

This Prospectus Supplement, together with the accompanying short form base shelf prospectus of Cominar Real Estate Investment Trust dated November 27, 2014 (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 and herein by reference may be obtained on request without charge from the Secretary of Cominar Real Estate Investment Trust at Complexe Jules-Dallaire, 2820 Laurier Blvd., Suite 850, Québec City, Québec, G1V 0C1, 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 November 27, 2014)**

New Issue

May 27, 2015



**COMINAR REAL ESTATE INVESTMENT TRUST**

**\$300 million principal amount of 4.164% Series 9 Debentures due June 1, 2022  
(Senior Unsecured)**

The Base Shelf Prospectus, as supplemented by this Prospectus Supplement, qualifies the distribution of \$300 million principal amount of 4.164% Series 9 senior unsecured debentures due June 1, 2022 (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 Agents (as defined below).

Interest on the Debentures will be payable in equal semi-annual payments in arrears on June 1 and December 1 in each year commencing December 1, 2015, so long as such Debentures are outstanding. Assuming the Debentures are issued on June 1, 2015, the first interest payment to be made on December 1, 2015 will be \$20.82 per \$1,000 principal amount of Debentures. Each semi-annual interest payment on the Debentures will be in an amount equal to \$20.82 per \$1,000 principal amount of Debentures. See “**Details of the Offering**” for particulars of the material attributes of the 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”.**

	<u>Price to the public</u>	<u>Agents’ fee</u>	<u>Net Proceeds to the REIT<sup>(1)</sup></u>
Per \$1,000 principal amount of Debentures.....	\$1,000	\$3.70	\$996.30
Total.....	\$300,000,000	\$1,110,000	\$298,890,000

**Note:**

(1) Before deducting expenses of the Offering estimated to be approximately \$375,000 which, together with the Agents’ fee, will be paid from the proceeds of the Offering. See “**Plan of Distribution**”.

National Bank Financial Inc., BMO Nesbitt Burns Inc., Desjardins Securities Inc., RBC Dominion Securities Inc., Scotia Capital Inc. and TD Securities Inc. (collectively, the “**Agents**”), as agents, conditionally offer the Debentures, subject to prior sale, on a best efforts basis if, as and when issued by the REIT, and accepted by the Agents in accordance with the conditions contained in the agency 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 Agents by Lavery, de Billy, L.L.P.

(continued on next page)

**There is no minimum amount of funds that must be raised under this Offering. This means that the REIT could complete this Offering after raising only a small proportion of the Offering amount set out above.**

In connection with the Offering, the Agents may over-allot or effect transactions which stabilize or maintain the market price of the Debentures at levels other than those that otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time. See “Plan of Distribution”.

**Each of National Bank Financial Inc., BMO Nesbitt Burns Inc., Desjardins Securities Inc., RBC Dominion Securities Inc., Scotia Capital Inc. and TD Securities Inc. 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 Agents within the meaning of applicable securities legislation. As at May 26, 2015, the consolidated indebtedness of the REIT to such financial institutions amounted to approximately \$730.5 million in the aggregate. See “Relationship Between the REIT and the Agents”.**

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 global certificates 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 June 1, 2015 or on such other date as the REIT and the Agents may agree but, in any event, not later than June 8, 2015.

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 by DBRS to the REIT and the Debentures is the fourth highest rating of DBRS’ ten rating categories, which range from AAA to D. A rating trend, expressed as “Positive”, “Stable” or “Negative”, provides DBRS’ opinion regarding the outlook for the rating in question over the medium term. **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 by DBRS to the REIT and the Debentures is not a recommendation to buy, hold or sell securities of the REIT. A rating is not a comment on the market price of a security nor is it an assessment of ownership given various investment objectives. Prospective investors should consult with DBRS with respect to the interpretation and implications of the rating. There is no assurance that any rating will remain in effect for any given period of time and ratings may be upgraded, downgraded, placed under review, confirmed and discontinued. See “Credit Ratings” and “Risk Factors and Investment Considerations – Risk Factors Related to the Ownership of Debentures – Credit Ratings”.**

The REIT is an unincorporated closed-end investment trust created by contract of trust dated March 31, 1998, as amended, supplemented or restated from time to time, 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.

## TABLE OF CONTENTS

Page	Page
FORWARD-LOOKING STATEMENTS .....	USE OF PROCEEDS .....
NON-IFRS FINANCIAL MEASURES .....	CANADIAN FEDERAL INCOME TAX
DOCUMENTS INCORPORATED BY REFERENCE .....	CONSIDERATIONS .....
MARKETING MATERIALS .....	RISK FACTORS AND INVESTMENT
SUMMARY .....	CONSIDERATIONS .....
GLOSSARY .....	INDENTURE TRUSTEE.....
ELIGIBILITY FOR INVESTMENT .....	LEGAL MATTERS .....
RECENT DEVELOPMENTS .....	INTEREST OF EXPERTS.....
CREDIT RATINGS .....	PURCHASERS' STATUTORY RIGHTS .....
INTEREST AND EARNINGS COVERAGE .....	CERTIFICATE OF THE REIT .....
CHANGES IN UNITS OUTSTANDING AND LOAN	CERTIFICATE OF THE AGENTS .....
CAPITAL .....	
DETAILS OF THE OFFERING.....	
PLAN OF DISTRIBUTION .....	
RELATIONSHIP BETWEEN THE REIT AND THE	
AGENTS .....	

### FORWARD-LOOKING STATEMENTS

Certain statements contained in the short form base shelf prospectus dated November 27, 2014 (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 (the “**Prospectus Supplement**”), and in certain documents incorporated by reference therein and herein, 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. These factors include general economic conditions in Canada and elsewhere in the world, the effects of competition in markets where the REIT operates, the impact of changes in laws and regulations, including tax laws, successful execution of the REIT’s strategy, the REIT’s ability to complete and integrate acquisitions successfully, the REIT’s ability to attract and retain key employees and executives, the financial position of clients, the REIT’s ability to refinance its debts upon maturity and to lease vacant space, the REIT’s ability to complete developments according to plans and to raise capital to finance growth, as well as changes in interest rates. See “Risk Factors and Investment Considerations” in the Base Shelf Prospectus and in this Prospectus Supplement.

Although this is not an exhaustive list, the REIT cautions investors that statements concerning the following subjects are, or are likely to be, forward-looking statements: the ability of the REIT to continue to identify, pursue and consummate acquisition opportunities, the return on investment of the REIT’s development and existing property enhancement projects, the status of the REIT for tax purposes and the access of the REIT to capital and debt markets. The REIT’s actual results could differ materially from those anticipated in forward-looking statements, as applicable, including as a result of the risks associated with the ownership of immovable property, access to capital, current global financial conditions, competition in the real estate sector, acquisitions, the REIT’s development program, dependence on key personnel, potential conflicts of interest, general uninsured losses, governmental regulation, and risks associated to reliance on credit ratings, credit risks related to the REIT, risks related to the prior ranking indebtedness of the REIT and the structural subordination of the Unsecured Debentures (as defined below) and the Debentures (as defined below) offered hereunder, 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 its documents incorporated by reference therein and herein, 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. Unless otherwise indicated in the Base Shelf Prospectus, as supplemented by this Prospectus Supplement, 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 and herein, as the case may be. The REIT does not assume any obligation to update the aforementioned forward-looking statements, except as required by applicable laws.

### NON-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”, “recurring adjusted funds from operations” and “proportionate share in joint ventures adjustments”, 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 into the Base Shelf Prospectus and into this Prospectus Supplement.

### 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, Complexe Jules-Dallaire, 2820 Laurier Blvd., Suite 850, Québec City, Québec, G1V 0C1, Telephone: (418) 681-8151, and are also available electronically under the REIT’s profile on SEDAR (as defined below) 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 (“**AIF**”) of the REIT dated March 26, 2015 (the “**2014 AIF**”);
- (b) the audited consolidated financial statements of the REIT for the year ended December 31, 2014, together with the notes thereto and the auditor’s report thereon (the “**2014 Financial Statements**”);
- (c) the management’s discussion and analysis of operating results and financial position (“**MD&A**”) of the REIT for the year ended December 31, 2014 (the “**2014 MD&A**”);
- (d) the unaudited condensed interim consolidated financial statements of the REIT for the three-month period ended March 31, 2015, together with the notes thereto (the “**March 2015 Financial Statements**”);
- (e) the MD&A of the REIT for the three-month period ended March 31, 2015 (the “**March 2015 MD&A**”);
- (f) the management information circular of the REIT dated March 26, 2015 (the “**March 2015 Circular**”) in connection with the annual meeting of Unitholders (as defined below) held on May 12, 2015;
- (g) the material change report of the REIT dated January 27, 2015 with respect to the January 2015 Unit Offering (as defined below);
- (h) the template version of the indicative term sheet for the Offering, dated May 27, 2015 (the “**Debenture Indicative Term Sheet**”); and
- (i) the Debenture Final Term Sheet (as defined below).

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 regulatory 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 and herein 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 and herein modifies or replaces such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute part of the Base Shelf Prospectus or of this Prospectus Supplement.

## MARKETING MATERIALS

The Debenture Indicative Term Sheet is not part of this Prospectus Supplement or the Base Shelf Prospectus to the extent that the contents of the Debenture Indicative Term Sheet has been modified or superseded by a statement contained in this Prospectus Supplement or any amendment. The Debenture Indicative Term Sheet did not include a number of terms of the Offering. The terms of this Offering have now been confirmed. Pursuant to subsection 9A.3(7) of National Instrument 44-102 – *Shelf Distributions* (referred to in Québec as *Regulation 44-102 respecting Shelf Distributions*), the REIT has prepared a final template version of the Debenture Indicative Term Sheet dated May 27, 2015 (the “**Debenture Final Term Sheet**”) to reflect, among other things, (i) the aggregate principal amount of this Offering, and (ii) the interest rate of the Debentures. A blackline to show such modifications has been prepared. Copies of the Debenture Final Term Sheet and associated blackline are available electronically under the REIT’s profile at [www.sedar.com](http://www.sedar.com).

Any “template version” of “marketing materials” (as such terms are defined in National Instrument 41-101 – General Prospectus Requirements (referred to in Québec as *Regulation 41-101 respecting General Prospectus Requirements*)) filed with the securities commission or similar regulatory authority in each of the provinces and territories of Canada in connection with this Offering after the date hereof but prior to the termination of the distribution of the Debentures under this Prospectus Supplement (including any amendments to, or an amended version of, any of the Debenture Final Term Sheets) will be deemed to be incorporated by reference into the Base Shelf Prospectus and into this Prospectus Supplement.

## SUMMARY

*The following is a summary only and is qualified in its entirety by the more detailed information appearing elsewhere or incorporated by reference in this Prospectus Supplement. Please refer to the section entitled "Glossary" beginning on page 7 of this Prospectus Supplement for the meaning of the terms used but not otherwise defined in this summary.*

<b>Issuer:</b>	Cominar Real Estate Investment Trust
<b>Offering:</b>	\$300 million aggregate principal amount of 4.164% Series 9 senior unsecured debentures due June 1, 2022 (" <b>Debentures</b> ").
<b>Price to the Public:</b>	100% of the principal amount or \$1,000 per \$1,000 principal amount of Debentures.
<b>Interest Rate and Interest Payment Dates:</b>	Interest on the Debentures will be payable in equal semi-annual payments in arrears on June 1 and December 1 in each year commencing December 1, 2015. See "Details of the Offering – General".
<b>Issue Date:</b>	June 1, 2015.
<b>Maturity Date:</b>	The Debentures will mature on June 1, 2022.
<b>Ranking:</b>	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 Unsecured Debentures, except to the extent prescribed by law. See "Details of the Offering – Rank".
<b>Optional Redemption:</b>	The Debentures are redeemable, in whole at any time, or in part from time to time, prior to maturity on payment of a redemption price described in this Prospectus Supplement. See "Details of the Offering – Redemption by the REIT".
<b>Change of Control:</b>	In the event of a Change of Control (as defined in "Details of the Offering"), 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. See "Details of the Offering – Change of Control".
<b>Certain Covenants:</b>	The Trust Indenture contains certain customary covenants in favour of the holders of Debentures that provide for, among other things: <ul style="list-style-type: none"><li>• the limitation on the ability of the REIT to consolidate with, amalgamate or merge with or into or sell, assign, transfer or lease all or substantially all of its properties and assets;</li><li>• the maintenance by the REIT of a ratio of Consolidated EBITDA to Consolidated Interest Expense (as such terms are defined in "Details of the Offering") of not less than 1.65 to 1;</li><li>• the limitation on the ability of the REIT to incur or assume, or permit any Subsidiary to incur or assume, any Indebtedness (as defined in "Details of the Offering");</li><li>• the maintenance by the REIT of an Adjusted Unitholders' Equity (as defined in "Details of the Offering") of not less than \$500 million; and</li><li>• the maintenance by the REIT of Unencumbered Aggregate Adjusted Assets in an amount of not less than 130% of the aggregate principal amount of its Consolidated Unsecured Indebtedness (other than Subordinated Indebtedness) (as such terms are defined in "Details of the Offering").</li></ul> For further information, see "Details of the Offering – Certain Trust Indenture Covenants" and "Details of the Offering – Certain Covenants Regarding the Debentures".
<b>Amount of Offering and Use of Proceeds:</b>	The estimated total net proceeds to be received by the REIT from this Offering will amount to approximately \$298.5 million, after deducting the Agents' fee in respect of this Offering and the estimated expenses of this Offering. The net proceeds from the Offering will be

used in full to pay down debt outstanding under the Unsecured Revolving Credit Facility. See “Use of Proceeds”.

**Credit Ratings:**

DBRS Limited: BBB (low), with Stable trend.

The credit rating assigned by DBRS to the REIT and to the Debentures is not a recommendation to buy, hold or sell securities of the REIT. For further information, see “Credit Ratings”.

**Risk Factors:**

An investment in the Debentures is subject to certain risks. Investors should carefully consider the risk factors and investment considerations described in “Risk Factors and Investment Considerations” and in the Base Shelf Prospectus, the risk factors described in the 2014 AIF, the 2014 MD&A and the March 2015 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.

## GLOSSARY

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

“**1933 Act**” means the United States *Securities Act of 1933*, as amended.

“**2014 AIF**” has the meaning ascribed thereto under “Documents Incorporated by Reference”.

“**2014 Financial Statements**” has the meaning ascribed thereto under “Documents Incorporated by Reference”.

“**2014 MD&A**” has the meaning ascribed thereto under “Documents Incorporated by Reference”.

“**affiliate**” has the meaning ascribed thereto in the *Securities Act* (Québec), as amended.

“**Agency Agreement**” means the agency agreement dated May 27, 2015 between the REIT and the Agents.

“**Agents**” means, collectively, NBF, BMO, Desjardins Securities Inc., RBC Dominion Securities Inc., Scotia Capital Inc. and TD Securities Inc.

“**AIF**” has the meaning ascribed thereto under “Documents Incorporated by Reference”.

“**Amended Trust Indenture**” has the meaning ascribed thereto under “Details of the Offering”.

“**associate**” has the meaning ascribed thereto in the CBCA, except under “Legal Matters”.

“**Base Shelf Prospectus**” has the meaning ascribed thereto under “Forward-looking Statements”.

“**BMO**” means BMO Nesbitt Burns Inc.

“**CBCA**” means the *Canada Business Corporations Act*, as amended.

“**CDS**” means CDS Clearing and Depository Services Inc.

“**Consolidated Interest Coverage Ratio**” has the meaning ascribed thereto under “Interest and Earnings Coverage”.

“**Contract of Trust**” means the contract of trust made as of March 31, 1998 governed by the laws of the Province of Québec, pursuant to which the REIT was established, as amended, supplemented or restated from time to time.

“**Convertible Debentures**” means, collectively, (i) the series D 6.50% convertible unsecured subordinated debentures due September 30, 2016, and (ii) the series E 5.75% convertible unsecured subordinated debentures due June 30, 2017, of the REIT, and includes where the context so requires, convertible unsecured subordinated debentures of the REIT which may be issued by the REIT from time to time in the future under that certain trust indenture made as of September 17, 2004 between the REIT and Natcan Trust Company (subsequently replaced by Computershare Trust Company of Canada), as trustee, subject to their specific terms and conditions upon issuance thereof.

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

“**Debenture Final Term Sheet**” has the meaning ascribed thereto under “Marketing Materials”.

“**Debenture Indicative Term Sheet**” has the meaning ascribed thereto under “Documents Incorporated by Reference”.

“**DBRS**” means DBRS Limited.



“**Debentureholder**” has the meaning ascribed thereto under “Canadian Federal Income Tax Considerations”.

“**Debentures**” means the 4.164% Series 9 senior unsecured debentures due June 1, 2022 of the REIT.

“**DRIP**” means the distribution reinvestment plan of the REIT, as amended and restated, as described under “Distribution Reinvestment Plan” on page 64 of the 2014 AIF.

“**Equity Incentive Plan**” means the equity-based incentive plan of the REIT, as amended and restated, as described in Schedule “A” to the March 2015 Circular.

“**Global Debenture**” has the meaning ascribed thereto under “Details of the Offering – Depository Services”.

“**Holder**” has the meaning ascribed thereto under “Canadian Federal Income Tax Considerations” and applies only to such section and to “Risk Factors and Investment Considerations – Risk Factors Related to the Ownership of Units – Status for tax purposes”.

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

“**Indenture Trustee**” means Computershare Trust Company of Canada.

“**January 2015 Unit Offering**” means the offering of 7,901,650 Units, including 1,030,650 Units which were issued upon the exercise in full of an over-allotment option, at a price of \$19.65 per Unit completed on January 30, 2015, for total gross proceeds to the REIT of approximately \$148.8 million.

“**Management**” means the management of the REIT.

“**March 2015 Circular**” has the meaning ascribed thereto under “Documents Incorporated by Reference”.

“**March 2015 Financial Statements**” has the meaning ascribed thereto under “Documents Incorporated by Reference”.

“**March 2015 MD&A**” has the meaning ascribed thereto under “Documents Incorporated by Reference”.

“**MD&A**” has the meaning ascribed thereto under “Documents Incorporated by Reference”.

“**NBF**” means National Bank Financial Inc.

“**Ninth Supplemental Indenture**” has the meaning ascribed thereto in “Details of the Offering”.

“**Offering**” has the meaning ascribed thereto under “Documents Incorporated by Reference”.

“**Participants**” has the meaning ascribed thereto under “Details of the Offering – Depository Services”.

“**Prospectus Supplement**” has the meaning ascribed thereto under “Forward-looking Statements”.

“**Real Estate Investment Trust Exception**” has the meaning ascribed thereto under “Risk Factors and Investment Considerations – Risk Factors Related to the Ownership of Debentures – Tax Risk”.

“**Regulations**” means the regulations under the Tax Act.

“**REIT**” means Cominar Real Estate Investment Trust, except as otherwise set forth herein.

“**RRIF**” means registered retirement income fund, as defined in the Tax Act.

“**RRSP**” means registered retirement savings plan, as defined in the Tax Act.

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators.

“**Series 6 Debentures**” means the Series 6 floating rate senior unsecured debentures of the REIT due September 22, 2016.

“**Series 7 Debentures**” means the 3.62% Series 7 senior unsecured debentures of the REIT due June 21, 2019.

“**Series 8 Debentures**” means the 4.25% Series 8 senior unsecured debentures of the REIT due December 8, 2021.

“**SIFT**” means specified investment flow-through trust, as defined in the Tax Act.

“**SIFT Rules**” means the provisions of the Tax Act which address the taxation of SIFTs and their unitholders.

“**Target Canada**” means Target Canada Co.

“**Tax Act**” means the *Income Tax Act* (Canada), as amended.

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

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

“**Trust Indenture**” has the meaning ascribed thereto under “Details of the Offering”.

“**Trustee**” means a trustee of the REIT.

“**TSX**” means the Toronto Stock Exchange.

“**Unit**” means a unit of interest in the REIT.

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

“**Unsecured Debentures**” means, collectively, the 4.274% Series 1 senior unsecured debentures of the REIT due June 15, 2017, the 4.23% Series 2 senior unsecured debentures of the REIT due December 4, 2019, the 4.00% Series 3 senior unsecured debentures of the REIT due November 2, 2020, the 4.941% Series 4 senior unsecured debentures of the REIT due July 27, 2020, the Series 5 floating rate senior unsecured debentures of the REIT due October 9, 2015, the Series 6 Debentures, the Series 7 Debentures and the Series 8 Debentures.

“**Unsecured Revolving Credit Facility**” means the REIT’s operating and acquisition credit facility entered into on August 4, 2014, in the initial stated amount of \$350 million, and which was increased to \$550 million on September 17, 2014.

## ELIGIBILITY FOR INVESTMENT

In the opinion of Davies Ward Phillips & Vineberg LLP, counsel to the REIT, and Lavery, de Billy, L.L.P., counsel to the Agents, provided that on the date of issue the REIT is a mutual fund trust within the meaning of the Tax Act and the Units are listed on a designated stock exchange in Canada (which currently includes the TSX), the Debentures offered hereby, will be, on the date of issue, qualified investments under the Tax Act for trusts governed by RRSPs, RRIFs, deferred profit sharing plans, registered education savings plans, registered disability savings plans and TFSAs (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).

Notwithstanding that the Debentures may be qualified investments for a TFSA, RRSP or RRIF, the holder of a TFSA or the annuitant of an RRSP or RRIF as the case may be, will be subject to a penalty tax if the Debentures are a “prohibited investment” (as defined in the Tax Act) and other tax consequences may result if the Debentures are a “prohibited investment”. 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, and (ii) 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. Annuitants of RRSPs and RRIFs and holders of TFSAs should consult their own tax advisors as to whether the Debentures will be prohibited investments in their particular circumstances. The foregoing opinions assume that there will be no change in the applicable provisions of the Tax Act or any administrative position of the CRA which would have an impact on the foregoing opinions prior to the closing of this Offering.

## RECENT DEVELOPMENTS

Other than as described in the Base Shelf Prospectus, as supplemented by this Prospectus Supplement, there have been no other significant developments in the operations and affairs of the REIT since March 31, 2015.

On April 23, 2015, the REIT acquired a portfolio of three industrial properties with total leasable area of approximately 697,000 square feet, located in the greater Montréal area, for a purchase price of \$34.5 million, paid in cash.

In the context of Target Canada’s proposal under the *Companies’ Creditors Arrangement Act* and the closure of its stores in Canada, of the seven leases between the REIT and Target Canada, two leases were acquired by Canadian Tire Corporation (Place Alexis Nihon and Carrefour Rimouski), one ground lease, in respect of which Target Canada built, at its own cost, a 130,000 square foot store, was acquired by the REIT for nominal consideration (Centre Laval) and four leases reverted back to the REIT (Les Rivières, Carrefour Saint-Georges, Place Longueuil and St. John’s) of which two are the object of a guarantee from Target Corporation (Les Rivières and Carrefour Saint-Georges). Discussions between the REIT and potential tenants are ongoing at many sites, but there can be no assurances that such discussions will result in agreements between the REIT and such parties.

## CREDIT RATINGS

On May 15, 2012, the REIT was assigned an Issuer Rating of BBB (low), with a Stable trend, by DBRS, which rating was confirmed by DBRS on July 9, 2013. On August 26, 2014, DBRS confirmed a credit rating of BBB (low), with a Stable trend, in respect of the Unsecured Debentures (except for the Series 6 Debentures, the Series 7 Debentures and the Series 8 Debentures, which had not yet been created nor issued by the REIT as of such date). On September 18, 2014, DBRS assigned a credit rating of BBB (low), with a Stable trend, to the Series 6 Debentures and the Series 7 Debentures. On December 8, 2014, DBRS assigned a credit rating of BBB (low), with a Stable trend, to the Series 8 Debentures. On May 26, 2015, DBRS assigned a provisional credit rating of BBB (low), with a Stable trend, to the Debentures. The requests for such credit ratings were initiated 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 by DBRS to the REIT and the Unsecured Debentures is the fourth highest rating of DBRS' ten rating categories, which range from AAA to D. With the exception of the AAA and D categories, DBRS uses high or low designations to indicate the relative standing of the securities being rated within a particular rating category, and the absence of either a high or low designation indicates the rating is in the middle of the category. Under the DBRS rating system, debt securities rated BBB are of adequate credit quality and the capacity for payment of financial obligations is considered acceptable, but the entity may be vulnerable to future events.

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

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

The REIT paid to DBRS the customary fee in connection with the ratings assigned to the REIT, the Unsecured 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 the 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 (including this Prospectus Supplement), 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 years.

## INTEREST AND EARNINGS COVERAGE

The Trust Indenture, 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 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 laws require 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 Trust Indenture for the 12-month period

ended March 31, 2015 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 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 March 31, 2015 (including *pro forma* adjustments as required under the Trust Indenture) is approximately 2.63, as set out in the following table.

	<b><i>Pro forma for the 12 months ended March 31, 2015</i></b>
<b>Numerator – Consolidated EBITDA</b> (in thousands of dollars) .....	490,110
<b>Denominator – Consolidated Interest Expense</b> (in thousands of dollars).....	186,697
<b>Consolidated Interest Coverage Ratio</b> .....	2.63

### 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, 2014 and March 31, 2015, based on the 2014 Financial Statements and the March 2015 Financial Statements, respectively.

	<b>For the 12 months ended December 31, 2014</b>	<b>For the 12 months ended December 31, 2014<sup>(1)</sup></b>	<b>For the 12 months ended March 31, 2015</b>	<b>For the 12 months ended March 31, 2015<sup>(2)</sup></b>
	<i>(historical)</i> (in thousands of dollars)	<i>(pro forma)</i> (in thousands of dollars)	<i>(historical)</i> (in thousands of dollars)	<i>(pro forma)</i> (in thousands of dollars)
Interest Expense.....	149,385	155,746	160,291	166,248
Capitalized Interest .....	7,356	7,356	6,847	6,847
<b><i>Denominator for Earnings Coverage Ratio</i></b>	<b>156,741</b>	<b>163,102</b>	<b>167,138</b>	<b>173,095</b>
Net earnings attributable to Unitholders .....	199,453	193,092	215,536	209,579
Interest Expense.....	149,385	155,746	160,291	166,248
Income Taxes.....	(236)	(236)	(182)	(182)
Fair value adjustment <sup>(3)</sup> .....	7,356	7,356	6,847	6,847
<b><i>Numerator for Earnings Coverage Ratio</i></b>	<b>355,958</b>	<b>355,958</b>	<b>382,492</b>	<b>382,492</b>
Earnings Coverage Ratio	2.27	2.18	2.29	2.21

#### Notes:

(1) The *pro forma* numbers take into account the issuance of the January 2015 Unit Offering and the Debentures, and the use of proceeds therefrom.

(2) The *pro forma* numbers take into account the issuance of the Debentures, and the use of proceeds therefrom.

(3) Fair value adjustment to investment properties derived from the non-capitalization of interest.

## CHANGES IN UNITS OUTSTANDING AND LOAN CAPITAL

As at March 31, 2015, there were 167,525,395 Units outstanding. As at May 26, 2015, there were 168,214,044 Units outstanding. The only changes in the number of outstanding Units since March 31, 2015 resulted from the issuance by the REIT of 678,349 Units pursuant to the DRIP and 10,300 Units pursuant to the exercise of options granted under the Equity Incentive Plan.

As at March 31, 2015, the consolidated indebtedness of the REIT was approximately \$4,444.4 million, excluding accounts payable and accrued liabilities, deferred tax liabilities and distributions payable to Unitholders. As at May 26, 2015, the consolidated indebtedness of the REIT was approximately \$4,469.7 million, excluding accounts payable and accrued liabilities, deferred tax liabilities and distributions payable to Unitholders.

Additional information regarding material indebtedness of the REIT is provided in the 2014 Financial Statements, the 2014 MD&A, the March 2015 Financial Statements and the March 2015 MD&A. See “Documents Incorporated by Reference”.

After giving effect to the issuance of the Debentures under the Offering, the consolidated indebtedness of the REIT, excluding accounts payable and accrued liabilities, deferred tax liabilities and distributions payable to Unitholders, will be approximately \$4,469.7 million. See “Plan of Distribution” and “Use of Proceeds”.

## DETAILS OF THE OFFERING

The Debentures will be issued under a supplemental indenture (the “**Ninth Supplemental Indenture**”), to be dated the date of Closing, to the trust indenture dated as at June 15, 2012 between the REIT and the Indenture Trustee, as amended by the first supplemental indenture dated as at September 14, 2012 between the REIT and the Indenture Trustee, as further amended by the sixth supplemental indenture dated as at September 9, 2014 between the REIT and the Indenture Trustee (collectively, the “**Amended Trust Indenture**”, as supplemented by the second supplemental indenture dated as at December 4, 2012 between the REIT and the Indenture Trustee, by the third supplemental indenture dated as May 2, 2013 between the REIT and the Indenture Trustee, by the fourth supplemental indenture dated as July 25, 2013 between the REIT and the Indenture Trustee, by the fifth supplemental indenture dated as at October 10, 2013 between the REIT and the Indenture Trustee, by the seventh supplemental indenture dated as of September 22, 2014 between the REIT and the Indenture Trustee, by the eighth supplemental indenture dated as of December 8, 2014 between the REIT and the Indenture Trustee and as further supplemented by the Ninth Supplemental Indenture, the “**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 4.274% Series 1 senior unsecured debentures of the REIT due June 15, 2017 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 sets 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 Trust Indenture. The following is a summary of the material terms applicable to each series of Debentures which does not purport to be complete. For full particulars of such terms, reference should be made to the Trust Indenture.

### Definitions for the Debentures

For the purpose of the following discussion of certain provisions of the Trust Indenture, as it relates to each applicable series of 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.

“**Approved Rating Organization**” means any one of DBRS, Fitch Inc., Moody’s Investors Service, Inc., Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc., and any of their successors, and any other rating organization commonly used for the purpose of rating publicly-offered Canadian debt securities.

“**Balance Sheet Date**” means the date of the REIT’s most recently published annual or interim consolidated balance sheet.

**“Business Day”** means any day, other than Saturday, Sunday, any statutory holiday in Montréal, Québec or Toronto, Ontario or any day on which the Indenture Trustee is closed for business in Montréal, Québec or Toronto, Ontario.

**“Calculation Reference Date”** means, with respect to any date, the last day of the most recently completed fiscal quarter of the REIT.

**“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.

**“Capitalization Factor”** of the REIT means, as at the relevant Calculation Reference Date, the amount determined as the simple average of the weighted average capitalization rate published by the REIT in reference to the calculation of the fair value of its assets in the REIT’s annual or interim MD&A published for each of the 10 most recently completed fiscal quarters (including the fiscal quarter in which the relevant Calculation Reference Date occurs).

**“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 of the REIT 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 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.

**“Consolidated Unsecured Indebtedness”** of the REIT at any date means the consolidated unsecured Indebtedness of the REIT and its Subsidiaries as at such date determined in accordance with generally accepted accounting principles and giving effect to the Proportionate Consolidation Adjustments, provided that the term “Consolidated Unsecured Indebtedness” will exclude any security or instrument on which the REIT pays

distributions, even if such security or instrument is recognized or treated as a liability under generally accepted accounting principles.

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

“**Encumbered**” when used, as of any date, in reference to any asset of the REIT, means an asset which is encumbered by any Lien that secures the payment of any obligations under any Indebtedness (other than Permitted Encumbrances). The designation of a particular asset as Encumbered at any particular time shall not necessarily result in its continued designation as such at any future time and *vice versa* (i.e., assets previously designated Encumbered may cease to qualify as such in accordance with the foregoing definition and assets previously not designated as such may become designated Encumbered upon meeting the qualification criteria of the foregoing definition).

“**Extraordinary Resolution**” means, for any series of Debt Securities, instruments in writing signed by the holders of not less than 66 $\frac{2}{3}$ % (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 66 $\frac{2}{3}$ % (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 Trust Indenture, all upon compliance with the procedures specified in the 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.

“**Interest Payment Date**” means June 1 and December 1 of each year that any such Debentures are outstanding.

“**Interest Period**” means the period commencing on the later of (a) the date of issue of the Debentures and (b) immediately preceding the Interest Payment Date on which interest has been paid, and ending on the date immediately preceding the Interest Payment Date in respect of which interest is payable.

“**Joint Venture Arrangements**” means any real estate asset or operation in which the REIT participates where it does not own 100% of the equity interests in the asset or operation.

“**Lien**” means, with respect to any property or asset, any hypothec, charge, hypothecation, pledge, priority, encumbrance on, or other security interest in, such property or asset.

“**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.



**“Permitted Encumbrance”** means (i) Liens imposed by law for taxes or other governmental charges, (a) that are not yet due, or (b) where (A) the validity or amount thereof is being contested in good faith by appropriate proceedings, (B) the REIT has adequate reserves with respect thereto in accordance with generally accepted accounting principles, and (C) the failure to make payment pending such contest could not reasonably be expected to have a material adverse effect on the REIT, (ii) carriers’, warehousemen’s, mechanics’, materialmen’s, repairman’s, construction and other Liens imposed by applicable law, arising in the ordinary course of business and securing obligations that are not overdue by more than 30 days, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, (b) the REIT has adequate reserves with respect thereto in accordance with generally accepted accounting principles, and (c) the failure to make payment pending such contest could not reasonably be expected to have a material adverse effect on the REIT, (iii) pledges and deposits made in the ordinary course of business in compliance with workers’ compensation, unemployment insurance and other social security laws or regulations, (iv) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business, and (v) servitudes, easements, zoning restrictions, rights-of-way, restrictive covenants, agreements with municipalities or public utility or hydro commissions or other third parties, by-laws and similar encumbrances on real property imposed by applicable law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or materially interfere with the ordinary use of the property (provided same have been complied with to date in all material respects), provided that the term “Permitted Encumbrances” shall not include any Lien securing Indebtedness.

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

**“Proportionate Consolidation Adjustments”** means the effects on assets, liabilities, unitholders’ equity, revenues and expenses of accounting for Joint Venture Arrangements using the proportionate consolidation method irrespective of, and in place of, the accounting treatment applied under generally accepted accounting principles.

**“Rating”** means the final rating, if any, assigned to the senior unsecured debt of a Person or to such Person, as applicable, by an Approved Rating Organization.

**“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.

**“Subordinated Indebtedness”** means Indebtedness of the REIT (or its successor) that is expressly subordinate in right of payment to the Debentures (i) the payment of principal and interest of which can be satisfied, at the REIT’s (or its successor’s) sole option, through the issuance of Units, and (ii) in connection with the issuance of which, each Approved Rating Organization confirms in writing that its Rating, if any, for the Debentures upon issuance of the Indebtedness will be at least equal to the Rating accorded to the Debentures immediately prior to the issuance of the Indebtedness.

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

**“Unencumbered Aggregate Adjusted Assets”** as at any date means, as at the relevant Calculation Reference Date, the Aggregate Assets (excluding any amount relating to assets that are Encumbered) after giving effect to the Proportionate Consolidation Adjustments, provided that (i) the component amount thereof that would otherwise comprise the amount shown as “Investment properties – income properties” (or its equivalent) on a balance sheet shall be instead calculated as the amount obtained by applying the Capitalization Factor as at such Calculation Reference Date to determine the fair value of the REIT’s assets that would comprise “Investment properties – income properties” (excluding assets that are Encumbered) using the investment properties valuation methodology described by the REIT in its then most recently published annual or interim management’s discussion and analysis, applied consistently in accordance with past practice, and (ii) the term “Unencumbered Aggregate Adjusted Assets” will exclude other non-cash items reducing Aggregate Assets resulting from a change in accounting principles in determining Aggregate Assets for such period.

## **General**

Each series of 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 \$300 million principal amount and will be deemed to be issued and dated as of June 1, 2015.

The Debentures will mature on June 1, 2022, the date that the Debentures become due and payable, together with all accrued interest and unpaid interest thereon. The Debentures will bear interest in respect of each Interest Period on the unpaid principal amount thereof at the rate of 4.164% per annum from June 1, 2015 to, but excluding, the applicable maturity date or the date fixed for redemption, as the case may be. Interest on the Debentures will be payable in equal semi-annual payments in arrears on the Interest Payment Dates, being June 1 and December 1 in each year commencing December 1, 2015, so long as such Debentures are outstanding. Assuming the Debentures are issued on June 1, 2015, the first interest payment to be made on December 1, 2015 will be in an amount equal to \$20.82 per \$1,000 principal amount of Debentures. Each semi-annual interest payment on the Debentures will be in an amount equal to \$20.82 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 Unsecured 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 Indenture Trustee may consider equitable.

For the purposes of the foregoing provisions, the following terms in respect of the Debentures will be defined in the 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 Trust Indenture, plus 0.7%.

“**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 Trust Indenture Covenants**

The 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 Indenture Trustee in form satisfactory to counsel to the Indenture Trustee (who may be counsel to the REIT) all the obligations of the REIT under the Trust Indenture, any supplemental indenture and the Debt Securities, and such transaction to the satisfaction of the 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 Indenture Trustee and the holders of Debt Securities under the Trust Indenture;
- (b) immediately before and immediately after giving effect to such transaction, no Event of Default (as defined in the 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 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 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 Trust Indenture provides that the Indebtedness Percentage will be calculated on a *pro forma* basis as at the date of 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 million, determined as at the date of the REIT’s most recently published balance sheet.

##### *Maintenance of Unencumbered Aggregate Adjusted Assets*

The REIT will calculate at all times a coverage ratio (expressed as a percentage) obtained by dividing the Unencumbered Aggregate Adjusted Assets (excluding construction assets) by the aggregate principal amount of the REIT’s outstanding Consolidated Unsecured Indebtedness (other than Subordinated Indebtedness) (the “**Unencumbered Asset Coverage Ratio**”). The REIT will maintain at all times a Unencumbered Asset Coverage Ratio of not less than 130%. For greater certainty, except as otherwise expressly provided in the Trust Indenture or in a supplemental indenture to the Trust Indenture, and subject to the REIT’s obligation as aforesaid to maintain the aforementioned Unencumbered Asset Coverage Ratio, there shall be no restriction on the REIT’s ability to sell, assign, transfer, lease, pledge, hypothecate, mortgage or otherwise dispose of or encumber any of its assets by virtue of the REIT’s obligations set forth in the Trust Indenture.

The Unencumbered Asset Coverage Ratio will be calculated on a *pro forma* basis as at the Balance Sheet Date giving effect to the incurrence of the Indebtedness to be incurred and the application of proceeds therefrom and to any other event that has increased or decreased Consolidated Unsecured Indebtedness (other than Subordinated Indebtedness) or Unencumbered Aggregate Adjusted Assets (excluding construction assets) since the Balance Sheet Date to the date of calculation.

### Events of Default

The 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 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 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 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 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 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 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 Trust Indenture.

Subject to the provisions of the Trust Indenture relating to the duties of the Indenture Trustee, in case an Event of Default applicable to a series of Debt Securities occurs and is continuing, the Indenture Trustee will be under no obligation to exercise any of its rights or powers under the 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 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 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 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 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 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, each series of 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 each series of 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, and no holder of a Debenture will be shown on the records maintained by CDS except through a book-entry account of a Participant acting on behalf of such holder of a Debenture. Each holder of a Debenture 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. Holders of Debentures 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 holder of a Debenture to pledge a Debenture or otherwise take action with respect to such holder'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 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 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 Trust Indenture contains provisions requiring the Indenture Trustee to release the REIT from its obligations under the 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 Indenture Trustee that it has deposited funds or made due provision for, among other things, the payment of (i) the expenses of the 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 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 66⅔% 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 Indenture Trustee as provided in the 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 Trust Indenture with respect to such series of Debt Securities.

### **PLAN OF DISTRIBUTION**

Under the Agency Agreement, the Agents have agreed to act as the REIT’s agents to offer \$300 million aggregate principal amount of Debentures for sale to the public on a best efforts basis, 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 Agency Agreement. The offering price of each series of Debentures was established by negotiation between the REIT and the Agents. The Agents will receive a fee equal to \$3.70 per \$1,000 principal amount of Debentures.

The obligations of the Agents under the Agency Agreement may be terminated at their discretion in certain circumstances, including on the basis of their assessment of the state of the financial markets and also upon the occurrence of certain stated events. While the Agents have agreed to use their best efforts to sell the Debentures offered under this Prospectus Supplement, the Agents will not be obligated to purchase any Debentures which are not sold. The REIT has agreed to indemnify the Agents against certain liabilities, including liabilities under applicable Canadian provincial securities legislation in certain circumstances, or to contribute to payments the Agents may be required to make because of such liabilities.

The Agents 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 Agents 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 any of 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 Agent 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 of America. The Debentures have not been, and will not be, registered under the 1933 Act, or any state securities laws and may not be offered or delivered, directly or indirectly, or sold in the United States of America except in certain transactions exempt from the registration

requirements of the 1933 Act and in compliance with any applicable state securities laws. The Agents have agreed that they will not offer or sell the Debentures within the United States of America, 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 of America. In addition, until 40 days after the commencement of the Offering, an offer or sale of Debentures within the United States of America 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 AGENTS**

Each of NBF, BMO, Desjardins Securities Inc., RBC Dominion Securities Inc., Scotia Capital Inc. and TD Securities Inc. is a subsidiary of financial institutions which are lenders to the REIT and its subsidiaries. Consequently, the REIT may be considered to be a “connected issuer” of those Agents under National Instrument 33-105 – *Underwriting Conflicts* (referred to in Québec as *Regulation 33-105 respecting Underwriting Conflicts*).

As at May 26, 2015, the consolidated indebtedness of the REIT to the above-mentioned financial institutions amounted to approximately \$730.5 million in the aggregate; namely (i) approximately \$1.8 million of hypothecary loans owed to the financial institution of which NBF is a subsidiary, approximately \$164.6 million of hypothecary loans owed to the financial institution of which Desjardins Securities Inc. is a subsidiary, approximately \$9.1 million of hypothecary loans owed to the financial institution of which RBC Dominion Securities Inc. is a subsidiary, approximately \$111.8 million of hypothecary loans owed to the financial institution of which Scotia Capital Inc. is a subsidiary, approximately \$104.8 million of hypothecary loans owed to the financial institution of which TD Securities Inc. is a subsidiary, and (ii) approximately \$338.4 million outstanding under the Unsecured Revolving Credit Facility, in respect of which the lenders are the financial institutions of which NBF (as to approximately \$79.5 million), BMO (as to approximately \$78.8 million), Desjardins Securities Inc. (as to approximately \$56.2 million), RBC Dominion Securities Inc. (as to approximately \$45.1 million), Scotia Capital Inc. (as to approximately \$45.1 million) and TD Securities Inc. (as to approximately \$33.7 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 \$474.4 million in the aggregate; namely (i) approximately \$392.1 million will remain outstanding under the hypothecary loans in the same proportions as at May 26, 2015, as described in the immediately preceding paragraph, (ii) approximately \$82.3 million outstanding under the Unsecured Revolving Credit Facility, in respect of which the lenders are the financial institutions of which NBF (as to approximately \$19.2 million), BMO (as to approximately \$19.2 million), Desjardins Securities Inc. (as to approximately \$13.7 million), RBC Dominion Securities Inc. (as to approximately \$11.0 million), Scotia Capital Inc. (as to approximately \$11.0 million) and TD Securities Inc. (as to approximately \$8.2 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 2014 AIF which is available electronically under the REIT’s profile at [www.sedar.com](http://www.sedar.com).

The decision of each Agent that is a subsidiary of an aforesaid financial institution to participate in the Offering was made independently of such financial institution and was not required by such financial institutions. None of the Agents will receive any benefit from the Offering, other than its respective portion of the fee payable by the REIT. See “Plan of Distribution”.

#### **USE OF PROCEEDS**

The estimated total net proceeds to be received by the REIT from this Offering will amount to approximately \$298.5 million, after deducting the Agents’ fee in respect of the Offering and the estimated expenses of this Offering. The net proceeds from the Offering will be used in full to pay down debt outstanding under the Unsecured Revolving Credit Facility. Indebtedness incurred under the Unsecured Revolving Credit Facility was used by the REIT to acquire real estate properties, to finance real estate developments and for general trust purposes.

#### **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 Agents, 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 or is

deemed to be, 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. Such Debentureholders should consult their own tax advisors regarding their particular circumstances.

This summary is not applicable to a Debentureholder: (i) that is a "financial institution" for the purposes of the mark-to-market rules; (ii) that is a "specified financial institution"; (iii) an interest in which is a "tax shelter investment"; (iv) that enters into, with respect to the Debentures, a "derivative forward agreement"; or (v) that reports its "Canadian tax results" in a currency other than Canadian currency, each as defined in the Tax Act. 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 on (i) the facts and assumptions set out in the Base Shelf Prospectus and in this Prospectus Supplement (including the documents incorporated therein and herein by reference); (ii) a certificate of an officer of the REIT as to certain factual matters; (iii) the current provisions of the Tax Act, the Regulations and the Tax Proposals; and, (iv) counsel's understanding of the current administrative policies and assessing practices of the CRA 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 reading 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, including any premium deemed to be interest as described below) 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 by a Debentureholder who is an individual or a trust 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 2014 AIF, the 2014 MD&A and the March 2015 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.*

### **Risk Factors Related to the Business of the REIT**

#### *Access to capital and debt financing, and current global financial conditions*

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

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

#### *Debt Financing*

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

A portion of the REIT's cash flows is dedicated to servicing its debt, and there can be no assurance that the REIT will continue to generate sufficient cash flows from operations to meet required interest or principal payments, such that it could be required to seek renegotiation of such payments or obtain additional financing, including equity or debt financing.

The Unsecured Revolving Credit Facility in the stated amount of \$550.0 million is repayable in one tranche in August 2017. As at May 26, 2015, \$394.7 million was drawn down under the Unsecured Revolving Credit Facility and approximately \$298.5 million will be repaid from the net proceeds of this Offering. See "Use of Proceeds".

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

### *Ownership of immovable property*

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

The value of immovable property and improvements thereto may also depend on the solvency and financial stability of tenants and the economic environment in which they operate. Recently, due to difficult conditions in the Canadian retail environment, certain retailers have announced the closure of their stores, including Jacob, Mexx, Bikini Village, Benix, Co-mark and Target Canada, which are tenants of the REIT. Other retailers may follow. The REIT's income and Distributable Income would be adversely affected if one or more major tenants or a significant number of tenants were unable to meet their lease obligations or if a significant portion of vacant space in the properties in which the REIT has an interest cannot be leased on economically favourable lease terms. In the event of default by a tenant, delays or limitations may be experienced in enforcing the REIT's rights as a lessor and substantial costs may be incurred to protect the REIT's investment. The ability to rent unleased space in the properties in which the REIT has an interest will be affected by many factors, including the level of general economic activity and competition for tenants by other properties. Costs may need to be incurred to make improvements or repairs to property as required by a new tenant. The failure to rent unleased space on a timely basis or at all or at rents that are equivalent to or higher than current rents would likely have an adverse effect on the REIT's financial position and the value of its properties.

Certain significant expenditures, including property taxes, maintenance costs, hypothecary payments, insurance costs and related charges must be made throughout the period of ownership of immovable property regardless of whether the property is producing any income. If the REIT is unable to meet mortgage payments on a property, a loss could be sustained as a result of the mortgage creditor's exercise of its hypothecary remedies.

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

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

### *Environmental matters*

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

Pursuant to the REIT's operating policies, the REIT shall obtain or review a Phase I environmental audit of each immovable property to be acquired by it. See "Description of the Business – Investment Guidelines and Operating Policies – Operating Policies" on pages 15 and 16 of the 2014 AIF.

### *Legal risks*

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

### *Competition*

The REIT competes for suitable immovable property investments with individuals, corporations and institutions (both Canadian and foreign) which are presently seeking, or which may seek in the future, immovable

property investments similar to those desired by the REIT. Many of those investors have greater financial resources than the REIT, or operate without the investment or operating restrictions applicable to the REIT or under more flexible conditions. An increase in the availability of investment funds and heightened interest in immovable property investments could increase competition for immovable property investments, thereby increasing the purchase prices of such investments and reducing their yield.

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

#### *Acquisitions*

The REIT's business plan is focused in part on growth by identifying suitable acquisition opportunities, pursuing such opportunities, completing acquisitions and effectively operating and leasing such properties. If the REIT is unable to manage its growth effectively, this could adversely impact the REIT's financial position and results of operations, and decrease the Distributable Income. There can be no assurance as to the pace of growth through property acquisitions or that the REIT will be able to acquire assets on an accretive basis, and as such there can be no assurance that distributions to Unitholders will increase in the future.

#### *Property development program*

Information regarding the REIT's development projects, development costs, capitalization rates and expected returns are subject to change, which may be material, as assumptions regarding items such as, but not limited to, tenant rents, building sizes, leasable areas, project completion timelines and project costs, are updated periodically based on revised site plans, the REIT's cost tendering process, continuing tenant negotiations, demand for leasable space in the REIT's markets, the obtaining of required building permits, ongoing discussions with municipalities and successful property re-zonings. There can be no assurance that any assumptions in this regard will materialize as expected and any changes in these assumptions could have a material adverse effect on the REIT's development program, asset values and financial performance.

#### *Recruitment and retention of employees and executives*

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

#### *Government regulation*

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

In addition, environmental and ecological legislation and policies have become increasingly important in recent decades. Under various laws, the REIT could become liable for the costs of removal or remediation of certain hazardous or toxic substances released on or in its properties or disposed of at other locations, or for the costs of other remedial or preventive work. The failure to remove or remediate such substances, or to effect such remedial or preventive work, if any, may adversely affect the REIT's ability to sell such real estate or to borrow using such real estate as collateral, and could potentially also result in claims against the REIT by private plaintiffs or governmental agencies. Notwithstanding the above, the REIT is not aware of any material non-compliance, liability or other claim in connection with any of its properties, nor is the REIT aware of any environmental condition with respect to any of its properties that it believes would involve material expenditure by the REIT.

#### *Limit on activities*

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

#### *General uninsured losses*

The REIT subscribed a blanket comprehensive general liability including insurance against fire, flood, extended coverage and rental loss insurance with policy specifications, limits and deductibles customarily carried for similar properties. There are, however, certain types of risks (generally of a catastrophic nature such as from wars or environmental contamination) which are either uninsurable or not insurable on an economically viable basis. The

REIT also carries insurance for earthquake risks, subject to certain policy limits, deductibles, and will continue to carry such insurance if it is economical to do so. Should an uninsured or underinsured loss occur, the REIT could lose its investment in, and anticipated profits and cash flows from, one or more of its properties, but the REIT would continue to be obligated to repay any hypothecary recourse or mortgage indebtedness on such properties.

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

#### *Potential conflicts of interest*

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

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

### **Risk Factors Related to the Ownership of Debentures**

#### *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. A special tax regime applies to SIFTs and investors in SIFTs, under which 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 2015. 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 2015 or in any future year.

Further information regarding the SIFT Rules and the Real Estate Investment Trust Exception, 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".

## **INDENTURE TRUSTEE**

The 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 Indenture Trustee, is the transfer agent and registrar 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 Agents 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, a partnership of 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, revisions 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: May 27, 2015

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  
President and Chief Executive Officer

(signed) GILLES HAMEL  
Executive Vice-President and Chief Financial Officer

On behalf of the Trustees

(signed) GHISLAINE LABERGE  
Trustee

(signed) JOHANNE M. LÉPINE  
Trustee



**CERTIFICATE OF THE AGENTS**

Dated: May 27, 2015

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, 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.

NATIONAL BANK FINANCIAL INC.

BMO NESBITT BURNS INC.

By: (signed) LOUIS GENDRON

By: (signed) GRÉGOIRE BAILLARGEON

DESIARDINS SECURITIES INC.

By: (signed) FRANÇOIS CARRIER

RBC DOMINION SECURITIES INC.

By: (signed) DAVID DULBERG

SCOTIA CAPITAL INC.

By: (signed) CHARLES ÉMOND

TD SECURITIES INC.

By: (signed) LOUIS G. VÉRONNEAU