvd., Trois-Rivières, Québec**

This 375,000 square-foot regional shopping centre is erected on a 1,594,005 square-foot land and includes 3,467 outdoor parking spaces. Les Rivières is the largest enclosed shopping centre in the Québec-Montréal corridor and constitutes the main shopping destination in the Mauricie region. The building is located at the corner of des Forges Boulevard and Rigaud Boulevard, two commercial arteries of Trois-Rivières from which the property has a great visibility. It was built in 1971 and extended in 1981 and 2001. As at December 31, 2016, the building was 89.9% leased and the main tenants were Toys "R" Us, Rona and FGL Sports.

**Galeries Rive-Nord**  
**100 Brien Blvd., Repentigny, Québec**

This 575,000 square-foot regional shopping centre is located in the city of Repentigny on Montréal's North Shore. Built in 1974, Galeries Rive-Nord has been renovated in several phases, particularly in 1975, 1982, 1984 and 1990. In 1999, a second storey was built above the Sears area. The food court was completely renovated in 2005. Facing Highway 40, Galeries Rive-Nord is strategically situated on Brien Boulevard in Repentigny. The property is located in the most active commercial area in Repentigny and was 98.4% leased as at December 31, 2016. The main tenants were Walmart Canada, FGL Sports, Toys "R" Us, Hennes & Mauritz and Sears Canada.

**Mail Champlain**  
**2151-2153 Lapinière Blvd., Brossard, Québec**

This 722,000 square-foot regional shopping centre is located in the city of Brossard on Montréal's South Shore. Built in 1975, Mail Champlain has been renovated in several phases, particularly in 1977, 1988, 1990, 1994 and in the early 2000s. In 2009, major investments were made to renovate common areas, entrances and the food court, as well as incentives to attract renowned tenants. Main tenants included Sears, Hudson's Bay Company, FGL Sports, Hennes & Mauritz, Forever XXI, Archambault, Les Ailes de la Mode and YM. The occupancy rate was 95.1% as at December 31, 2016.

**Centre Rockland**  
**2305 Rockland Road, Mount-Royal, Québec**

This 645,000 square-foot regional shopping centre is erected on a 940,223 square-foot land and includes 2,720 outdoor parking spaces. The property was built in 1959 and renovated in 1983 and 2005. Strategically located along Highway 40 in Mont-Royal, Centre Rockland enjoys excellent visibility. The building was rented at 95.7% as at December 31, 2016. Main tenants included YM, FGL Sports, Zara Canada, Hennes & Mauritz, Linen Chest, Laura's Shoppe, Hudson's Bay Company, SAQ and Shoppers Realty.

**Dixie Outlet Mall**  
**1250 South Service Road, Mississauga, Ontario**

This 416,000 square-foot regional shopping centre is erected on a 1,665,734 square-foot land and includes 2,500 outdoor parking spaces. The property was built in 1956, extended in 1978 and 1987 and substantially renovated in 1996 and 2003. Dixie Outlet Mall is strategically located. The occupancy rate as at December 31, 2016 was 98.7%. The main tenants were Raza Khan (Sports Centre), Designer Depot, Laura's Shoppe, YM, Winners Merchants International and Fantastic Flea Market.

## **PART 6 – CONTRACT OF TRUST**

### **6.1.1 MEETINGS OF UNITHOLDERS**

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

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

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

### **6.1.2 INFORMATION AND REPORTS**

The REIT furnishes to Unitholders such financial statements (including quarterly and annual financial statements) and other reports as are from time to time required by applicable law, including prescribed forms needed for the completion of Unitholders' tax returns under the Tax Act or equivalent provincial legislation.

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

### **6.1.3 AMENDMENTS TO CONTRACT OF TRUST**

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

- (i) any amendment to change a right with respect to any outstanding Units of the REIT, to reduce the amount payable thereon upon termination of the REIT or to diminish or eliminate any voting rights pertaining thereto;
- (ii) any amendment to the duration or term of the REIT;

- (iii) any amendment to increase the maximum number of Trustees (to more than 11 Trustees) or to decrease the minimum number of Trustees (to less than nine Trustees), or any change by the Unitholders in the number of Trustees within the minimum and maximum number of Trustees provided in the Contract of Trust;
- (iv) any amendment to the provisions relating to staggered terms of the Trustees; and
- (v) any amendment relating to the powers, duties, obligations, liabilities or indemnification of the Trustees.

Other amendments to the Contract of Trust must be approved by a majority of the votes cast at a meeting of the Unitholders called for such purpose.

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

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

#### **6.1.4 SALE OF ASSETS**

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

#### **6.1.5 TERM OF THE REIT**

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

#### **6.1.6 DETERMINATION OF TRUSTEES**

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

## PART 7 – DESCRIPTION OF DEBENTURES

### 7.1.1 GENERAL

The following table presents the features of the REIT's Senior Debentures as well as the balances as at December 31, 2016:

	Date of issuance	Contractual interest rate	Effective interest rate	Dates of interest payments	Maturity date	Nominal value as at December 31, 2016 \$
Series 1	June 2012 <sup>(1)</sup>	4.274%	4.32%	June 15 and December 15	June 2017	250,000,000
Series 2	December 2012 <sup>(2)</sup>	4.23%	4.37%	June 4 and December 4	December 2019	300,000,000
Series 3	May 2013	4.00%	4.24%	May 2 and November 2	November 2020	100,000,000
Series 4	July 2013 <sup>(3)</sup>	4.941%	4.81%	July 27 and January 27	July 2020	300,000,000
Series 7	September 2014	3.62%	3.70%	December 21 and June 21	June 2019	300,000,000
Series 8	December 2014	4.25%	4.34%	June 8 and December 8	December 2021	200,000,000
Series 9	June 2015	4.164%	4.25%	June 1 and December 1	June 2022	300,000,000
Series 10	May 2016	4.247%	4.34%	May 23 and November 23	May 2023	225,000,000
Weighted average interest rate		4.23%	4.30%			
<b>Total</b>						<b>1,975,000,000</b>

(1) Re-opened in September 2012 (\$125.0 million).

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

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

The Senior Debentures will be issued under one or more indentures between the REIT and a financial institution to which the *Trust and Loan Companies Act* (Canada) applies or a financial institution organized under the laws of a province of Canada and authorized to carry on business as a trustee under applicable provincial legislation, as supplemented and amended from time to time.

Neither the aggregate principal amount of Senior Debentures that will be issued and sold nor the issue price to the public of the Senior Debentures has been established, as the Senior Debentures will be issued at such times, in such amounts and at such prices as the REIT determines from time to time.

## PART 8 – RISK FACTORS

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

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

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

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

Market events and conditions, including disruptions that sometimes affect international and regional credit markets and other financial systems and global economic conditions, could impede the REIT's access to capital (including debt financing) or increase the cost of such capital. The Canadian economy, including the Province of Alberta, is currently being adversely impacted by volatile oil prices. Failure to raise or access capital in a timely manner or under favourable terms could have a material adverse effect on the REIT's financial position and results of operations, including on its acquisition and development program.

### **8.1.2 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 provide that, upon an event of default, such indebtedness becomes immediately due and payable and distributions that may be made by the REIT may be restricted. Therefore, upon an event of default under such borrowings, or 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 unsecured revolving credit facility in the stated amount of \$700.0 million is repayable in one tranche in August 2019. As at December 31, 2016, \$332.1 million was drawn down under the unsecured revolving credit facility and cash available was \$367.9 million.

The REIT is exposed to debt financing risks, including the risk that the existing hypothecary borrowings secured by its properties and the unsecured revolving credit facility 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 as regards the hypothecary borrowings, 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.

In the event the credit rating assigned by DBRS to the REIT were to be downgraded, the REIT could be materially adversely impacted.

### **8.1.3 OWNERSHIP OF IMMOVABLE PROPERTY**

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

The value of Immovable Property and improvements thereto may also depend on the solvency and financial stability of tenants and the economic environment in which they operate. Due to difficult conditions in the Canadian retail environment, certain retailers have announced the closure of their stores, including Target Canada Co. and other retailers, who were or are, as the case may be, tenants of the REIT. Other retailers may follow. The existing difficult retail environment is also impacting certain

retail tenants of the REIT. The REIT has also been impacted by vacancies in the Montréal Area's suburban office market and the Ottawa office market. The Calgary office market is also adversely impacted by the softness of the oil and gas market. The REIT's income and Distributable Income would be adversely affected if one or more major tenants or a significant number of tenants were unable to meet their lease obligations or if a significant portion of vacant space in the REIT's properties cannot be leased on economically favourable lease terms, or simply re-leased. In the event of default by a tenant, delays or limitations may be experienced in enforcing the REIT's rights as a lessor and substantial costs may be incurred to protect the REIT's investment. The ability to rent unleased space in the REIT's properties will be affected by many factors, including the level of general economic activity and competition for tenants by other properties. Significant 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 and operating 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.

#### **8.1.4 ENVIRONMENTAL MATTERS**

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

Pursuant to the REIT's operating policies, the REIT shall obtain or review a Phase I environmental audit of each Immovable Property to be acquired by it.

#### **8.1.5 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.

#### **8.1.6 COMPETITION**

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

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

### **8.1.7 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 Distributable Income. 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.

### **8.1.8 PROPERTY DEVELOPMENT PROGRAM**

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

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

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

### **8.1.10 GOVERNMENT REGULATION**

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

### **8.1.11 LIMIT ON ACTIVITIES**

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

### **8.1.12 GENERAL UNINSURED LOSSES**

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

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



### **8.1.13 POTENTIAL CONFLICTS OF INTEREST**

The REIT may be subject to conflicts of interest because of the fact that the Dallaire Family and related entities are engaged in a wide range of real estate and other business activities. Mr. Michel Dallaire is also Chairman and Chief Executive Officer of Dallaire Group, an affiliate of the Dallaire Family which operates a real estate business in the Québec City Area. Dalcon Inc. is a wholly-owned subsidiary of Dallaire Group. The REIT rents premises to Dallaire Group and to Dalcon Inc. Dalcon Inc. also performs leasehold improvements and carries out construction and development projects, all on behalf of the REIT. Finally, as at March 31, 2017, the REIT owns two participations of 50% and one participation of 75% in joint ventures with Dallaire Group. The business objective of these three joint ventures is the ownership, management and development of real estate projects. The Dallaire Family and related entities may become involved in transactions or leasing opportunities which conflict with the interests of the REIT.

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

### **8.1.14 CYBERSECURITY EVENTS**

The REIT faces various security threats, including cybersecurity threats to gain unauthorized access to sensitive information, to render data or systems unusable, or otherwise affect the REIT's ability to operate. Cybersecurity attacks in particular are evolving and include, but are not limited to, malicious software, attempts to gain unauthorized access to data, and other electronic security breaches that could lead to disruptions in critical systems, unauthorized release of confidential or otherwise protected information and corruption of data. The occurrence of one of these events could cause a substantial decrease in revenues, increased costs to respond or other financial loss, damage to reputation, increased regulation or litigation or inaccurate information reported from the REIT's operations. These developments may subject the REIT's operations to increased risks, as well as increased costs, and, depending on their ultimate magnitude, could have a material adverse effect on the REIT's financial position and results of operations.

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

### **8.2.1 MARKET PRICE**

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

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

The after-tax return from an investment in Units to Unitholders subject to Canadian income tax will depend, in part, on the composition for tax purposes of distributions paid by the REIT (portions of which may be fully or partially taxable or may constitute non-taxable returns of capital). The composition for tax purposes of those distributions may change over time, thus affecting the after-tax return to Unitholders.

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

### **8.2.2 STRUCTURAL SUBORDINATION OF SECURITIES**

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

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

### 8.2.3 AVAILABILITY OF CASH FLOW

Distributable Income may exceed actual cash available to the REIT from time to time because of items such as principal repayments, tenant allowances, leasing commissions and capital expenditures. The REIT may be required to use part of its debt capacity or to reduce distributions in order to accommodate such items.

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

### 8.2.4 UNITHOLDER LIABILITY

The Contract of Trust provides that no Unitholder or annuitant under a plan of which a Unitholder acts as Trustee or carrier (an “annuitant”) will be held to have any personal liability as such, and that no resort shall be had to the private property of any Unitholder or annuitant for satisfaction of any obligation or claim arising out of or in connection with any contract or obligation of the REIT or of the Trustees. Only assets of the REIT are intended to be 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 uses all reasonable efforts to obtain acknowledgments from the hypothecary creditors under assumed hypothecs that assumed hypothec obligations will not be binding personally upon the Trustees or the Unitholders.

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

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

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

### 8.2.5 DILUTION

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

### 8.2.6 RESTRICTIONS ON CERTAIN UNITHOLDERS AND LIQUIDITY OF UNITS

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

### 8.2.7 CASH DISTRIBUTIONS ARE NOT GUARANTEED

There can be no assurance regarding the amount of income to be generated by the REIT's properties. The ability of the REIT to make cash distributions, and the actual amounts distributed, will be entirely dependent on the operations and assets of the REIT and its subsidiaries, and will be subject to various factors including financial performance and results of operations, obligations under applicable credit facilities, fluctuations in working capital, the sustainability of income derived from anchor tenants and capital expenditure requirements. The market value of the Units will deteriorate if the REIT is unable to meet its distribution targets in the future, and that deterioration may be significant. In addition, the composition of cash distributions for tax purposes may change over time and may affect the after-tax return for investors.

### 8.2.8 NATURE OF INVESTMENT

A Unitholder does not hold a share of a body corporate. As holders of Units, the Unitholders will not have statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring "oppression" or "derivative" actions. The rights of Unitholders are based primarily on the Contract of Trust. There is no statute governing the affairs of the REIT equivalent to the CBCA, which sets out the rights, and entitlements of shareholders of corporation in various circumstances.

### 8.2.9 STATUS FOR TAX PURPOSES

The REIT is considered a mutual fund trust for income tax purposes. Pursuant to the Contract of Trust, the Trustees intend to distribute or designate all taxable income directly earned by the REIT to holders and to deduct such distributions and designations for income tax purposes.

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

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

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

Management believes that the REIT currently meets all the criteria required to qualify for the Real Estate Investment Trust Exception, as per the Real Estate Investment Trust Exception currently in effect. As a result, Management believes that the SIFT Rules do not apply to the REIT. Management intends to take all the necessary steps to meet these conditions on an on-going basis in the future. Nonetheless, there is no guarantee that the REIT will continue to meet all the required conditions to be eligible for the Real Estate Investment Trust Exception for the remainder of fiscal 2017 and any other subsequent year.

## **8.3 RISK FACTORS RELATED TO THE OWNERSHIP OF SENIOR DEBENTURES**

### **8.3.1 CREDIT RATINGS**

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

On August 12, 2016, DBRS confirmed the credit rating of BBB (low) in respect of the Senior Debentures, but changed the trend to Negative from Stable. DBRS' revision reflected its concern that the REIT achieved slower-than-expected progress to reduce debt and bring its leverage metrics back to levels that were achieved prior to the \$1.527 billion acquisition of a property portfolio from Ivanhoe Cambridge in August 2014. During the three-month period ended September 30, 2016, the REIT accelerated its debt reduction efforts to reduce its debt ratio to 51.8%, notably by completing the September 2016 Unit Offering earlier than Management would have wanted. The proceeds from the REIT's capital optimization program was also in large part used to reduce debt.

A "Negative" trend assigned by DBRS is not an indication that a rating change is imminent, but represents an indication that there is a greater likelihood that the rating could change in the future than would be the case if a "Stable" trend was assigned. In the event the credit rating assigned by DBRS to the REIT and the Senior Debentures were to be downgraded, the REIT could be materially adversely impacted. Real or anticipated changes in the credit rating in respect of the Senior Debentures may affect the market value of the Senior Debentures. In addition, real or anticipated changes in such credit rating can affect the ability of the REIT to access debt capital markets and increase the cost at which the REIT can do so. Any failure or inability on the REIT's part to access debt capital markets on satisfactory terms, or at all, could have a material adverse effect on the REIT's financial position and results of operations, including on its acquisition and development program.

### **8.3.2 SENIOR DEBENTURES CREDIT RISK, PRIOR RANKING INDEBTEDNESS AND STRUCTURAL SUBORDINATION OF THE SENIOR DEBENTURES**

The likelihood that purchasers of the Senior Debentures will receive payments owing to them under the terms of the Senior Debentures will depend on the financial health of the REIT and its creditworthiness. In addition, the Senior 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 Senior 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 Senior 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 Senior Debentures) may become subordinate to lenders to the subsidiaries of the REIT.

### **8.3.3 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 purchased under the Shelf Prospectus, as supplemented by the prospectus supplements. This may affect the pricing of the Senior Debentures in the secondary market, the transparency and availability of trading prices, the liquidity of the Senior 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 the Senior Debentures. To the extent that an active trading market for the Senior Debentures does not develop, the liquidity and trading prices for the Senior Debentures may be adversely affected.

### **8.3.4 MARKET PRICE OR VALUE FLUCTUATION**

If the Senior Debentures are traded after their initial issuance, they may trade at a discount from their initial public offering price. The market price or value of the Senior Debentures depends on many factors, including liquidity of the Senior Debentures,

prevailing interest rates and the markets for similar securities, general economic conditions and the REIT's financial condition, historic financial performance and prospects. Assuming all other factors remain unchanged, the market price or value of the Senior Debentures, which carry a fixed interest rate, will likely decline as prevailing interest rates for comparable debt instruments rise, and increase as prevailing interest rates for comparable debt instruments decline.

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

### **8.3.5 SENIOR DEBENTURES REDEMPTION RIGHT RISK**

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

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

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

## **PART 9 – SUBSEQUENT EVENTS TO DECEMBER 31, 2016**

### **9.1 FINANCING ACTIVITIES**

On January 10, 2017, the REIT filed a short form base shelf prospectus with the securities regulatory authorities in each of the provinces and territories of Canada, enabling the REIT to offer for sale and issue (i) Units; (ii) unsecured debt securities of the REIT; (iii) warrants to purchase Units or debt securities (collectively, "**Warrants**"); (iv) subscription receipts that entitle the holder to receive upon satisfaction of certain release conditions, and for no additional consideration, Units, debt securities or Warrants; or (v) any combination thereof, having an offer price of up to \$1,000,000,000 in the aggregate (or the equivalent thereof, at the date of issue, in any other currency or currencies, as the case may be), at any time during the 25-month period that the short form base shelf prospectus remains valid.

On January 13, 2017, February 15, 2017 and March 15, 2017, the REIT declared a monthly distribution of \$0.1225 per Unit for these months.

### **9.2 DISPOSITIONS**

On January 31, 2017, the REIT completed the sale of one industrial and mixed-use property and one retail property located in the Toronto area, for a total price of \$58.4 million.

On March 3, 2017, the REIT completed the sale of a portfolio of 8 retail properties located in the Montreal Area and in the Ontario Area for a total price of \$35.3 million.

### **9.3 SOCIÉTÉ EN COMMANDITE CHAUDIÈRE-DUPLESSIS**

On January 13, 2017, the REIT completed the acquisition of an additional 25% ownership interest held by Dallaire Group in *Société en Commandite Chaudière-Duplessis*. Since then, *Société en Commandite Chaudière-Duplessis* is fully owned by the REIT. During the first quarter of 2017, the REIT started the development of its commercial megacentre project, situated at the corner of Autoroute Charest and Autoroute Duplessis in the Québec area, with an IKEA store as the anchor tenant.

## PART 10 – DISTRIBUTIONS

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

### 10.1 GENERAL

The REIT 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.

### 10.2 COMPUTATION OF DISTRIBUTABLE INCOME FOR DISTRIBUTION PURPOSES

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

### 10.3 COMPUTATION OF NET REALIZED CAPITAL GAINS AND NET RECAPTURE INCOME

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

### 10.4 TAX DEFERRAL ON 2016 DISTRIBUTIONS

The distributions made by the REIT to Unitholders in 2016 were tax-deferred at 76.78% by reason of the REIT’s ability to claim capital cost allowance and certain other deductions. In the year of acquisition of a property, capital cost allowance is restricted to one-half of the normal annual rates. The adjusted cost base of Units held by a Unitholder will generally, subject to certain conditions under the Tax Act, be reduced by the non-taxable portion of distributions made to the Unitholder (other than the non-taxable portion of certain capital gains). A Unitholder will generally realize a capital gain to the extent that the adjusted cost base of the Unitholder’s Units would otherwise be a negative amount.

### 10.5 DISTRIBUTIONS DURING THE LAST THREE FISCAL YEARS

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

<b>Year</b>	<b>Distribution per Unit (\$)</b>
2016	1.470
2015	1.470
2014	1.4525

## **PART 11 – CAPITAL STRUCTURE**

### **11.1 GENERAL DESCRIPTION OF CAPITAL STRUCTURE**

The ownership interests in the REIT constitute a single class of Units. Units represent a Unitholder's proportionate undivided ownership interest in the REIT. The aggregate number of Units that the REIT may issue is unlimited. As at December 31, 2016, there were 182,334,562 Units outstanding. No Unit has any preference or priority over another. No Unitholder has or is deemed to have any right of ownership in any of the assets of the REIT. Each Unit confers the right to one vote at any meeting of Unitholders and to participate equally and ratably in any distributions by the REIT and, in the event of any required distribution of all of the property of the REIT, in the net assets of the REIT remaining after satisfaction of all liabilities. Units are issued in registered form, are non-assessable when issued and are transferable. Issued and outstanding Units may be subdivided or consolidated from time to time by the Trustees without Unitholder approval. No certificates for fractional Units will be issued and fractional Units will not entitle the holders thereof to vote.

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

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

Under the Plan, the REIT grants Unit options, deferred units and restricted units, to the management and employees. As at December 31, 2016, there were 12,455,450 Unit options, 5,250 restricted units and 161,676 deferred units outstanding.

### **11.2 PURCHASE OF UNITS**

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

### **11.3 ISSUANCE OF UNITS**

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

## 11.4 TAKE OVER BID

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

## 11.5 RESTRICTIONS ON THE ISSUE AND TRANSFER OF UNITS

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

## 11.6 CREDIT RATINGS

On May 15, 2012, the REIT was assigned an Issuer Rating of BBB (low), with a Stable trend, by DBRS, which rating was confirmed by DBRS on July 9, 2013. On August 26, 2014, DBRS confirmed a credit rating of BBB (low), with a Stable trend, in respect of the Senior Debentures (except for the Series 6 floating rate senior unsecured debentures, the Series 7 3.62% senior unsecured debentures, the Series 8 4.25% senior unsecured debentures and the Series 9 4.164% senior unsecured debentures, which had not yet been created nor issued by the REIT as of such date). On September 18, 2014, DBRS assigned a credit rating of BBB (low), with a Stable trend, to the Series 6 floating rate senior unsecured debentures and the Series 7 3.62% senior unsecured debentures. On December 8, 2014, DBRS assigned a credit rating of BBB (low), with a Stable trend, to the Series 8 4.25% senior unsecured debentures. On May 26, 2015, DBRS assigned a credit rating of BBB (low), with a Stable trend, to the Series 9 4.164% senior unsecured debentures. On May 18, 2016, DBRS confirmed the credit rating of BBB (low) with a Stable trend in respect of the Series 10 4.247% senior unsecured debentures. On August 12, 2016, DBRS confirmed the credit rating of BBB (low), in respect of the Senior Debentures, but changed the trend to Negative from Stable.

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 Negative trend, rating assigned by DBRS to the REIT and the Senior Debentures is the fourth highest rating of DBRS' ten rating categories, which range from AAA to D. With the exception of the AAA and D categories, DBRS uses high or low designations to indicate the relative standing of the securities being rated within a particular rating category, and the



absence of either a high or low designation indicates the rating is in the middle of the category. Under the DBRS rating system, debt securities rated 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.

DBRS uses “rating trends” for its ratings in, among other areas, the real estate investment trust sector. DBRS’ rating trends provide guidance in respect of DBRS’ opinion regarding the outlook for the rating in question, and such rating trends fall into one of three categories: “Positive”, “Stable” or “Negative”. The rating trend indicates the direction in which DBRS considers the rating is headed should present tendencies continue or, in some cases, unless challenges are addressed. In general, DBRS’ view is based primarily on an evaluation of the issuer, but may also include consideration of the outlook for the industry or industries in which the issuer operates. A “Positive” or “Negative” trend assigned by DBRS is not an indication that a rating change is imminent, but represents an indication that there is a greater likelihood that the rating could change in the future than would be the case if a “Stable” trend was assigned.

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

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

## **PART 12 – DISTRIBUTION REINVESTMENT PLAN**

The REIT has a DRIP, suspended on January 20, 2016 and reinstated on September 14, 2016, 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 DRIP and all administrative costs were borne by the REIT. Proceeds received by the REIT upon the issuance of additional Units under the DRIP will be used by the REIT for property acquisitions, capital improvements and working capital.

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

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

## **PART 13 – MARKET FOR SECURITIES OF THE REIT**

### **13.1 MARKET FOR UNITS**

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

The following table sets forth the market price range and trading volumes of Units on the TSX for each of the 12 months of the most recently completed fiscal year.

CUF.UN				
Fiscal year ended December 31, 2016	High (\$)	TSX		Total Trading Volumes
		Low (\$)	Avg Daily Trading Volumes	
January	14.99	13.70	522,512	10,450,244
February	15.44	14.15	327,609	6,552,185
March	17.38	15.36	395,719	8,705,822
April	17.55	16.83	276,643	5,809,512
May	17.67	16.86	287,964	6,047,234
June	17.35	16.21	383,042	8,426,921
July	18.33	16.92	368,844	7,376,884
August	17.92	16.45	370,070	8,141,532
September	16.85	15.18	635,508	13,345,659
October	15.63	14.31	493,221	9,864,413
November	14.92	13.53	504,118	11,090,604
December	14.93	13.90	522,891	10,457,819

### 13.2 MARKET FOR SENIOR DEBENTURES

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

## PART 14 – TRUSTEES AND OFFICERS OF THE REIT

### 14.1 INFORMATION CONCERNING TRUSTEES

The REIT believes that the diversity of members on the Board of Trustees enhances the quality of discussions, and therefore recognizes the importance of increasing the number of women acting as trustees and of improving gender balance on the Board. Indeed, the policy relating to the recruitment of Nominating and Governance Committee members provides that, in the examination of successful candidates, for comparable knowledge, experience and availability, the preference will go to a woman as long as the number of women on the Board will not be the same as men's. As at December 31, 2016, three of eight members of the Board of Trustees were women and the REIT intends to continue its efforts to identify candidates who meet various selection criteria.

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 21, 2017:

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>Michel Dallaire, Eng.</b> Québec City, Québec Non-Independent Trustee, Chairman of the board of Trustees and Chief Executive Officer of the REIT	Chairman of the Board and Chief Executive Officer of the REIT <sup>(6)</sup>	Since 1998	8,917,073 <sup>(8)</sup>
<b>Alain Dallaire</b> Lac Beauport, Québec Non-Independent Trustee, Executive Vice-President, Operations – Office and Industrial and Asset Management of the REIT	Executive Vice-President, Operations – Office and Industrial and Asset Management of the REIT <sup>(7)</sup>	Since 2006	8,762,067 <sup>(8)</sup>
<b>Alban D'Amours, M.C., G.O.Q., L.H., Fellow Adm.A.</b> <sup>(2) (3) (4)</sup> Québec City, Québec Independent Trustee	Corporate director	Since 2009	18,182
<b>Mary-Ann Bell, Eng, M.Sc., ASC</b> <sup>(2) (4)</sup> Montréal, Québec Independent Trustee	Corporate Director	Since 2012	15,845
<b>Ghislaine Laberge, ASC</b> <sup>(3) (4)</sup> Montréal, Québec Independent Trustee	Corporate Director	Since 1998	10,183
<b>Johanne M. Lépine, FCIP, ICD.D.</b> <sup>(3) (5)</sup> Montréal, Québec Independent Trustee	President and Chief Executive Officer Aon Parizeau Inc.	Since 2013	— <sup>(9)</sup>
<b>Michel Thérourx, FCPA, FCA</b> <sup>(2) (5)</sup> Boucherville, Québec Independent Trustee	Corporate Director	Since 2015	— <sup>(10)</sup>
<b>Luc Bachand, ICD.D.</b> <sup>(2) (3) (5)</sup> Montreal, Québec Independent Trustee	Corporate Director	Since 2016	12,000 <sup>(11)</sup>

**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) Mr. Michel Dallaire is also Chairman and Chief Executive Officer of GDI.
- (7) Mr. Alain Dallaire is also a director of GDI.
- (8) Comprises 8,277,175 Units held by AM Total Investments, general partnership. AM Total Investments, general partnership, is held by Dallaire Group. The shares of Dallaire Group are held by the children of the late Jules Dallaire, including Michel Dallaire, and related family trusts. In addition, 357,000 Units are held by Fiducie testamentaire Jules Dallaire and 32,435 Units are held by Fiducie immobilière Dallaire (2006) Inc.
- (9) Ms. Lépine holds 10,454 deferred units among which 9,173 deferred units were vested as at December 31, 2016.
- (10) Since his appointment as Trustee of the REIT on May 12, 2015, Mr. Thérourx does not, directly or indirectly, hold any interest in the REIT in the form of Units issued, in accordance with the Contract of Trust, which stipulates that, at all times, at least one trustee cannot hold units.
- (11) Comprises 7,300 Units held by Fiducie Colas-Bachand.

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

Each of the Trustees listed above has held his or her principal occupation or another position with the REIT for the five (5) preceding years, except for (i) Ms. Mary-Ann Bell, who was with the BCE group since 1982 but has been Senior Vice-President, Québec and Ontario at Bell Aliant Regional Communications between 2009 and 2014 (ii) Ms. Johanne M. Lépine, who is President and Chief Executive Officer of Aon Parizeau Inc. since 2002, and also Senior Vice-President and Chair of the Board of Directors of Aon Reed Stenhouse since January 2015, member of Aon Reed Stenhouse's Canadian executive committee and has been Senior Vice-President and Regional Director, Eastern Canada of Aon Reed Stenhouse from 2011 to 2014, (iii) Michel Thérourx was President of Jas A. Ogilvy Inc. from January 1988 to June 2012; and (iv) Luc Bachand was Vice-Chairman and the Head of BMO Capital Markets in Québec from 2006 to 2016.

## 14.2 INFORMATION CONCERNING NON-TRUSTEE OFFICERS

Non-Trustee Officer	Office with the REIT	Province and Country of Residence
Sylvain Cossette	President and Chief Operating Officer	Québec, Canada
Gilles Hamel	Executive Vice-President and Chief Financial Officer	Québec, Canada
Todd Bechard	Executive Vice-President, Acquisitions	Nova Scotia, Canada
Guy Charron	Executive Vice President, Operations - Retail	Québec, Canada
Jean Laramée	Executive Vice President, Development	Québec, Canada
Michael Racine	Executive Vice-President, Leasing - Office and Industrial	Québec, Canada
Manon Deslauriers	Vice President, Legal Affairs and Corporate Secretary	Québec, Canada
Carl Pepin	Vice-President, Finances and Accounting	Québec, Canada

Each of the non-trustee officers of the REIT has held his or her present principal office or another position with the REIT for the five preceding years, with the exception of: (i) Todd Bechard, Executive Vice-President, Acquisitions who was previously the REIT's Executive Vice-President, Atlantic Provinces between August 2011 and March 2014, Vice-President Finance, Atlantic Provinces from March 2010 to August 2011; (ii) Sylvain Cossette, President and Chief Operating Officer, who was, between December 2012 and March 2016, Executive Vice-President and Chief Operating Officer of the REIT and who was previously a partner at Davies Ward Phillips & Vineberg, LLP, a law firm; (iii) 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; (iv) Gilles Hamel, Executive Vice-President and Chief Financial Officer who was the REIT's Vice President, Corporate Finances and Administration between July 2013 and March 2014 and partner at PricewaterhouseCooper, LLP from 1994 to July 2013; (v) Jean Laramée, Executive Vice President, Development who previously was, at Ivanohé Cambridge inc., Senior Vice President – Quebec Real Estate Capital between March 2013 and November 2014, Senior Vice President – East North America Portfolio between July 2011 and March 2013 and Senior Vice-President – Operations, East Region between March 2002 and July 2011; and (vi) Manon Deslauriers, Vice President, Legal Affairs and Corporate Secretary who previously was a lawyer at Manon Deslauriers, avocate inc. and Harvey Deslauriers, conseils s.e.n.c.r.l. from August 2001 to December 2014, was Director, Business relationships at Scotia Bank, from October 2012 to May 2013 and Vice President, Legal Affairs and Corporate Secretary at Atrium Innovations inc. from January 2001 to August 2011.

As at March 21, 2017, the executive officers and Trustees of the REIT beneficially owned as a group, directly or indirectly, 9,157,432 Units.

## 14.3 INDEPENDENCE

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

## 14.4 AUDIT COMMITTEE

### 14.4.1 GENERAL PROVISIONS

The REIT has an Audit Committee which currently consists of Messrs. Alban D'Amours, Michel Thérout and Luc Bachand 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. 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 was the Senior Vice-President, Québec and Ontario at Bell Aliant Regional Communications between 2009 and 2014 and has been an administrator for different companies for 14 years. Mr. Thérout became chartered accountant in 1972 and obtained his FCA in 2004. Mr. Bachand was Vice-Chairman and the Head of BMO Capital Markets in Québec from 2006 until his retirement in 2016. He is a Fellow of the Institute of Canadian Bankers.

### 14.4.2 MANDATE OF THE AUDIT COMMITTEE

The mandate of the Audit Committee is to assist the Board of Trustees of the REIT in fulfilling its oversight responsibilities. As such, the Audit Committee reviews the financial reporting process, the system of internal controls, the management of financial

risks, the audit process and the REIT's process for monitoring compliance with laws and regulations and its own general policies. The Committee maintains effective working relationships with the Board of Trustees, Management and external auditors. The mandate of the Audit Committee is attached hereto as Schedule "B".

#### **14.4.3 EDUCATION AND EXPERIENCE OF AUDIT COMMITTEE MEMBERS**

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

Name of Audit Committee Member	Relevant Education and Experience
Alban D'Amours, M.C., G.O.Q., L.H, Fellow Adm.A. (President)	<p>Alban D'Amours was President and Chief Executive Officer of the Desjardins Group from 2000 to 2008. In 1988 he joined the <i>Confédération des Caisses Desjardins</i>, where he held various management positions. He has held various positions in the Québec civil service, including those of Associate Deputy Minister of Energy and Deputy Minister of Revenue. Professor of economics at the University of Sherbrooke, Mr. D'Amours completed his doctoral studies with a major in monetary policy, public finance and econometrics.</p> <p>He is honorary president of the <i>Confédération Internationale des Banques Populaires</i>, a member of the Board of Directors of the Lucie and André Chagnon Foundation and GenePOC Inc., former member of the Board of Directors of <i>Caisse de dépôt et placement du Québec</i> and former chairman of the Board of Directors of the University of Sherbrooke, <i>Télé-Université</i> (UQ) and <i>Centre Hospitalier Universitaire de Québec</i>.</p>
Mary-Ann Bell, Eng, M.Sc., ASC	<p>Mary-Ann Bell has worked in telecommunications for more than 30 years. After obtaining her bachelor's degree in industrial engineering from <i>École Polytechnique de Montréal</i> (1982) and her master's degree in science from the <i>Institut National de la Recherche scientifique</i> (1986), she started her career at Bell Canada in 1982 where she has held various operational and financial positions including Senior Vice-President – Customer Service from 2003 to 2006. In 2006, she helped establish Bell Alliant where she was until very recently (2014) Senior Vice-President, Québec and Ontario. Certified corporate director and member of the Institute of Corporate Directors, Ms. Bell has been serving on various boards of directors for over 15 years and has several years of audit committee experience.</p>
Michel Thérout, FCPA, FCA	<p>Michel Thérout was President of Jas A. Ogilvy Inc., a retail company, from January 1988 to June 2012. He was also President of Equidev Inc., a real estate company, from 1988 to 1997. From 1984 to 1987, Mr. Thérout was involved in the <i>Ordre des comptables agréés du Québec</i> (OCAQ) as a member of the Tax Committee. From 1995 to 1998, he was a member of the Business and Industrial CA Committee of which he became Chair in 1998 for a two-year term. Since 1998, he has been a member of the Bureau of the OCAQ and also served on the Finance Committee for which he became Chair in 2000. That same year, he also became a member of the Executive Committee. In 2003, he was appointed to the position of Vice-Chairman of the Board of the OCAQ. From 2005 to 2007, he was appointed Chairman of the Board of the OCAQ. Then, he joined the Government Relations Committee of the OCAQ as well as the Board of the Foundation of Québec Chartered Accountants. From 2009 to 2015, he was a member of the Board of the Canadian Institute of Chartered Accountants (CICA) as the Québec representative and from 2013 to 2016 he served on the Board of Directors of the Chartered Professional Accountants of Canada (CPA). Since August 2014, he is a member of the Board of Directors and of the audit committee of Optimum Group Inc. Since 2015, Mr. Thérout has been a member and treasurer of <i>Fondation Yvon Deschamps Centre-Sud</i>.</p> <p>Mr. Thérout obtained a license in commerce and accounting from the <i>École des Hautes Études Commerciales</i> in 1970. He became chartered accountant in 1972 and obtained his FCA in 2004. He was teaching taxation at the <i>École des Hautes Études Commerciales</i> of Montréal from 1972 to 1981, and accounting at <i>École Polytechnique de Montréal</i> from 1972 to 1974.</p> <p>Finally, he was director and partner in the taxation department at the firm Samson, Bélair/Deloitte &amp; Touche from 1972 to 1988.</p>

Name of Audit Committee Member	Relevant Education and Experience
Luc Bachand, ICD.D.	<p>Luc Bachand was Vice-Chairman and the Head of BMO Capital Markets in Québec from 2006 until his retirement in 2016. Mr. Bachand joined BMO Financial Group in 1983 where he held several positions within the Capital Markets Group. He holds a Bachelor's degree in Business Administration from the <i>École des Hautes Études Commerciales</i> (HEC) and a Master's degree in Business Administration (MBA) from Concordia University. He is a Fellow of the Institute of Canadian Bankers.</p> <p>Mr. Bachand is currently member of the Boards of Directors of <i>École des Hautes Études Commerciales</i>, the <i>Fondation Jeunes en Tête</i>, the Institute of Corporate Directors of Canada and the J. Armand Bombardier Foundation. He is also a past director of the Investment Industry Regulatory Organization of Canada, the Montreal Exchange, the Investment Dealers Association of Canada (Québec Section) and the <i>Fédération des chambres de commerce du Québec</i>.</p>

Each of the Audit Committee members understands the accounting principles used by the REIT to prepare its financial statements and has the capacity to generally assess the application of the accounting principles related to the accounting of estimates, accounts receivable, accounts payable and reserves. Messrs. Bachand, Thérout 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. Bachand, Thérout and D'Amours and Mss. Bell also understand internal controls and disclosure controls and procedures.

#### 14.4.4 EXTERNAL AUDITOR SERVICE FEES

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

	Year ended December 31, 2016 (\$)	Year ended December 31, 2015 (\$)
Audit Fees	518,192	523,587
Audit Related Fees	204,450	199,025
Fees related to fiscal services	61,307	119,193
Other Fees	-	-
<b>Total:</b>	783,949	841,805

#### Audit Fees

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

#### Audit Related Fees

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

#### Fees Related to Fiscal Services

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

## Other Fees

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

### 14.4.5 PROCEDURES FOR THE ENGAGEMENT OF AUDIT AND NON-AUDIT SERVICES

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

## 14.5 CEASE TRADE ORDERS 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 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.

### 14.5.1 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 15 – LEGAL PROCEEDINGS AND REGULATORY ACTIONS

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

In addition, in the fiscal year ended December 31, 2016, 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 16 – INTEREST OF MANAGEMENT AND OTHER INFORMED PERSONS IN MATERIAL TRANSACTIONS

Michel Dallaire and Alain Dallaire, trustees and members of the REIT's Management team, exercise indirect control over GDI and Dalcon Inc. During fiscal 2016, the REIT recorded \$301,000 of net rental income from Dalcon Inc. and GDI. The REIT incurred from Dalcon Inc. costs of \$86.6 million for capital costs in Investment Properties solely owned by the REIT and \$3.0 million for capital costs in Investment Properties held in joint ventures with the Dallaire Group. The REIT also purchased land from Dallaire Group for \$6.2 million through its joint ventures with the Dallaire Group.

The REIT recorded \$280,000 in interest income from GDI during fiscal 2016.



The REIT owns participations of 50% and of 75% in joint ventures with the Dallaire Group for a total net investment by the REIT of \$90.2 million. The business objective of these joint ventures is the ownership, management and development of its real estate projects.

These transactions were entered into in the normal course of business and were measured at the exchange amount. By retaining the services of related companies for property construction work and leasehold improvements, the REIT achieves significant time and cost savings while providing better service to its clients.

Apart from the information provided in this AIF or in the consolidated financial statements of the REIT for the fiscal year ended December 31, 2016 and since January 1, 2017, 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 17 – 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 18 – INTEREST OF EXPERTS**

PricewaterhouseCoopers LLP are the external auditors of the REIT who prepared the Independent Auditor's Report to the Unitholders dated March 7, 2017 with respect to the consolidated annual financial statements of the REIT for the fiscal year ended December 31, 2016. PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l. is independent with respect to the REIT within the meaning of the Code of Ethics of the *Ordre des comptables professionnels agréés du Québec*.

## **PART 19 – 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 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, 2016 available on SEDAR at [www.sedar.com](http://www.sedar.com).

## SCHEDULE A

### DESCRIPTION OF THE INCOME PROPERTIES

**As at December 31, 2016**

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

Income Properties	Year Built/ Renovated	Leasable Area (ft <sup>2</sup> )	% Leased	Selected Clients <sup>(2)</sup>
<b>OFFICE PROPERTIES</b>				
<b>Québec City Area</b>				
4635 1 <sup>st</sup> Avenue Québec City, Québec	1979/1993	41,000	88.0	Industrial Alliance Life Insurance Company
5055 Wilfrid-Hamel Boulevard West Québec City, Québec	1979/1996	28,000	82.6	Matériaux Blanchet
5073-5075-5079 Wilfrid-Hamel Boulevard West Québec City, Québec	1980/1994	30,000	70.8	Au Vieux Duluth (restaurant)
2014 Cyrille-Duquet Street Québec City, Québec	1979/1997	64,000	100.0	InnovMetric Logiciels
2200 Cyrille-Duquet Street Québec City, Québec	1965/1986/ 1996	31,000	100.0	Sonorisation Delta Éclairage
Place de la Cité 2590-2640 Laurier Boulevard Québec City, Québec	1964/1970/ 1982/1988/ 1993/2003/ 2004	718,000	96.7	Société québécoise des infrastructures (SQI), a Canadian chartered bank, AON Canada, Autorité des marchés financiers (AMF)
455 du Marais Street Québec City, Québec	1977/1997	61,000	69.2	Société québécoise des infrastructures (SQI)
3175 des Quatre-Bourgeois Road Québec City, Québec	1990	101,000	96.6	Société québécoise des infrastructures (SQI)
979 de Bourgogne Avenue Québec City, Québec	1976/1988/ 1996	67,000	83.1	Exagon
Place de la Capitale 150 René-Lévesque Boulevard East Québec City, Québec	1973/1999	223,000	97.5	Société québécoise des infrastructures (SQI)
1265 Charest Boulevard West Québec City, Québec	1975/2002	142,000	94.5	Société québécoise des infrastructures (SQI)
565-585 Charest Boulevard East Québec City, Québec	1950/1999/ 2000	102,000	96.2	Ubisoft
6777 Guillaume-Couture Boulevard Lévis, Québec	2007	80,000	100.0	Desjardins General Insurance Group
888 Saint-Jean Street Québec, Québec	1981/2003	77,000	96.9	Canada Broadcasting Corporation
1400 Guillaume-Couture Boulevard Lévis, Québec	2004/2005	77,000	100.0	Société québécoise des infrastructures (SQI)

Income Properties	Year Built/ Renovated	Leasable	% Leased	Selected Clients <sup>(2)</sup>
		Area (ft <sup>2</sup> )		
1156 Guillaume-Couture Boulevard Lévis, Québec	1995	33,000	100.0	Société québécoise des infrastructures (SQI)
30-56 Jacques-Nau Street Lévis, Québec	1990/1994	79,000	93.7	Groupe immobilier Desjardins
Complexe Jules-Dallaire <sup>(3)</sup> 2820-2828 Laurier Boulevard Québec City, Québec	2008/2010 2014	267,000	93.3	Dallaire Group, Gestion LKD, Les services administratifs Cominar, Alpha Architecture, CIBC World Markets, Corporation BCF Québec, Services OR, a Canadian chartered bank, Société québécoise des infrastructures (SQI), RGN Québec III, RBC Dominion Securities
Place Hauteville 654 and 700 René-Lévesque Boulevard East Québec, Québec	1976	270,000	100.0	Société québécoise des infrastructures (SQI)
<b>Sub-total</b>		<b>2,491,000</b>		
<b>Montréal Area</b>				
3100 de la Côte-Vertu Boulevard Montréal, Québec	1983	96,000	74.3	Stella Jones
3773 de la Côte-Vertu Boulevard Montréal, Québec	1989	53,000	49.8	London Life Insurance Company
7405 Trans-Canada Highway Montréal, Québec	1984	82,000	81.8	Sungard Availability Services (Canada)
9800 Cavendish Boulevard Montréal, Québec	1989	103,000	83.5	FEDEX Trade Networks Transport & Brokerage (Canada), Kativik School Board
3900 de la Côte-Vertu Boulevard Montréal, Québec	1981	29,000	72.0	A Canadian chartered bank
3950 de la Côte-Vertu Boulevard Montréal, Québec	1982	24,000	62.9	Sungard Availability Services (Canada)
7355 Trans-Canada Highway Montréal, Québec	1981	23,000	69.9	Compugen
Centropolis – Bâtiment D 2968-3000 Pierre-Péladeau Avenue Laval, Québec	2006	64,000	100.0	TD Meloche Monnex
255 Crémazie Boulevard East Montréal, Québec	1967/2002	241,000	95.4	Aecon Group, Ordre des travailleurs sociaux et des thérapeutes du Québec, Claimspro, City of Montréal
3400 Jean-Béraud Avenue Laval, Québec	2001	154,000	86.8	Her Majesty the Queen
201-211 Laurier Avenue East Montréal, Québec	1916/1989/ 2001	132,000	95.4	City of Montréal, Société québécoise des infrastructures (SQI), Concentrix
375 Sir-Wilfrid-Laurier Boulevard Mont-Saint-Hilaire, Québec	1999	50,000	100.0	Breton, Banville et associés SENC
325 Honorius-Charbonneau Boulevard Mont-Saint-Hilaire, Québec	1985	19,000	100.0	Breton, Banville et associés SENC
1080 Beaver Hall Hill Montréal, Québec	1968/2000	306,000	94.4	Stantec, TEVA Canada Innovation, AC Nielsen, Société de transport de Montréal

Income Properties	Year Built/ Renovated	Leasable		Selected Clients <sup>(2)</sup>
		Area (ft <sup>2</sup> )	% Leased	
4700 de la Savane Street Montréal, Québec	1988/1998/ 1999	183,000	69.7	Fujitsu Canada, Presagis Canada
455 Fénélon Boulevard Dorval, Québec	1990	93,000	72.6	Securitas Transport Aviation Security
9900 Cavendish Boulevard Montréal, Québec	1987	83,000	65.9	Cantrex Nationwide
9999 Cavendish Boulevard Montréal, Québec	1988	51,000	73.2	Famic Technologies
9960-9970 Côte-de-Liesse Road Montréal, Québec	1983	25,000	33.7	High Liner Foods
1 Place Laval Laval, Québec	1965/1989	113,000	54.8	Groupecho Canada
2 Place Laval Laval, Québec	1965/1989	100,000	63.8	Utopia
3 Place Laval Laval, Québec	1965/1989	185,000	61.7	City of Laval, Société québécoise des infrastructures (SQI), Her Majesty the Queen
4 Place Laval Laval, Québec	1965/1989	140,000	93.2	Société québécoise des infrastructures (SQI)
5 Place Laval Laval, Québec	2014	310,000	100.0	Société québécoise des infrastructures (SQI)
3080 Le Carrefour Boulevard Laval, Québec	1990	86,000	85.4	H.B. Group Insurance Management
3090 Le Carrefour Boulevard Laval, Québec	1986	72,000	93.1	London Life Insurance Company
3100 Le Carrefour Boulevard Laval, Québec	1988	77,000	77.9	A Canadian chartered bank
2525 Daniel-Johnson Boulevard Laval, Québec	1977	109,000	98.2	WSP Canada
1111 Dr.-Frederik-Philips Boulevard Montréal, Québec	1990	102,000	74.0	Makivik Corporation
3300 de la Côte-Vertu Boulevard Montréal, Québec	1976	98,000	76.6	Gamma Entertainment
2001 McGill College Avenue Montréal, Québec	1982	511,000	96.1	SITA (Société internationale de télécommunications aéronautiques), Orange Business Canada, McGill University, a Canadian chartered bank, Joli-Coeur Lacasse, Fondation Lucie et André Chagnon, State Street Trust Company Canada, Eidos Interactive Corporation, BFL Canada risk and insurance
9955 de Châteauneuf Street Brossard, Québec	2004/2006	90,000	100.0	Voith Hydro
5101 Buchan Street Montréal, Québec	1988	116,000	70.8	Axor experts-conseils, Positron
5100 Sherbrooke Street East Montréal, Québec	1985/1986	373,000	94.2	Société de gestion du réseau informatique, Tetra Tech Québec, Nordia
2405 Fernand-Lafontaine Boulevard Longueuil, Québec	1966	33,000	57.4	ITR Acoustique

Income Properties	Year Built/ Renovated	Leasable Area (ft <sup>2</sup> )	% Leased	Selected Clients <sup>(2)</sup>
895 De La Gauchetière Street West Montréal, Québec	1929/1943/ 1961/1981/ 1999-2005	649,000	100.0	Canadian National Railway Company, Intelera Medical Systems Incorporated, Adacel, Les Services Financiers Gemco
3400 de Maisonneuve Boulevard West Montréal, Québec	1967/1971/ 1986/1987/ 1988	608,000	95.9	Hapag Lloyd (Canada), Dale Parizeau Morris Mackenzie, KSH Solutions, AGA Benefit Solutions, Tecsys, Xerox Canada, Oceanwide, Fédération des médecins omnipraticiens du Québec, Optimum
1717 René-Lévesque Boulevard East Montréal, Québec	1981/2010	70,000	100.0	Astral Media
1200 Papineau Avenue Montréal, Québec	1988/2010	93,000	45.5	Productions J
3669-3681 des Sources Boulevard Dollard-des-Ormeaux, Québec	1981	25,000	71.7	Moksha Yoga West Island
480 Armand-Frappier Boulevard Laval, Québec	2003	51,000	100.0	City of Laval
420 Armand-Frappier Boulevard Laval, Québec	2002	51,000	100.0	TCR Collection Agency, Xprima
440 Armand-Frappier Boulevard Laval, Québec	1999	49,000	88.4	ProMetic Life Sciences
400 Armand-Frappier Boulevard Laval, Québec	2003	50,000	86.2	Technologies 20-20
1301 Gay-Lussac Street Boucherville, Québec	1999	15,000	100.0	Clark, Drouin, Lefebvre
25 de Lauzon Street Boucherville, Québec	1989	43,000	83.9	Graymont (QC)
85 J.-A.-Bombardier Street Boucherville, Québec	2003	26,000	100.0	EnGlobe
9975-9995 de Châteauneuf Street Brossard, Québec	2004	124,000	100.0	Tyco Safety Products Canada
2 Place du Commerce Brossard, Québec	1976	36,000	85.7	Industrielle Alliance, Assurance et Services Financiers
5 Place du Commerce Brossard, Québec	1981	20,000	100.0	DuFour, Charbonneau, Brunet & ass.
8 Place du Commerce Brossard, Québec	1981	31,000	65.9	Financial Horizons Group
1 Place du Commerce Brossard, Québec	1978	43,000	73.5	Société québécoise des infrastructures (SQI)
11 Place du Commerce Brossard, Québec	1976/2004	41,000	100.0	Société québécoise des infrastructures (SQI)
3 Place du Commerce Brossard, Québec	1978	28,000	62.1	Skratch Bar
7450 des Galeries-d'Anjou Boulevard Montréal, Québec	1986	66,000	91.5	Caisse Desjardins d'Anjou - Tétreaultville
7400 des Galeries-d'Anjou Boulevard Montréal, Québec	1988	115,000	82.1	A Canadian chartered bank
8200 Décarie Boulevard Montréal, Québec	1982	61,000	87.7	Silanis Technology

Income Properties	Year Built/ Renovated	Leasable	% Leased	Selected Clients <sup>(2)</sup>
		Area (ft <sup>2</sup> )		
8250 Décarie Boulevard Montréal, Québec	1989	83,000	93.4	Berger Emrich Valencak
768-790 Décarie Boulevard Montréal, Québec	1970-1998	35,000	97.4	Centre d'accueil et de référence sociale et économique pour immigrants de Saint-Laurent
290-316 Benjamin-Hudon Street Montréal, Québec	1975	67,000	100.0	Prosol Distribution, Davflo Management/Viscofan Canada
1-243 Place Frontenac Pointe-Claire, Québec	1977	66,000	84.2	Les centres de la jeunesse et de la famille Batshaw
1000 Saint-Jean Boulevard Pointe-Claire, Québec	1976	110,000	74.7	Société québécoise des infrastructures (SQI)
1555 Carrie-Derick Street Montréal, Québec	2005	82,000	100.0	Tata Communications
<b>Sub-total</b>		<b>7,064,000</b>		
<b>Ontario 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	46,000	100.0	Brookfield Power Services
400 Cooper Street Ottawa, Ontario	1974/1998	184,000	87.9	Her Majesty the Queen, Centretown Community Health Center
975, Saint-Joseph Boulevard Gatineau, Québec	1983/1999	195,000	92.2	Her Majesty the Queen
1145 Hunt Club Road Ottawa, Ontario	1990	90,000	86.6	MMM Group
110 O'Connor Street Ottawa, Ontario	1970/1999/ 2010	189,000	98.9	Her Majesty the Queen
222-230 Queen Street Ottawa, Ontario	1972/1991/ 2002	205,000	97.5	Her Majesty the Queen, a Canadian chartered bank
171 Slater Street Ottawa, Ontario	1970/2011	150,000	84.1	Her Majesty the Queen
2465 Saint-Laurent Boulevard Ottawa, Ontario	1987/2001	58,000	100.0	Her Majesty the Queen
1000 Innovation Drive Kanata, Ontario	2000	139,000	97.3	Entrust Limited
21 Fitzgerald Road Nepean, Ontario	1986/1996	39,000	100.0	Her Majesty the Queen
25 Fitzgerald Road Nepean, Ontario	1998	114,000	94.4	Her Majesty the Queen
35 Fitzgerald Road Nepean, Ontario	2001	64,000	78.7	Her Majesty the Queen
1 Antares Road Nepean, Ontario	1989	72,000	86.2	Synopsys Canada ULC
700 Palladium Drive Ottawa, Ontario	2001	60,000	21.1	Kanata Children's Montessori Centre

Income Properties	Year Built/ Renovated	Leasable	% Leased	Selected Clients <sup>(2)</sup>
		Area (ft <sup>2</sup> )		
750 Palladium Drive Ottawa, Ontario	2001	80,000	86.4	Skywave Mobile Communications
770 Palladium Drive Ottawa, Ontario	2001	86,000	9.9	IBM Canada
5500 North Service Road Burlington, Ontario	2001	222,000	71.4	GE Capital Canada Equipment Financing
95 Moatfield Drive Toronto, Ontario	1982	156,000	100.0	Kraft Canada
105 Moatfield Drive Toronto, Ontario	1982	249,000	100.0	Thales, Ontario Telemedicine Network
225 Duncan Mill Road Toronto, Ontario	1978	152,000	93.5	City of Toronto, Harlequin
6285 Northam Drive Mississauga, Ontario	1990	54,000	100.0	Milgram & Company
55 University Avenue Toronto, Ontario	1976	264,000	94.6	Bentall Canada
<b>Sub-total</b>		<b>3,189,000</b>		
<b>Atlantic Provinces</b>				
1113 Regent Street Fredericton, New Brunswick	1988	11,000	100.0	Regional Health Authority
1115 Regent Street Fredericton, New Brunswick	1964	16,000	100.0	Atlantic Business College
570 Queen Street Fredericton, New Brunswick	1989	70,000	90.3	Her Majesty the Queen
371 Queen Street Fredericton, New Brunswick	1978/1988	32,000	100.0	University of Fredericton
565, Priestman Street Fredericton, New Brunswick	1975/1976	35,000	87.2	Teed Saunders Doyle
1133 Regent Street Fredericton, New Brunswick	1982/1984	86,000	69.9	EXP Services Canada
65 Regent Street and 590 Queen Street Fredericton, New Brunswick	1994	41,000	79.9	BMO Nesbitt Burns, Her Majesty the Queen
1149 Smythe Street Fredericton, New Brunswick	1970	13,000	65.2	Dillon Consulting
81 Albert Street Moncton, New Brunswick	2002/2003	65,000	100.0	Her Majesty the Queen
84 Chain Lake Drive Halifax, Nova Scotia	2008	76,000	88.3	Johnson
330-350 Elmwood Drive Moncton, New Brunswick	2006	13,000	100.0	Dooly's
1 Agar Place Saint John, New Brunswick	2000	41,000	100.0	Her Majesty the Queen
1199 Saint-George Boulevard Moncton, New Brunswick	1996	60,000	0.0	Vacant

Income Properties	Year Built/ Renovated	Leasable	% Leased	Selected Clients <sup>(2)</sup>
		Area (ft <sup>2</sup> )		
85 -123 Halifax Street Moncton, New Brunswick	1961/1977/ 1989	79,000	100.0	Atlantic Farm Services
1313 Barrington Street Halifax, Nova Scotia	1984-1985	29,000	100.0	Her Majesty the Queen
11 Akerley Boulevard Dartmouth, Nova Scotia	1973/1987	127,000	94.9	Her Majesty the Queen
1741 Brunswick Street Halifax, Nova Scotia	1978	102,000	75.4	Her Majesty the Queen
32 Akerley Boulevard Dartmouth, Nova Scotia	2008	14,000	71.4	Halifax Chamber of commerce
432 Queen Street Fredericton, New Brunswick	1968/1999/ 2006	45,000	100.0	Her Majesty the Queen
<b>Sub-total</b>		<b>955,000</b>		
<b>Western Canada</b>				
720 28 <sup>th</sup> Street North East Calgary, Alberta	1980	37,000	82.4	Remedy Energy Services
Centron Corner 1 221 62 <sup>nd</sup> Avenue South East Calgary, Alberta	1965	8,000	49.3	Kaefer Canada
Centron Corner 2 253 62 <sup>nd</sup> Avenue South East Calgary, Alberta	1997	8,000	100.0	LPI Communications Group
Centron Corner 3 6223 2 <sup>nd</sup> Street South East Calgary, Alberta	1965	30,000	100.0	Rockwell Automation Canada
Centron Corner 4 6227 2 <sup>nd</sup> Street South East Calgary, Alberta	1997	14,000	100.0	Cougar Contractors
4124 9 <sup>th</sup> Street South East Calgary, Alberta	1961/2000	47,000	100.0	Enmax Corporation, Canada Brokerlink
4411 6 <sup>th</sup> Street South East Calgary, Alberta	2006	41,000	86.9	ABB
Scotia Centre 700 2 <sup>nd</sup> Street South West Calgary, Alberta	1975/ 1988/1998	517,000	95.8	Harvest Operation, a Canadian chartered bank
4000 4 <sup>th</sup> Street South East (Bldg 200) Calgary, Alberta	2008-2011	39,000	97.5	Stantec Consulting
4000 4 <sup>th</sup> Street South East (Bldg 300) Calgary, Alberta	2008-2011	69,000	100.0	Vista Projects, Global Raymac Surveys
3600 4 <sup>th</sup> Street South East (Bldg 100) Calgary, Alberta	2008-2010	13,000	100.0	Quirklogic
<b>Sub-total</b>		<b>823,000</b>		
<b>TOTAL OFFICE PROPERTIES</b>		<b>14,522,000</b>		



Income Properties	Year Built/ Renovated	Leasable Area (ft <sup>2</sup> )	% Leased	Selected Clients <sup>(2)</sup>
RETAIL PROPERTIES				
Québec City Area				
3341 du Carrefour Street Québec City, Québec	2005	25,000	93.3	Caisse Desjardins du Vieux-Moulin
5600 Guillaume-Couture Boulevard Lévis, Québec	2005	10,000	100.0	Société des alcools du Québec
5 d'Orléans Street Québec City, Québec	1978/1985	6,000	100.0	A Canadian chartered bank
Halles Fleur de Lys 245 Soumande Street Québec City, Québec	1978/1984/ 1994	93,000	91.9	Dollarama
2195 Guillaume-Couture Boulevard Lévis, Québec	1977/1985	6,000	73.3	A Canadian chartered bank
2160 Guillaume-Couture Boulevard Lévis, Québec	1971/1978/ 1996	73,000	78.2	Metro Richelieu, Music-hall le Cabaret de la Rive-Sud
Place de la Cité 2590-2640 Laurier Boulevard Québec City, Québec	1964/1970/ 1982/1993	307,000	91.7	Caisse Desjardins de Sainte-Foy, YM, La Cité Médicale
Carrefour Charlesbourg 8500 Henri-Bourassa Boulevard Québec City, Québec	1976/1988/ 1995/1996/ 2004	320,000	93.8	Metro Québec Immobilier
355 du Marais Street Québec City, Québec	1990	38,000	89.0	Maximus
325 du Marais Street Québec City, Québec	1991	80,000	85.4	Restaurant Tomas Tam
3323 du Carrefour Street Québec City, Québec	2006	4,000	100.0	A Canadian chartered bank
550 du Marais Street Québec City, Québec	1995	17,000	100.0	Écho Sport
Les Promenades Beauport 3333 du Carrefour Street Québec City, Québec	1978/2002/ 2004/2008/ 2009	547,000	97.3	Winners, Caisse Desjardins du Centre-ville de Québec, Leon's Furniture, Magasins Hart, Quilles Univers Beauport, L'Aubainerie concept mode, Énergie Cardio
1295 Charest Boulevard West Québec City, Québec	1982/ 2007	28,000	100.0	Boiteau Luminaire
Place Lévis 50 Président-Kennedy Road Lévis, Québec	1970/1995	216,000	81.8	Provigo Distribution
3319 du Carrefour Street Québec City, Québec	2003	3,000	100.0	Tim Hortons
329 Seigneuriale Street Québec City, Québec	1992/1997	4,000	100.0	Belron Canada
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	Dollarama

Income Properties	Year Built/ Renovated	Leasable	% Leased	Selected Clients <sup>(2)</sup>
		Area (ft <sup>2</sup> )		
Carrefour Les Saules 5150-5200 de l'Ornière Boulevard Québec, Québec	1972/2000/ 2005	159,000	100.0	Provigo Distribution, Hart Stores, Surplus R.D.
950 Jutras Boulevard East Victoriaville, Québec	2012	4,000	100.0	Coco Frutti
230 des Bois-Francis Boulevard South Victoriaville, Québec	1986	8,000	86.8	Burger King
Les Galeries Shawinigan 3353-3493 Royal Boulevard Shawinigan, Québec	1988/2006	24,000	70.6	Bouclair
2722 Royal Boulevard Shawinigan, Québec	2003	17,000	100.0	The Jean Coutu Group (PJC)
400 des Saguenéens Street Saguenay, Québec	1988	19,000	91.0	The Jean Coutu Group (PJC)
La Plaza de la Mauricie 3103 Royal Boulevard Shawinigan, Québec	1974/2000/ 2002/2006	224,000	96.4	Métro Richelieu, Bureau en Gros, Pharmaprix, Hart Stores, L'Aubainerie, Intersport
3321 du Carrefour Street Québec, Québec	2013	5,000	100.0	Développements Ben & Florentine
3315-3317 du Carrefour Street Québec, Québec	1989	17,000,	100.0	Bouclair
Carrefour Frontenac 805 Frontenac Boulevard East Thetford Mines, Québec	1959	181,000	95.8	Rona, Provigo Distribution
Carrefour Saint-Georges 8585 Lacroix Boulevard Saint-Georges, Québec	1974/1978/ 1992/2002	305,000	97.7	Sears Canada, Bureau en Gros, Métro, Surplus R.D.
Centre commercial Rivière-du-Loup 298 Armand-Thériault Boulevard Rivière-du-Loup, Québec	1973/2005	307,000	89.8	Métro Québec immobilier
252 de l'Hôtel-de-Ville Boulevard Rivière-du-Loup, Québec	1997	7,000	100.0	Ivanhoé Cambridge
95 des Cerisiers Street Rivière-du-Loup, Québec	2008	6,000	100.0	Ivanhoé Cambridge
Carrefour Rimouski 419 Jessop Boulevard Rimouski, Québec	1978	345,000	98.3	Canadian Tire, Provigo Distribution
Les Rivières 4125-4575 des Forges Boulevard Trois-Rivières, Québec	1971/1981/ 2001	375,000	93.6	Toys "R" Us, FGL Sports, Rona
3925 des Forges Boulevard Trois-Rivières, Québec	2000	38,000	100.0	Sobeys Québec
1000 des Basses-Terres Street <sup>(4)</sup> Québec, Québec	2015	33,000	100.0	Sportium
1033 des Rocailles Street Québec, Québec	2016	13,000	100.0	Avril

Income Properties	Year Built/ Renovated	Leasable	% Leased	Selected Clients <sup>(2)</sup>
		Area (ft <sup>2</sup> )		
4675 des Forges Boulevard Trois-Rivières, Québec	2016	6,000	100.0	SAQ
<b>Sub-total</b>		<b>3,935,000</b>		
<b>Montréal Area</b>				
Carrefour Lachenaie 400 Montée des Pionniers Terrebonne, Québec	2003	6,000	100.0	Groupe TDL
330-334 Montée des Pionniers Terrebonne, Québec	2004	6,000	100.0	La Belle Province
310-322 Montée des Pionniers Terrebonne, Québec	2003	19,000	72.3	Dormez-vous
250-302 Montée des Pionniers Terrebonne, Québec	2005	77,000	100.0	The Brick Warehouse
216-220 Montée des Pionniers Terrebonne, Québec	2008	13,000	81.8	J.M. Clément
Mail Champlain 2151-2153 Lapinière Boulevard Brossard, Québec	1975/ 1977/1988/ 1990/1994/2009	722,000	95.1	Sears, Les ailes de la mode, Hudson's Bay Company, FGL Sports, Hennes & Mauritz, YM, Forever XXI, Archambault
Centre Rockland 2305 Rockland Road Mont-Royal, Québec	1959/ 1983/2005	645,000	95.7	YM, FGL sports, Zara Canada, The Linen Chest, Laura's Shoppe, Hudson's Bay Company, Société des alcools du Québec, Shoppers Realty, Hennes & Mauritz
Galeries Rive-Nord 100 Brien Boulevard Repentigny, Québec	1974/ 1982/1984/ 1990/1999	575,000	98.4	Walmart Canada, FGL Sports, Toys "R" Us, Hennes & Mauritz, Sears Canada
Centropolis – Building A 2888 du Cosmodôme Avenue Laval, Québec	2000	74,000	100.0	Fruiterie 440
Centropolis – Building C 1731-1799 Pierre-Péladeau Avenue and 2777 Saint-Martin Boulevard West Laval, Québec	2000	69,000	86.6	La Cordée plein air
Centropolis – Building Ea 2900-2940 Pierre-Péladeau Avenue and 101 du Centropolis Promenade Laval, Québec	2003	22,000	100.0	The 3 Brewers
Centropolis – Building Eb 105-165 du Centropolis Promenade Laval, Québec	2003	19,000	100.0	Putting Edge
Centropolis – Building Fa 1820-1880 Pierre-Péladeau Avenue Laval, Québec	2001	18,000	44.9	Jack Astor's (Laval) Realty
Centropolis – Building Fb 100-140 du Centropolis Promenade Laval, Québec	2001	15,000	66.8	Développement Allô mon Coco

Income Properties	Year Built/ Renovated	Leasable		Selected Clients <sup>(2)</sup>
		Area (ft <sup>2</sup> )	% Leased	
Centropolis – Building G 1730-1798 Pierre-Péladeau Avenue et 2929-2981 Saint-Martin Boulevard West Laval, Québec	2001	57,000	95.5	Énergie Cardio
Centropolis – Building H 175-245 du Centropolis Promenade Laval, Québec	2001	40,000	100.0	Gauthier & Germain
Centropolis – Building I 485-575 du Centropolis Promenade Laval, Québec	2004	46,000	100.0	RBC Dominion Securities
Centropolis – Building Ja 150-190 du Centropolis Promenade Laval, Québec	2001	15,000	54.5	Les franchises Carlos & Pepe's
Centropolis – Building Jb 200-250 du Centropolis Promenade Laval, Québec	2001	19,000	100.0	Société des alcools du Québec
Centropolis – Building K 450-510 du Centropolis Promenade Laval, Québec	2004	19,000	100.0	Boston Pizza
Centropolis – Building Pa 580-590 du Centropolis Promenade et 1825-1955 Saint-Martin Boulevard West Laval, Québec	2006	28,000	100.0	J.M. Clément
Centropolis – Building Pb 520-572 du Centropolis Promenade Laval, Québec	2006	14,000	100.0	Les Entreprises Zouki's
Centropolis – Building R 595-655 du Centropolis Promenade et 2005-2105 Saint-Martin Boulevard West Laval, Québec	2006	56,000	94.2	A Canadian chartered bank
Centropolis – Colossus 2800 du Cosmodôme Avenue Laval, Québec	2009	100,000	100.0	Famous Players
Méga Centre Saint-Bruno 1479-1481-1483-1485 Saint-Bruno Boulevard Saint-Bruno-de-Montarville, Québec	1997	13,000	100.0	Groupe Yellow
1465 Saint-Bruno Boulevard Saint-Bruno-de-Montarville, Québec	1997	26,000	100.0	Bureau en Gros
1475 Saint-Bruno Boulevard Saint-Bruno-de-Montarville, Québec	1997	153,000	100.0	Walmart
1495 Saint-Bruno Boulevard Saint-Bruno-de-Montarville, Québec	1997	35,000	100.0	Cinéplex Odéon
800 de l'Étang Street Saint-Bruno-de-Montarville, Québec	2003	30,000	100.0	Hudson's Bay Company
1011-1091 Saint-Bruno Boulevard Saint-Bruno-de-Montarville, Québec	2007/2008	79,000	89.7	YM, Récréofun, YM Sales
1101-1191 Saint-Bruno Boulevard Saint-Bruno-de-Montarville, Québec	2007/2008	31,000	100.0	Concept Saint-Bruno

Income Properties	Year Built/ Renovated	Leasable		Selected Clients <sup>(2)</sup>
		Area (ft <sup>2</sup> )	% Leased	
340-360 Sir-Wilfrid-Laurier Boulevard Mont-Saint-Hilaire, Québec	2004/2005	24,000	94.3	BBA
370-380 Sir-Wilfrid-Laurier Boulevard Mont-Saint-Hilaire, Québec	1991	45,000	93.8	Buffet chinois Maison Chan
353-361 Sir-Wilfrid-Laurier Boulevard, 345 Honorius-Charbonneau Boulevard and 365 Sir-Wilfrid-Laurier Boulevard Mont-Saint-Hilaire, Québec	1995/1998	72,000	90.2	Supermarché St-Hilaire
377-383 Sir-Wilfrid-Laurier Boulevard Mont-Saint-Hilaire, Québec	2000	9,000	100.0	Geneviève Meunier, Marc Ahmaranian
933 Armand-Frappier Boulevard Sainte-Julie, Québec	2000	14,000	100.0	Caisse Desjardins du Grand-Coteau
600-660 Le Corbusier Boulevard Laval, Québec	2008	59,000	94.0	Dollarama
690 Le Corbusier Boulevard Laval, Québec	2008	43,000	100.0	Sears Canada
720 Le Corbusier Boulevard Laval, Québec	2009	9,000	100.0	A Canadian chartered bank
760-800 Le Corbusier Boulevard Laval, Québec	2008	12,000	100.0	Urbania
830-850 Le Corbusier Boulevard Laval, Québec	2008	10,000	48.3	Panda d'Or
900-950 Le Corbusier Boulevard Laval, Québec	2009	61,000	100.0	Indigo Books & Music, Golf Town, Jysk Linen'n furniture
1020-1050 Le Corbusier Boulevard Laval, Québec	2008	10,000	83.7	Allstate compagnie d'assurance
1090-1130 Le Corbusier Boulevard Laval, Québec	2008	12,000	87.1	Kanda Sushi Bar
1310 Le Corbusier Boulevard Laval, Québec	2008	31,000	100.0	Winners
1340-1350 Le Corbusier Boulevard Laval, Québec	2008	8,000	100.0	Centre Hi-Fi
1160-1170 Le Corbusier Boulevard Laval, Québec	2011	12,000	48.3	A Canadian chartered bank
99 Saint-Jean-Baptiste Boulevard Châteauguay, Québec	1991/2006	4,000	100.0	Pizza Hut
484 25 <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 RGC
101 Arthur-Sauvé Boulevard Saint-Eustache, Québec	1963/1995	3,000	100.0	Harvey's
Place Longueuil 825 Saint-Laurent Street West Longueuil, Québec	1966/1981/ 1986	415,000	75.9	Sobeys Québec, Société québécoise des infrastructures (SQI), FGL Sports
920 Douglas Street Saint-Jean-sur-Richelieu, Québec	1991/2007	4,000	100.0	Pizza Hut

Income Properties	Year Built/ Renovated	Leasable		Selected Clients <sup>(2)</sup>
		Area (ft <sup>2</sup> )	% Leased	
1200 Nobel Place Boucherville, Québec	1973/1976	64,000	93.5	9328-5047 Québec (Buffet Fulam)
2054 Curé-Labelle Boulevard Saint-Jérôme, Québec	1990/2007	4,000	100.0	Pizza Hut
324 Curé-Labelle Boulevard Sainte-Thérèse, Québec	1982/1996/ 2006	4,000	100.0	Pizza Hut
670 Principale Street Sainte-Agathe-des-Monts, Québec	1990/2009	4,000	0.0	Vacant
1837 Gascon Road Terrebonne, Québec	1990/2006	4,000	100.0	Pizza Hut
1950 Leonard-De-Vinci Street Sainte-Julie, Québec	1991/2006	4,000	100.0	Pizza Hut
170 Curé-Labelle Boulevard Rosemère, Québec	1970/1981/ 2009	3,000	100.0	Harvey's
1600 Le Corbusier Boulevard Laval, Québec	1967/1998/ 2003/2005	696,000	88.0	Best Buy Canada, The Brick Warehouse, Hudson's Bay Company, Bureau en Gros
2001 Victoria Avenue Saint-Lambert, Québec	1986	44,000	79.9	The Jean Coutu Group (PJC)
8 Bromont Boulevard Bromont, Québec	1989/1993	4,000	100.0	9341-0108 Québec (La petite grenouille)
20 de Toulouse Street Granby, Québec	1989/2006	4,000	100.0	Pizza Hut
255 Crémazie Boulevard West Montréal, Québec	1983/2000	4,000	100.0	Harvey's
2986 Saint-Charles Boulevard Kirkland, Québec	1974/1987/ 1990	2,000	100.0	Harvey's
Les Halles de l'Île 7, Place du Commerce Montréal, Québec	2004	17,000	87.1	Quincaillerie Hogg
405 Grand Boulevard L'Île-Perrot, Québec	2001	16,000	83.6	The Jean Coutu Group (PJC)
378-380 Harwood Boulevard Vaudreuil-Dorion, Québec	1996	14,000	100.0	The Jean Coutu Group (PJC)
425-443 Adolphe-Chapleau Street Bois-des-Filion, Québec	1986	40,000	87.0	The Jean Coutu Group (PJC)
4916-4930 Saint-Jean Boulevard Montréal, Québec	1986/2004	20,000	82.7	The Jean Coutu Group (PJC)
5510-5520 de la Côte-des-Neiges Road Montréal, Québec	1992	15,000	100.0	The Jean Coutu Group (PJC)
6455-6461 Christophe-Colomb Avenue Montréal, Québec	1960	20,000	96.1	The Jean Coutu Group (PJC)
9021-9041, Boulevard Saint-Michel Montréal, Québec	1959	15,000	83.0	The Jean Coutu Group (PJC)
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

Income Properties	Year Built/ Renovated	Leasable	% Leased	Selected Clients <sup>(2)</sup>
		Area (ft <sup>2</sup> )		
895 De La Gauchetière Street West Montréal, Québec	1929/1943/ 1961/1981/ 1999-2005	88,000	96.9	Bureau en Gros
Alexis Nihon 1500 Atwater Avenue Montréal, Québec	1967/1971/ 1986/1987/ 1988	410,000	98.1	Winners, FGL Sports, Canadian Tire, Sobeys Québec
50 Lionel-Groulx Boulevard Sherbrooke, Québec	1990/2005	5,000	100.0	Pizza Hut
736 King Street East Sherbrooke, Québec	1986/1988	6,000	0.0	Vacant
3005 King Street East Sherbrooke, Québec	1980/1988	6,000	100.0	Burger King
1331-1363 Belvédère Street South Sherbrooke, Québec	1988	16,000	86.5	The Jean Coutu Group (PJC)
121 de la Visitation Street Saint-Charles-Borromée, Québec	1991	4,000	100.0	Pizza Hut
3500 de la Côte-Vertu Boulevard and 850-980 Beaulac Street Montréal, Québec	1960/1997/ 1998	168,000	92.7	Cinéma méga-plex Spheretech 14, Énergie Cardio, Bar & billard Unison
3300 de la Côte-Vertu Boulevard Montréal, Québec	1999-2002	4,000	100.0	Gamma Entertainment
3310 de la Côte-Vertu Boulevard Montréal, Québec	1999-2002	5,000	100.0	Souvlaki Bar
3450 de la Côte-Vertu Boulevard Montréal, Québec	1999-2002	6,000	100.0	Groupe Sportscène
3550 de la Côte-Vertu Boulevard Montréal, Québec	1999-2002	6,000	100.0	Mikes
1059-1095 Jean-Baptiste-Rolland Boulevard West Saint-Jérôme, Québec	1998-2004	78,000	22.5	Reitmans
1035-1049 Jean-Baptiste-Rolland Boulevard West Saint-Jérôme, Québec	1998-2004	24,000	81.1	L'Équipeur
1105-1135 Jean-Baptiste-Rolland Boulevard West Saint-Jérôme, Québec	1998-2004	77,000	100.0	Bureau en Gros, Jysk Linen'n Furniture, Winners
1051-1055 Jean-Baptiste-Rolland Boulevard West Saint-Jérôme, Québec	1998-2004	17,000	100.0	Énergie Cardio
1165 du Tremblay Road Longueuil, Québec	2003	3,000	100.0	Harvey's
1175 du Tremblay Road Longueuil, Québec	2003	5,000	100.0	Barbies
2401 Roland-Therrien Boulevard Longueuil, Québec	2003	22,000	100.0	Caisse Desjardins Pierre-Boucher
2140 King Street East Sherbrooke, Québec	1989/2003	30,000	82.0	The Jean Coutu Group (PJC)

Income Properties	Year Built/ Renovated	Leasable	% Leased	Selected Clients <sup>(2)</sup>
		Area (ft <sup>2</sup> )		
2110 King Street East Sherbrooke, Québec	2000	1,000	100.0	Subway
Mail Montenach 600 Sir-Wilfrid Laurier Boulevard Beloeil, Québec	1975/1989/ 2012	318,000	93.5	Canadian Tire, Métro Richelieu 2000, Librairie Papeterie Citation, Olympia Sports
560 Sir-Wilfrid Laurier Boulevard Beloeil, Québec	2005	8,000	100.0	Société des alcools du Québec
546 Sir-Wilfrid Laurier Boulevard Beloeil, Québec	2005	4,000	100.0	A Canadian chartered bank
<b>Sub-total</b>		<b>6,229,000</b>		
<b>Ontario Area</b>				
120 de l'Hôpital Boulevard Gatineau, Québec	1996	66,000	89.2	Cinema 9
2310 Saint-Louis Street Gatineau, Québec	1975/1995/ 2003	43,000	95.9	The Jean Coutu Group (PJC)
129 Queensway East Simcoe, Ontario	2000	74,000	100.0	Hudson's Bay Company
600 Mitchell Road South Listowel, Ontario	1995	80,000	100.0	Walmart Canada
414 Old Highway #2 Trenton, Ontario	1989	4,000	0.0	Vacant
429-431 Kent Street Lindsay, Ontario	1989	6,000	28.0	J. Plaunt Enterprises
1571 Sandhurst Circle Toronto, Ontario	1977/1980/ 1990	283,000	93.7	Food Basics, Shopper's Drug Mart, Casa Deluz Banquet Hall, Woodside Square Cinemas, A&P Food Basics, 1857397 Ontario
Galleries de Hull 320 Saint-Joseph Boulevard Gatineau, Québec	1972	307,000	96.5	Sears Canada, Shoppers Realty, Original Baked Quality Pita
350 Saint-Joseph Boulevard Gatineau, Québec	2008	8,000	100.0	Bâton Rouge (restaurant)
Dixie Outlet Mall 1250 South Service Road Mississauga, Ontario	1956/1978/ 1987/1996/ 2003	416,000	98.7	Laura's Shoppe, YM, Winners Merchants International, Fantastic Flea Market, Designer Depot, Raza Khan (Sport Centre)
1490 Dixie Road Mississauga, Ontario	1976	3,000	100.0	Burger King Restaurants of Canada
<b>Sub-total</b>		<b>1,290,000</b>		
<b>Atlantic Provinces</b>				
360 Pleasant Street Miramichi, New Brunswick	1991	25,000	94.0	Department of Social Development
900 Hanwell Road Fredericton, New Brunswick	1991	66,000	92.7	United Parcel Service (UPS)
146-154 Main Street Fredericton, New Brunswick	1970	18,000	71.2	A Canadian chartered bank



Income Properties	Year Built/ Renovated	Leasable		Selected Clients <sup>(2)</sup>
		Area (ft <sup>2</sup> )	% Leased	
403-415 Elmwood Drive Moncton, New Brunswick	1970	26,000	61.4	694067 New Brunswick
86 Chain Lake Drive Halifax, Nova Scotia	2011	2,000	100.0	Starbucks Coffee Canada
612 Windmill Road Dartmouth, Nova Scotia	1998	39,000	100.0	Get Air Halifax
20 Record Street Moncton, New Brunswick	1961/1976	51,000	0.0	Undergoing revitalization
1300 St-Peter Avenue Bathurst, New Brunswick	1968/2009	213,000	91.7	Sears Canada, Staples Business Depot, Michael Rossy
11 Wright Street Sackville, New Brunswick	1997/2003	20,000	100.0	Candico Food Market (Sobey's)
Dartmouth Shopping Centre 118B Wyse Road and 118 Wyse Road Halifax, Nova Scotia	1960/1974/ 1984/1994	90,000	97.0	Loblaws Properties
950 Bedford Highway Halifax, Nova Scotia	1993-1994	24,000	95.3	Shoppers Realty
Sackville Centre 619 Sackville Drive Sackville, Nova Scotia	1992	10,000	66.7	H&R Block
24 Stavanger Drive St-John's, Newfoundland and Labrador	1994	127,000	0.0	Vacant
3 MacLean Court Port Hawkesbury, Nova Scotia	1989/2008	17,000	0.0	Vacant
Shippagan Mall 229 J.-D.-Gauthier Boulevard Shippagan, New Brunswick	1960/1981	68,000	95.7	Michael Rossy, Loblaws Properties
231 J.-D.-Gauthier Boulevard Shippagan, New Brunswick	1981	3,000	100.0	Tazza Caffè
Sandpiper Centre 71 Cow Bay Road Halifax, Nova Scotia	1991	5,000	100.0	Mike's Dollar Discount Store
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	3238139 Nova Scotia
<b>Sub-total</b>		<b>814,000</b>		
<b>Western Canada</b>				
600 Manning Crossing Edmonton, Alberta	2001	12,000	100.0	Goodwill Industries of Alberta
Scotia Centre 700-2 <sup>nd</sup> Street South West Calgary, Alberta	1975/1988/1998	92,000	93.9	A Canadian chartered bank.
<b>Sub-total</b>		<b>104,000</b>		

Income Properties	Year Built/ Renovated	Leasable Area (ft <sup>2</sup> )	% Leased	Selected Clients <sup>(2)</sup>
TOTAL RETAIL PROPERTIES		12,372,000		
INDUSTRIAL AND MIXED-USE PROPERTIES				
Québec City Area				
2383-2393 Watt Avenue Québec City, Québec	1973/1981	66,000	99.2	Boulangerie Pâtisserie Dumas
2345-2349 Dalton Avenue Québec City, Québec	1973/1981	54,000	100.0	VAST Auto distribution, Clé du découpage
830 Godin Avenue Québec City, Québec	1978/1994	49,000	100.0	Iron Mountain Canada
1165 Lomer-Gouin Street Québec City, Québec	1941/1978/ 1993	72,000	50.4	Produits Capital
320 de la Canardière Road Québec City, Québec	1980/1993	13,000	80.3	The Jean Coutu Group (PJC)
1990 Cyrille-Duquet Street Québec City, Québec	1976/1977/ 1995/1996	91,000	93.4	Akifer
2006-2010 Lavoisier Street Québec City, Québec	1976	68,000	100.0	NAPA Auto Parts
2022 Lavoisier Street Québec City, Québec	1978	59,000	91.0	Consulair
2025 Lavoisier Street Québec City, Québec	1978/1983/ 1990	37,000	100.0	AVW-TELAV
2015 Lavoisier Street Québec City, Québec	1974	2,000	100.0	Performhaus
280 Racine Street Québec City, Québec	1984/1986	16,000	100.0	Dollarama
5130 Rideau Street Québec City, Québec	1988	24,000	83.6	Toromont Industries
2955 Kepler Avenue Québec City, Québec	1978	15,000	100.0	Groupe conseil en croissance urbaine
1400 Saint-Jean-Baptiste Avenue Québec City, Québec	1979/1995	106,000	79.7	Meubles Zip International, Mega Fitness Gym
1515 Saint-Jean-Baptiste Avenue Québec City, Québec	1979/1989	62,000	100.0	Fixatech
955 Saint-Jean-Baptiste Avenue Québec City, Québec	1978/1991	33,000	100.0	Location Brossard
2020 Cyrille-Duquet Street Québec City, Québec	1968	41,000	100.0	Quillorama Duplessis
2100 Cyrille-Duquet Street Québec City, Québec	1962/1975/ 1995	32,000	100.0	Weston Foods (Canada)
2150 Cyrille-Duquet Street Québec City, Québec	1970/1985/ 1994	22,000	100.0	Nutaq Innovation
2158 Cyrille-Duquet Street Québec City, Québec	1965/1981/ 1994	45,000	100.0	Club Tissus Québec

Income Properties	Year Built/ Renovated	Leasable		Selected Clients <sup>(2)</sup>
		Area (ft <sup>2</sup> )	% Leased	
2180 Cyrille-Duquet Street Québec City, Québec	1969/1984/ 1997/2003	20,000	0.0	Undergoing revitalization
100 Chabot Street Québec City, Québec	1968/1986/ 2004	60,000	100.0	Bingo de la Capitale, Jouet K.I.D.
310 Métivier Street Québec City, Québec	1972/1991	19,000	100.0	Centre Hydraulique GMB
454-456 Marconi Avenue Québec City, Québec	1984	16,000	100.0	Information communication services (ICS)
1730-1790 Newton Avenue Québec City, Québec	1987	63,000	100.0	Her Majesty the Queen, Veritiv Canada
5000 Rideau Street Québec City, Québec	1995	2,000	100.0	Her Majesty the Queen
5125 Rideau Street Québec City, Québec	1987/1997	12,000	100.0	United Parcel Service Canada
4600 Sainte-Anne Boulevard Québec City, Québec	1974/1977/ 1985/1988	39,000	100.0	Comité financement loisirs Beauport
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	Café G.A.R.
2755 Dalton Avenue Québec City, Québec	1971/1989	24,000	41.3	Extal installation et réaménagement de bureau
120 de New York Street Saint-Augustin-de-Desmaures, Québec	2006	34,000	100.0	Équipement SMS
650 Godin Avenue and 460 Desrochers Street Québec City, Québec	1967/1975/ 1977	191,000	95.7	Société québécoise des infrastructures (SQI), Imprimerie Solisco
625 Godin Avenue Québec City, Québec	1989/1990	61,000	100.0	Messageries Dynamiques, a division of Communications Quebecor
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	86.4	Imprimerie Litho-Chic
2181-2211 Léon-Harmel Street Québec City, Québec	1974/2003	70,000	93.9	C.S.S.T., Investissement BBL
1540 Cyrille-Duquet Street Québec City, Québec	2000	9,000	100.0	Caravane Marco (2008)
445 Saint-Jean-Baptiste Avenue Québec City, Québec	1986/2003	92,000	99.5	Gentec Electro-Optique
450-500 Saint-Jean-Baptiste Avenue Québec City, Québec	1987	87,000	85.9	Fiso Technologies
5275 Wilfrid-Hamel Boulevard Québec City, Québec	1981	30,000	100.0	Acousti-Plus
1670 Semple Street Québec City, Québec	1972/2000	89,000	89.5	Impecca image et impression, Distribution Vieux-Port
2500 Jean-Perrin Street Québec City, Québec	1998	76,000	86.8	Proludik

Income Properties	Year Built/ Renovated	Leasable		Selected Clients <sup>(2)</sup>
		Area (ft <sup>2</sup> )	% Leased	
2600 Jean-Perrin Street Québec City, Québec	2001	49,000	91.5	Laboratoires Choisy
765 Godin Avenue Québec City, Québec	1976/1989	15,000	100.0	Tyco SimplexGrinnell
1041 Pierre-Bertrand Boulevard Québec City, Québec	1963/2002	116,000	100.0	Sears Canada, Centre Massicotte, Nutrition Sport Fitness
989 Pierre-Bertrand Boulevard Québec City, Québec	1974/1994	38,000	95.9	Impression Pro-design
955 Pierre-Bertrand Boulevard Québec City, Québec	1995	47,000	59.8	PMT/Roy assurances et services financiers
1080 des Rocailles Street Québec City, Québec	1995	48,000	100.0	Wolseley Canada
235 Fortin Street Québec City, Québec	1996	26,000	100.0	Frito-Lay/Pepsico
275 Métivier Street Québec City, Québec	2003	39,000	100.0	Descair
300 Métivier Street Québec City, Québec	2004	29,000	100.0	ID Biomedical Corporation of Quebec
1255 des Artisans Street Québec City, Québec	2007	44,000	100.0	Produits Forestiers C.J.P.
275 Saint-Sacrement Avenue Québec City, Québec	1949/2006	61,000	86.4	City of Québec
1775 Léon-Harmel Street Québec City, Québec	2004	22,000	100.0	Wolseley Canada
2600 Saint-Jean-Baptiste Avenue Québec City, Québec	2004	35,000	100.0	Telops
2800 Saint-Jean-Baptiste Avenue Québec City, Québec	2004	102,000	68.0	Groupe immobilier Desjardins
3000 Saint-Jean-Baptiste Avenue Québec City, Québec	2004	47,000	100.0	Société québécoise des infrastructures (SQI)
1990 5 <sup>th</sup> Street Lévis, Québec	2008	51,000	100.0	Société québécoise des infrastructures (SQI)
1986, 5 <sup>th</sup> Street Saint-Romuald, Québec	2015	33,000,	100.0	Groupe immobilier Desjardins
795 J.-Ambroise-Craig Street Lévis, Québec	1997/1999	23,000	100.0	Les équipements E.B.M.
820 Alphonse-Desrochers Street Lévis, Québec	2004	212,000	100.0	Groupe Colabor
1870 Saint-Paul Boulevard Saguenay, Québec	1964/1978/ 2007/2008	133,000	100.0	Groupe Colabor
1010 Godin Avenue Québec City, Québec	1985	56,000	86.7	ERB Transport
125 Fortin Street Québec, Québec	2013	49,000	100.0	SGS Canada
155 Fortin Street Québec, Québec	2016	46,000	100.0	Goodman Manufacturing, Siemens

Income Properties	Year Built/ Renovated	Leasable	% Leased	Selected Clients <sup>(2)</sup>
		Area (ft <sup>2</sup> )		
185 Fortin Street Québec, Québec	2015	68,000	100.0	Isaute Québec, Shred-it
750 Olivier Road Lévis, Québec	1992/1994	25,000	67.1	Manac
5205 Rideau Street Québec, Québec	1994	24,000	100.0	Federal Express Canada
336 Montée Industrielle Rimouski, Québec	1996	4,000	100.0	Air Liquide Canada
505 du Parc-Technologique Boulevard Québec, Québec	2002	99,000	100.0	Olympus NDT Canada
4148-4150 de Portland Boulevard Sherbrooke, Québec	2000	67,000	100.0	Bombardier Recreational Products, Norda Stelo
<b>Sub-total</b>		<b>3,713,000</b>		
<b>Montréal Area</b>				
2125 23 Avenue Montréal, Québec	1974	199,000	100.0	Domtar
2177 23 Avenue Montréal, Québec	1977	210,000	100.0	Pival
5205 Fairway St. Montréal, Québec	1959	288,000	100.0	Remco
8288 Pie-IX Boulevard Montréal, Québec	1989	120,000	100.0	Belron Canada
1415 32nd Avenue Montréal, Québec	1989/1993	72,000	100.0	C.A.C. 3000
1455 32nd Avenue Montréal, Québec	2001	33,000	100.0	GGI International
1475 32nd Avenue Montréal, Québec	1988	92,000	100.0	Pneutech-Rousseau Group, Airport Steel And Tubing
3300 Jean-Baptiste-Deschamps Boulevard Montréal, Québec	1989	19,000	100.0	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	277,000	100.0	Dura Housewares, Minimedia International, Groupe Opex
894-930 Bergar Street Laval, Québec	1989	33,000	100.0	Kinecor SC, Linde Canada
901-937 Michelin Street Laval, Québec	1988	43,000	100.0	Straub Collaborative, Mega Lab
3370-3418 Industriel Boulevard Laval, Québec	1986	55,000	100.0	Franklin Empire
3401-3421 Industriel Boulevard Laval, Québec	1986	53,000	100.0	Rexel Canada, ATMPRQ

Income Properties	Year Built/ Renovated	Leasable		Selected Clients <sup>(2)</sup>
		Area (ft <sup>2</sup> )	% Leased	
1405-1453 Bergar Street Laval, Québec	1988	33,000	100.0	Liftow
3424-3428 Francis-Hughes Avenue Laval, Québec	2003	16,000	100.0	Trane Québec
1315 Gay-Lussac Street Boucherville, Québec	1991	44,000	0.0	Vacant
40 du Tremblay Road Boucherville, Québec	1991/2006	143,000	100.0	Groupe BMR inc.
620-650 Giffard Street Longueuil, Québec	1980	53,000	92.4	Sonepar Canada
667-687 Giffard Street Longueuil, Québec	1980	43,000	77.9	Carrosserie R.D.M., Trane Canada ULC
784-818 Guimond Boulevard Longueuil, Québec	1988	82,000	82.0	Les Technologies Clemex
9101-9175 des Sciences Boulevard Montréal, Québec	1999/2000	71,000	100.0	Hibbert International, Lallemand, Collection Tuff Avenue
1675 de Montarville Boulevard Boucherville, Québec	1989/2003	142,000	100.0	Groupe Master
5250 Armand-Frappier Street Longueuil, Québec	1992	59,000	100.0	Hydro-Québec
1405-1495 55th Avenue Dorval, Québec	2001	66,000	88.4	International Paint, division of Akzo Nobel Coatings
4500-4536 Louis-B.-Mayer Street Laval, Québec	2004	47,000	100.0	Les Services EXP
2900-2976 Joseph-A.-Bombardier Street Laval, Québec	2006	104,000	93.4	Caterpillar of Canada, Mitek Canada
3025 Joseph-A.-Bombardier Street Laval, Québec	2006/2007	78,000	100.0	Camfil Canada, Star Pipe Canada
4451-4479 Laval Highway West Laval, Québec	2004	116,000	80.1	Câblages informatiques Instacables, Telecon Design
330 Avro Avenue Pointe-Claire, Québec	1991/1998	89,000	100.0	Motion Industries (Canada)
19701 Clark-Graham Avenue Baie-D'Urfé, Québec	1987	162,000	100.0	Root Data Center, Cargologan
940 Bergar Street Laval, Québec	1987	15,000	100.0	Brite-Lite Maintenance
11000-11020 Parkway Boulevard Montréal, Québec	1965	217,000	100.0	Cryopak Industries 2007, Meubles Concordia
20 Hymus Boulevard Pointe-Claire, Québec	1986	61,000	100.0	Diversifié Ulbrich du Canada
2156-2168 de la Province Street Longueuil, Québec	1990	41,000	95.6	Rubanco, Kanzy Medipharma
2170 de la Province Street Longueuil, Québec	1990	23,000	100.0	Exprolink
715 Delage Street Longueuil, Québec	1990	42,000	86.5	Équipement d'essai aérospatial

Income Properties	Year Built/ Renovated	Leasable		Selected Clients <sup>(2)</sup>
		Area (ft <sup>2</sup> )	% Leased	
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	G Production
3600 Matte Boulevard Brossard, Québec	1988	27,000	97.0	La boutique Le Tambourin, Nasuco Canada
3650 Matte Boulevard Brossard, Québec	1987	43,000	100.0	Polycontroles Technologies
115 de Vaudreuil Street Boucherville, Québec	1987	16,000	48.9	Flextor
3071-3075 Louis-A.-Amos Street and 1922-1996 Onésime-Gagnon Street Montréal, Québec	1987	164,000	85.9	GE Lighting Solutions, Elrora, Import Export
1615-1805 55th Avenue Dorval, Québec	1990	158,000	100.0	John L. Schultz, Option 2, Plastiques innovants Sabic Canada, Transport Midland
3339-3403 Griffith Street Montréal, Québec	1987	117,000	100.0	Henry Schein Ash Arcona
8100 Cavendish Boulevard Montréal, Québec	1981	115,000	100.0	Pretium Canada Company
1949 Onésime-Gagnon Street Montréal, Québec	1988	96,000	72.4	Richards Packaging
2260 32 <sup>nd</sup> Avenue and 3142-3190 Joseph-Dubreuil Street Montréal, Québec	1983	92,000	47.6	Rogers Communications, Andritz Paper Machinery
2102-2150 32 <sup>nd</sup> Avenue Montréal, Québec	1984	77,000	94.4	Grimco, NSK Canada
2024-2080 32 <sup>nd</sup> Avenue Montréal, Québec	1984	68,000	80.8	Freeman Audio Visual
6320-6380 de la Côte-de-Liesse Road Montréal, Québec	1955/1981/ 1990	58,000	47.3	Fédération des Caisses Desjardins du Québec
2025 Metropole Street Longueuil, Québec	1977/1993	201,000	100.0	Les métaux Tremblay, Solution extrême
1925-1975 Hymus Boulevard Dorval, Québec	1988	104,000	95.3	Ceva Freight Canada, Apple Express Courier, PNH Enterprises
80-140 Lindsay Avenue Dorval, Québec	1986	44,000	100.0	Centre de conformité ICC
8411-8453 Dalton Road Mount-Royal, Québec	1975	30,000	100.0	Sigvaris Corporation
8459-8497 Dalton Road Mount-Royal, Québec	1975	41,000	100.0	CBM N.A.
8545-8579 Dalton Road Mount-Royal, Québec	1987	38,000	100.0	VWR Scientifique du Canada
8605-8639 Dalton Road Mount-Royal, Québec	1986	37,000	98.5	Enviroair Industries
7527-7583 Henri-Bourassa Boulevard Montréal, Québec	1975	112,000	86.8	Mr. Ralph Di Orio Mr. François Perrier, Mr. Mathieu Riel, Mr. Marc Beaulieu

Income Properties	Year Built/ Renovated	Leasable	% Leased	Selected Clients <sup>(2)</sup>
		Area (ft <sup>2</sup> )		
8552-8648 Pie-IX Boulevard Montréal, Québec	1988	141,000	80.4	Memtronik Innovations, Groupe Corlab
8740-8878 Pie-IX Boulevard Montréal, Québec	1992	164,000	94.7	Bédard Ressources, Peerless Clothing, Commonwealth Home Fashions, TCI Services
7075 Robert-Joncas Place Montréal, Québec	1975	218,000	82.9	Best Buy Canada, Purolator Courier, Tornatech
1225 Volta Street Boucherville, Québec	1988/1991	226,000	100.0	Sysco
2000 Halpern Street Montréal, Québec	1977	527,000	100.0	Corporation de développement logistique LDC
1111 46 <sup>th</sup> Avenue Montréal, Québec	1973	107,000	100.0	Vitesse Transport
1200 55 <sup>th</sup> Avenue Montréal, Québec	1987	68,000	100.0	AMD Medicom
5055 Lévy Street Montréal, Québec	1989/1990	61,000	83.0	TI-Titanium
2400 Trans-Canada Highway Pointe-Claire, Québec	1969/1976/ 1995	111,000	100.0	Philobar
243 Hymus Boulevard Pointe-Claire, Québec	1969	40,000	100.0	Peloton Pharmaceuticals
2555 Pitfield Boulevard Montréal, Québec	2003	99,000	100.0	Arden Holdings
731-749 Meloche Avenue and 11450 de la Côte-de-Liesse Road Dorval, Québec	1979	36,000	100.0	Sabot Universel, Di Salvo Sports
703-729 Meloche Avenue Dorval, Québec	1980	32,000	79.2	True World Foods of Canada
679-701 Meloche Avenue and 135-137 Lindsay Avenue Dorval, Québec	1981	35,000	100.0	Les produits d'ingénierie North Star
1730-1850 55 <sup>th</sup> Avenue and 5435 François-Cusson Street Montréal, Québec	1986	77,000	61.8	Ventes Creatives Graham
1520-1660 55 <sup>th</sup> Avenue and 5430 Fairway Street Montréal, Québec	1986	79,000	100.0	Gestion Dolbec
1875 55 <sup>th</sup> Avenue and 20-62 Lindsay Street Dorval, Québec	1988	82,000	57.6	Autoindex, Omnimedia
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
2685-2715 Francis-Hughes Avenue Laval, Québec	1975	40,000	88.4	Mecanorack Industries
2745 Francis-Hughes Avenue Laval, Québec	1999/2002	31,000	100.0	Ovation Logistics Canada



Income Properties	Year Built/ Renovated	Leasable Area (ft <sup>2</sup> )	% Leased	Selected Clients <sup>(2)</sup>
4141-4149 Highway 440 Laval, Québec	1977/1986	196,000	90.3	Staples Canada, Facc Solutions
4200 Louis-B.-Mayer Street Laval (Québec)	2016	130,000	100.0	Wolseley
730 Industrial Boulevard Blainville, Québec	2000	43,000	100.0	Xebec Adsorption
895 de La Gauchetière Street West Montréal, Québec	1929/1943/ 1961/1981/ 1999/2005	989,000	100.0	Compagnie des chemins de fer nationaux du Canada, Gemco, Business Depot, Adacel, Intelerad Medical Systems
5200 J.-A.-Bombardier Street Longueuil, Québec	2006	46,000	100.0	Les produits de papier Lapaco
2789-2855 Le Corbusier Boulevard Laval, Québec	1981	59,000	100.0	S.D. Variations
900-950 Saint-Martin Boulevard West Laval, Québec	1975/1988	143,000	100.0	Messageries dynamiques, division du réseau Québécois Média, Comark
1415-1531 Berlier Street Laval, Québec	1981/2002	71,000	83.9	Le Groupe Master
982-1002 Jean-Neveu Street Longueuil, Québec	1988	29,000	100.0	Location Luber
938-952 Jean-Neveu Street Longueuil, Québec	1989	28,000	100.0	Macpek
908-926 Jean-Neveu Street Longueuil, Québec	1989	28,000	100.0	Gestion d'achats Ram
847-896 Jean-Neveu Street Longueuil, Québec	1994	29,000	70.4	SP International
601-623 Le Breton Street Longueuil, Québec	1975	49,000	100.0	Serdy Media
2115-2147 de la Province Street Longueuil, Québec	1987	48,000	94.7	Go Le Grand Défi
601-631 Bériault Street Longueuil, Québec	1989	49,000	81.1	Îlot 307
1351 Gay-Lussac Street Boucherville, Québec	1995	13,000	100.0	Sinclair dental
35 de Lauzon Street Boucherville, Québec	1990	29,000	92.9	Denson Automation, AquaFab Distribution
90 Marie-Victorin Boulevard Boucherville, Québec	1998	25,000	100.0	Air liquide Canada
1550 de Coulomb Street Boucherville, Québec	1994/1998	10,000	100.0	Keystone Manufacturing (Plastic)
10 Place du Commerce Brossard, Québec	2001	18,000	100.0	Société canadienne des postes
7 Place du Commerce Brossard, Québec	1977	32,000	100.0	Quicaillerie Hogg
9 Place du Commerce Brossard, Québec	1976	51,000	60.8	Maison de vêtements Piacente
605-607 Deslauriers Street Montréal, Québec	1972	44,000	100.0	Dalcon

Income Properties	Year Built/ Renovated	Leasable Area (ft <sup>2</sup> )	% Leased	Selected Clients <sup>(2)</sup>
295-371 Deslauriers Street Montréal, Québec	1973	135,000	100.0	Essilor Canada, Métaux Satellite
375-455 Deslauriers Street Montréal, Québec	1972	139,000	95.1	Hostmann Steinberg, Graphiques Cosmex
457-485 and 491-533 Deslauriers Street Montréal, Québec	1972	135,000	100.0	Rideau Recognition Solutions
555 and 604-678 Deslauriers Street Montréal, Québec	1971	67,000	100.0	Armen industries
295-341 Benjamin-Hudon Street and 255 Deslauriers Street Montréal, Québec	1972	54,000	100.0	Jirstrek Fruits
600-610 Bériault Street Longueuil, Québec	1974/2008	56,000	100.0	Ivex emballage protecteur, Wolseley Canada
2044 de la Province Street Longueuil, Québec	1987	50,000	100.0	Kosma-Kare Canada
2060-2068 de la Province Street Longueuil Québec	1984	45,000	100.0	Multotec Canada
2099-2111 de la Province Longueuil Québec	1974	51,000	100.0	Groupe Emballage spécialisé, s.e.c.
789-799 Jean-Paul-Vincent Boulevard Longueuil, Québec	1982/1987	125,000	98.4	Germain Larivière, Ivex emballage protecteur
839-859 Jean-Paul-Vincent Boulevard Longueuil, Québec	1985	92,000	88.8	Solarcan Portes & Fenêtres
877 Jean-Paul-Vincent Boulevard Longueuil, Québec	1986/1989	106,000	91.0	Atelier de la flèche de fer, Jimex
2099-2109 Fernand-Lafontaine Boulevard Longueuil, Québec	1988/1993	65,000	88.9	Exide Technologies Canada, Aleees Eco Ark Canada
2177 Fernand-Lafontaine Boulevard Longueuil, Québec	2000/2008	74,000	100.0	Aliments Ultima
2199 Fernand-Lafontaine Boulevard Longueuil, Québec	2002	209,000	100.0	Yves Rocher Amérique du Nord, SCI Logistics
2525 Fernand-Lafontaine Boulevard Longueuil, Québec	1991/1992	72,000	100.0	Commission Scolaire Marie-Victorin
730 Delage Street Longueuil, Québec	2004/2011	62,000	100.0	Produits Forestiers CJP
830 Delage Street Longueuil, Québec	2000	50,000	100.0	D+H Financial Technologies
770 Guimond Boulevard Longueuil, Québec	1975/2009	117,000	100.0	Les Promotions Atlantiques
2625 Jacques-Cartier Boulevard Longueuil, Québec	2012	63,000	95.1	Lennox industries (Canada), Waterco Canada, Métaux solutions
1280 Nobel Street Boucherville, Québec	1972/1991/ 1994	52,000	100.0	V. Boutin Express
1201-1203 Marie-Victorin Street Saint-Bruno-de-Montarville, Québec	1991	145,000	66.8	AV&R Vision & Robotics
3300 Trans-Canada Highway Pointe-Claire, Québec	1975/1980/ 1983/1998	218,000	100.0	Structube

Income Properties	Year Built/ Renovated	Leasable	% Leased	Selected Clients <sup>(2)</sup>
		Area (ft <sup>2</sup> )		
3000 Trans-Canada Highway Pointe-Claire, Québec	1960	199,000	100.0	Chrysler Canada
<b>Sub-total</b>		<b>11,961,000</b>		
<b>Ontario Area</b>				
1201 California Avenue Brockville, Ontario	1978/1982/ 1985	94,000	100.0	The Data Group
6300 Northwest Drive Mississauga, Ontario	1990	26,000	100.0	Bafco Canada
6280 Northwest Drive Mississauga, Ontario	1990	21,000	100.0	IGT Canada
3415 American Drive Mississauga, Ontario	1984	31,000	100.0	Versent
3405 American Drive Mississauga, Ontario	1984	20,000	100.0	Caburgraphic
3403 American Drive Mississauga, Ontario	1984	19,000	100.0	Trillium Meditec
3397 American Drive Mississauga, Ontario	1985	46,000	100.0	Brennan Industries
3395 American Drive Mississauga, Ontario	1984	16,000	89.8	IQ Business Events
3355 American Drive Mississauga, Ontario	1988	113,000	100.0	Bestbuy Distributors
6295 Northam Drive Mississauga, Ontario	1990	42,000	100.0	Troy Life & Fire Safety, Echologistics
6325 Northam Drive Mississauga, Ontario	1994	77,000	0.0	Vacant
6305 Northam Drive Mississauga, Ontario	1990	34,000	100.0	Bulloch Technologies
6275 Northam Drive Mississauga, Ontario	1997	50,000	100.0	Sinclair Dental
400 Nugget Avenue Toronto, Ontario	2005	635,000	100.0	Cinram Canada Operations
<b>Sub-total</b>		<b>1,224,000</b>		
<b>Atlantic Provinces</b>				
291 Industrial Drive Saint John, New Brunswick	1987/1994	33,000	100.0	Interplast Bags and Films
385 Wilsey Road (Bates Building) Fredericton, New Brunswick	1974/1975 1994	32,000	84.8	Habitat for Humanity Fredericton Area
50, 70 and 110 Crown Street (Courtenay Centre) Saint John, New Brunswick	1965	33,000	62.5	Her Majesty the Queen
1080 Champlain Street Dieppe, New Brunswick	2004	37,000	79.4	G.N. Johnston Equipment
115 Whiting Road Fredericton, New Brunswick	2004	17,000	100.0	Samuel Strapping Systems

Income Properties	Year Built/ Renovated	Leasable	% Leased	Selected Clients <sup>(2)</sup>
		Area (ft <sup>2</sup> )		
140 MacNaughton Avenue Moncton, New Brunswick	2002	38,000	100.0	Molson Breweries
125 Whiting Road Fredericton, New Brunswick	1975	44,000	87.7	Kerr Controls
140 Alison Boulevard Fredericton, New Brunswick	2006/2007	47,000	92.7	Xplornet Communications
190 Alison Boulevard Fredericton, New Brunswick	2013	29,000	100.0	Acklands Grainger
420 Wilsey Road Fredericton, New Brunswick	1971	19,000	10.3	Cominar REIT
440 Wilsey Road Fredericton, New Brunswick	1970	45,000	97.9	Enbridge Gas New Brunswick
50 MacNaughton Avenue Moncton, New Brunswick	2007	20,000	71.3	SMS Equipment
245 Hilton Road (Hilton Building) Fredericton, New Brunswick	1975	18,000	60.7	Her Majesty the Queen
727 Wilsey Road Fredericton, New Brunswick	2002	14,000	100.0	Purolator Courier
749 Wilsey Road Fredericton, New Brunswick	1970/2005	16,000	100.0	Coast Tire & Auto Services
520 Edinburgh Drive Moncton, New Brunswick	1980/1993/ 2003	38,000	92.6	Stellar Industrial Sales
699 Champlain Street Dieppe, New Brunswick	1981	10,000	100.0	Nanoptix
120-140 Commerce Street Moncton, New Brunswick	1996-1998	66,000	100.0	Irving
114 Price Street Moncton, New Brunswick	1968/1973/ 1976	183,000	100.0	Sobeys
33 Henri Dunant Street Moncton, New Brunswick	1969	118,000	67.9	Atlantic Farm Services
22 Carr Crescent Gander, Newfoundland and Labrador	1973	60,000	100.0	Western Wholesale
667 Barnes Drive Halifax, Nova Scotia	2000	29,000	100.0	Purolator Courier
<b>Sub-total</b>		<b>946,000</b>		
<b>Western Canada</b>				
640-820 28 <sup>th</sup> Street North East Calgary, Alberta	1980	138,000	95.7	Suncor Energy, Sumwa Trading, Brink's Canada, Golder Associates
560 Camiel Sys Street Winnipeg, Manitoba	2007	43,000	100.0	Fedex Ground Package System
<b>Sub-total</b>		<b>181,000</b>		
<b>Total Industrial And Mixed-Use Properties</b>		<b>18 025 000</b>		
<b>Total Portfolio</b>		<b>44,919,000</b>		

Income Properties	Year Built/ Renovated	Leasable		Selected Clients <sup>(2)</sup>
		Area (ft <sup>2</sup> )	% Leased	

**Notes:**

- (1) These figures are as at December 31, 2016 and are calculated on a per square foot basis of occupied space (and in the case of retail space, calculated in commercial retail units (CRU)) as at such date.
- (2) Client with a leasable area of more than 15,000 square feet or main client of the property.
- (3) Corresponds to the REIT's proportion (50%) in Société en commandite CJD. See also "PART 4 – Description of the Business – 4.7 Investments in Joint Ventures".
- (4) Corresponds to the REIT's portion (50%) in Société en commandite Bouvier-Bertrand. See also "PART 4 – Description of the Business – 4.7 Investments in Joint Ventures".

## **SCHEDULE B**

### **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 four 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 fulfills its responsibilities as per its Charter and complies with the terms thereof; and
- (v) reporting to the Board of Trustees on all matters transacted by the Committee.

### **QUORUM**

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

### **MEMBER TERMS**

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

### **PROCEDURE**

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

## MEETINGS

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

## PRESENCE OF EXTERNAL AUDITOR

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

## POWERS OF THE COMMITTEE

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

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

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

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

## PURPOSE OF THE COMMITTEE

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

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 system of internal controls and its functioning, including the disclosure of financial information.

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

## MANDATE

1. Recommend to the Board the choice of external auditor and when appointed, remind the latter that it is not management but the unitholders who are its client;
2. Recommend to the Board the remuneration to be paid to the external auditor as well as the terms and conditions of the auditor's mandate.
3. Determine and confirm the independence of the external auditor.
4. Review with the external auditor the approach and scope of its mission plan, oversee the auditor's work and report to the Board on material qualifications that the Committee may have or that the external auditor may have formulated.
5. Give prior approval to all non-audit services desired to be referred to the external auditor to the extent the remuneration paid for these services does not exceed 5% of the total remuneration paid by the REIT and its subsidiaries to the external auditor during the fiscal year in which the services are rendered and provided that the Audit Committee is kept informed thereof at each meeting.

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

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

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

9. Receive at each regular meeting a certificate signed by the Chief Executive Officer and the Chief Financial Officer to the effect that the quarterly and annual consolidated financial statements and the related management discussion and analysis are free of false or misleading information and that they fairly reflect the REIT's financial situation, operating results and cash flow for the period in question.
10. Receive and examine the internal auditor's and, if any, the external auditor quarterly report as well as those that the latter may produce following its quarterly review and year-end audit or for any other purpose and the auditor's letter to Management together with Management's comments on each point raised.
11. Following a review of the external auditor's comments and suggestions after its audit, report to the Board on the following matters:
  - the pertinence of accounting records and how they are kept;
  - the pertinence and efficiency of the accounting, internal control and information systems as well as the extent to which they are properly and uniformly applied; and



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

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

## **ANNUAL WORK PROGRAM**

The annual work program is appended hereto.

## **MINUTES**

Minutes are prepared for each Committee meeting.

**REPORT TO BOARD**

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

**REMUNERATION**

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

*Revised – August, 2016*

**COMINAR REAL ESTATE INVESTMENT TRUST**  
(the “REIT”)

**Audit Committee**  
(the “Committee”)

**Part 1 – ANNUAL WORK PROGRAM**

<b>Regular Committee meetings</b>	<b>March</b>	<b>May</b>	<b>August</b>	<b>November</b>
Recommend the choice of the external auditors, the terms and conditions of the mandate, compensation, renewal or dismissal, as the case may be.	√			
Determine and confirm the independence of the external auditor	√			
Review the mission plan: approach, scope, time required, audit team, professional fees				√
Pre-approve all non-audit services entrusted to the external auditor to the extent that the fees paid do not exceed 5% of the total amount of fees paid by the REIT and its subsidiaries during the fiscal year in which the services are rendered, in so far as the Audit Committee is informed at each meeting; adopt as needed specific procedures to delegate pre-approval.	√	√	√	√
Oversee the work of the external auditor	√	√	√	√
Examine the quarterly consolidated financial statements, the notes and Management’s Discussion and Analysis	√	√	√	√
Examine the disclosed financial information intended for Unitholders, the business sector and other persons such as press releases, information to Unitholders and others written communications related to the Audit Committee’s mandate and regulatory authorities and recommend their approval to the Board.	√	√	√	√
Examine the annual consolidated financial statements (recommend its approval to the Board), the notes and Management’s Discussion and Analysis	√			
Review with the external auditors, the acceptability and the quality of the accounting principles and practices applied, underlying assumptions and material judgments affecting the financial statements, and ensure that there is no disagreement between Management and the external auditor	√	√	√	√
Review the annual financial reports submitted to the <i>Autorité des marchés financiers</i> and other regulatory authorities i.e. Annual Information Form, etc.	√			
Receive the certificate signed by the CEO and CFO concerning the quarterly and annual consolidated financial statements to ensure they do not contain any false or misleading information and to reflect a faithful picture of the financial situation.	√	√	√	√
Examine the external and internal auditor’s quarterly reports and those of the year-end audit together with Management’s comments, if any, on each of the points raised that concern it.	√	√	√	√
Following a review of the external auditor’s comments and suggestions, report to the Board on the appropriateness of accounting records and how they are kept, the pertinence and effectiveness of the accounting, internal control and information systems and the quality of how they are applied and the competence of the personnel assigned to accounting, financial	√	√	√	√

<b>Regular Committee meetings</b>	<b>March</b>	<b>May</b>	<b>August</b>	<b>November</b>
and internal control tasks and if the number of them is sufficient.				
Assess the performance of the external auditor	√			
Review the major risks to which the REIT is exposed and the actions taken to minimize them while ensuring that the implemented risk-management system is adequate	√	√	√	√
Periodically assess the need to set up an internal audit program. If yes, determine the scope thereof, how the work is to be done, by whom, etc.	√			
Review the external audit approach, scope and plan				√
Receive the officer certificate with respect to compliance with laws and regulations, including corporate governance, off-balance sheet transactions and defaults on loans, and review the findings of investigations that Management may have conducted and make sure to be informed of any fraudulent or irregular activity.	√	√	√	√
Receive the certificate produced by management on the internal control, management information, internal audit, important information and documents, relevant facts, prosecution and risks.	√	√	√	√
Receive the report on pending and ongoing litigation or actions and indicate, as the case may be, all threatened litigation or actions that occurred after the reporting date	√	√	√	√
Review the policies and procedures in place for the approval of the expenses and bonuses of officers			√	
Examine the new accounting standards and practices and the contemplated changes to existing standards and practices	√	√	√	√
Annually review all general insurance portfolio items in terms of coverage, premiums and the quality of the insurer	√			
Review the contingent liabilities and off-balance sheet activities	√	√	√	√
Resolve any disagreement between Management and the external auditor	√	√	√	√
Verify the implementation and adequacy of procedures for reviewing public disclosure of financial information excerpted from or resulting from financial statements		√		√
Be informed of and discuss with Management any legal or regulatory issue or issues pertaining to legislative and regulatory compliance that could have a major impact on the REIT's financial situation or activities	√	√	√	√
Examine every use of pro-forma financial statements or financial information that is not in compliance with the accounting standards and practices of the REIT	√	√	√	√
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		√		√
Ensure external auditor's partners are rotated in accordance with applicable standards	√			
Establish, 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, update when needed and monitor the implementation of procedures for the confidential and anonymous communication of employees' concerns about questionable matters relating to accounting or audit and receiving such communications	√	√	√	√
Examine and update when needed the REIT's hiring policies regarding partners, employees and former partners and employees of the present	√	√	√	√

<b>Regular Committee meetings</b>	<b>March</b>	<b>May</b>	<b>August</b>	<b>November</b>
and former external auditor, ensure their compliance with corporate governance rules and guidelines and implementation and ensure that the Committee is informed of any such hiring				
Establish questions to be transmitted to the external auditors and Management and examine the responses received	√			√
Annually review the Committee's charter and its Annual Work Program, update them as required and ensure that the charter is disclosed when required			√	
Review the findings of any investigation conducted by any regulatory body	√	√	√	√
Review the emergency plans for handling financial information in the event of a computer system and applications breakdown	√			√
Keep informed of any changes regarding the taxation system applicable to trusts and report to the Board, if appropriate	√	√	√	√
Meet separately with external and internal auditors and then with the Chief Executive Officer and the Executive Vice-President and Chief Financial Officer	√	√	√	√
Assess the performance of the Committee and its members and confirm that the Committee fulfils its responsibilities as per its Charter.				√
Receive the report from the Executive Vice-President and CFO on provisions and adjustments made, the acquisition and disposal of assets, elements of risks that could affect the financial results or the financial structure of the REIT, the redemption of units, etc.	√	√	√	√
Receive the report on cash and investments.	√	√	√	√
On a yearly basis, examine the list of work entrusted to other accounting firms	√			
Examine all problems with material consequences that could arise at year end pertaining to write-offs, general and special provisions, regularization, goodwill, etc.				√
Examine the changes contemplated being made to the presentation of audited financial statements and the notes thereto as well as to Management's Discussion and Analysis ( <i>MD&amp;A</i> )				√
Annually review the financial and accounting staff, from a qualitative and quantitative perspective		√		
Examine any major financing proposal and its impact on the REIT's financial performance, financial situation and activities	√	√	√	√

*Revised – August 2016*