

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or the securities laws of any state. Accordingly, these securities may not be offered or sold within the United States of America, its possessions and other areas subject to its jurisdictions or to, or for the account or benefit of, a U.S. Person (as defined in Regulation S under the 1933 Act), except in limited circumstances. See "Plan of Distribution".

This prospectus supplement (the "Prospectus Supplement"), together with the short form base shelf prospectus dated October 29, 2009 (the "Prospectus") to which it relates, as amended or supplemented, and each document deemed to be incorporated by reference in the Prospectus, as amended or supplemented, constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

Information has been incorporated by reference into this Prospectus Supplement and in the Prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary of the REIT at 455, rue du Marais, Québec, Québec, G1M 3A2, telephone (418) 681-8151 and are also available electronically at www.sedar.com.

PROSPECTUS SUPPLEMENT To The Short Form Base Shelf Prospectus Dated October 29, 2009

New Issue

March 29, 2010



COMINAR REAL ESTATE INVESTMENT TRUST \$100,007,600 5,236,000 Units

This Prospectus Supplement relates to the distribution of 5,236,000 units (the "Units") of Cominar Real Estate Investment Trust (the "REIT") at a price of \$19.10 per Unit. The REIT is an unincorporated closed-end investment trust governed by the laws of the Province of Québec. The head office of the REIT is located at 455 rue du Marais, Québec, Québec G1M 3A2. **The REIT is not a trust company and is not registered under applicable legislation governing trust companies as it does not carry on or intend to carry on the business of a trust company. The Units are not "deposits" within the meaning of the Canada Deposit Insurance Corporation Act and are not insured under the provisions of that Act or any other legislation.**

The Units are listed and posted for trading on the Toronto Stock Exchange (the "TSX") under the symbol "CUF.UN". The REIT has applied to have the Units distributed under this Prospectus Supplement listed on the TSX. Listing will be subject to the REIT fulfilling the requirements of the TSX. On March 24, 2010, the last trading day prior to the announcement of this offering, the closing price of the Units on the TSX was \$19.35.

Although the REIT intends to make distributions of its available cash to Unitholders, these cash distributions are not assured. A return on an investment in the REIT is not comparable to the return on an investment in a fixed-income security. The ability of the REIT to make cash distributions and the actual amount distributed will be dependent upon, among other things, the financial performance of the REIT, its debt covenants and obligations, its working capital requirements and its future capital requirements. The market value of the Units may deteriorate if the REIT is unable to maintain current levels of cash distributions in the future, and that deterioration may be material. An investment in the Units is subject to a number of risks and investment considerations that should be considered by a prospective purchaser. See "Risk Factors and Investment Considerations".

The after-tax return for any Units acquired by Unitholders which are subject to Canadian income tax and are Canadian residents 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 adjusted cost base of Units held by a Unitholder generally will be reduced by the non-taxable portion of distributions made to the Unitholder other than the portion thereof attributable to the non-taxable portion of certain capital gains. The composition for tax purposes of those distributions may change over time, thus affecting the after-tax return to Unitholders.

In the opinion of counsel, the Units will qualify as eligible investments as set forth under "Eligibility for Investment".

Price: \$19.10 per Unit			
	Price to the public⁽¹⁾	Underwriters' fee	Net proceeds to the REIT⁽²⁾
Per Unit	\$19.10	\$0.764	\$18.336
Total ⁽³⁾	\$100,007,600	\$4,000,304	\$96,007,296

Notes:

- (1) The terms of this offering and the price of the Units have been determined by negotiation between the REIT and the Underwriters.
- (2) Before deducting the expenses of this offering, which are estimated to be approximately \$300,000.
- (3) The REIT has granted to the Underwriters an option (the "Over-Allotment Option") to purchase up to 785,400 additional Units on the same terms and conditions as this offering, exercisable in whole or in part from time to time, not later than the 30th day following the closing of this offering for market

stabilization purposes and to cover over-allotments, if any. If the Over-Allotment Option is exercised in full, the total price to the public, Underwriters' fee and net proceeds to the REIT (before deducting the estimated expenses of this offering) will be \$115,008,740, \$4,600,349.60 and \$110,408,390.40 respectively. This Prospectus Supplement qualifies the distribution of the Units issuable on the exercise of the Over-Allotment Option and their subsequent transfer. See "Plan of Distribution". Unless otherwise indicated, the disclosure in this Prospectus Supplement assumes that the Over-Allotment Option has not been exercised.

A purchaser who acquires Units forming part of the Underwriters' over-allocation position acquires those Units under this Prospectus Supplement, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

<u>Underwriters' Position</u>	<u>Maximum size or number of securities available</u>	<u>Exercise Period</u>	<u>Exercise Price</u>
Over-Allotment Option	Option to purchase up to 785,400 additional Units (being up to 15% of the number of the Units sold)	The exercise period of the Over-Allotment Option is set forth above	\$19.10 per Unit

The Underwriters of this offering are National Bank Financial Inc. ("NBF"), BMO Nesbitt Burns Inc. ("BMO"), RBC Dominion Securities Inc., Desjardins Securities Inc., CIBC World Markets Inc., Scotia Capital Inc., Canaccord Financial Ltd. and Macquarie Capital Markets Canada Ltd. (collectively, the "Underwriters"). The Underwriters, as principals, conditionally offer the Units for sale, subject to prior sale, if, as and when issued by the REIT and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under "Plan of Distribution", and subject to the approval of certain legal matters on behalf of the REIT by Davies Ward Phillips & Vineberg LLP, and on behalf of the Underwriters by Lavery, de Billy, L.L.P. In accordance with and subject to applicable laws, the Underwriters may effect transactions that stabilize or maintain the market price of the Units. See "Plan of Distribution".

Subscriptions will be received subject to rejection or allotment in whole or in part, and the right is reserved to close the subscription books at any time without notice. Certificates representing the Units will be available for delivery on the closing date, which is expected to occur on or about April 7, 2010 or such later date as the REIT and the Underwriters may agree, but in any event no later than May 10, 2010.

Each of NBF, BMO, RBC Dominion Securities Inc., Desjardins Securities Inc., CIBC World Markets Inc. and Scotia Capital Inc. is a subsidiary of financial institutions which are among the REIT's principal lenders. Consequently, the REIT may be considered a "connected issuer" of such Underwriters within the meaning of applicable securities legislation. As at March 26, 2010, the actual indebtedness of the REIT to such financial institutions amounted to approximately \$207.1 million in the aggregate. See "Relationship Between the Issuer and the Underwriters".

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ABOUT THIS PROSPECTUS SUPPLEMENT

Unless otherwise indicated, the disclosure in this Prospectus Supplement assumes that the Over-Allotment Option has not been exercised.

In this Prospectus Supplement, unless otherwise specified, all references to “dollars” or “\$” are to Canadian dollars.

This document is in two parts. The first part is this Prospectus Supplement, which describes the specific terms of the offering and also adds to and updates certain information contained in the Prospectus and the documents incorporated by reference into therein. The second part, the Prospectus, gives more general information. In this Prospectus Supplement, unless otherwise indicated, capitalized terms which are defined in the accompanying Prospectus are used herein with the meaning given to them therein. If information in this Prospectus Supplement is inconsistent with the accompanying Prospectus, investors should rely on the information in this Prospectus Supplement.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Prospectus Supplement, the accompanying Prospectus and in certain documents incorporated by reference therein, constitute forward-looking statements. These statements relate to future events or the REIT's future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as “seek”, “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe” and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Although this is not an exhaustive list, the REIT cautions investors that statements concerning the following subjects are, or are likely to be, forward-looking statements: the ability of the REIT to continue to identify, pursue and consummate acquisition opportunities, the return on investment of the REIT's development and existing property enhancement projects, the status of the REIT for tax purposes and the access of the REIT to capital and debt markets. The REIT's actual results could differ materially from those anticipated in forward-looking statements, as applicable, including as a result of the risks associated with the ownership of immovable property, access to capital, current global financial conditions, competition in the real estate sector, acquisitions, the REIT's development program, dependence on key personnel, potential conflicts of interest, general uninsured losses, governmental regulation, limits on activities and debt financing. See “Risk Factors and Investment Considerations” in the Prospectus. While the REIT believes that the

expectations reflected in the forward-looking statements contained in this Prospectus Supplement, the accompanying Prospectus, and in its documents incorporated by reference therein, are reasonable, no assurance can be given that these expectations will prove to be correct, and such forward-looking statements included in, or incorporated by reference in such documents should not be unduly relied upon. These statements speak only as of the date of this Prospectus Supplement, the accompanying Prospectus or as of the date specified in the documents incorporated by reference herein, as the case may be. The REIT does not assume any obligation to update the aforementioned forward-looking statements except as required by applicable laws.

NON-GAAP FINANCIAL MEASURES

The REIT issues guidance and reports on certain non-GAAP measures, including “net operating income”, “distributable income”, “funds from operations” and “adjusted funds from operations”, that it uses to evaluate its performance. Because non-GAAP measures do not have a standardized meaning and may differ from other issuers’, securities regulations require that non-GAAP measures be clearly defined and qualified, reconciled with their nearest GAAP measure and given no more prominence than the closest GAAP measure. Such information is presented in the sections dealing with these financial measures herein and in the documents incorporated by reference herein.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus Supplement is incorporated by reference into the Prospectus as of the date hereof and only for the purposes of the distribution of the Units offered hereby.

Information has been incorporated by reference in the Prospectus from documents filed with securities commissions or similar regulatory authorities in Canada. Copies of the documents incorporated in the Prospectus by reference may be obtained on request without charge from the Secretary of the REIT, 455 rue du Marais, Québec, Québec G1M 3A2, Telephone: (418) 681-8151, and are also available electronically at www.sedar.com.

The following documents, filed with the various securities commissions or similar regulatory authorities in each of the provinces of Canada, are specifically incorporated by reference in and form an integral part of the Prospectus:

- (i) the annual information form of the REIT dated March 23, 2010 (the “AIF”);
- (ii) the comparative audited consolidated financial statements of the REIT for the year ended December 31, 2009, together with the notes thereto and the auditors’ report thereon (the “2009 Financial Statements”);
- (iii) management’s discussion and analysis of operating results and financial position of the REIT for the year ended December 31, 2009 (the “2009 MD&A”);
- (iv) the management information circular of the REIT dated March 31, 2009 in connection with the annual meeting of Unitholders of the REIT held on May 20, 2009; and
- (v) the material change report of the REIT dated March 26, 2010, with respect to this offering.

Any documents of the type referred to above and any material change reports (excluding confidential material change reports) filed by the REIT with the securities commissions or similar regulatory authorities in each of the provinces of Canada subsequent to the date of this Prospectus Supplement and prior to the termination of this distribution shall be deemed to be incorporated by reference into the Prospectus. **Any statement contained in a document incorporated or deemed to be incorporated by reference in this Prospectus Supplement or in the Prospectus for the purposes of this offering shall be deemed to be modified or superseded, for purposes of this Prospectus Supplement, to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or replaces such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a**

statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute part of the Prospectus, for the purposes of this distribution.

GLOSSARY

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

“Acquisition Facility” means the REIT’s current operating and acquisition credit facility in the stated amount of \$255 million in connection with which some of the lenders are the financial institutions of which six of the Underwriters, NBF, BMO, RBC Dominion Securities Inc., Desjardins Securities Inc., CIBC World Markets Inc. and Scotia Capital Inc. are subsidiaries;

“BMO” means BMO Nesbitt Burns Inc.;

“Bonus Units” means the additional Units a Unitholder is entitled to receive in payment of a distribution equal to 5% of each distribution that was reinvested by the Unitholder under the terms of the DRIP;

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

“Deferred Income Plans” means, collectively, trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans and registered disability savings plans, as well as TFSAs, each as defined in the Tax Act;

“NBF” means National Bank Financial Inc.;

“Over-Allotment Option” has the meaning ascribed thereto under “Plan of Distribution”;

“Overland” means Overland Realty Limited;

“Prospectus” means the short form base shelf prospectus of the REIT dated October 29, 2009;

“Prospectus Supplement” means this prospectus supplement to the Prospectus;

“Series E Debentures” means the Series E 5.75% convertible unsecured subordinated debentures of the REIT;

“Tax Proposals” means all specific proposals to amend the Tax Act announced by or on behalf of the Minister of Finance (Canada) prior to the date of this Prospectus Supplement;

“TFSA” means a tax free savings account, as defined in the Tax Act;

“Underwriters” means NBF, BMO, RBC Dominion Securities Inc., Desjardins Securities Inc., CIBC World Markets Inc., Scotia Capital Inc., Canaccord Financial Ltd. and Macquarie Capital Markets Canada Ltd.; and

“Underwriting Agreement” means the agreement dated March 29, 2010 among the REIT and the Underwriters.

THE REIT

The REIT is an unincorporated closed-end investment trust created by the Contract of Trust on March 31, 1998 and is governed by the laws of the Province of Québec.

The objectives of the REIT are: (i) to provide Unitholders with stable and growing monthly cash distributions which are, to the extent practicable, tax deferred, from investments in a diversified portfolio of income producing office, retail, industrial and mixed-use properties located in the greater Québec, Montréal and Ottawa areas and in the Maritimes; and (ii) to improve and maximize Unit value through the ongoing active management of the REIT's properties and the acquisition of additional income producing properties.

As one of the largest property owners and managers in the Province of Québec, the REIT has a leading presence and enjoys significant economies of scale in this market. It currently owns a diversified portfolio of 241 office, retail, industrial and mixed-use properties of which 94 are located in the greater Québec area, 127 are located in the greater Montréal area, four are located in the Ottawa area and 16 are located in the Maritimes. The portfolio comprises approximately 5.8 million square feet of office space, 3.1 million square feet of retail space and 10.5 million square feet of industrial and mixed-use space, representing, in the aggregate, approximately 19.4 million square feet of leasable area. As at December 31, 2009, the REIT's portfolio was approximately 93.5% leased. The REIT's properties are mostly situated in prime locations along major traffic-arteries and benefit from high visibility and easy access by both tenants and tenants' customers.

The REIT intends to continue to pursue acquisition and development opportunities that allow for economies of scale benefiting both tenants and the REIT in terms of significant operating cost savings and efficient property management operations.

The Dallaire Group directly and indirectly owns an aggregate of 8,966,343 Units (representing approximately 16.2% of the Units issued and outstanding as at March 26, 2010), and all important decisions made by CFA in respect of the REIT are controlled by Michel Dallaire, the President and Chief Executive Officer of the REIT.

The REIT's asset and property management is fully internalized and the REIT is a fully integrated, self-managed real estate investment operation. The REIT currently employs approximately 210 full-time employees. The head office of the REIT is located at 455 rue du Marais, Québec, Québec, G1M 3A2.

As of the date of this Prospectus Supplement, based on its assessment of the SIFT Amendments, management of the REIT believes that the REIT meets, and has met at all times during the current taxation year, all the necessary conditions and qualifies for the Real Estate Investment Trust Exception. Management intends to take all the necessary steps to continue to meet these conditions on a regular basis in the future. See "Canadian Federal Income Tax Considerations — Status of the REIT — New Tax Rules for Income Trusts" and "Risk Factors and Investment Considerations".

RECENT DEVELOPMENTS

The following is a summary of significant developments in the operations and affairs of the REIT which have occurred since December 31, 2009, being the last day of the period in respect of which the REIT has filed the AIF.

1. On January 12, 2010, the REIT closed a public offering of \$86,250,000 aggregate principal amount of its Series E Debentures. The Series E Debentures were sold to a syndicate of underwriters led by NBF and BMO for total net proceeds to the REIT of approximately \$82.7 million, after deducting the underwriters' fee and the expenses of the offering. The proceeds from the sale of the Series E Debentures were used to pay down debt outstanding under the Acquisition Facility.

2. On January 19, 2010, the REIT and Overland announced the signing of a support agreement providing that Cominar would make a takeover bid (the "Bid") to acquire all the outstanding common shares of Overland for \$0.82 per share. The transaction, including the assumption of debt by the REIT, valued Overland at approximately

\$70.9 million. Overland's real estate portfolio includes 17 quality properties located in the Maritimes, namely 7 office buildings, 3 retail buildings, 6 industrial and mixed-use buildings and a property lease, representing a surface area of approximately 603,000 square feet. The REIT made its Bid pursuant to an offer and circular dated January 26, 2010.

3. On February 16, 2010, the REIT entered into an agreement in respect of the acquisition of a property located in Longueuil, Québec for \$5.6 million, to be paid cash. The completion of this acquisition remains subject to due diligence and other customary closing conditions and there can be no assurances that it will be completed.

4. On March 4, 2010, the REIT entered into an agreement in respect of the acquisition of a property located in Québec, Québec for \$17.5 million, to be paid cash. The completion of this acquisition remains subject to due diligence and other customary closing conditions and there can be no assurances that it will be completed.

5. On March 10, 2010, the REIT and Overland announced that approximately 35,642,339 common shares of Overland had been validly tendered in response to the REIT's Bid to acquire all the issued and outstanding common shares of Overland and that all the other conditions of the Bid had been met. The REIT acquired all such common shares, representing approximately 94% of all of Overland's common shares. On March 16, 2010, the REIT acquired the balance of the issued and outstanding shares of Overland by compulsory acquisition pursuant to the provisions of the *Canada Business Corporations Act*.

Description of Properties

The following is a detailed description of the properties referred to above. Summary leasing information is as at the date of each acquisition.

1113 Regent Street, Fredericton, New Brunswick

A 11,270 square foot office/retail building, with a current occupancy rate of 86.6%. This building is located on 119,354 square feet of land on the upper end of Regent Street, immediately across from the Everett Chalmers Regional Hospital and the entrance to the University of New Brunswick.

Major Tenants	Leasable Area (Square Feet)	Expiration Date	Percentage of Leasable Area Occupied by Indicated Tenant
Regional Health Authority	7,157	March 2012	63.5%
New Brunswick Association of Nursing	2,000	May 2014	17.7%

1115 Regent Street, Fredericton, New Brunswick

A 16,426 square foot office building, with a current occupancy rate of 98.7%. This building is located on 119,354 square feet of land adjacent to the property located at 1113 Regent Street.

Major Tenants	Leasable Area (Square Feet)	Expiration Date	Percentage of Leasable Area Occupied by Indicated Tenant
Atlantic Business College	8,733	July 2019	53.1%
Brunswick Valley Lumber	3,370	October 2013	20.5%

570 Queen Street, Fredericton New Brunswick

A six-storey 70,225 square foot office building known as "Barker House" is Fredericton's most highly regarded Class "A" office tower, located in the heart of downtown Fredericton, with a current occupancy rate of 99.7%. The building, constructed in 1990 on 22,227 square feet of land overlooks historic Officers Square Park and the Saint John River.

Major Tenants	Leasable Area (Square Feet)	Expiration Date	Percentage of Leasable Area Occupied by Indicated Tenant
Public Works Canada	25,075	March 2010	35.7%
McInnes Cooper LLP	14,034	September 2017	20.0%
Grant Thornton LLP	11,932	June 2025	17.0%
Sun Life	5,253	August 2015	7.5%

385 Wilsey Road, Fredericton, New Brunswick

A 31,410 square foot industrial/office building located on 130,680 square feet of land at the centre point of the Fredericton industrial park on the major traffic artery of Wilsey Road. This property has a current occupancy rate of 82.8%.

Major Tenants	Leasable Area (Square Feet)	Expiration Date	Percentage of Leasable Area Occupied by Indicated Tenant
Fairview Plymouth Chrysler	5,100	September 2010	16.2%
Carmichael Engineering	3,620	May 2012	11.5%

900 Hanwell Road, Fredericton, New Brunswick

A 64,884 square foot single storey office/retail complex located on 247,856 square feet of land in the uptown commercial district, one of Fredericton's fastest growing areas, with a current occupancy rate of 97.6%.

Major Tenants	Leasable Area (Square Feet)	Expiration Date	Percentage of Leasable Area Occupied by Indicated Tenant
United Parcel Service	26,967	July 2011	41.6%
Sport New Brunswick	5,207	June 2013	8.0%
Regional Health Authority	4,907	February 2018	7.6%
Public Works Canada	4,032	December 2011	6.2%
Procraft Industrial Ltd.	3,983	March 2013	6.1%

360 Pleasant Street, Miramichi, New Brunswick

A 24,450 square foot office/retail building located on 40,753 square feet in immediate proximity to City Hall and the downtown district, with a current occupancy rate of 100%. This property built in 1991 is a landmark centre providing ease of accessibility to key regional services.

Major Tenants	Leasable Area (Square Feet)	Expiration Date	Percentage of Leasable Area Occupied by Indicated Tenant
Province of New Brunswick	12,345	December 2011	50.5%
Service New Brunswick	7,137	April 2013	29.2%
A Canadian chartered bank	3,462	December 2011	14.2%

245 Hilton Road, Fredericton, New Brunswick

A 18,970 square foot industrial building located on 101,495 square feet of land located within the Fredericton Industrial Park, with a current occupancy rate of 91.4%.

Major Tenants	Leasable Area (Square Feet)	Expiration Date	Percentage of Leasable Area Occupied by Indicated Tenant
Activation Laboratories	3,892	June 2012	20.5%
Public Works Canada	2,806	July 2010	14.8%
Leonard Corporation	2,500	April 2010	13.2%

371 Queen Street, Fredericton, New Brunswick

A 31,876 square foot four-storey Class “A” office building situated adjacent to City Hall and the Justice Building on 15,207 square feet of land in the downtown business district overlooking the banks of the Saint John River, with a current occupancy rate of 99.1%. Built in 1900 and renovated in 1988, the award-winning property incorporates a landmark historic structure in a revitalized modern complex.

Major Tenants	Leasable Area (Square Feet)	Expiration Date	Percentage of Leasable Area Occupied by Indicated Tenant
Cox & Palmer	16,090	January 2014	50.5%
RBC Dominion Securities	4,921	November 2012	15.4%
London Life	3,438	November 2014	10.8%

565 Priestman Street, Fredericton, New Brunswick

A 34,524 square foot four-storey Class “B+” office building located on 67,285 square feet of land at the key intersection of Priestman and Regent streets, adjacent to the Everett Chalmers Regional Hospital, with a current occupancy rate of 98.3%.

Major Tenants	Leasable Area (Square Feet)	Expiration Date	Percentage of Leasable Area Occupied by Indicated Tenant
Public Works Canada	8,085	May 2012	23.4%
Teed Saunders Doyle	5,003	August 2014	14.5%
Province of New Brunswick	3,530	August 2013	10.2%

1133 Regent Street, Fredericton, New Brunswick

A 85,758 square foot four-storey Class “B+” office building located on 134,204 square feet of land in the uptown business district of Fredericton, in immediate proximity to the city’s primary arterial intersection and the primary regional shopping centre, with a current occupancy rate of 97.0%.

Major Tenants	Leasable Area (Square Feet)	Expiration Date	Percentage of Leasable Area Occupied by Indicated Tenant
ADI Group	38,278	January 2014	44.6%
Delta Hotels	9,914	February 2016	11.6%
Investors Group	9,196	June 2013	10.7%
Law Society of New Brunswick	5,926	August 2010	6.9%

291 Industrial Drive, Saint John, New Brunswick

A 33,330 square foot industrial building located on 169,884 square feet of land off Grandview Avenue, within the city’s largest industrial park and across from the Irving Refinery. Built in 1987, this building has a current occupancy rate of 100%.

Major Tenants	Leasable Area (Square Feet)	Expiration Date	Percentage of Leasable Area Occupied by Indicated Tenant
Intelplast Bags and Films Corporation	33,330	June 2025	100%

590 Queen Street, Fredericton, New Brunswick

A high profile mixed use development consisting of 21,025 square feet of class “A” office space and residential accommodations, with a current occupancy rate of 94.6%. The property is well situated at the heart of Fredericton’s downtown with scenic views river views and underground parking.

Major Tenants	Leasable Area (Square Feet)	Expiration Date	Percentage of Leasable Area Occupied by Indicated Tenant
Public Works Canada	7,139	March 2010	34.0%
BMO Nesbitt Burns Inc.	6,963	October 2015	33.1%

140 MacNaughton Avenue, Moncton, New Brunswick

A 37,858 square foot single tenant industrial building located on 153,767 square feet of land with direct frontage on the Trans Canada Highway within the Caledonia Industrial Park, adjacent to the new Molson Brewery. Built in 2002, this building has a current occupancy rate of 100%.

Major Tenants	Leasable Area (Square Feet)	Expiration Date	Percentage of Leasable Area Occupied by Indicated Tenant
Kraft Canada Inc.	37,858	September 2012	100%

50 & 70 Crown Street, Saint John, NB

A 32,950 square foot office/retail building located on 75,794 square feet of land on the major arterial route leading to Saint-John's downtown district, with a current occupancy rate of 64.9%. A mix of two storey office centre and a retail strip, this complex meets the needs of a wide range of service and commercial users.

Major Tenants	Leasable Area (Square Feet)	Expiration Date	Percentage of Leasable Area Occupied by Indicated Tenant
Province of New Brunswick	3,761	July 2013	11.4%
Wade Co. Ltd.	2,861	September 2014	8.7%

146-154 Main Street, Fredericton, NB

A 14,466 square foot retail/office property located on 47,480 square feet of land with prime visibility on Main Street in Fredericton North, an area of significant residential development, with a current occupancy rate of 93.5%.

Major Tenants	Leasable Area (Square Feet)	Expiration Date	Percentage of Leasable Area Occupied by Indicated Tenant
A Canadian chartered bank	4,952	August 2011	34.2%
MacMilan and MacMilan	2,273	November 2013	15.7%

1080 Champlain Street, Dieppe, N.B.

A 36,511 square foot office/warehouse building located on 138,085 square feet of land, with a current occupancy rate of 97.3%. Built in 2004, this property is located at the entrance to the Champlain Business Park with high visibility on Champlain Street, in immediate proximity of the Moncton International Airport.

Major Tenants	Leasable Area (Square Feet)	Expiration Date	Percentage of Leasable Area Occupied by Indicated Tenant
Johnston Equipment	6,686	May 2015	18.3%
Direct Energy	2,250	January 2011	6.2%

USE OF PROCEEDS

The estimated total net proceeds to be received by the REIT from this offering will amount to approximately \$95.7 million (approximately \$110.1 million if the Over-Allotment Option is exercised in full), after deducting the Underwriters' fee in respect of the Units issued and sold by the REIT and the estimated expenses of this offering. The net proceeds from the sale of the Units will be used to repay amounts outstanding under the Acquisition Facility. Indebtedness incurred under the Acquisition Facility was used by the REIT to acquire real estate properties and to finance real estate developments of the REIT, and will be used to finance future acquisitions and developments.

After giving effect to this offering and the proposed use of net proceeds therefrom, the indebtedness of the REIT, expressed as a percentage of the *pro forma* Gross Book Value as at March 26, 2010, decreases to 57.3%, including the Debentures. See "Changes in Units Outstanding and Loan Capital".

CHANGES IN UNITS OUTSTANDING AND LOAN CAPITAL

As at December 31, 2009, there were 54,758,271 Units outstanding. As at March 26, 2010, there were 55,253,627 Units outstanding. The only changes in the number of outstanding Units since December 31, 2009 resulted from the issuance of 19,538 Units pursuant to the DRIP, the issuance of 387,800 Units pursuant to the exercise of options under the Unit Option Plan, the issuance of 13,618 Units pursuant to the conversion of Debentures and the issuance of 74,400 Units under the REIT's at-the-market distribution plan.

As at December 31, 2009, the indebtedness of the REIT was approximately \$1,220.4 million (excluding accounts payable and accrued liabilities). As at March 26, 2010, the indebtedness of the REIT was approximately \$1,301.8 million (excluding accounts payable, accrued liabilities and distributions payable to Unitholders). Since December 31, 2009, the changes to the loan capital of the REIT resulted principally from amounts drawn down under the Acquisition Facility to finance real estate developments and acquisitions. Additional information regarding material indebtedness of the REIT is provided in the 2009 Financial Statements and the 2009 MD&A.

After giving effect to the issuance of the Units, the use of proceeds therefrom and events subsequent to December 31, 2009, including the issuance of \$86,250,000 aggregate principal amount of Series E Debentures, the outstanding indebtedness of the REIT (excluding accounts payable and accrued liabilities, and distributions payable to Unitholders) will decrease to approximately \$1,206.1 million. See "Use of Proceeds" and "Plan of Distribution".

DISTRIBUTION POLICY

The REIT distributes to Unitholders monthly, on or about the fifteenth day in each calendar month (other than January) and on December 31 in each calendar year, 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 Tax Act over distributions otherwise made for that year. Distributions are made in cash. Distributions are 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 distributed to Unitholders.

As described in the AIF and the 2009 MD&A, the Canadian Accounting Standards Board confirmed that the adoption of International Financial Reporting Standards ("IFRS") will be effective as of January 1, 2011. IFRS will replace Canada's current generally accepted accounting principles for publicly accountable enterprises, including the REIT. In order to assist with its transition to IFRS, the REIT intends to seek approval of certain amendments to the Contract of Trust at its May 18, 2010 annual and special meeting of Unitholders, including removing the mandatory requirement that the REIT distribute at least 85% of its Distributable Income and, on December 31 of each year, (i) the net realized capital gains of the REIT and the net recapture income of the REIT for the year then ended and (ii) any excess of the income of the REIT for the purposes of the Tax Act over distributions otherwise made for that year.

The REIT's current objective is to continue to distribute approximately 87% of Distributable Income 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. See the section entitled "Distribution Policy" in the AIF.

For the 2009 year, the REIT made monthly distributions of \$0.12 per Unit for each month from January to December. For the 2010 year, the REIT made monthly distributions of \$0.12 per Unit for the month of January and February and declared a distribution of \$0.12 per Unit for the month of March.

Tax Deferral on 2010 Distributions

Management estimates that approximately 60% of the distributions to be made by the REIT to Unitholders in 2010 will be tax deferred by reason of the REIT's ability to claim capital cost allowance and certain other deductions.

PLAN OF DISTRIBUTION

Under the Underwriting Agreement, the REIT has agreed to sell and the Underwriters have agreed to purchase on or about April 7, 2010, or on such later date as the REIT and the Underwriters may agree, but in any event not later than May 10, 2010, 5,236,000 Units at a price of \$19.10 per Unit, for total net proceeds to the REIT of \$96,007,296, excluding the expenses of this offering, payable in cash to the REIT against delivery of such Units. The obligations of the Underwriters under the Underwriting Agreement may be terminated upon the occurrence of certain stated events. The Underwriters are, however, obligated to take up and pay for all of the Units if any of the Units are purchased under the Underwriting Agreement. The obligations of the Underwriters to purchase the Units are joint (and not solidary or joint and several). The terms of this offering and the prices of the Units have been determined by negotiation between the REIT and the Underwriters.

Under the Underwriting Agreement, the REIT has agreed to pay the Underwriters a fee of \$0.764 per Unit, for an aggregate fee payable by the REIT of \$4,000,304, in consideration for their services in connection with this offering. The Underwriters' fee in respect of the Units is payable on closing of this offering.

The REIT has granted to the Underwriters an option (the "Over-Allotment Option") to purchase up to an additional 785,400 Units on the same terms and conditions as this offering of Units, exercisable in whole or in part from time to time, no later than the 30th day following the closing of this offering for market stabilization purposes and to cover over-allotments, if any. This Prospectus Supplement qualifies the distribution of the Units issuable on the exercise of the Over-Allotment Option and their subsequent transfer.

A purchaser who acquires Units forming part of the Underwriters' over-allocation position acquires those Units under this Prospectus Supplement, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

The REIT has applied to have the Units listed on the TSX. Listing will be subject to the REIT fulfilling all the listing requirements of the TSX.

Pursuant to policy statements of certain securities regulators, the Underwriters may not, throughout the period of distribution, bid for or purchase Units. The foregoing restriction is subject to certain exceptions, on the condition that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in, or raising the price of the Units. These exceptions include: (i) a bid or purchase permitted under the by-laws and rules of the TSX relating to market stabilization and passive market making activities; and (ii) a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of the distribution. Such transactions, if commenced, may be discontinued at any time.

The securities offered by this Prospectus Supplement have not been and will not be registered under the United States *Securities Act of 1933*, as amended (the "1933 Act"), or the securities laws of any state, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except in limited circumstances. The Underwriters have agreed that they will not offer or sell the securities within the United States, its territories or possessions or other areas subject to its jurisdiction or to, or for the account or benefit of, a U.S. Person (as such term is defined under the 1933 Act) except, in accordance with the Underwriting Agreement, to "Qualified Institutional Buyers" (as defined in Rule 144A under the 1933 Act) pursuant to the exemption from the

registration requirements of the 1933 Act provided by Rule 144A thereunder and in compliance with applicable state securities laws. In addition, until 40 days after the commencement of this offering, an offer or sale of securities within the United States by any dealer (whether or not participating in this offering) may violate the registration requirements of the 1933 Act if such offer is made otherwise than in compliance with Rule 144A.

Under the Underwriting Agreement, the REIT has agreed to indemnify and hold harmless the Underwriters and their respective officers, directors, employees and agents against certain liabilities on a joint (and not solidary or joint and several) basis.

RELATIONSHIP BETWEEN THE ISSUER AND THE UNDERWRITERS

Each of NBF, BMO, RBC Dominion Securities Inc., Desjardins Securities Inc., CIBC World Markets Inc. and Scotia Capital Inc. is a subsidiary of financial institutions which are lenders to the REIT. Consequently, the REIT may be considered to be a “connected issuer” of those Underwriters under applicable securities legislation. As at March 26, 2010, the actual indebtedness of the REIT to such financial institutions amounted to approximately \$207.1 million in the aggregate; namely approximately \$1.2 million of hypothecary loans owed to the financial institution of which RBC Dominion Securities Inc. is a subsidiary, approximately \$5.3 million of hypothecary loans owed to the financial institution of which CIBC World Markets Inc. is a subsidiary, approximately \$114.5 million of hypothecary loans owed to the financial institution of which Desjardins Securities Inc. is the subsidiary and approximately \$86.1 million outstanding under the Acquisition Facility, in respect of which the lenders to the REIT are the financial institutions of which NBF (as to approximately \$21.8 million), BMO (as to approximately \$13.2 million), RBC Dominion Securities Inc. (as to approximately \$10.7 million), CIBC World Markets Inc. (as to approximately \$9.9 million), Scotia Capital Inc. (as to approximately \$10.7 million) and Desjardins Securities Inc. (as to approximately \$19.8 million) are subsidiaries. Approximately \$86.1 million under the Acquisition Facility will be repaid with the proceeds of the offering of the Units. After giving effect to this offering and the use of net proceeds therefrom, the indebtedness of the REIT, on a *pro forma* basis, to such financial institutions will amount to approximately \$121.0 million in the aggregate; namely approximately \$1.2 million of hypothecary loans owed to the financial institution of which RBC Dominion Securities Inc. is a subsidiary, approximately \$5.3 million of hypothecary loans owed to the financial institution of which CIBC World Markets Inc. is a subsidiary, approximately \$114.5 million of hypothecary loans owed to the financial institution of which Desjardins Securities Inc. is the subsidiary. The REIT is in compliance with the terms of the agreements governing such indebtedness, in all material respects. The decision of each Underwriter which is a subsidiary of an aforesaid financial institution to underwrite this offering was made independently of such financial institution. In addition, the Underwriters having no “connected issuer” relationship with the REIT, being Canaccord Financial Ltd. and Macquarie Capital Markets Canada Ltd., took part in the due diligence process and the decision to proceed with this offering. None of the Underwriters will receive any benefit from this offering other than its respective portion of the fee payable by the REIT. See “Use of Proceeds”.

PRIOR SALES

Units

The following table sets forth the date, number and prices at which the REIT has issued Units in the 12 months preceding this offering:

<u>Date</u>	<u>Issuance Type</u>	<u>Total Units Issued</u>	<u>Price per Unit</u>
March 2009	DRIP	9,992	\$13.08
April 2009	Offering	4,792,050	\$12.00
	DRIP	8,202	\$12.66
May 2009	DRIP	8,010	\$13.52
June 2009	DRIP	7,612	\$15.13
	Exercise of Options	9,000	\$14.00
July 2009	Offering	3,783,500	\$15.20
	DRIP	6,872	\$15.52
	Exercise of Options	1,400	\$14.00
August 2009	DRIP	7,340	\$16.51
	Exercise of Options	12,800	\$14.00
September 2009	DRIP	7,340	\$14.00

<u>Date</u>	<u>Issuance Type</u>	<u>Total Units Issued</u>	<u>Price per Unit</u>
	Exercise of Options	118,600	\$14.05
	Conversion of Debentures	16,724	\$17.40
October 2009	DRIP	6,869	\$19.34
	Exercise of Options	5,500	\$14.00
November 2009	Exercise of Options	23,000	\$14.00
	DRIP	7,267	\$18.28
December 2009	Exercise of Options	37,700	\$14.77
	DRIP	15,699	\$18.43
	Conversion of Debentures	11,724	\$18.77
January 2010	Exercise of Options	18,800	\$15.03
	Conversion of Debentures	10,689	\$17.40
February 2010	Exercise of Options	20,300	\$14.53
	DRIP	10,722	\$18.97
March 2010 (through March 26)	Exercise of Options	348,700	\$14.69
	DRIP	8,816	\$19.07
	Conversion of Debentures	2,929	\$17.40
	At-the-market distribution	74,400	\$19.28 ⁽¹⁾

⁽¹⁾ Average price.

Options

On December 21, 2009, the REIT granted 1,161,000 options to purchase Units pursuant to the Unit Option Plan at an exercise price of \$19.48. No other options to purchase Units were granted by the REIT in the 12 months preceding this offering.

TRADING PRICE AND VOLUMES

The Units are listed and posted for trading on the TSX under the symbol “CUF.UN”. The following table sets forth the market price range and trading volumes of the Units on the TSX for each month of the last 12-month period prior to the date of this Prospectus Supplement.

CUF.UN:

Period	TSX		
	High (\$)	Low (\$)	Volume
Calendar 2009			
March	14.06	10.59	1,679,466
April	13.99	12.09	3,211,982
May	15.50	13.30	1,865,600
June	16.83	15.02	3,344,872
July	17.06	15.11	2,380,639
August	18.40	15.71	1,919,600
September	20.40	17.11	2,849,737
October	19.45	17.09	1,554,573
November	19.47	17.50	1,954,946
December	19.97	18.16	2,081,134
Calendar 2010			
January	19.86	19.02	1,314,067
February	19.44	18.20	2,179,158
March (through March 26)	19.73	18.79	3,371,545

The Debentures are listed and posted for trading on the TSX under the symbols “CUF.DB”, “CUF.DB.B”, “CUF.DB.C”, “CUF.DB.D” and “CUF.DB.E”. The following tables set forth the market price range and trading volumes of the Debentures on the TSX for each month of last 12-month period prior to the date of this Prospectus Supplement.

CUF.DB:

Period	TSX		
	High (\$)	Low (\$)	Volume (00)
Calendar 2009			
March	95.00	82.00	670
April	96.00	95.00	1,020
May	100.90	96.00	5,240
June	105.00	100.54	12,700
July	113.00	101.00	280
August	109.00	104.01	260
September	115.80	103.01	6,290
October	110.00	104.00	2,030
November	112.00	104.05	8,370
December	114.50	104.53	14,520
Calendar 2010			
January	113.55	110.00	3,010
February	110.55	106.18	1,870
March (through March 26)	112.99	108.86	3,170

CUF.DB.B:

Period	TSX		
	High (\$)	Low (\$)	Volume (00)
Calendar 2009			
March	82.49	75.00	16,665
April	83.50	80.00	96,470
May	96.00	83.99	17,150
June	96.50	92.50	12,380
July	99.00	93.21	8,510
August	100.00	98.00	5,960
September	99.00	96.00	20,005
October	98.00	96.00	36,640
November	99.50	97.25	43,990
December	101.00	99.00	13,700
Calendar 2010			
January	102.60	99.87	38,210
February	103.00	101.50	9,650
March (through March 26)	102.50	101.00	5,880

CUF.DB.C:

Period	TSX		
	High (\$)	Low (\$)	Volume (00)
Calendar 2009			
March	87.90	80.00	8,620
April	87.00	78.00	15,830
May	94.50	86.00	23,605
June	97.80	93.25	30,270
July	99.00	95.00	20,440
August	99.75	98.00	10,610
September	99.40	96.50	22,419
October	99.75	96.50	17,210
November	100.00	99.00	26,800
December	101.00	99.00	23,945
Calendar 2010			
January	101.65	99.50	22,700
February	104.00	102.00	15,220
March (through March 26)	102.25	100.00	15,700

CUF.DB.D:

Period	TSX		
	High (\$)	Low (\$)	Volume (00)
Calendar 2009			
September	102.39	101.00	215,910
October.....	102.50	100.60	113,990
November.....	102.90	101.00	27,310
December	104.99	102.00	53,730
Calendar 2010			
January	106.50	103.60	14,170
February	106.50	104.00	43,260
March (through March 26)	105.25	103.50	24,420

CUF.DB.E:

Period	TSX		
	High (\$)	Low (\$)	Volume (00)
Calendar 2010			
January	99.25	98.50	60,020
February	99.10	98.00	72,220
March (through March 26)	99.75	98.30	77,990

ELIGIBILITY FOR INVESTMENT

In the opinion of Davies Ward Phillips & Vineberg LLP, counsel to the REIT, and Lavery, de Billy, L.L.P., counsel to the Underwriters, provided that at the date of closing the REIT qualifies under the Tax Act as a “mutual fund trust” or the Units are listed on a designated stock exchange (which currently includes the TSX), then on that date the Units will be qualified investments for Deferred Income Plans. Notwithstanding that Units may be qualified investments for a trust governed by a TFSA, the holder of a TFSA will be subject to a penalty tax on the Units if such Units are a “prohibited investment” for the TFSA, and, based on the amendments to the Tax Act proposed by the Minister of Finance, other tax consequences may result if the Units are “prohibited investments” for the TFSA. Units will generally be a “prohibited investment” if the holder of a TFSA does not deal at arm’s length with the REIT for purposes of the Tax Act or the holder of the TFSA has a “significant interest” (within the meaning of the Tax Act) in the REIT or in a corporation, partnership or trust with which the REIT does not deal at arm’s length for purposes of the Tax Act. Unitholders are advised to consult their own tax advisors in this respect.

The foregoing opinions assume that prior to the closing of this offering there will be no change in the applicable provisions of the Tax Act, or any administrative position of CRA which would have an impact on the foregoing opinions.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Davies Ward Phillips & Vineberg LLP, counsel to the REIT, and Lavery, de Billy, L.L.P., counsel to the Underwriters, the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable under the Tax Act to the acquisition, holding and disposition of Units by a Unitholder who acquires Units pursuant to this Prospectus Supplement. This summary is applicable to a Unitholder who, for purposes of the Tax Act, deals at arm’s length with the REIT and holds the Units as capital property. Generally, Units will be considered to be capital property to a Unitholder provided that the Unitholder does not hold the Units in the course of carrying on a business and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Unitholders who might not otherwise be considered to hold their Units as capital property may, in certain circumstances, be entitled to have them treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Such Unitholders should consult their own tax advisors regarding their particular circumstances.

This summary is not applicable to a Unitholder that is a “financial institution”, as defined in the Tax Act for purposes of the mark-to-market rules, a “specified financial institution” or a Unitholder an interest in which is a “tax

shelter investment” (all as defined in the Tax Act). Such Unitholders should consult their own tax advisors to determine the tax consequences to them of the acquisition, holding and disposition of Units acquired pursuant to this Prospectus Supplement. In addition, this summary does not address the deductibility of interest by an investor who has borrowed money to acquire the Units.

This summary is based upon the facts set out in this Prospectus Supplement, including management of the REIT’s belief, based on its assessment of the SIFT Amendments, that the REIT meets all the necessary conditions and qualifies for the Real Estate Investment Trust Exception, and information provided by the REIT (including an officers’ certificate from the management of the REIT) and takes into account the Tax Proposals, the current provisions of the Tax Act and the regulations thereunder, and counsel’s understanding, based on publicly available published materials, of the current administrative and assessing practices of the CRA, all in effect as of the date of this Prospectus Supplement. This summary does not otherwise take into account or anticipate any changes in law, whether by legislative governmental or judicial decision or action, and does not take into account provincial, territorial or foreign tax legislation or considerations, which may differ significantly from those discussed herein. This summary assumes that the Tax Proposals will be enacted as proposed, but no assurances can be given that this will be the case. There can be no assurances that the CRA will not change its administrative and assessing practices. With respect to opinions and views based on representations and statements as to matter of fact, counsel has assumed the accuracy of such representations and statements in giving such opinions and views. This summary is also based on the assumption that the REIT will at all times comply with the Contract of Trust.

This summary assumes that the REIT does and will continue to qualify as a “mutual fund trust” under the Tax Act while the Units remain outstanding. This assumption is based upon a certificate of the REIT as to certain factual matters. If the REIT does not qualify as a mutual fund trust, the income tax considerations described below would in some respects be materially different.

This summary is not exhaustive of all possible Canadian federal tax considerations applicable to an investment in Units. Moreover, the income and other tax consequences of acquiring, holding or disposing of Units will vary depending on the Unitholder’s particular circumstances. Accordingly, this summary is of a general nature only and is not intended to be legal or tax advice to any prospective purchaser of Units. Consequently, a prospective Unitholder should consult the Unitholder’s own tax advisor for advice with respect to the tax consequences of an investment in Units based on the prospective Unitholder’s particular circumstances.

Taxation of Unitholders

Trust Distributions

Unitholders will generally be required to include in income for a particular taxation year the portion of the net income of the REIT for a taxation year, including net realized taxable capital gains (determined for purposes of the Tax Act), that is paid or payable, or deemed to be paid or payable, to the Unitholders in the particular taxation year, whether or not those amounts are reinvested in additional Units pursuant to the DRIP.

The non-taxable portion of any net realized capital gains of the REIT paid or payable to a Unitholder in a taxation year will not be included in computing the Unitholders’ income for the year.

The Contract of Trust generally requires the REIT to claim the maximum amount of capital cost allowance available to it in computing its income for tax purposes. Based on the distribution policy, the amount distributed to Unitholders in a year may exceed the net income of the REIT for tax purposes for that year. Distributions in excess of the REIT’s net income for tax purposes in a year, including the five percent additional bonus distribution of Units acquired pursuant to the DRIP, will not generally be included in the Unitholder’s income for the year. However, such amount (other than the non-taxable portion of the net realized capital gains of the REIT for the year, the taxable portion of which was designated by the REIT in respect of the Unitholder) will reduce the adjusted cost base of the Units held by the Unitholder, and the Unitholder will realize a capital gain in the year to the extent the adjusted cost base of the Units would otherwise be a negative amount.

The REIT will designate, to the extent permitted by the Tax Act, the portion of the taxable income distributed to Unitholders as may reasonably be considered to consist of net taxable capital gains of the REIT. Any such designated amount will be deemed for tax purposes to be received by Unitholders in the year as a taxable capital gain and will be subject to the general rules relating to the taxation of capital gains described below.

The REIT will also designate, to the extent permitted by the Tax Act, the portion of taxable dividends received by the REIT from any taxable Canadian corporation owned by the REIT as may reasonably be considered to be an amount included in the income of Unitholders. Any such designated amount will be deemed for purposes of the Tax Act to be received by the Unitholders as a taxable dividend and will be subject to the general rules regarding the taxation of taxable dividends paid by taxable Canadian corporations. Thus, to the extent that amounts are designated as taxable dividends from any taxable Canadian corporation owned by the REIT, they will be subject, *inter alia*, to the gross-up and dividend tax credit provisions in respect of Unitholders who are individuals, to the refundable tax under Part IV of the Tax Act in respect of Unitholders that are private corporations and certain other corporations controlled directly or indirectly by or for the benefit of an individual or related group of individuals, and to the deduction in computing taxable income in respect of Unitholders that are corporations. A Unitholder which is a Canadian-controlled private corporation (as defined in the Tax Act) may also be liable to pay an additional refundable tax of 6½% on certain investment income, including taxable capital gains. Unitholders should consult their own tax advisors for advice with respect to the potential application of these provisions.

The cost of Units acquired by reinvestment of distributions pursuant to the DRIP will be the amount of such reinvestment. There will be no net increase or decrease in the adjusted cost base of all of a Unitholder as a result of the receipt of Bonus Units under the DRIP. However, the receipt of Bonus Units under the DRIP will result in a per Unit reduction of adjusted cost base to the Unitholder.

For the purposes of determining the adjusted cost base to a Unitholder, when a Unit is acquired, whether as a Unit acquired pursuant to the DRIP or otherwise, the cost of the newly-acquired Unit will be averaged with the adjusted cost base of all of the Units owned by the Unitholder as capital property immediately before that time.

Certain taxable dividends received by individuals from a corporation resident in Canada will be eligible for an enhanced dividend tax credit to the extent certain conditions are met and designations are made, such as the dividend being sourced out of income that is subject to tax at the general corporate income tax rate. This could apply to distributions made by the REIT that have as their sources eligible taxable dividends received from a corporation resident in Canada, to the extent the REIT makes the appropriate designation to have such eligible taxable dividend deemed received by the Unitholder and provided that the corporate dividend payer makes the required designation to treat such taxable dividend as an eligible dividend.

The above amounts (including eligible dividends) will also generally be taken into account in determining the liability, if any, of a Unitholder that is an individual (or certain trusts) for alternative minimum tax under the Tax Act.

Dispositions of Units

On the disposition or deemed disposition of a Unit, the Unitholder will realize a capital gain (or capital loss) equal to the amount by which the Unitholder's proceeds of disposition exceed (or are less than) the aggregate of the adjusted cost base of the Unit and any reasonable costs of disposition. Proceeds of disposition will not include an amount that is otherwise required to be included in the Unitholder's income.

One-half of any capital gains realized by a Unitholder and the amount of any net taxable capital gains designated by the REIT in respect of a Unitholder will be included in the Unitholder's income as a taxable capital gain. One-half of any capital loss realized by a Unitholder may generally be deducted only from taxable capital gains in accordance with the provisions of the Tax Act. Where a Unitholder that is a corporation or trust (other than a mutual fund trust) disposes of a Unit, the Unitholder's capital loss from the disposition will generally be reduced by the amount of any dividends received by the REIT previously designated by the REIT to the Unitholder, except to the extent that a loss on a previous disposition of a Unit has been reduced by those dividends. Analogous rules apply where a corporation or trust (other than a mutual fund trust) is a member of a partnership that disposes of Units.

A Unitholder that is a "Canadian-controlled private corporation" as defined in the Tax Act may be liable to pay an additional refundable tax of 6½% on its "aggregate investment income" for the year, which will include an amount in respect of taxable capital gains.

In general terms, net income of the REIT paid or payable to a Unitholder who is an individual or a certain type of trust, that is designated as taxable dividends or as net realized capital gains and capital gains realized on the disposition of Units may increase the Unitholder's liability for alternative minimum tax.

Status of the REIT

Qualification as a Mutual Fund Trust

The REIT elected to be a “mutual fund trust” from the date it was established, and all comments in “Canadian Federal Income Tax Considerations” assume that the REIT does and will continue to qualify as a “unit trust” and a “mutual fund trust” under the provisions of the Tax Act.

As a “mutual fund trust”, the REIT must remain a “unit trust” and must, among other matters, restrict its undertaking to: (i) the investing of its funds in property (other than real property or an interest in real property); and (ii) the acquiring, holding, maintaining, improving, leasing or managing of any real property (or interest in real property) that is capital property of the REIT; or (iii) any combination of the activities described in (i) and (ii). The REIT must also meet certain prescribed conditions, which currently are that the REIT must have at least 150 Unitholders holding not less than one block of Units (100 Units, if the fair market value of a Unit is less than \$25) of the REIT which are qualified for distribution to the public and each of such Unitholders must hold Units which have an aggregate fair market value of not less than \$500.

All comments in “Canadian Federal Income Tax Considerations” also assume that the REIT is not established or maintained primarily for the benefit of non-residents. Counsel is of the view that the foregoing assumptions are reasonable in light of the terms of the Contract of Trust and the restrictions on the ownership of Units by non-resident persons which are contained in the Contract of Trust.

If the REIT were not to qualify as a “mutual fund trust”, the income tax considerations as described herein would, in some respects, be materially and adversely different. In particular, if the REIT ceases to qualify as a mutual fund trust, the REIT may be required to pay a tax under Part XII.2 of the Tax Act. The payment of Part XII.2 tax by the REIT may have adverse income tax consequences for certain Unitholders.

New Tax Rules for Income Trusts

On October 31, 2006, the Minister of Finance (Canada) (the “Minister”) announced proposals which dealt with the taxation regime applicable to specified investment flow-through trusts or partnerships (a “SIFT”). In addition, on December 15, 2006, the Minister released growth guidelines (the “Growth Guidelines”), which addressed the circumstances in which a SIFT which was publicly traded on October 31, 2006, could become taxable in a taxation year before 2011. Such circumstance is generally where the SIFT has exceeded “normal growth” as circumscribed by the Growth Guidelines. Bill C-52, which incorporates the SIFT rules (the “SIFT Amendments”) received Royal Assent on June 22, 2007. Proposed amendments to the SIFT rules were released by the Minister on December 20, 2007 (the “Technical Amendments”), with the draft legislation being released on July 14, 2008. These Technical Amendments were intended to clarify certain technical issues that have been raised in regard to the original SIFT Rules. The draft legislation released on July 14, 2008 also included proposed rules on the unwinding of SIFTs. The Technical Amendments received Royal Assent on March 12, 2009.

New Taxation Regime

The SIFT Amendments alter the taxation regime applicable to income trusts that are SIFTs and their investors. If the REIT were to become subject to this regime (the “SIFT Regime”), it would no longer be able to deduct any part of the amounts payable to Unitholders in respect of its “non-portfolio earnings”, which include (i) income from its “non-portfolio properties” (in excess of any losses for the taxation year from non-portfolio properties); and (ii) taxable capital gains from dispositions of non-portfolio properties (exceeding allowable capital losses from the disposition of such properties). For this purpose, “non-portfolio properties” include: (i) the Canadian real and immovable properties (or resource properties) of the REIT if their total fair market value is greater than 50% of the equity value of the REIT; (ii) a property that the REIT (or a person or partnership with which it does not deal at arm’s length) uses in the course of carrying on a business in Canada; and (iii) securities of a “subject entity” (other than one which meets certain asset tests) if the REIT hold securities of the subject entity that have a total fair market value that is a greater than 10% of the subject entity’s equity value or if the REIT holds securities of the subject entity which, together with all securities held by it in entities affiliated with the subject entity, have a total fair market value that is greater than 50% of the REIT’s equity value. A “subject entity” includes corporations resident in Canada, trusts resident in Canada, and “Canadian resident partnerships”. “Securities” are broadly defined.

Income which the REIT is unable to deduct by virtue of the SIFT Regime would be taxed under the SIFT Regime at the federal general corporate tax rate, plus a rate based on the general provincial corporate income tax rate in each province in which a SIFT has a permanent establishment, other than Québec. A SIFT with an establishment in Québec at any time in a taxation year will be subject to a Québec tax at a rate generally equal to the Québec tax rate relating to corporations and a business allocation formula based on the gross income of a SIFT and the wages and salaries it pays, similar to the one used for the purposes of determining the tax payable by a corporation that has activities in Québec and outside Québec, will apply to determine the tax payable to Québec by a SIFT that has, in a taxation year, an establishment both in Québec and outside Québec. The application of the SIFT Regime to the REIT would not change the treatment under the Tax Act of distributions in a year that are in excess of the REIT's net income for the year.

Distributions of income of SIFTs received by Unitholders that are not deductible to the SIFT will be treated as dividends payable to Unitholders. Under the SIFT Amendments, such deemed dividends from a SIFT will be taxed as a taxable dividend from a taxable Canadian corporation. Under the Tax Act such dividends deemed to be received by an individual (other than certain trusts) will be included in computing the individual's income for tax purposes and will be subject to the enhanced gross-up and dividend tax credit rules normally applicable to eligible dividends received from taxable Canadian corporations. Such dividends deemed to be received by a holder that is a corporation will generally be deductible in computing the corporation's taxable income. Certain corporations, including private corporations or subject corporations (as such terms are defined in the Tax Act), may be liable to pay a refundable tax under Part IV of the Tax Act of 33½% on dividends received or deemed to be received to the extent that such dividends are deductible in computing taxable income. Generally, distributions that are paid as returns of capital will not attract this tax.

Effective Dates for New Taxation Regime

The SIFT Amendments apply beginning with the 2007 taxation year of a trust unless the trust would have been a SIFT trust on October 31, 2006, if the definition "SIFT trust" had been in force on that date and applied to the trust on that date (the "Existing Trust Exception"). For trusts that meet the Existing Trust Exemption, the SIFT Amendments will apply commencing with the earlier of the trust's 2011 taxation year and the first taxation year of the trust in which it exceeds "normal growth" as determined under the Growth Guidelines.

In the Growth Guidelines, the Minister stated that a SIFT will not be considered to have exceeded "normal growth" if its equity capital were to grow as a result of issuances of new equity, in any of the intervening periods described below, by an amount that does not exceed the greater of \$50 million and an objective "safe harbour". The Minister indicated that the safe harbour amount will be measured by reference to a SIFT's market capitalization as at the end of trading on October 31, 2006 measured in terms of a SIFT's issued and outstanding publicly-traded units (the "Market Capitalization"). For the period from November 1, 2006 to the end of 2007 (the "Initial Safe Harbour Period"), a SIFT's safe harbour will be 40% of the Market Capitalization. A SIFT's safe harbour for each of the 2008 through 2010 calendar years will be 20% of the Market Capitalization. The annual safe harbour amounts are cumulative; whereas the \$50 million amounts are not cumulative. New equity for these purposes includes units and debt that is convertible into units. On December 4, 2008, the Minister announced changes to the Guidelines to allow a SIFT to accelerate the utilization of the SIFT annual permitted expansion amount for each of 2009 and 2010 so that the amount is available on and after December 4, 2008. This change does not alter the maximum permitted expansion threshold for a SIFT, but it allows a SIFT to use its normal growth room remaining as of December 4, 2008 in a single year, rather than staging a portion of the normal growth room over the 2009 and 2010 years.

Counsel has been advised that the REIT has exceeded "normal growth" as determined under the Growth Guidelines and the SIFT Regime is therefore applicable to it unless the REIT qualifies for the Real Estate Investment Trust Exception.

Real Estate Investment Trust Exception

The SIFT Regime is not applicable to real estate investment trusts that meet certain specified criteria relating to the nature of their income and investments. In particular, to qualify for the exception under the SIFT Amendments applicable to real estate investment trusts (the "Real Estate Investment Trust Exception") in a particular taxation year (i) the REIT must, at no time in the taxation year, hold "non-portfolio property" other than "qualified REIT properties", (ii) not less than 95% of the REIT's revenues for the taxation year must be derived from one or more of the following: rent from "real or immovable properties"; interest; capital gains from dispositions of real or immovable properties; dividends; and royalties, (iii) not less than 75% of the REIT's revenues

for the taxation year must be derived from one or more of the following: rent from “real or immovable properties”, interest from mortgages, or hypothecs, on real or immovable property; and capital gains from dispositions of real or immovable properties, and (iv) at no time in the taxation year may the total fair market value of all properties held by the REIT, each of which is a real or immovable property, money, deposits, debt of a Canadian corporation represented by a bankers’ acceptance, a deposit with a credit union, or, generally, a debt obligation of a government in Canada or certain other public bodies, be less than 75% of the equity value of the REIT at that time.

The definition of “qualified REIT property” includes property held by the REIT that is: “real or immovable property; a security of a “subject entity” that derives all or substantially all of its revenues from maintaining, improving, leasing or managing real or immovable properties that are capital properties of the trust or of an entity of which the trust holds a share or an interest, including real or immovable properties that the trust, or an entity of which the trust holds a share or an interest, holds together with one or more other persons or partnerships; a security of a “subject entity” that holds no property other than legal title to real or immovable property of the trust or of another entity all of the securities of which are held by the REIT (including real or immovable property that the REIT or the other entity holds together with one or more other persons or partnerships) and property that is ancillary to the earning by the REIT of (i) rent from “real or immovable property” or (ii) capital gains from the disposition of such properties. In addition, “real or immovable property” includes a security of a trust that satisfies (or of any other corporation or partnership that would, if it were a trust, satisfy) the Real Estate Investment Trust Exception tests. This look-through rule allows a Real Estate Investment Trust to qualify for the Real Estate Investment Trust Exception where it holds Canadian real properties indirectly through an intermediate entity.

Were the Real Estate Investment Trust Exception not applicable to the REIT at any time in a year (including the current taxation year), the SIFT Amendments and the SIFT Regime (under which amounts deductible will no longer be deductible in computing the income of the REIT and additional taxes will be payable by the REIT) will, commencing in such year, impact materially the level of cash distributions which would otherwise be made by the REIT.

Taxation of the REIT

The taxation year of the REIT is the calendar year. In each taxation year, the REIT is subject to tax under the Tax Act on its income for the year, including net realized taxable capital gains, computed in accordance with the detailed provisions of the Tax Act, less the portion thereof that it deducts in respect of the amounts paid or payable or deemed to be paid or payable in the year to Unitholders. An amount will be considered to be payable to a Unitholder in a taxation year if it is paid to the Unitholder in the year by the REIT or if the Unitholder is entitled in that year to enforce payment of the amount.

The income for purposes of the Tax Act of the REIT may include income realized from the rental of its rental properties; income payable to it by other trusts in which the REIT is beneficially interested, dividends received from corporations in which it holds shares; and any taxable capital gains or recapture of capital cost allowance arising from dispositions by it of properties.

In computing its income for purposes of the Tax Act, the REIT may deduct reasonable administrative costs, interest and other expenses incurred by it for the purpose of earning income. The REIT may also deduct from its income for the year a portion of any reasonable expenses incurred by the REIT to issue Units. The portion of such issue expenses deductible by the REIT in a taxation year is 20% of such issue expenses pro rated for a taxation year of the REIT that is less than 365 days.

The Contract of Trust provides that as of the last Distribution Date for a taxation year, all the income (other than net taxable capital gains and net recapture income) of the REIT less distributions of the REIT’s income for that year made by the REIT shall be paid to Unitholders and its net taxable capital gains and net recapture income shall be paid on the last Distribution Date in the taxation year. The Contract of Trust further provides that the REIT will deduct for tax purposes the maximum amount available to it as deductions unless the Trustees determine otherwise prior to the end of the relevant taxation year. Given that the foregoing amounts paid to Unitholders for the year can be deducted in computing the REIT’s income, the REIT generally should not be subject to income tax on its income and its net taxable capital gains under Part I of the Tax Act in any year.

Losses incurred by the REIT cannot be allocated to Unitholders but may be deducted by the REIT in future years in accordance with the Tax Act.

The Tax Act provides for a special tax, the Part XII.2 tax, on the designated income (including income from Canadian real property) of certain trusts which have designated beneficiaries (including non-resident persons and certain tax exempt persons). This special tax does not apply to a trust for a taxation year if the trust is a mutual fund trust throughout such year. Accordingly, provided the REIT qualifies as a mutual trust fund throughout a taxation year, it will not be subject to the special tax for such taxation year.

RISK FACTORS AND INVESTMENT CONSIDERATIONS

An investment in the Units is subject to a number of risks. In addition to the other information contained in and incorporated by reference into this Prospectus Supplement and the Prospectus, including the AIF and the 2009 MD&A, you should consider carefully the risk factors set forth under the heading “Risk Factors and Investment Considerations” of the Prospectus.

LEGAL MATTERS

Certain legal matters in connection with the issuance of the Units offered hereby will be passed upon on behalf of the REIT by Davies Ward Phillips & Vineberg LLP and on behalf of the Underwriter by Lavery, de Billy, L.L.P. As of the date of this Prospectus Supplement, partners and associates of Davies Ward Phillips & Vineberg LLP and of Lavery, de Billy, L.L.P., as a group, each owned, beneficially or of record, less than 1% of the outstanding Units.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the REIT are Ernst & Young LLP.

The registrar and transfer agent for the Units is Computershare Investor Services Inc., at its principal offices in Montréal and Toronto.

PURCHASERS' STATUTORY RIGHTS

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. The right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

AUDITORS' CONSENT

We have read the prospectus supplement dated March 29, 2010 to the short form base shelf prospectus dated October 29, 2009 of Cominar Real Estate Investment Trust (the "REIT") relating to the issue and sale of Units of the REIT. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned prospectus supplement of our report to the unitholders of the REIT on the consolidated balance sheets of the REIT as at December 31, 2009 and 2008 and the consolidated statements of unitholders' equity, income and comprehensive income and cash flows for each of the years in the two-year period ended December 31, 2009. Our report is dated February 16, 2010 (except as to note 24(b) which is as of March 10, 2010).

(signed) Ernst & Young LLP¹

Chartered Accountants
Québec, Canada
March 29, 2010

¹ CA auditor permit no. 10845

CERTIFICATE OF THE REIT

Dated: March 29, 2010

This short form prospectus, together with the documents incorporated by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of each of the provinces of Canada.

COMINAR REAL ESTATE INVESTMENT TRUST

(signed) Michel Dallaire
President and Chief Executive Officer

(signed) Michel Berthelot
Executive Vice-President and Chief Financial Officer

On behalf of the Trustees

(signed) Robert Després
Trustee

(signed) Pierre Gingras
Trustee

CERTIFICATE OF THE UNDERWRITERS

Dated: March 29, 2010

To the best of our knowledge, information and belief, the short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of each of the provinces of Canada.

NATIONAL BANK FINANCIAL INC.

BMO NESBITT BURNS INC.

By: (signed) Craig J. Shannon

By: (signed) Derek Dermott

RBC DOMINION SECURITIES INC.

By: (signed) Jean-Charles Angers

DESJARDINS SECURITIES INC.

By: (signed) Mathieu Cardinal

CIBC WORLD MARKETS INC.

SCOTIA CAPITAL INC.

By: (signed) Mark G. Johnson

By: (signed) Stephen Sender

CANACCORD FINANCIAL LTD.

By: (signed) Mark Edwards

MACQUARIE CAPITAL MARKETS
CANADA LTD.

By: (signed) Ron Rimer