

This Prospectus Supplement, together with the accompanying short form base shelf prospectus of Cominar Real Estate Investment Trust dated May 29, 2012 (the “**Base Shelf Prospectus**”) and each document (or part thereof) incorporated by reference therein as of the date of this Prospectus Supplement for the purposes of the distribution of the securities to which this Prospectus Supplement pertains, 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. 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**”) and accordingly will not be offered, sold or delivered, directly or indirectly, within the United States of America, its territories, its possessions and other areas subject to its jurisdiction or to, or for the account or for the benefit of, a U.S. person (as defined in Regulation S under the 1933 Act) without the availability of an exemption from registration. See “Plan of Distribution”. The Base Shelf Prospectus, as supplemented by this Prospectus Supplement, does not constitute an offer to sell or solicitation of an offer to buy any of the securities offered hereby within the United States of America.

Information has been incorporated by reference in this Prospectus Supplement and in the Base Shelf Prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated therein by reference may be obtained on request without charge from the Secretary of Cominar Real Estate Investment Trust at 455 rue du Marais, Québec City, Québec, G1M 3A2, telephone (418) 681-8151 and are also available electronically at [www.sedar.com](http://www.sedar.com).

## PROSPECTUS SUPPLEMENT

(to the short form base shelf prospectus dated May 29, 2012)

New Issue

April 29, 2013



### COMINAR REAL ESTATE INVESTMENT TRUST \$100,000,000 principal amount of 4.00% Series 3 Debentures due November 2, 2020 (Senior Unsecured)

The Base Shelf Prospectus, as supplemented by this Prospectus Supplement, qualifies the distribution of \$100,000,000 principal amount of 4.00% Series 3 senior unsecured debentures due November 2, 2020 (the “**Debentures**”) of Cominar Real Estate Investment Trust (the “**REIT**”, which expression includes the REIT and its subsidiaries where the context so requires). The Debentures are being offered at a price of \$1,000 per \$1,000 principal amount of Debentures (the “**Offering**”). The terms of the Offering and the offering price of the Debentures were determined by negotiation between the REIT and the Underwriters.

Interest on the Debentures will be payable in equal semi-annual payments in arrears on May 2 and November 2 in each year commencing November 2, 2013, so long as such Debentures are outstanding. See “Details of the Offering” for particulars of the material attributes of the Debentures. The first interest payment to be made on November 2, 2013 will be \$20.00 per \$1,000 principal amount of Debentures.

**There is no market through which any of the Debentures may be sold and purchasers may not be able to resell any of the Debentures purchased under this Prospectus Supplement. This may affect the pricing of the Debentures in the secondary market, the transparency and availability of trading prices, the liquidity of the Debentures and the extent of issuer regulation. See “Risk Factors and Investment Considerations”. Prospective investors should also be aware that the acquisition of Debentures may have tax consequences in Canada. For a summary of certain Canadian federal income tax considerations generally applicable to certain prospective purchasers of Debentures, see “Canadian Federal Income Tax Considerations”.**

|   | Price<br>to the public | Underwriters’<br>fee <sup>(1)</sup> | Net Proceeds<br>to the REIT <sup>(2)</sup> |
|---|------------------------|-------------------------------------|--|
| Per \$1,000 principal amount of Debentures..... | \$1,000.00             | \$13.00                             | \$987.00                                   |
| Total.....                                      | \$100,000,000.00       | \$1,300,000.00                      | \$98,700,000.00                            |

**Notes:**

- (1) The Underwriters’ fee is \$13.00 per Debenture sold by the Underwriters.
- (2) Before deducting expenses of the Offering estimated to be approximately \$250,000 which, together with the Underwriters’ fee, will be paid from the proceeds of the Offering. See “Plan of Distribution”.

National Bank Financial Inc., BMO Nesbitt Burns Inc., RBC Dominion Securities Inc., Desjardins Securities Inc., CIBC World Markets Inc., Scotia Capital Inc. and TD Securities Inc., are acting as underwriters of the Debentures (collectively, the “**Underwriters**”). The Underwriters, as principals, conditionally offer the Debentures, 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” in this Prospectus Supplement 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.

The Underwriters may offer the Debentures at a lower price than stated above. In connection with the Offering, the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Debentures at levels other than those that

(continued on next page)

otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time. See “Plan of Distribution”.

**Each of the Underwriters is a subsidiary of financial institutions which are among the principal lenders of the REIT and its subsidiaries. Consequently, the REIT may be considered a “connected issuer” of such Underwriters within the meaning of Regulation 33-105 respecting underwriting conflicts (Québec). As at April 29, 2013, the actual indebtedness of the REIT to such financial institutions amounted to approximately \$671.3 million in the aggregate. See “Relationship Between the REIT and the Underwriters”.**

Subscriptions for the Debentures 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. On the date of closing of the Offering (“**Closing**”), the REIT will cause a global certificate representing the Debentures to be delivered to, and registered in the name of, CDS Clearing and Depository Services Inc. (“**CDS**”) or its nominee. Except as described below (see “Details of the Offering – Depository Services”), the Debentures will be issued in “book-entry only” form and no purchaser of a Debenture will be entitled to a certificate or other instrument from the REIT or CDS evidencing the ownership of a Debenture. It is expected that Closing will take place on May 2, 2013 or on such other date as the REIT and the Underwriters may agree but, in any event, not later than May 16, 2013.

The REIT and the Debentures have received a rating of BBB (low), with a Stable trend, from DBRS Limited (“**DBRS**”). The requests for a credit rating in respect of the REIT and the Debentures were initiated by the REIT. The BBB (low), with a Stable trend, rating assigned to the Debentures by DBRS is the fourth highest rating of DBRS’s ten rating categories, which range from AAA to D. **Under the DBRS rating system, debt securities rated BBB are of adequate credit quality and the capacity for payment of financial obligations is considered acceptable, but the entity may be vulnerable to future events. The credit rating assigned to the REIT and the Debentures by DBRS is not a recommendation to buy, hold or sell securities of the REIT. A rating is not a comment on the market price of a security nor is it an assessment of ownership given various investment objectives. There is no assurance that any rating will remain in effect for any given period of time and ratings may be upgraded, downgraded, placed under review, confirmed and discontinued. See “Credit Ratings” and “Risk Factors and Investment Considerations – Credit Ratings”.**

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

In this Prospectus Supplement, unless otherwise specified or the context otherwise requires, all dollar amounts are expressed in Canadian dollars. Defined terms used in this Prospectus Supplement that are not defined herein have the meanings ascribed thereto in the Base Shelf Prospectus.

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### FORWARD-LOOKING STATEMENTS

Certain statements contained in the short form base shelf prospectus dated May 29, 2012 (the “**Base Shelf Prospectus**”) of Cominar Real Estate Investment Trust (the “**REIT**”, which expression includes the REIT and its subsidiaries where the context so requires), as supplemented by this prospectus supplement (“**Prospectus Supplement**”), 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 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, and risks associated to reliance on credit ratings, credit risks related to the REIT, risks related to prior ranking indebtedness of the REIT and structural subordination of the 4.00% Series 3 senior unsecured debentures due November 2, 2020 of the REIT offered hereunder (“**Debentures**”) and limits on activities of the REIT. See “Risk Factors and Investment Considerations” in the Base Shelf Prospectus and in this Prospectus Supplement. While the REIT believes that the expectations reflected in the forward-looking statements contained in the Base Shelf Prospectus, as supplemented by this Prospectus Supplement, and in the 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 the Base Shelf Prospectus, as supplemented by this Prospectus Supplement, or as of the date specified in the documents incorporated by reference therein, 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-IFRS FINANCIAL MEASURES

The REIT issues guidance and reports on certain non-IFRS (as defined below) measures, including “net operating income”, “adjusted net income”, “recurring distributable income”, “recurring funds from operations” and “recurring adjusted funds from operations”, that it uses to evaluate its performance. Because non-IFRS measures do not have a standardized meaning and may differ from similar measures presented by other entities, securities regulations require that non-IFRS measures be clearly defined and qualified, reconciled with their nearest IFRS

measure and given no more prominence than the closest IFRS measure. Such information is presented in the sections dealing with these financial measures herein and in the documents incorporated by reference herein.

“**IFRS**” means the generally accepted accounting principles determined with reference to International Financial Reporting Standards, as issued by the International Accounting Standards 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, as amended from time to time.

## **DOCUMENTS INCORPORATED BY REFERENCE**

**This Prospectus Supplement is deemed to be incorporated by reference into the Base Shelf Prospectus (together with this Prospectus Supplement, the “Prospectus”) as of the date hereof and only for the purposes of the offering of the Debentures hereunder (the “Offering”).**

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

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

- (a) the annual information form (the “**AIF**”) of the REIT dated March 28, 2013 (the “**2012 AIF**”);
- (b) the comparative audited consolidated financial statements of the REIT for the year ended December 31, 2012, together with the notes thereto and the auditors’ report thereon (the “**2012 Financial Statements**”);
- (c) management’s discussion and analysis of operating results and financial position (“**MD&A**”) of the REIT for the year ended December 31, 2012 (the “**2012 MD&A**”);
- (d) the management information circular of the REIT dated March 26, 2013 in connection with the annual meeting of Unitholders (as defined below) to be held on May 15, 2013; and
- (e) the material change report of the REIT dated February 7, 2013 with respect to the acquisition by the REIT of a portfolio of 18 industrial properties and one office property for approximately \$149.8 million (the “**South Shore Acquisition**”) and the re-opening of its 4.23% Series 2 senior unsecured debentures due December 4, 2019 (the “**Series 2 Debentures**”) in the principal amount of \$100.0 million (the “**February 2013 Debentures**”).

All material change reports (excluding confidential material change reports), AIFs, annual financial statements and the auditor’s report thereon and related MD&A, interim financial reports and related MD&A, information circulars, business acquisition reports and any other documents as may be required to be incorporated by reference herein under applicable securities laws which are filed by the REIT with a securities commission or any similar authority in Canada after the date of this Prospectus Supplement shall be deemed to be incorporated by reference into this Prospectus Supplement.

**Any statement contained in a document incorporated or deemed to be incorporated by reference in the Base Shelf Prospectus, this Prospectus Supplement or in a document incorporated or deemed to be incorporated by reference therein for the purposes of the Offering shall be deemed to be modified or superseded, for purposes of this Prospectus Supplement, to the extent that a statement contained in this Prospectus Supplement, the Base Shelf Prospectus or in any other subsequently filed document which also is or is deemed to be incorporated by reference therein 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 Base Shelf Prospectus or of this Prospectus Supplement.**

## ELIGIBILITY FOR INVESTMENT

In this Prospectus Supplement, “Unit” means a unit of interest in the REIT and “Unitholder” means a holder of Units.

In the opinion of Davies Ward Phillips & Vineberg LLP, counsel to the REIT, and Lavery, de Billy, L.L.P., counsel to National Bank Financial Inc. (“NBF”), BMO Nesbitt Burns Inc. (“BMO”), RBC Dominion Securities Inc., Desjardins Securities Inc., CIBC World Markets Inc., Scotia Capital Inc. and TD Securities Inc., (collectively, the “Underwriters”), subject to the restrictions, limitations and assumptions set out under the heading “Canadian Federal Income Tax Considerations”, provided the REIT is a mutual fund trust within the meaning of the *Income Tax Act* (Canada) (the “Tax Act”) on the date of issue and provided the Units are listed on a designated stock exchange in Canada (which currently includes the Toronto Stock Exchange) on the date of issue, the Debentures offered hereby, will be, on the date of issue, qualified investments under the Tax Act for trusts governed by registered retirement savings plans (“RRSPs”), registered retirement income funds (“RRIFs”), deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts (“TFSA”) (except that such Debentures are not a qualified investment for a trust governed by a deferred profit sharing plan for which any employer is the REIT).

Provided that the holder of a TFSA, or an annuitant of an RRSP or RRIF, (i) does not hold a “significant interest” (as defined in the Tax Act) in the REIT, (ii) does not hold a “significant interest” (as defined in the Tax Act) in any person or partnership that does not deal at arm’s length with the REIT within the meaning of the Tax Act, and (iii) deals at arm’s length with the REIT within the meaning of the Tax Act, then the Debentures offered by the Base Shelf Prospectus, as supplemented by this Prospectus Supplement, will not be a prohibited investment for a trust governed by such TFSA, RRSP or RRIF, as applicable. The Minister of Finance (Canada) released draft legislation on December 21, 2012, that proposes to delete the condition in (ii) above. Annuitants of RRSPs and RRIFs and holders of TFSA should consult their own tax advisors as to whether the Debentures will be prohibited investments in their particular circumstances.

## RECENT DEVELOPMENTS

Other than as described in the Base Shelf Prospectus, as supplemented by this Prospectus Supplement, there have been no other significant development in the operations and affairs of the REIT occurring since the filing of the 2012 Financial Statements and the 2012 MD&A.

On March 15, 2013, the REIT closed the acquisition from a subsidiary of Homburg Invest Inc., CP Development Ltd., of approximately 508,780 square feet of vacant land located in Calgary, which includes a parkade structure with approximately 347 parking spaces, for a purchase price of approximately \$20.5 million. The acquired properties are adjacent to the Centron Park office buildings, which are already owned by the REIT, and as a result of the acquisition, the REIT is now the sole owner of the Centron Park Complex.

On March 18, 2013, the REIT entered into a hypothecary loan in the amount of \$41.4 million with a Canadian financial institution. This hypothecary loan has a term of 10 years and borrowings bear interest at an annual rate of 4.07%. This loan is guaranteed by hypothecs granted on 12 properties located in the Montréal Area and the Québec City Area. The REIT used amounts borrowed under the loan to repay amounts outstanding under its Credit Facility (as defined below).

On April 29, 2013, the REIT announced that on July 1, 2013, Mr. Gilles Hamel, CPA, CA, will be joining the management team of the REIT as Vice-President, Corporate Finance and Administration, and it is expected that on March 17, 2014, Mr. Hamel will assume the function of Executive Vice-President and Chief Financial Officer of the REIT upon the retirement of Mr. Michel Berthelot. Until such time, Mr. Michel Berthelot will continue as Executive Vice-President and Chief Financial Officer of the REIT.

## CREDIT RATINGS

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

DBRS provides credit ratings of debt securities for commercial entities and the following description has been sourced from information made publicly available by DBRS. DBRS ratings are opinions that reflect the creditworthiness of an issuer, a security, or an obligation. They are opinions based on forward-looking measurements that assess an issuer’s ability and willingness to make timely payments on outstanding obligations (whether principal, interest, dividend, or distributions) with respect to the terms of an obligation. Ratings are

opinions based on the quantitative and qualitative analysis of information sourced and received by DBRS, which information is not audited or verified by DBRS. DBRS cautions that no two issuers possess exactly the same characteristics, nor are they likely to have the same future opportunities. Consequently, two issuers with the same rating should not be considered to be of exactly the same credit quality.

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

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

The credit rating assigned to the REIT and the Debentures by DBRS is not a recommendation to buy, hold or sell the securities of the REIT. A rating is not a comment on the market price of a security nor is it an assessment of ownership given various investment objectives. There is no assurance that any rating will remain in effect for any given period of time and ratings may be upgraded, downgraded, placed under 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. See "Risk Factors and Investment Considerations – Credit Ratings".

The REIT paid to DBRS the customary fee in connection with the ratings assigned to the REIT, the 4.274% Series 1 senior unsecured debentures due June 15, 2017 (the "**Series 1 Debentures**"), the Series 2 Debentures and the Debentures, and will continue to make payments to DBRS from time to time in connection with the confirmation of such ratings for purposes of the Base Shelf Prospectus and prospectus supplements thereto (including this Prospectus Supplement), or in connection with credit ratings to be assigned to debt securities of the REIT, if any, which may be offered for sale from time to time in the future under the Base Shelf Prospectus and prospectus supplements thereto, as the case may be. The REIT did not make any payments to DBRS in respect of any other service provided to the REIT by DBRS during the last two (2) years.

## INTEREST AND EARNINGS COVERAGE

The Senior Debenture Trust Indenture (as defined under "Details of the Offering"), as it relates to the Debentures, contains a covenant that the REIT will maintain a ratio of Consolidated EBITDA (as defined under "Details of the Offering – Definitions") of the REIT to Consolidated Interest Expense (as defined under "Details of the Offering – Definitions") of the REIT (the "**Consolidated Interest Coverage Ratio**") of not less than 1.65 to 1. The calculation of such interest coverage ratio will be based on the defined terms of Consolidated EBITDA and Consolidated Interest Expense contained in the Senior Debenture Trust Indenture and the methodology set out therein (see "Details of the Offering – Definitions" and "Details of the Offering – Certain Covenants Regarding the Debentures"). This interest coverage ratio differs from the earnings coverage ratios required to be calculated under applicable Canadian securities law disclosure requirements. Canadian securities law requires the calculation to be based upon earnings and includes a full 12 months of *pro forma* interest expense on indebtedness incurred subsequent to the end of the respective calculation periods as if the indebtedness was incurred at the beginning of the calculation period but gives no credit to income derived from the associated use of proceeds other than interest savings on the repayment, redemption or retirement of other indebtedness. The Consolidated Interest Coverage Ratio calculated in accordance with the terms of the Senior Debenture Trust Indenture for the 12-month period ended December 31, 2012 gives *pro forma* effect to the Offering and to acquisitions and dispositions of income producing assets, debt incurred and debt retired during or subsequent to the calculation period and the associated annual income therefrom as if these transactions occurred at the beginning of the calculation period. This Consolidated Interest Coverage Ratio is set out below under "–Consolidated Interest Coverage Ratio" and has been calculated using the methodology that is prescribed by the Senior Debenture Trust Indenture. The coverage ratios under "– Earnings Coverage Ratios" have been calculated using the methodology prescribed under applicable Canadian securities laws.

## Consolidated Interest Coverage Ratio

The Consolidated Interest Coverage Ratio for the REIT for the 12-month period ended December 31, 2012 (including *pro forma* adjustments as required under the Senior Debenture Trust Indenture) is approximately 2.60, as set out in the following table.

|  | <u><i>Pro forma for the<br/>12-months ended<br/>December 31, 2012</i></u> |
|--|---|
| Numerator – Consolidated EBITDA (in thousands of dollars) .....            | 352,207   |
| Denominator – Consolidated Interest Expense (in thousands of dollars)..... | 135,312   |
| Consolidated Interest Coverage Ratio .....                                 | 2.60  |

## Earnings Coverage Ratios

The following earnings coverage ratios and associated financial information have been calculated on a consolidated basis for the 12-month periods ended December 31, 2012 based on the 2012 Financial Statements, and have been prepared in accordance with applicable Canadian securities laws.

|   | <u>For the 12-<br/>months ended<br/>December 31,<br/>2012</u> | <u>For the 12-<br/>months ended<br/>December 31,<br/>2012<sup>(1)</sup></u> |
|---|---|---|
|   | <i>(historical)</i><br>(in thousands of<br>dollars)           | <i>(pro forma)</i><br>(in thousands of<br>dollars)                          |
| Interest Expense .....                                    | 115,963   | 121,138   |
| Capitalized Interest.....                                 | <u>1,556</u>  | <u>1,556</u>  |
| <b><i>Denominator for Earnings<br/>Coverage Ratio</i></b> | <u>117,519</u>  | <u>122,694</u>  |
| Net earnings attributable to<br>Unitholders.....          | 342,171   | 336,996   |
| Interest Expense .....                                    | 115,963   | 121,138   |
| Income Taxes .....  | 890   | 890   |
| Fair value adjustment <sup>(2)</sup> .....                | <u>1,556</u>  | <u>1,556</u>  |
| <b><i>Numerator for Earnings<br/>Coverage Ratio</i></b>   | <u>460,580</u>  | <u>460,580</u>  |
| Earnings Coverage Ratio                                   | 3.92  | 3.75  |

### Notes:

<sup>(1)</sup> The *pro forma* numbers take into account the issuances of the February 2013 Debentures and the Debentures, and the use of proceeds therefrom.

<sup>(2)</sup> Fair value adjustment to investment properties derived from the non-capitalization of interest.

## CHANGES IN UNITS OUTSTANDING AND LOAN CAPITAL

As at December 31, 2012, there were 124,349,608 Units outstanding. As at April 29, 2013 there were 125,044,285 Units outstanding. The only changes in the number of outstanding Units since December 31, 2012 resulted from the issuance of 408,077 Units pursuant to the distribution reinvestment plan of the REIT and the issuance of 286,600 Units pursuant to the exercise of options under the equity incentive plan of the REIT.

As at December 31, 2012, the consolidated indebtedness of the REIT was approximately \$2,806.6 million, excluding accounts payable and accrued liabilities, deferred taxes and distributions payable to Unitholders. As at April 29, 2013, the actual indebtedness of the REIT was approximately \$2,994.4 million, excluding accounts payable and accrued liabilities, deferred taxes and distributions payable to Unitholders. Since December 31, 2012, the changes to the loan capital of the REIT resulted primarily from the South Shore Acquisition and from amounts

drawn down under the Credit Facility for general and trust purposes. Additional information regarding material indebtedness of the REIT is provided in the 2012 Financial Statements and the 2012 MD&A.

After giving effect to the issuance of the Debentures under the Offering, the proposed use of net proceeds therefrom and events subsequent to December 31, 2012, the outstanding indebtedness of the REIT (excluding accounts payable and accrued liabilities, deferred taxes and distributions payable to Unitholders) will remain unchanged at approximately \$2,994.4 million. See “Plan of Distribution” and “Use of Proceeds”.

## DETAILS OF THE OFFERING

The Debentures will be issued under a supplemental indenture to be dated the date of the Closing (the “**Third Supplemental Indenture**”), to the trust indenture dated as at June 15, 2012 between the REIT and Computershare Trust Company of Canada (the “**Senior Debenture Indenture Trustee**”), as amended by the first supplemental indenture dated as at September 14, 2012 between the REIT and the Senior Debenture Indenture Trustee (collectively, the “**Amended Trust Indenture**”, and as supplemented by the second supplemental indenture dated as at December 4, 2012 between the REIT and Computershare Trust Company of Canada and the Third Supplemental Indenture, the “**Senior Debenture Trust Indenture**”). The Amended Trust Indenture authorizes the REIT to issue an unlimited aggregate principal amount of Debt Securities (as defined below) in one or more series, which include the Debentures. Each such issue, other than the Series 1 Debentures which were issued under the Amended Trust Indenture, was or will be made by way of a supplemental indenture to the Amended Trust Indenture which set out or will set out the terms of the relevant series of Debt Securities. The terms of the Debentures will be set out in the Senior Debenture Trust Indenture. The following is a summary of the material terms of the Debentures which does not purport to be complete. For full particulars of such terms, reference should be made to the Senior Debenture Trust Indenture.

### Definitions

For the purpose of the following discussion of certain provisions of the Senior Debenture Trust Indenture, as it relates to the Debentures, the following terms have the meanings set out below:

“**Adjusted Unitholders’ Equity**” of the REIT, at any time, means the aggregate of the amount of Unitholders’ equity of the REIT and the amount of accumulated depreciation of income properties, including all non-controlling interests, recorded in the books and records of the REIT at such time, calculated in accordance with generally accepted accounting principles.

“**Aggregate Assets**” of the REIT, at any time, means the total book value of the assets of the REIT, excluding goodwill, determined on a consolidated basis, plus accumulated depreciation of income properties, determined in accordance with generally accepted accounting principles.

“**Capital Lease Obligation**” of any Person means the obligation of such Person, as lessee, to pay rent or other payment amounts under a lease of real or personal property which is required to be classified and accounted for as a capital lease asset and liability on a consolidated balance sheet of such Person in accordance with generally accepted accounting principles.

“**Change of Control**” means the acquisition by a Person, or group of Persons acting jointly or in concert, of Units (and/or securities convertible into Units) representing (on a diluted basis, but only giving effect to the conversion or exercise of convertible securities held by such Person or group of Persons) greater than 50% of the Units.

“**Consolidated EBITDA**” of the REIT for any period means Consolidated Net Income increased by the sum of (i) Consolidated Interest Expense, for such period, (ii) income tax expense of the REIT for such period (other than income taxes, either positive or negative, attributable to extraordinary or non-recurring gains or losses) determined on a consolidated basis in accordance with generally accepted accounting principles, (iii) amortization of income properties (including provisions for impairment of income properties) for such period, determined on a consolidated basis in accordance with generally accepted accounting principles, (iv) amortization of the fair value of intangible assets and liabilities for such period, determined on a consolidated basis in accordance with generally accepted accounting principles, (v) amortization of deferred expenses of the REIT, determined on a consolidated basis in accordance with generally accepted accounting principles, (vi) any additional amortization of the REIT for such period, determined on a consolidated basis in accordance with generally accepted accounting principles, and (vii) other non-cash items in determining Consolidated Net Income for such period.

“**Consolidated Indebtedness**” of the REIT as at any time means the consolidated Indebtedness of the REIT as at such time determined (except as otherwise expressly provided in the Senior Debenture Trust Indenture), in accordance with generally accepted accounting principles.



**“Consolidated Interest Expense”** of the REIT for any period means, without duplication, the aggregate amount of interest expense of the REIT in respect of Indebtedness, Capital Lease Obligations, the original issue discount of any Indebtedness issued at a price less than the face amount thereof paid, accrued or scheduled to be paid or accrued by the REIT during such period and, to the extent interest has been capitalized on projects that are under development or held for future development during the period, the amount of interest so capitalized, all as determined on a consolidated basis in accordance with generally accepted accounting principles (provided that, notwithstanding its presentation under generally accepted accounting principles, all interest expense of the REIT in respect of convertible debt Indebtedness will be included (without duplication) in determining Consolidated Interest Expense).

**“Consolidated Net Income”** of the REIT for any period means the net income (loss) of the REIT for such period determined on a consolidated basis in accordance with generally accepted accounting principles, excluding, in each case determined on a consolidated basis (i) any gain or loss (net of any tax impact) attributable to the sale or other disposition of any asset of the REIT, other than the sale or disposition of income properties specifically acquired and held for resale, determined in accordance with generally accepted accounting principles, (ii) any extraordinary gains and losses of the REIT, determined in accordance with generally accepted accounting principles, and (iii) other non-recurring items identified by the REIT determined in accordance with generally accepted accounting principles.

**“Debt Securities”** means the unsecured debt securities of the REIT issued and certified from time to time pursuant to the Senior Debenture Trust Indenture either in registered form, unregistered form or registered as to principal and includes the Debentures.

**“Extraordinary Resolution”** means, for any series of Debt Securities, instruments in writing signed by the holders of not less than 66⅔% (or 75% in certain events as described under “Modification and Waiver”) of the aggregate outstanding principal amount of such series of Debt Securities or a resolution passed as an Extraordinary Resolution by the affirmative vote of the holders of not less than 66⅔% (or 75% in certain events as described under “Modification and Waiver”) of the aggregate outstanding principal amount of such series of Debt Securities represented and voting at a meeting of holders of such series of Debt Securities duly convened and held in accordance with the Senior Debenture Trust Indenture, all upon compliance with the procedures specified in the Senior Debenture Trust Indenture.

**“generally accepted accounting principles”** means the generally accepted accounting principles described and promulgated by the Canadian Institute of Chartered Accountants which are applicable as at the date on which any determination or calculation using generally accepted accounting principles is made.

**“Indebtedness”** of any Person means (without duplication), on a consolidated basis, (i) any obligation of such Person for borrowed money (including, for greater certainty, the full principal amount of convertible debt, notwithstanding its presentation under generally accepted accounting principles), (ii) any obligation of such Person incurred in connection with the acquisition of property, assets or businesses, (iii) any obligation of such Person issued or assumed as the deferred purchase price of property, (iv) any Capital Lease Obligation of such Person, and (v) any obligations of the type referred to in clauses (i) through (iv) of another Person, the payment of which such Person has guaranteed or for which such Person is responsible or liable; provided that, for the purpose of clauses (i) through (v) (except in respect of convertible debt, as described above), an obligation will constitute Indebtedness only to the extent that it would appear as a liability on the consolidated balance sheet of such Person in accordance with generally accepted accounting principles. Obligations referred to in clauses (i) through (iii) exclude (a) trade accounts payable, (b) distributions payable to Unitholders, (c) accrued liabilities arising in the ordinary course of business which are not overdue or which are being contested in good faith, (d) indebtedness with respect to the unpaid balance of instalment receipts, where such indebtedness has a term not in excess of 12 months, (e) intangible liabilities, and (f) deferred revenues, all of which will be deemed not to be Indebtedness for the purposes of this definition.

**“Material Subsidiary”** means, at any date, any Subsidiary the book value of the assets of which exceeds (on a stand-alone basis) 10% of the Adjusted Unitholders’ Equity of the REIT calculated as at such date.

**“Non-Recourse Indebtedness”** means any Indebtedness of a Subsidiary of the REIT which is a single purpose company or entity or whose principal assets and business are constituted by a particular project or property and pursuant to the terms of such Indebtedness payment is to be made from the revenues arising out of such project or property with recourse to such Subsidiary for such payment being limited to the revenues or the assets of such single purpose company or entity or such project or property.

**“Person”** includes an individual, corporation, partnership, limited liability company, joint venture, trust, unincorporated organization or government or any agency or political subdivision thereof.

“**Reference Period**” means the most recently completed four fiscal quarters preceding the date of a calculation for which consolidated financial statements of the REIT have been publicly released.

“**Subsidiary**” of any Person has the meaning attributed to it in the National Instrument 45-106 – *Prospectus and Registration Exemptions* of the Canadian Securities Administrators.

### **General**

The Debentures will be issued in \$1,000 denominations or integral multiples thereof and will be unlimited as to principal amount. The Debentures issued in the Offering will be limited to \$100,000,000 principal amount and will be deemed to be issued and dated as of May 2, 2013. The Debentures will bear interest on the unpaid principal amount thereof at the rate of 4.00% per annum from May 2, 2013 to but excluding the applicable maturity date. Interest on the Debentures will be payable in equal semi-annual payments in arrears on May 2 and November 2 in each year commencing November 2, 2013, so long as such Debentures are outstanding.

The semi-annual interest payments will be in an amount equal to \$20.00 per \$1,000 principal amount of Debentures.

### **Rank**

The Debentures will be direct senior unsecured obligations of the REIT and will rank equally and rateably with one another and with all other unsecured and unsubordinated Indebtedness of the REIT including the Series 1 Debentures and the Series 2 Debentures, except to the extent prescribed by law.

### **Redemption by the REIT**

At its option, the REIT may redeem any of the Debentures, in whole at any time, or in part from time to time, prior to maturity on payment of a redemption price equal to the greater of (i) the Canada Yield Price and (ii) par, together in each case with accrued and unpaid interest to the date fixed for redemption. The REIT will give notice of any redemption at least 10 days but not more than 30 days prior to the date fixed for redemption. In the event less than all of any Debentures are to be redeemed pursuant to their terms, the Debentures to be so redeemed will be redeemed on a *pro rata* basis according to the principal amount of Debentures registered in the respective name of each holder of Debentures or in such other manner as the Senior Debenture Indenture Trustee may consider equitable.

For the purposes of the foregoing provisions, the following terms will be defined in the Senior Debenture Trust Indenture substantially as follows:

“**Canada Yield Price**” means a price equal to the price of a Debenture calculated to provide a yield to maturity, compounded semi-annually and calculated in accordance with generally accepted financial practice, equal to the Government of Canada Yield calculated at 10:00 a.m. (Montréal time) on the date on which the REIT gives notice of redemption pursuant to the terms of the Senior Debenture Trust Indenture, plus 0.64%.

“**Government of Canada Yield**” on any date means the yield to maturity on such date, compounded semi-annually and calculated in accordance with generally accepted financial practice, which a non-callable Government of Canada bond would carry if issued in Canadian dollars in Canada, at 100% of its principal amount on such date with a term to maturity equal to the remaining term to maturity, calculated as of the redemption date, of the applicable Debentures, such yield to maturity, being the average of the yields provided by two major Canadian investment dealers selected by the REIT.

### **Purchase of Debt Securities**

The REIT may at any time and from time to time purchase all or any of the Debt Securities (including the Debentures) in the market (which will include purchases from or through an investment dealer or a firm holding membership on a recognized stock exchange) or by invitation to tender or private contract at any price. Debt Securities that are so purchased will be cancelled and no Debt Securities will be issued in substitution therefor.

### **Certain Senior Debenture Trust Indenture Covenants**

The Senior Debenture Trust Indenture contains covenants substantially to the following effect in favour of holders of the Debt Securities (including the Debentures).

#### *Maintenance of properties*

The REIT will maintain and keep or cause to be maintained and kept in good condition, repair and working order all of the properties owned by it or any of its Subsidiaries used in its business or in the business of any of its Subsidiaries. The REIT will make or cause to be made all necessary repairs and renewals to and replacements and improvements of these properties as in its judgment may be necessary to carry on its business properly and

prudently. Notwithstanding the foregoing, the REIT and its Subsidiaries will not be prohibited from selling or transferring their properties in the ordinary course of business.

#### *Insurance*

The REIT will maintain and will cause its Subsidiaries to maintain such property and liability insurance as would be maintained by a prudent owner.

#### *Restrictions on amalgamation, merger and sale of certain assets*

The REIT may not consolidate with, amalgamate or merge with or into or sell, assign, transfer or lease all or substantially all of its properties and assets unless, among other things:

- (a) the entity (the “**Successor**” including, if required in the case of a joint venture, the parties to such joint venture) formed by such consolidation or amalgamation or into which the REIT is merged or the entity which acquires by operation of law or by conveyance or by transfer the assets of the REIT substantially as an entirety is a corporation, trust, partnership, limited partnership, joint venture or unincorporated organization organized or existing under the laws of Canada or any province or territory thereof and (except where such assumption is deemed to have occurred solely by the operation of law), the Successor assumes under a supplemental indenture with the Senior Debenture Indenture Trustee in form satisfactory to counsel to the Senior Debenture Indenture Trustee (who may be counsel to the REIT) all the obligations of the REIT under the Senior Debenture Trust Indenture, any supplemental indenture and the Debt Securities, and such transaction to the satisfaction of the Senior Debenture Indenture Trustee and in the opinion of counsel will be upon such terms to preserve and not impair any of the rights and powers of the Senior Debenture Indenture Trustee and the holders of Debt Securities under the Senior Debenture Trust Indenture;
- (b) immediately before and immediately after giving effect to such transaction, no Event of Default (as defined in the Senior Debenture Trust Indenture) has occurred and is continuing; and
- (c) where any supplemental indenture includes a covenant restricting the amount of Indebtedness the REIT may incur, immediately after giving effect to such transaction, the Successor could incur at least \$1.00 of additional Indebtedness under such supplemental indenture.

#### **Certain Covenants Regarding the Debentures**

The Senior Debenture Trust Indenture contains, as it relates to the Debentures, covenants substantially to the following effect in favour of the holders of the Debentures.

#### *Consolidated EBITDA to Consolidated Interest Expense ratio*

The REIT will maintain a ratio of Consolidated EBITDA of the REIT to Consolidated Interest Expense of the REIT of not less than 1.65 to 1, calculated from time to time in respect of the most recently completed Reference Period.

#### *Restrictions on additional Indebtedness*

The REIT will not incur or assume, or permit any Subsidiary to incur or assume, any Indebtedness, except for certain permitted indebtedness (as described in the Senior Debenture Trust Indenture) unless the quotient (expressed as a percentage) obtained by dividing the Consolidated Indebtedness of the REIT by the Aggregate Assets of the REIT, calculated on a *pro forma* basis as described below (the “**Indebtedness Percentage**”), would be less than or equal to 65%.

The Senior Debenture Trust Indenture provides that the Indebtedness Percentage will be calculated on a *pro forma* basis as at the date of the REIT’s most recently published balance sheets (the “**Balance Sheet Date**”) giving effect to the incurrence of the Indebtedness to be incurred or assumed and the application of the proceeds therefrom and to any other event that has increased or decreased Consolidated Indebtedness of the REIT or Aggregate Assets of the REIT since the Balance Sheet Date to the date of calculation.

#### *Equity maintenance*

The REIT will ensure the maintenance of an Adjusted Unitholders’ Equity of the REIT of not less than \$500.0 million, determined as at the date of the REIT’s most recently published balance sheet.

#### **Events of Default**

The Senior Debenture Trust Indenture provides that each of the following events will constitute an event of default (each, an “**Event of Default**”) in respect of each series of Debt Securities (including the Debentures):

- (a) default in payment of principal when due of any Debt Security of such series;
- (b) default in payment of any interest when due on the Debt Securities in that series where such default continues for a period of three business days after the relevant interest payment date;
- (c) a default in the performance or a breach of any covenant of the REIT under the Senior Debenture Trust Indenture, the Debt Securities or a supplemental indenture in connection with that series of Debt Securities where such default or breach continues for a period of 30 days after the Senior Debenture Indenture Trustee has given notice in writing to the REIT specifying the nature of such default or breach, and requiring that it be remedied, unless the Senior Debenture Indenture Trustee (having regard to the subject matter of such breach or default) agrees to a longer period, and in such event, within the period agreed to by the Senior Debenture Indenture Trustee;
- (d) the rendering of a final judgment or judgments (not subject to appeal) against the REIT or any Material Subsidiary in an aggregate amount in excess of \$25.0 million by a court or courts of competent jurisdiction, which remains or remain undischarged and unstayed for a period of 60 days after the date on which the right or rights to appeal has or have expired, as the case may be;
- (e) default by the REIT or any Material Subsidiary under the terms of any Indebtedness (other than Non-Recourse Indebtedness) where that default results in the acceleration of that Indebtedness (after expiration of any applicable grace period) unless such acceleration is waived or rescinded; provided that the aggregate of all such Indebtedness which is accelerated exceeds \$25.0 million; and
- (f) certain events of bankruptcy, insolvency, winding up or dissolution related to the REIT or a Material Subsidiary as set out in the Senior Debenture Trust Indenture.

Subject to the provisions of the Senior Debenture Trust Indenture relating to the duties of the Senior Debenture Indenture Trustee, in case an Event of Default applicable to a series of Debt Securities occurs and is continuing, the Senior Debenture Indenture Trustee will be under no obligation to exercise any of its rights or powers under the Senior Debenture Trust Indenture at the request or direction of any of the holders of Debt Securities of such series, unless such holders have advanced sufficient funds to commence or continue such action and furnished an indemnity to the Senior Debenture Indenture Trustee to its reasonable satisfaction.

If an Event of Default (other than an Event of Default described in paragraph (f) above) occurs and is continuing with respect to a particular series of Debt Securities, either the Senior Debenture Indenture Trustee may, at its discretion, or will, upon receipt of a request in writing from the holders of at least 25% in aggregate principal amount of the outstanding Debt Securities of such series, accelerate the maturity of all Debt Securities of such series; provided that, notwithstanding any other provisions of the Senior Debenture Trust Indenture, any supplemental indenture or any Debt Securities, after such acceleration, but before a judgment or decree based on acceleration, the holders of a majority in aggregate principal amount of outstanding Debt Securities of that series may rescind and annul such acceleration in certain circumstances described in the Senior Debenture Trust Indenture. See “– Modification and Waiver”. If an Event of Default specified in paragraph (f) above occurs, the outstanding Debt Securities will become immediately due and payable without any declaration or other act on the part of the Senior Debenture Indenture Trustee or any holder of Debt Securities. If the maturity of the Debt Securities of a series has been accelerated, legal action against the REIT may be authorized by an Extraordinary Resolution of the holders of the Debt Securities of such series.

### **Depository Services**

Except as otherwise provided below, the Debentures will be issued in “book-entry only” form and must be purchased or transferred through participants (“**Participants**”) in the depository service of CDS or a successor, which include securities brokers and dealers, banks and trust companies. On Closing, the REIT will cause a global certificate (a “**Global Debenture**”) representing the Debentures to be delivered to, and registered in the name of, CDS or its nominee. Except as described below, no purchaser of a Debenture will be entitled to a certificate or other instrument from the REIT or CDS evidencing the ownership of a Debenture by that holder of a Debenture (a “**Debentureholder**”), and no Debentureholder will be shown on the records maintained by CDS except through a book-entry account of a Participant acting on behalf of such Debentureholder. Each Debentureholder will receive a customer confirmation of purchase from the registered dealer from which the Debenture is purchased in accordance with the practices and procedures of that registered dealer. Practices of registered dealers may vary, but generally customer confirmations are issued promptly after execution of a customer order. CDS will be responsible for establishing and maintaining book-entry accounts for its Participants having interests in any of the Debentures.

Debentures will be issued in fully registered form to holders or their nominees other than CDS or its nominee if (i) the REIT determines that CDS is no longer willing or able to discharge properly its responsibilities as

depository and the REIT is unable to find a qualified successor, (ii) the REIT at its option elects to terminate the book-entry system through CDS or such book-entry system ceases to exist, (iii) after the occurrence of an Event of Default, holders of Debentures representing beneficial interests aggregating over 50% of the outstanding principal amount of such Debentures, as the case may be, determine that the continuation of the book-entry system is no longer in their best interests, or (iv) the REIT is required to do so by applicable law.

### **Transfers**

Transfers of ownership in the Debentures will be effected only through records maintained by CDS or its nominee for such Debentures with respect to interests of Participants and on the records of Participants with respect to interests of persons other than Participants. Debentureholders who are not Participants, but who desire to purchase, sell or otherwise transfer ownership of or other interest in the Debentures, may do so only through Participants.

The ability of a Debentureholder to pledge a Debenture or otherwise take action with respect to such Debentureholder's interest in a Debenture (other than through a Participant) may be limited due to the lack of a physical certificate.

### **Payment of Interest and Principal**

Except in the case of payment on maturity, in which case payment may be made on surrender of the applicable Global Debenture, payments of interest and principal on each Global Debenture will be made to CDS as registered holder of that Global Debenture. Interest payments on the Global Debentures will be made by cheque (less any tax required by law to be deducted) dated the date interest is payable and delivered to CDS at least two days before the date interest is payable. Payments of interest may also be made by electronic funds transferred to CDS at the option of the REIT at the written request of CDS. Principal payments on the Global Debenture will be made by cheque dated the maturity date delivered to CDS at maturity against receipt of the applicable Global Debenture. As long as CDS is the registered holder of any Global Debenture(s), CDS will be considered the sole owner of such Global Debenture(s) for the purpose of receiving payment on any of the Debentures and for all other purposes under the Senior Debenture Trust Indenture and any of the Debentures.

The REIT expects that CDS, upon receipt of any payment of principal or interest in respect of a Global Debenture, will credit Participants' accounts, on the date principal or interest is payable, with payments in amounts proportionate to their respective beneficial interests in the principal amount of such Global Debenture as shown on the records of CDS. The REIT also expects that payments of principal and interest by Participants to the owners of beneficial interests in such Global Debenture held through such Participants will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participants. The responsibility and liability of the REIT and the Senior Debenture Indenture Trustee in respect of Debentures represented by the Global Debentures is limited to making payment of any principal and interest due on such Global Debentures to CDS.

If the date for payment of any amount of principal or interest on any Debenture is not a business day at the place of payment, then payment will be made on the next business day and the holder of the Debenture will not be entitled to any further interest or other payment in respect of the delay.

### **Change of Control**

In the event of a Change of Control, the holders of Debentures may require the REIT to repurchase their Debentures, in whole or in part, at a price of (i) 101% of the principal amount of such Debentures plus (ii) all accrued interest to the date of repurchase.

### **Defeasance**

The Senior Debenture Trust Indenture contains provisions requiring the Senior Debenture Indenture Trustee to release the REIT from its obligations under the Senior Debenture Trust Indenture and any supplemental indenture relating to a particular series of Debt Securities (including the Debentures) provided that, among other things, the REIT satisfies the Senior Debenture Indenture Trustee that it has deposited funds or made due provision for, among other things, the payment of (i) the expenses of the Senior Debenture Indenture Trustee and (ii) all principal, premium (if any), interest and other amounts due or to become due in respect of such series of Debt Securities.

### **Modification and Waiver**

Certain rights of the holders of Debt Securities issued under the Senior Debenture Trust Indenture and any supplemental indenture may be modified if authorized by Extraordinary Resolution. If the proposed modification

affects the rights of the holders of a separate series of Debt Securities rather than all of the Debt Securities, the approval of a like proportion of the holders of such separate series of Debt Securities outstanding will be required.

The approval threshold for an Extraordinary Resolution will generally be 66 $\frac{2}{3}$ % but will be 75% for the following: (i) to change the stated maturity of the principal or redemption price of or any premium or instalment of interest on, any Debt Securities of such series; (ii) to reduce the principal amount of, or interest or premium (if any) on, any Debt Securities of such series; (iii) to change the place or currency of payment of the principal of, premium (if any) on redemption price of or interest on, any Debt Securities of such series; or (iv) to amend the percentage of Debt Securities of such series necessary to approve an Extraordinary Resolution. See the definition of “Extraordinary Resolution” under “Definitions”.

Subject to certain rights of the Senior Debenture Indenture Trustee as provided in the Senior Debenture Trust Indenture, the holders of a majority of the outstanding principal amount of the Debt Securities of a series (including the Debentures), on behalf of all holders of Debt Securities of such series, may waive certain Events of Default under the Senior Debenture Trust Indenture with respect to such series of Debt Securities.

## PLAN OF DISTRIBUTION

Under an underwriting agreement (the “**Underwriting Agreement**”) dated April 29, 2013 between the REIT and the Underwriters, the REIT has agreed to sell and the Underwriters have agreed to purchase the Debentures, if, as and when issued by the REIT, subject to compliance with all necessary legal requirements and in accordance with the terms and conditions of the Underwriting Agreement. The offering price of the Debentures was established by negotiation between the REIT and the Underwriters. The Underwriting Agreement provides that the REIT will pay to the Underwriters a fee of \$13.00 per Debenture sold. Accordingly, the aggregate fee payable by the REIT will be \$1,300,000, with net proceeds to the REIT (before deducting the expenses of the Offering) of \$98,700,000.

The obligations of the Underwriters under the Underwriting Agreement may be terminated at their discretion on the occurrence of certain stated events. The Underwriters are, however, obligated to take up and pay for all of the Debentures if any of the Debentures are purchased under the Underwriting Agreement. The obligations of the Underwriters to purchase the Debentures are joint (and not solidary or joint and several). The REIT has agreed to indemnify the Underwriters against certain liabilities, including liabilities under applicable Canadian provincial securities legislation in certain circumstances, or to contribute to payments the Underwriters may be required to make because of such liabilities.

During the period of distribution, the Underwriters propose to offer the Debentures initially at the price stated on the front of this prospectus supplement. Until the date of settlement, after the Underwriters have made a reasonable effort to sell all of the Debentures at such price, the offering price of the Debentures may be decreased and the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Debentures is less than the gross proceeds paid by the Underwriters to the REIT.

The Underwriters may not, throughout the period of distribution, bid for or purchase the Debentures. 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 Debentures. These exceptions include a bid or purchase permitted under the Universal Market Integrity Rules administered by the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market making/market balancing activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. In connection with the Offering, the Underwriters may, subject to applicable laws, effect transactions that are intended to stabilize or maintain the market price of the Debentures at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

There is no market through which the Debentures may be sold and purchasers may not be able to resell the Debentures purchased under this Prospectus Supplement. The REIT does not intend to list the Debentures on any securities exchange. See “Risk Factors and Investment Considerations – Trading Market for Debentures”.

The Offering is being made in all the provinces and territories of Canada. No sales of the Debentures will be effected in any province or territory of Canada by any Underwriter not duly registered as a securities dealer under the laws of such province or territory, other than sales effected pursuant to the exemption from the registration requirements under the laws of such province or territory.

The Offering is not being made in the United States. The Debentures have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “**1933 Act**”), or any state securities laws and may not be offered or delivered, directly or indirectly, or sold in the United States except in certain transactions

exempt from the registration requirements of the 1933 Act and in compliance with any applicable state securities laws. The Underwriters have agreed that they will not offer or sell the Debentures within the United States, its territories and its possessions or to, or for the account or benefit of, a “U.S. person” (as defined in Regulation S under the 1933 Act). This Prospectus Supplement does not constitute an offer to sell or a solicitation of an offer to buy any of the Debentures in the United States. In addition, until 40 days after the commencement of the Offering, an offer or sale of Debentures within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the 1933 Act.

#### **RELATIONSHIP BETWEEN THE REIT AND THE UNDERWRITERS**

Each of the Underwriters is a subsidiary of financial institutions which are lenders to the REIT and its subsidiaries. Mr. Gérard Coulombe, a Trustee, is a director of the financial institution of which NBF is a subsidiary. Consequently, the REIT may be considered to be a “connected issuer” of those Underwriters under *Regulation 33-105 respecting underwriting conflicts* (Québec).

As at April 29, 2013, the actual consolidated indebtedness of the REIT to the above-mentioned financial institutions amounted to approximately \$671.3 million in the aggregate; namely approximately \$129.5 million of hypothecary loans owed to the financial institution of which Desjardins Securities Inc. is a subsidiary, approximately \$31.6 million of hypothecary loans owed to the financial institution of which CIBC World Markets Inc. is a subsidiary, approximately \$90.1 million of hypothecary loans owed to the financial institution of which Scotia Capital Inc. is a subsidiary, approximately \$14.0 million of hypothecary loans owed to the financial institution of which RBC Dominion Securities Inc. is a subsidiary, approximately \$60.6 million of hypothecary loans owed to the financial institution of which TD Securities Inc. is a subsidiary, and approximately \$345.5 million outstanding under the Credit Facility and the Scotia Bridge Facility (as defined below), in respect of which the lenders are the financial institutions of which NBF (as to approximately \$66.2 million), BMO (as to approximately \$55.8 million), RBC Dominion Securities Inc. (as to approximately \$16.7 million), Desjardins Securities Inc. (as to approximately \$44.7 million), CIBC World Markets Inc. (as to approximately \$27.9 million), Scotia Capital Inc. (as to approximately \$69.9 million) and TD Securities Inc. (as to approximately \$64.3 million) are subsidiaries, as the case may be.

After giving effect to the Offering and the use of proceeds therefrom, the indebtedness of the REIT, on a consolidated *pro forma* basis, to the above-mentioned financial institutions will amount to approximately \$588.9 million in the aggregate, namely approximately \$129.5 million of hypothecary loans owed to the financial institution of which Desjardins Securities Inc. is a subsidiary, approximately \$31.6 million of hypothecary loans owed to the financial institution of which CIBC World Markets Inc. is a subsidiary, approximately \$90.1 million of hypothecary loans owed to the financial institution of which Scotia Capital Inc. is a subsidiary, approximately \$14.0 million of hypothecary loans owed to the financial institution of which RBC Dominion Securities Inc. is a subsidiary, approximately \$60.6 million of hypothecary loans owed to the financial institution of which TD Securities Inc. is a subsidiary, and approximately \$263.1 million outstanding under the Credit Facility and the Scotia Bridge Facility, in respect of which the lenders to the REIT are the financial institutions of which NBF (as to approximately \$39.8 million), BMO (as to approximately \$39.8 million), RBC Dominion Securities Inc. (as to approximately \$11.9 million), Desjardins Securities Inc. (as to approximately \$31.9 million), CIBC World Markets Inc. (as to approximately \$19.9 million), Scotia Capital Inc. (as to approximately \$61.9 million), and TD Securities Inc. (as to approximately \$57.9 million) are subsidiaries, as the case may be. The REIT is not in breach of the terms of the agreements governing such indebtedness, in any material respect, and therefore no breach has been waived. Additional information regarding such security interests is provided in the 2012 AIF which is available electronically at [www.sedar.com](http://www.sedar.com). The decision of each Underwriter which is a subsidiary of an aforesaid financial institution to participate in the Offering was made independently of such financial institutions and was not required by such financial institutions. None of the Underwriters will receive any benefit from the Offering, other than its respective portion of the fee payable by the REIT. See “Use of Proceeds”.

“**Credit Facility**” means the REIT’s current operating and acquisition credit facility, in the stated amount of \$550.0 million in connection with which some of the lenders are the financial institutions of which the Underwriters are subsidiaries.

“**Scotia Bridge Facility**” means the acquisition bridge facility of Canmarc Real Estate Investment Trust (“**Canmarc**”), a wholly owned subsidiary of the REIT, relating to the acquisition by Canmarc in January of 2012 of the 50% interest in Scotia Centre located in Calgary, Alberta which it did not already own, in the stated amount of \$84.0 million, in connection with which the lenders are the financial institutions of which Scotia Capital Inc. and TD Securities Inc. are subsidiaries.

## USE OF PROCEEDS

The estimated net proceeds to the REIT from the Offering will be approximately \$98.5 million after deducting the estimated expenses of the Offering and the Underwriters' fee. The REIT intends to entirely use such net proceeds to repay amounts outstanding under the Credit Facility and for general trust purposes. Indebtedness incurred under the Credit Facility was used by the REIT to complete, in part, the South Shore Acquisition, to acquire real estate properties and to finance real estate developments of the REIT.

## 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 a summary of the principal Canadian federal income tax considerations generally applicable to a prospective purchaser of Debentures pursuant to the Base Shelf Prospectus, as supplemented by this Prospectus Supplement, who, at all relevant times and for purposes of the Tax Act, is resident in Canada, holds Debentures as capital property, deals at arm's length with the REIT, and is not affiliated with the REIT (a "**Debentureholder**"). Provided a Debentureholder does not hold Debentures in the course of carrying on a business or as an adventure in the nature of trade, such debentures generally will be considered to be capital property to such holder. Certain holders who might not otherwise be considered to hold their Debentures as capital property may in certain circumstances be entitled to have such debentures, along with all other "Canadian securities" (as defined in the Tax Act) held by such holders, treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act.

This summary is not applicable to a Debentureholder: (i) that is a "financial institution" as defined in the Tax Act for the purposes of the mark-to-market rules; (ii) that is a "specified financial institution" as defined in the Tax Act; (iii) an interest in which is a "tax shelter investment" as defined in the Tax Act; or (iv) that reports its Canadian tax results in a currency other than Canadian currency. Such Debentureholders are urged to consult their own tax advisors. In addition, this summary does not address the deductibility of interest expense or other expenses incurred by a Debentureholder in connection with debt incurred in connection with the acquisition or holding of Debentures.

This summary is of a general nature only and is based upon the facts and assumptions set out in this Prospectus Supplement. This summary relies upon a certificate of an officer of the REIT as to certain factual matters. This summary is based on the current provisions of the Tax Act, the regulations thereunder (the "**Regulations**"), all specific proposals to amend the Tax Act and Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**") and counsel's understanding of the current administrative policies and assessing practices of the Canada Revenue Agency made publicly available prior to the date hereof. This summary assumes that the Tax Proposals will be enacted as proposed, but no assurance can be given that this will be the case. Modification or amendment of the Tax Act, the Regulations or the Tax Proposals could significantly alter the tax status of the REIT, and the tax consequences of holding Debentures.

THIS SUMMARY IS NOT EXHAUSTIVE OF ALL POSSIBLE CANADIAN FEDERAL INCOME TAX CONSEQUENCES AND, EXCEPT FOR THE TAX PROPOSALS, DOES NOT TAKE INTO ACCOUNT OR ANTICIPATE ANY CHANGES IN LAW, WHETHER BY LEGISLATIVE, GOVERNMENTAL, ADMINISTRATIVE OR JUDICIAL ACTION, NOR DOES IT TAKE INTO ACCOUNT PROVINCIAL OR FOREIGN TAX LEGISLATION OR CONSIDERATIONS, WHICH MAY DIFFER FROM THE CANADIAN FEDERAL INCOME TAX CONSIDERATIONS DESCRIBED HEREIN. THIS SUMMARY IS NOT INTENDED TO BE, NOR SHOULD IT BE CONSTRUED TO BE, LEGAL OR TAX ADVICE TO ANY PROSPECTIVE DEBENTUREHOLDER. ACCORDINGLY, PROSPECTIVE DEBENTUREHOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE TAX CONSEQUENCES TO THEM HAVING REGARD TO THEIR OWN PARTICULAR CIRCUMSTANCES.

### Status of the REIT

This summary assumes that the REIT qualifies, and will continue at all times to qualify, as a "mutual fund trust" for purposes of the Tax Act. To qualify as a mutual fund trust, the REIT must be a "unit trust" as defined in the Tax Act, must be resident in Canada, must not be established or maintained primarily for the benefit of non-residents, and must restrict its undertaking to: (i) the investing of its funds in property (other than real property or an interest in real property or an immovable or a real right in an immovable); (ii) the acquiring, holding, maintaining, improving, leasing or managing of any real property (or interest in real property) or of any immovable (or real right in immovables) that is capital property of the REIT; or (iii) any combination of the activities described in (i) or (ii). In addition, the REIT must have at least 150 unitholders holding not less than one "block of units" of a class which have an aggregate fair market value of not less than \$500. It must also be the case that either (a) units of such class



are qualified for distribution to the public (within the meaning of the Regulations), or (b) in the case of a trust created before 2000 which satisfies certain prescribed conditions or a trust created after 1999, there has been a lawful distribution in a province to the public of units of such class, and under the laws of that province, no prospectus, registration statement or similar document is required to be filed in respect of such distribution. It is understood that the Units are currently qualified for distribution to the public.

If the REIT were not to qualify as a mutual fund trust at any particular time, the Canadian federal income tax considerations described herein may, in some respects, be materially different.

### **Interest on Debentures**

A Debentureholder that is a corporation, partnership, unit trust or any trust of which a corporation or a partnership is a beneficiary will be required to include in computing its income for a taxation year any interest on a Debenture that accrues (or is deemed to accrue) to it to the end of the particular taxation year (or if the Debentureholder disposes of a Debenture in the year, that accrues or is deemed to accrue to it until the time of disposition) or that has become receivable by or is received by the Debentureholder before the end of that taxation year, including on a redemption or repayment on maturity, except to the extent that such interest was included in computing the Debentureholder's income for a preceding taxation year.

Any other Debentureholder will be required to include in computing income for a taxation year all interest on a Debenture that is received or receivable by such Debentureholder in that taxation year (depending on the method regularly followed by the Debentureholder in computing income), including on a redemption or repayment on maturity, except to the extent that the interest was included in the Debentureholder's income for a preceding taxation year. Such a Debentureholder may also be required to include in computing the Debentureholder's income for a taxation year all interest (not otherwise required to be included in income) that accrues or is deemed to accrue on the Debentureholder's Debentures to the end of any "anniversary day" (as defined in the Tax Act) in that year. For this purpose, an anniversary day means the day that is one year after the day immediately preceding the date of issue of a Debenture, the day that occurs at every successive one year interval from that day and the day on which the Debenture is disposed of.

A Debentureholder that is a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional refundable tax of 6 $\frac{2}{3}$ % on certain investment income for the year including interest.

### **Redemption or Repayment of Debentures**

If the REIT redeems a Debenture prior to maturity or repays a Debenture upon maturity, the Debentureholder will be considered to have disposed of the Debenture for proceeds of disposition equal to the amount received by the Debentureholder (other than the amount received on account of interest) on such redemption or repayment. The Debentureholder may realize a capital gain or capital loss computed as described below under "Dispositions of Debentures".

The fair market value of any premium paid by the REIT to a Debentureholder on a redemption or repayment of a Debenture will generally be deemed to be interest received at that time by such Debentureholder if such premium is paid by the REIT because of the redemption or repayment by it of the Debenture before maturity, but only to the extent that such premium can reasonably be considered to relate to, and does not exceed the value on the date of redemption of, the interest that would have been paid or payable by the REIT on the Debenture for taxation years of the REIT ending after the date of redemption or repayment.

### **Dispositions of Debentures**

Upon a disposition or deemed disposition of a Debenture, interest accrued thereon to the date of disposition and not yet due will be included in computing the Debentureholder's income, except to the extent that such amount was otherwise included in the Debentureholder's income, and will be excluded in computing the Debentureholder's proceeds of disposition of the Debenture. A Debentureholder who has over-accrued interest income in respect of a Debenture generally will be entitled to a deduction in computing the Debentureholder's income for the taxation year in which the Debenture is disposed of at fair market value in an amount equal to such over-accrued interest income.

A disposition or deemed disposition of a Debenture by a Debentureholder (including a redemption or repayment) generally will result in the Debentureholder realizing a capital gain (or capital loss) equal to the amount by which the proceeds of disposition exceed (or are less than) the aggregate of the Debentureholder's adjusted cost base thereof and any reasonable costs of disposition. For this purpose, proceeds of disposition generally will not include amounts required to be included in income as interest.

One-half of any capital gain realized by a Debentureholder on a disposition, or deemed disposition, of a Debenture generally will be included in the Debentureholder's income as a taxable capital gain. One-half of any capital loss realized by a Debentureholder on a disposition, or deemed disposition, of a Debenture generally must be

deducted only from taxable capital gains of the Debentureholder in the year of disposition, and any excess of one-half of such capital losses over taxable capital gains may generally be deducted in computing taxable income in the three preceding taxation years or in any subsequent taxation year, to the extent and under the circumstances described in the Tax Act.

Taxable capital gains realized on a disposition of Debentures may give rise to alternative minimum tax, depending on the Debentureholder's particular circumstances.

A Debentureholder that is a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional refundable tax of 6 $\frac{2}{3}$ % on certain investment income for the year, including taxable capital gains.

## **RISK FACTORS AND INVESTMENT CONSIDERATIONS**

An investment in the Debentures is subject to certain risks. Investors should carefully consider the risk factors and investment considerations described below and in the Base Shelf Prospectus, the risk factors described in the 2012 AIF and 2012 MD&A incorporated by reference in the Prospectus, and other information elsewhere in the Base Shelf Prospectus, as supplemented by this Prospectus Supplement, prior to making an investment in the Debentures. If any of such or other risks occur, the REIT's business, prospects, financial condition, results of operations and cash flows could be materially adversely impacted. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the below described or other unforeseen risks.

### **Credit Ratings**

The credit ratings assigned to the REIT and the Debentures by DBRS are 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.

### **Debentures Credit Risk, Prior Ranking Indebtedness and Structural Subordination of the Debentures**

The likelihood that purchasers of the Debentures will receive payments owing to them under the terms of the Debentures will depend on the financial health of the REIT and its creditworthiness. In addition, the Debentures are unsecured obligations of the REIT and, therefore, if the REIT becomes bankrupt, liquidates its assets, reorganizes or enters into certain other transactions, the REIT's assets will be available to pay its obligations with respect to the Debentures only after it has paid all of its secured indebtedness in full. There may be insufficient assets remaining following such payments to pay amounts due on any or all of the Debentures then outstanding.

Liabilities of a parent entity with assets held by various subsidiaries may result in the structural subordination of the lenders of the parent entity. The parent entity is entitled only to the residual equity of its subsidiaries after all debt obligations of its subsidiaries are discharged. In the event of a bankruptcy, liquidation or reorganization of the REIT, holders of indebtedness of the REIT (including holders of Debentures) may become subordinate to lenders to the subsidiaries of the REIT. See "Interest and Earnings Coverage", which is relevant to an assessment of the risk that the REIT will be unable to pay principal or interest on the Debentures when due.

### **Trading Market for Debentures**

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

### **Market Price or Value Fluctuation**

If the Debentures are traded after their initial issuance, they may trade at a discount from their initial public offering price. The market price or value of the Debentures depends on many factors, including liquidity of the Debentures, prevailing interest rates and the markets for similar securities, general economic conditions and the REIT's financial condition, historic financial performance and prospects.

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

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

### **Debentures Redemption Right Risk**

The REIT may choose to redeem the 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 Debentures. If prevailing rates are lower at the time of redemption, a purchaser may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the interest rate on the Debentures being redeemed. See "Details of the Offering – Redemption by the REIT".

### **Inability of the REIT to Purchase Debentures on a Change of Control**

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

### **Tax Risk**

No assurance can be given that Canadian federal income tax laws respecting the taxation of income trusts and other flow-through entities will not be changed in a manner that adversely affects the REIT. Pursuant to recent amendments to the Tax Act, a special tax regime applies to specified investment flow-through trusts or partnerships ("SIFTs") and investors in SIFTs. Under this regime (the "SIFT Rules"), SIFTs are generally subject to entity-level income tax at rates approximating corporate income tax rates. The REIT will not be considered to be a SIFT in respect of a particular taxation year and, accordingly, will not be subject to the SIFT Rules in that year, if it qualifies as a "real estate investment trust" for the year (the "Real Estate Investment Trust Exception").

Based on a review of the REIT's assets and revenues, management expects that the REIT will satisfy the tests to qualify for the Real Estate Investment Trust Exception for 2013, both under the REIT Exemption as currently enacted and as proposed to be amended under certain proposed amendments to the SIFT Rules as described in the Base Shelf Prospectus (the "SIFT Amendments"). On October 24, 2012, the Minister of Finance (Canada) tabled a Notice of Ways and Means Motion containing the SIFT Amendments, which received First Reading in the House of Commons on November 21, 2012, and Second Reading on March 8, 2013. In addition, management's current intention is to qualify for the Real Estate Investment Trust Exception at all future times. However, there can be no assurances that the REIT will qualify for the Real Estate Investment Trust Exception for 2013 or in any future year.

Further information regarding the SIFT Rules and the Real Estate Investment Trust Exception, and the SIFT Amendments, and related risk factors and investment considerations is contained in the Base Shelf Prospectus under the heading "Risk Factors and Investment Considerations – Risk Factors Related to the Ownership of Securities – Status for tax purposes".

## **SENIOR DEBENTURE INDENTURE TRUSTEE**

The Senior Debenture Indenture Trustee for the Debentures is Computershare Trust Company of Canada at its principal offices in Montréal, Québec. Computershare Investor Services Inc., an affiliate of the Senior Debenture Indenture Trustee, is the registrar and transfer agent for the Units of the REIT.

## **LEGAL MATTERS**

Certain legal matters in connection with the issuance of the Debentures offered hereby will be passed upon at the date of Closing on behalf of the REIT by Davies Ward Phillips & Vineberg LLP and on behalf of the Underwriters by Lavery, de Billy, L.L.P.

As of the date of this Prospectus Supplement, partners and associates of Davies Ward Phillips & Vineberg LLP, as a group, and partners and associates of Lavery, de Billy, L.L.P., as a group, each owned, beneficially or of record, less than 1% of the outstanding securities of the REIT or other outstanding securities of any of the REIT's associates or affiliates.

#### **INTEREST OF EXPERTS**

The auditors of the REIT are PricewaterhouseCoopers LLP, Chartered Professional Accountants.

#### **PURCHASERS' STATUTORY RIGHTS**

Securities legislation in certain of the provinces and territories 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 and territories, 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 or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal adviser.

## **CERTIFICATE OF THE REIT**

Dated: April 29, 2013

The short form base shelf 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 and territories of Canada.

(signed) MICHEL DALLAIRE

(signed) MICHEL BERTHELOT

PRESIDENT AND CHIEF EXECUTIVE OFFICER

EXECUTIVE VICE-PRESIDENT AND CHIEF FINANCIAL  
OFFICER

On behalf of the Trustees

(signed) GHISLAINE LABERGE  
Trustee

(signed) MARY-ANN BELL  
Trustee

## CERTIFICATE OF THE UNDERWRITERS

Dated: April 29, 2013

To the best of our knowledge, information and belief, the short form base shelf prospectus, together with the documents incorporated in the prospectus by reference, 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 and territories of Canada.

NATIONAL BANK FINANCIAL INC.

BMO NESBITT BURNS INC.

By: (signed) LOUIS GENDRON

By: (signed) GRÉGOIRE BAILLARGEON

RBC DOMINION SECURITIES INC.

By: (signed) DAVID DULBERG

DESIARDINS SECURITIES INC.

By: (signed) FRANÇOIS CARRIER

CIBC WORLD MARKETS INC.

SCOTIA CAPITAL INC.

TD SECURITIES INC.

By: (signed) BENOIT LAUZÉ

By: (signed) JAMES G. GALLANT

By: (signed) LOUIS G. VÉRONNEAU