



INFORMATION STATEMENT

COMBINATION WITH CANADIAN REAL ESTATE INVESTMENT TRUST

March 15, 2018

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LETTER TO UNITHOLDERS

March 15, 2018

Fellow Unitholders,

On February 14, 2018, Choice Properties entered into an arrangement agreement to combine with Canadian Real Estate Investment Trust (“CREIT”). The combined entity brings together Canada’s oldest public real estate investment trust, with a long track record of disciplined investing and prudent financial management, and an investment-grade real estate investment trust anchored by Canada’s largest food retailer. The combined entity is backed by the commitment of the Weston group of companies to make commercial real estate a long-term core business and transform Choice Properties into the premier diversified real estate investment trust in Canada.

Together, Choice Properties and CREIT will form Canada’s largest real estate investment trust with an enterprise value of approximately \$16 billion and a significant development pipeline. The resulting enterprise will have an industry-leading operating platform and development capabilities, as well as an unparalleled diversified portfolio comprising 752 properties with approximately 69 million square feet of gross leasable area. Enhancing the platform with a long-term strategic relationship with Loblaw Companies Limited provides stability to core operating income while facilitating growth through 1.5% per annum contractual rent increases and a pipeline of future acquisition and development opportunities.

This combined entity will be Canada’s preeminent diversified real estate investment trust with a portfolio that has been assembled over several decades. The retail portfolio is focused on necessity-based retailers and provides a solid foundation of stable and growing cash flows. The balance of the portfolio is comprised of high-quality industrial assets and office assets located in Canada’s largest markets.

The consolidated development pipeline presents meaningful value creation opportunities. This expanded pipeline includes the potential to capitalize on an established retail development and intensification program and to leverage joint venture partnerships to access attractive sites to fuel additional development. The combined entity will have more than 60 sites prime for creating exciting residential-focused mixed-use communities, many of which are in close proximity to public transportation where people want to live, work, play and shop.

Current management of CREIT assuming leadership roles in Choice Properties following completion of the combination will be Mr. Stephen Johnson, as President and Chief Executive Officer, Mr. Rael Diamond, as Chief Operating Officer, and Mr. Mario Barrafato, as Chief Financial Officer. With CREIT’s leadership team, the combined entity will have the benefit of their experience in developing a leading real estate entity with a culture of disciplined financial management, conservative accounting practices, principled governance practices and a focus on the preservation of capital.

The attached Information Statement is intended to assist you in understanding the impact of the transaction on Choice Properties and its business. You do not need to take any action. Unitholders of CREIT will be voting on the transaction at a special meeting scheduled for April 11, 2018. Completion of the transaction is subject to the satisfaction of certain other conditions, including

the approval of the Toronto Stock Exchange, the Ontario Superior Court of Justice (Commercial List) and under the *Competition Act* (Canada). If such approvals are obtained and the other conditions to the completion of the transaction are satisfied or waived, it is expected that the transaction will be completed in the second quarter of 2018.

We look forward to this exciting new chapter in the growth of Choice Properties. Thank you for your continued support.

Yours very truly,

A handwritten signature in blue ink, appearing to read 'Anthony R. Graham', with a stylized flourish at the end.

Anthony R. Graham

Chairman

INFORMATION CONTAINED IN THIS INFORMATION STATEMENT

General Information

This Information Statement has been filed with securities regulatory authorities in Canada to provide unitholders of Choice Properties Real Estate Investment Trust (“**Choice Properties**”) with information on its proposed combination (the “**Transaction**”) with Canadian Real Estate Investment Trust (“**CREIT**”). **This Information Statement was prepared for informational purposes only, and you do not need to take any action.**

All information relating to CREIT and its affiliates incorporated by reference or contained in this Information Statement has been taken from or based upon publicly available documents, records and other public sources or has been provided to Choice Properties by CREIT for inclusion in this Information Statement. Choice Properties has relied upon this information without having made independent inquiries as to the accuracy or completeness thereof; however, it has no reason to believe such information contains a misrepresentation. Neither the Board nor Choice Properties assumes any responsibility for the accuracy or completeness of such information or for any omission therein or for any failure on the part of CREIT to disclose facts or events which may affect the accuracy or completeness of any such information.

Terms with initial capital letters in this Information Statement are defined in the Glossary of Terms attached as Appendix C to this Information Statement, except where otherwise noted.

The information contained in this Information Statement is given as at March 15, 2018, except where otherwise noted.

Caution Regarding Forward-Looking Statements and Information

Certain statements contained or incorporated by reference in this Information Statement contain “forward-looking statements” and “forward-looking information” within the meaning of applicable securities laws. Such forward-looking statements and information include statements or information with respect to the timing of the CREIT Meeting, the expected costs and benefits of the Transaction, the likelihood and timing of the completion of the Transaction, the number of Units to be issued in connection with the Transaction, other matters related to the completion of the Transaction, management of the combined entity on the completion of the Transaction, the Unitholders’ proportional ownership in the combined entity on the completion of the Transaction, the financial condition, size, results of operations, future performance and business of the combined entity following completion of the Transaction, the development pipeline of the combined entity following completion of the Transaction, and the liquidity of the Units following completion of the Transaction.

Forward-looking statements generally can be identified by the use of forward-looking terminology such as “outlook”, “objective”, “may”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “could”, “seek”, “goal”, “should”, “plan” or “continue”, or similar expressions suggesting future outcomes or events.

With respect to forward-looking statements and information contained or incorporated by reference herein, Choice Properties has made numerous assumptions. These assumptions include,

among other things, the ability to satisfy the conditions to the completion of the Transaction; no occurrence of a Material Adverse Effect with respect to CREIT or Choice Properties; the ability to obtain Competition Act Approval; the accuracy and completeness of information received from or on behalf of CREIT; the ability of Choice Properties to successfully integrate CREIT and its business, assets and operations; the market price of Units; the anticipated benefits of the Transaction; the timing of the CREIT Meeting; the accuracy of advice received from professional advisors; the impact of current economic climate and the current global financial conditions; that CREIT's, and Choice Properties', financing capacity and asset value will remain consistent with Choice Properties' current expectations; that there will be no material changes to government and environmental regulations adversely affecting CREIT's or Choice Properties' operations; that the performance of CREIT's and Choice Properties' investments will proceed on a basis consistent with Choice Properties' current expectations; and that conditions in the real estate market, including competition for acquisitions, will be consistent with the current climate. Although management of Choice Properties believes that the assumptions made and the expectations represented by such statements or information are reasonable, there can be no assurance that the forward-looking statements or information will prove to be accurate. Readers should also refer to the documents incorporated by reference in this Information Statement for additional information on risks and uncertainties relating to forward-looking statements and information regarding CREIT and Choice Properties.

By their nature, forward-looking statements and information are based on assumptions and involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements, or industry results, to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements and information. In particular, there are certain risks related to the consummation of the Transaction and the business and operations of CREIT and Choice Properties (including the business and operations that are currently being conducted and undertaken by CREIT and Choice Properties and those that will be conducted and undertaken by Choice Properties upon consummation of the Transaction) including, but not limited to: the risk of failure to satisfy the conditions to completion of the Transaction, including failure to obtain required regulatory, Court and CREIT Unitholder approvals; the risk of an occurrence of a Material Adverse Effect in respect of CREIT or Choice Properties; risks related to the fees, costs and expenses associated with the Transaction; the risk that the market price of the Units may be materially adversely affected if the Transaction is not completed or its completion is materially delayed; risks relating to the fact that while the Transaction is pending, Choice Properties is restricted from taking certain actions; and risks related to the qualification by CREIT or Choice Properties for the REIT Exception. Certain risks and other factors with respect to Choice Properties following completion of the Transaction include, but are not limited to, the financial and operational performance of the combined entity, the capital requirements associated with Choice Properties following completion of the Transaction, dependence on key personnel, and the risk that Choice Properties following completion of the Transaction may not realize any of the benefits of its real estate portfolio. The business of Choice Properties following completion of the Transaction will also be subject to the risks currently affecting the business of CREIT. See "*Risk Factors*".

Although Choice Properties has attempted to identify in this Information Statement important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements and information in this Information Statement and the documents

incorporated by reference herein, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that the forward-looking statements and information in this Information Statement and the documents incorporated by reference herein will prove to be accurate, as actual results and future events could differ materially from those anticipated in such forward-looking statements and information. Accordingly, readers should not place undue reliance on forward-looking statements or information in this Information Statement, or on the documents incorporated by reference herein. Except as required by applicable Law, Choice Properties disclaims any intention or obligation to update or revise any of the forward-looking statements or forward-looking information in this Information Statement or the documents incorporated by reference herein, whether as a result of new information, future events or otherwise, or to explain any material difference between subsequent actual events and such forward-looking statements and information. All of the forward-looking statements made, and forward-looking information contained, in this Information Statement and incorporated by reference herein are qualified by these cautionary statements.

Currency Presentation and Financial Principles

Unless otherwise indicated in this Information Statement, all currency amounts are expressed in Canadian dollars. References to “\$” in this Information Statement refer to Canadian dollars.

All financial statements and financial information therefrom included or incorporated by reference herein pertaining to CREIT have been prepared in accordance with IFRS and all financial statements and financial information therefrom included herein pertaining to Choice Properties have been prepared and presented in accordance with IFRS.

Pro forma financial information included in this Information Statement is for informational purposes only and is unaudited. All unaudited *pro forma* financial information contained in this Information Statement has been derived from underlying financial statements prepared in accordance with IFRS to illustrate the effect of the Transaction. The *pro forma* financial information set forth in this Information Statement should not be considered to be what the actual financial position or other results of operations would have necessarily been had CREIT and Choice Properties operated as a single combined entity as, at or for the periods stated.

THE TRANSACTION

Background to the Transaction

Choice Properties regularly reviews its overall strategy and, from time to time, has considered various strategic opportunities that might accelerate the achievement of its business plan or otherwise be in the best interests of Choice Properties.

Beginning in 2016, and continuing in 2017, Galen G. Weston, Chairman and Chief Executive Officer of Loblaw, the controlling unitholder of Choice Properties, and Stephen Johnson, Chief Executive Officer of CREIT, engaged in a number of informal discussions regarding potential opportunities involving Choice Properties and CREIT.

In the fourth quarter of 2017, as part of their ongoing discussions, Mr. Weston and Mr. Johnson met to discuss a potential combination of Choice Properties and CREIT. At the meeting, Mr. Weston indicated that real estate was a core business within the Weston group of companies and that Choice Properties was continuing to consider a number of possible strategic alternatives, with the goal of accelerating Choice Properties' growth and diversification. However, Mr. Weston advised that Choice Properties was not, at such time, in a position to advance discussions regarding a potential transaction with CREIT. As a result, he indicated to Mr. Johnson that Choice Properties would revert to CREIT in early 2018 with further details, to the extent Choice Properties sought to pursue a transaction with CREIT, or otherwise.

In early January 2018, Choice Properties engaged in discussions with Loblaw and the TSX regarding the possible conversion of Loblaw's Class C LP Units into Class B LP Units, which would facilitate Choice Properties' financing of a strategic transaction.

On January 16, 2018, the Board met to receive an update on management's evaluation of a potential transaction with CREIT. After discussion, the Board authorized management to make a proposal to CREIT within certain parameters, with the understanding that management would be authorized to enter into a legally binding obligation with respect to a transaction only after reporting back to the Board on CREIT's reaction to the proposal and the Board considering and approving the final transaction terms that CREIT would be willing to accept.

Late in the day on January 16, 2018, Mr. Weston and John Morrison, President and Chief Executive Officer of Choice Properties, met with Mr. Johnson and Rael Diamond, President and Chief Operating Officer of CREIT, and presented a non-binding offer letter (the "**Original Offer**") providing for the acquisition of CREIT by Choice Properties for a combination of \$22.00 in cash and 2.4520 Units for each CREIT Unit, on a fully prorated basis, representing a premium in excess of 20% to the then-current CREIT Unit trading price.

TD Securities, financial advisor to Choice Properties, met with RBC Capital Markets, financial advisor to CREIT, on January 31, 2018, regarding the terms of the Original Offer. RBC Capital Markets advised TD Securities that CREIT required an improved offer from Choice Properties in order to engage in continued discussions regarding a potential transaction.

On February 1, 2018, TD Securities and RBC Capital Markets met again to discuss the potential transaction. At such meeting, TD Securities presented a revised offer (the “**Revised Offer**”), whereby Choice Properties would acquire CREIT for a combination of \$22.50 in cash (an increase of \$0.50 per CREIT Unit from the Original Offer) and 2.4520 Units for each CREIT Unit, on a fully prorated basis.

Separately, Mr. Weston was advised by Mr. Johnson as to the initial determination of CREIT’s board of trustees regarding the Revised Offer and RBC Capital Markets’ mandate to engage with TD Securities.

Later on the afternoon of February 1, 2018 and on the following day, Mr. Weston spoke to Mr. Johnson to discuss, among other things: the Revised Offer; Choice Properties’ position that, to the extent the Revised Offer was not acceptable to CREIT, CREIT should present a specific counterproposal to Choice Properties; and the recent stock market volatility and price fluctuations of the units of CREIT and Choice Properties. The parties agreed to defer further discussions until the following week, with perhaps the benefit of some additional clarity regarding the state of the markets.

Mr. Weston and Mr. Johnson met to discuss the proposed transaction on the evening of February 6, 2018, with Mr. Johnson pursuing a further increase in the aggregate purchase price. After considerable discussion, Mr. Weston advised that an updated revised non-binding offer letter (the “**Updated Offer**”) would be presented to CREIT, whereby Choice Properties would acquire CREIT for a combination of \$22.50 in cash and 2.4904 Units for each CREIT Unit (an increase from 2.4520 Units per CREIT Unit contemplated by the Revised Offer), on a fully prorated basis. At the conclusion of such discussion, the parties agreed in principle to commence formal negotiations of a proposed transaction, subject to CREIT’s receipt of the Updated Offer and entering into the Confidentiality Agreement.

On February 7, 2018, Choice Properties delivered the Updated Offer, which reflected the proposed counterproposal, following which Choice Properties and CREIT entered into the Confidentiality Agreement, which, among other things, provided for a seven-day exclusivity period to conduct mutual due diligence and negotiate and finalize the terms of the Transaction.

From February 7, 2018 to February 13, 2018, the parties and their respective financial and legal advisors advanced the due diligence, structuring and negotiation process. On February 8 and 9, 2018, management of Choice Properties and CREIT provided each other with detailed management presentations with respect to their respective operations, business plans, and expected financial results for the year ended December 31, 2017. At the same time, Choice Properties engaged in an intensive due diligence review of CREIT’s properties and financial information, while CREIT conducted a similar property, financial and legal review of Choice Properties’ operations and the terms of its existing arrangements with Loblaw, including discussions with Choice Properties regarding the impact of such arrangements on the combined entity.

Separately, on the evening of February 9, 2018, Torys LLP, legal counsel to Choice Properties, provided copies of the draft transaction agreements to CREIT and its counsel, Blake, Cassels & Graydon LLP. Over the course of the next several days, the parties and their respective legal, tax and financial advisors reviewed and negotiated the terms of the proposed arrangement agreement,

including, among other things, the proposed structure of the acquisition (including the proposed terms of the Class C Conversion), the scope and nature of each party's covenants under the Transaction and the quantum of a termination fee payable in certain circumstances pursuant to such arrangement agreement.

On the afternoon of February 13, 2018, after the close of trading on the TSX, the Board met to consider the Transaction. At this meeting, TD Securities orally provided its fairness opinion that the consideration to be paid by Choice Properties to CREIT Unitholders pursuant to the Transaction is fair, from a financial point of view, to Choice Properties. Following such consideration, the members of the Board unanimously approved, among other things, the Transaction, subject to the resolution of all terms as well as the satisfactory completion of confirmatory due diligence.

On the evening of February 13, 2018 and on the morning of February 14, 2018, representatives of Choice Properties met with representatives of CREIT to negotiate the remaining terms of the Transaction and to confirm that all outstanding due diligence matters had been addressed.

During the evening of February 14, 2018, the Arrangement Agreement, the Loblaw Voting Agreement and voting and support agreements with the trustees and certain executive officers of CREIT were finalized, executed and delivered by the parties thereto. Prior to the opening of trading on the TSX on February 15, 2018, the Transaction was announced by a joint press release issued by Choice Properties and CREIT.

Approval of the Board

After careful consideration and consultation with its financial and legal advisors, the Board, having taken into account such matters as it considered relevant, unanimously approved the Transaction.

Fairness Opinion

TD Securities was engaged by Choice Properties as a financial advisor to provide the Board with financial advisory services in evaluating potential acquisitions, including advice and assistance in evaluating the Transaction. In connection with its evaluation of the Transaction, the Board received an opinion from TD Securities (the "**Fairness Opinion**") to the effect that, as of February 14, 2018 and based upon and subject to the assumptions, limitations and qualifications set forth therein, the consideration to be paid by Choice Properties to CREIT Unitholders pursuant to the Transaction is fair, from a financial point of view, to Choice Properties. The full text of the Fairness Opinion is attached at Appendix A to this Information Statement.

The Fairness Opinion was provided solely for the use of the Board in connection with its evaluation of the consideration to be paid by Choice Properties to CREIT Unitholders pursuant to the Transaction. TD Securities did not provide any opinion in respect of the Class C Conversion.

Pursuant to the terms of its engagement agreement with Choice Properties, TD Securities is to be paid a fee for its services as financial advisor, a portion of which is payable upon delivery of the Fairness Opinion and a portion of which is contingent on the successful completion of the Transaction or certain other events. Choice Properties has also agreed to reimburse TD Securities for its reasonable out-of-pocket expenses and to indemnify it in certain circumstances.

Unitholder Approval

The Transaction is subject to the approval of the Unitholders by ordinary resolution for the issuance of Units pursuant to the Transaction.

Under the terms of the Loblaw Voting Agreement, Loblaw, which holds an approximate 82% effective interest in Choice Properties, has agreed, among other things, to vote the Loblaw Subject Units at any meeting of Unitholders (and in any action by written consent of such holders) in favour of the Transaction. The TSX has approved Choice Properties obtaining the Unitholder Approval by way of Loblaw's written consent, subject to customary conditions.

Summary of the Transaction

The Transaction will be completed by way of a plan of arrangement under the OBCA and the Trustee Act, involving, among others, CREIT, CREIT GP and Choice Properties.

Pursuant to the Transaction, Choice Properties will, among other things, acquire all of CREIT's assets and assume all of its liabilities, including long-term debt and all residual liabilities (other than certain credit facilities of CREIT that will be repaid in connection with the Transaction). In connection therewith, CREIT will then redeem all of its outstanding CREIT Units for an aggregate of \$22.50 in cash and 2.4904 Units per CREIT Unit, on a fully prorated basis.

The aggregate Consideration will be comprised of approximately 58% in Units and 42% in cash. CREIT Unitholders will have the ability to choose whether to receive \$53.75 in cash or 4.2835 Units for each CREIT Unit held, subject to proration. The maximum amount of cash, which will be funded by Choice Properties, payable to CREIT Unitholders by CREIT on the Cash Redemption will be \$1,651,532,198. In addition, Choice Properties expects that approximately 183 million Units will be delivered by CREIT to CREIT Unitholders, based on the fully diluted number of CREIT Units outstanding as of the date of the Arrangement Agreement. Unitholders are expected to hold an approximate 73% effective interest in Choice Properties following completion of the Transaction.

As more fully described in the Arrangement Agreement, the completion of the Transaction depends on a number of conditions being satisfied or waived, including, among others: (i) the Unitholder Approval; (ii) the CREIT Special Resolution being approved and adopted by CREIT Unitholders; (iii) the requisite Interim Order and Final Order being obtained; (iv) the Competition Act Approval being obtained; and (v) the satisfaction or, where permitted, waiver of the other closing conditions of the Transaction.

Choice Properties and CREIT anticipate that the Transaction will be completed in the second quarter of 2018.

Sources of Funds for the Transaction

Choice Properties Credit Facilities

On February 14, 2018, Choice Properties entered into a commitment letter with TD Securities (the “**Lender**”) with respect to the financing of the Transaction (the “**Commitment Letter**”). Choice Properties entered into committed credit facilities fully underwritten by the Lender totaling \$3.6 billion to finance the cash portion of the Transaction. These committed credit facilities included an \$850 million bridge facility and a \$1.25 billion term loan with the term loan being structured in 3, 4 and 5 year tranches of \$312.5 million, \$312.5 million, and \$625 million, respectively, pre-payable without penalty. Choice Properties also arranged a new \$1.5 billion committed revolving credit facility, that will replace its and CREIT’s existing credit facilities.

On March 8, 2018, Choice Properties issued \$1.3 billion aggregate principal amount of senior unsecured debentures on a private placement basis in two series: (i) \$550 million aggregate principal amount of Series K senior unsecured debentures with an interest rate of 3.556% per annum, maturing on September 9, 2024; and (ii) \$750 million aggregate principal amount of Series L senior unsecured debentures with an interest rate of 4.178% per annum, maturing on March 8, 2028. Upon closing of the offering, the gross proceeds therefrom (less the applicable agents’ fees) were placed in escrow with BNY Trust Company of Canada and Choice Properties subsequently notified the Lender that it will cancel the \$850 million bridge facility, the 3-year \$312.5 million term loan, and a portion (\$137.5 million of \$312.5 million) of the 4-year term loan. The proceeds will be released from escrow upon satisfaction of the escrow release conditions specified in the escrow agreement, including the satisfaction or waiver of all conditions to closing of the Transaction.

The performance by Choice Properties of its obligations under the Arrangement Agreement is not conditional on Choice Properties obtaining financing for the Transaction, regardless of the reasons why financing may not be obtained or whether such reasons are within or beyond the control of Choice Properties. While, under the terms of the Arrangement Agreement, Choice Properties is obligated to enter into a definitive agreement with respect to the debt financing contemplated by the Commitment Letter providing for the financing of, among other things, the Aggregate Cash Consideration, even if such financing (or alternative financing) is not obtained, Choice Properties is obligated to consummate the Transaction subject to and on the terms contemplated by the Arrangement Agreement.

Class C Conversion

To facilitate Choice Properties’ financing of the Transaction, Loblaw has agreed to convert all of its outstanding Class C LP Units with a face value of \$925 million into Class B LP Units on closing of the Transaction. The Class C LP Units are convertible by their terms into Class B LP Units commencing in 2027 and the conversion of the Class C LP Units on closing of the Transaction will be effected in accordance with those terms. Each Class C LP Unit will be valued at \$10.00 and the Class B LP Units issuable will be valued at the 20-day VWAP of Units calculated as of the end of the trading day immediately preceding the Effective Date. Choice Properties LP expects to issue to Loblaw a maximum of approximately 70.9 million Class B LP Units upon the

conversion of the Class C LP Units and, if required, to pay any shortfall in value on the Effective Date in cash.

The TSX has granted Choice Properties an exemption from the minority unitholder approval requirement for the purposes of section 611 of the TSX Company Manual that would otherwise technically apply to the Class C Conversion given that the number of Class B LP Units to be issued to Loblaw exceeds 10% of the total number of outstanding units of Choice Properties (including Class B LP Units and Special Voting Units) on a standalone basis before giving effect to the Class C Conversion and the conversion of the Class C LP Units is being accelerated to facilitate the financing of the Transaction. As a condition of the exemption, Loblaw will undertake to not exercise its right to vote the Special Voting Units issued in connection with the Class B LP Units, or to exchange or transfer the Class B LP Units, until the date on which the Class C LP Units would otherwise have become convertible in accordance with their terms.

The Class C Conversion is exempt from the formal valuation and minority approval requirements pursuant to Sections 5.5(a) and 5.7(1)(a) of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* because the fair market value of each of the Class C LP Units and the Class B LP Units/Special Voting Units to be issued in exchange is less than 25% of the market capitalization of Choice Properties (including both Units and the Class B LP Units/Special Voting Units, in accordance with customary exemptive relief obtained from securities regulators at the time of the Choice Properties initial public offering).

CREIT Restricted Units

CREIT has in place a CREIT Restricted Unit Plan which provides for the award of CREIT Units to certain senior officers of CREIT. The CREIT Units granted under the CREIT Restricted Unit Plan are purchased in the open market and are held by an independent custodian on behalf of each participant in the CREIT Restricted Unit Plan until such time as they have vested, the disposition restrictions have been lifted and the recipient of the award withdraws such CREIT Restricted Units from the CREIT Restricted Unit Plan. Each participant has the right to vote the CREIT Restricted Units and to receive distributions in respect of such CREIT Restricted Units in accordance with the CREIT Restricted Unit Plan. One-third of the CREIT Restricted Units vest on each of the three anniversaries following the grant date of such CREIT Restricted Units (other than the CREIT Restricted Units granted to CREIT's Chief Executive Officer, of which one-third of such CREIT Restricted Units vest on each of the third, fourth and fifth anniversaries from the grant date). Once the CREIT Restricted Units granted under the CREIT Restricted Unit Plan have vested, they are no longer subject to forfeiture. Whether or not vested, the CREIT Restricted Units may not be sold, pledged or otherwise disposed of for six years following the grant date of such CREIT Restricted Units (except as otherwise permitted in the CREIT Restricted Unit Plan), other than the CREIT Restricted Units granted to CREIT's Chief Executive Officer, which may not be sold, pledged or otherwise disposed of for seven years following the grant date.

Under the Plan of Arrangement, Choice Properties will assume the obligations of CREIT under the CREIT Restricted Unit Plan and holders of CREIT Restricted Units will have each CREIT Restricted Unit redeemed for the Non-Cash Consideration. The Units that holders of CREIT Restricted Units receive will be subject to the same vesting, forfeiture and disposition provisions and such other terms and conditions as are applicable to the CREIT Restricted Units pursuant to

the CREIT Restricted Unit Plan immediately prior to the completion of the Transaction. In connection with the Transaction, CREIT will provide that vested CREIT Restricted Units held by former employees, as of February 14, 2018, of CREIT or any of its affiliates will become unrestricted immediately following completion of the Transaction. As a result, the Units delivered in respect of such unrestricted CREIT Units under the Transaction will no longer be subject to the disposition provisions applicable to CREIT Restricted Units.

CREIT Debentures

On completion of the Transaction, the CREIT Debentures will remain outstanding and become debentures of Choice Properties, ranking equally with existing Choice Properties unsecured debentures. Under the Plan of Arrangement, Choice Properties, CREIT and Computershare will enter into a supplemental indenture to evidence the succession of Choice Properties as the successor pursuant to and in accordance with the terms of the CREIT Indenture. Choice Properties will assume the obligation for the due and punctual payment of the CREIT Debentures as sole obligor, including the agreement to perform substantially all of the covenants of CREIT thereunder and under the CREIT Indenture as the successor to CREIT by the execution and delivery of the Fifth Supplemental Indenture and the release of CREIT from all of its covenants in relation to the CREIT Debentures and the CREIT Indenture. Choice Properties LP will also provide a guarantee of the CREIT Debentures.

INFORMATION CONCERNING CHOICE PROPERTIES POST-TRANSACTION

The following section contains significant amounts of forward-looking information. Readers are cautioned that actual results may vary. See “*Information Contained in this Information Statement – Caution Regarding Forward-Looking Statements and Information*”.

Overview

Upon completion of the Transaction, Choice Properties will continue to be a trust existing under the laws of the Province of Ontario and former CREIT Unitholders who receive Non-Cash Consideration pursuant to the Transaction will be Unitholders. At the Effective Time, Choice Properties will acquire all of CREIT’s assets and assume all of its liabilities, including long-term debt and all residual liabilities (other than certain credit facilities of CREIT that will be repaid in connection with the Transaction). Upon completion of the Transaction, CREIT will be a wholly-owned Subsidiary of Choice Properties or one of its affiliates and the portfolios of Choice Properties and CREIT will be consolidated.

The combined entity brings together Canada’s oldest public real estate investment trust, with a long track record of disciplined investing and prudent financial management, and an investment-grade real estate investment trust anchored by Canada’s largest food retailer. The combined entity is backed by the commitment of the Weston group of companies to make commercial real estate a long-term core business and transform Choice Properties into the premier diversified real estate investment trust in Canada.

Together, Choice Properties and CREIT will form Canada’s largest real estate investment trust with an enterprise value of approximately \$16 billion and a significant development pipeline. The resulting enterprise will have an industry-leading operating platform and development capabilities, as well as an unparalleled diversified portfolio comprising 752 properties with approximately 69 million square feet of gross leasable area. Enhancing the platform with a long-term strategic relationship with Loblaw provides stability to core operating income while facilitating growth through 1.5% per annum contractual rent increases and a pipeline of future acquisition and development opportunities.

Upon completion of the Transaction, this combined entity will be Canada’s preeminent diversified real estate investment trust with a portfolio that has been assembled over several decades. The retail portfolio is focused on necessity-based retailers and provides a solid foundation of stable and growing cash flows. The balance of the portfolio is comprised of high-quality industrial assets and office assets located in Canada’s largest markets.

The consolidated development pipeline includes the potential to capitalize on an established retail development and intensification program and to leverage joint venture partnerships to access attractive sites to fuel additional development. The combined entity will have more than 60 sites prime for creating residential-focused mixed-use communities, many of which are in close proximity to public transportation where people want to live, work, play and shop.

The principal executive office of Choice Properties will remain at 22 St. Clair Avenue East, Suite 500, Toronto, Ontario M4T 2S5 immediately following completion of the Transaction.

Trustees and Officers of the Combined Entity

Following completion of the Transaction, John Morrison will step down as President and Chief Executive Officer of Choice Properties and will serve as non-executive Vice Chairman of the combined entity. Former CREIT executives Stephen Johnson, Rael Diamond and Mario Barrafato will assume leadership roles in the combined entity, serving as President and Chief Executive Officer, Chief Operating Officer and Chief Financial Officer, respectively. Pursuant to the Arrangement Agreement, following completion of the Transaction, the Board will consist of ten trustees, including three current trustees of CREIT to be identified and agreed upon by the parties, acting reasonably.

Information about Choice Properties' current trustees and officers is as set forth in the AIF, which is available on SEDAR at www.sedar.com.

Unaudited *Pro Forma* Consolidated Financial Statements

The unaudited *pro forma* consolidated financial statements of Choice Properties and the accompanying notes are included in Appendix B to this Information Statement. The *pro forma* consolidated balance sheet has been prepared from the audited consolidated balance sheet of Choice Properties as at December 31, 2017 and gives *pro forma* effect to the successful completion of the Transaction as if the Transaction occurred on December 31, 2017. The *pro forma* consolidated statement of income and comprehensive income for the year ended December 31, 2017 have been prepared from the audited consolidated statements of income (loss) and comprehensive income (loss) of Choice Properties for the year ended December 31, 2017 and gives *pro forma* effect to the successful completion of the Transaction as if the Transaction occurred on January 1, 2017.

The unaudited *pro forma* consolidated financial statements are not intended to be indicative of the results that would actually have occurred, or the results expected in future periods, had the events reflected herein occurred on the dates indicated. No attempt has been made to calculate or estimate potential synergies between Choice Properties and CREIT.

Post-Transaction Unitholdings and Principal Unitholders

Choice Properties expects to issue approximately 183 million Units in connection with the Transaction, based on the fully diluted number of CREIT Units outstanding as of the date of the Arrangement Agreement, and a maximum of approximately 70.9 million Class B LP Units and Special Voting Units are expected to be issued in connection with the Class C Conversion. Collectively, these issuances would represent approximately 61% of the Units and Class B LP Units/Special Voting Units outstanding on a standalone basis before giving effect to the Transaction.

The approximately 183 million Units expected to be issued in connection with the Transaction would represent approximately 44% of the Units and Class B LP Units/Special Voting Units outstanding on a standalone basis before giving effect to the Transaction.

The Class B LP Units and Special Voting Units expected to be issued to Loblaw under the Class C Conversion would represent approximately 17% of the Units and Class B LP Units/Special Voting Units outstanding on a standalone basis before giving effect to the Transaction.

Assuming the issuance of an additional approximately 183 million Units in connection with the Transaction, the Class B LP Units and Special Voting Units expected to be issued to Loblaw under the Class C Conversion would represent approximately 11% of the *pro forma* number of Units and Class B LP Units/Special Voting Units expected to be outstanding upon completion of the Transaction.

Upon completion of the Transaction, assuming the issuance of approximately 183 million Units in connection with the Transaction and the issuance of approximately 70.9 million Class B LP Units and Special Voting Units in connection with the Class C Conversion, it is expected that the current Unitholders will hold an approximate 73% effective interest in Choice Properties and former CREIT Unitholders will hold an approximate 27% effective interest in Choice Properties.

The Transaction is not expected to have an effect on control of Choice Properties. The parent company of Choice Properties is Loblaw, which holds an approximate 82% effective interest in Choice Properties. Loblaw's majority shareholder is George Weston Limited, which also holds an approximate 6% effective interest in Choice Properties. Upon completion of the Transaction, Loblaw and George Weston Limited are expected to hold an approximate 62% and 4% effective interest in Choice Properties, respectively.

RISK FACTORS

Unitholders should carefully consider all of the information disclosed or incorporated by reference in this Information Statement. Under the Transaction, Choice Properties will be acquiring the business of CREIT. As a result, Unitholders will be subject to all of the risks associated with the operations of CREIT and CREIT's Subsidiaries and the industry in which such entities operate. Those risks include the risk factors described in the CREIT AIF and the CREIT Annual MD&A, both of which are incorporated by reference herein, and the risk factors described under "*Information Concerning CREIT*". The following risk factors are not a definitive list of all risk factors associated with the Transaction. Additional risks and uncertainties, including those currently unknown or considered immaterial by Choice Properties, may also adversely affect the completion of the Transaction and/or the value of the Units, including the risks and uncertainties described in the AIF and the Annual MD&A, both of which are available on SEDAR at www.sedar.com. These risks and uncertainties are not the only ones facing Choice Properties. Additional risks and uncertainties not presently known to Choice Properties or that Choice Properties currently deems immaterial may also impair Choice Properties' business operations. If any such risks actually occur, Choice Properties' business, financial condition, liquidity and operating results could be materially adversely affected.

Risks Related to the Transaction

The Transaction is Subject to Satisfaction or Waiver of Several Conditions

The completion of the Transaction is subject to a number of conditions precedent, certain of which are outside the control of Choice Properties and CREIT, including receipt of the Final Order, the Unitholder Approval, the CREIT Unitholder Approval, receipt of the Competition Act Approval and holders of no more than 5% of the issued and outstanding CREIT Units having exercised Dissent Rights. There can be no certainty, nor can Choice Properties provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied. If the Transaction is not completed, the current market price of the Units may decline to the extent that the market price reflects a market assumption that the Transaction will be completed.

Occurrence of a Material Adverse Effect in Respect of CREIT or Choice Properties

The completion of the Transaction is subject to the condition that, among other things, on or after the date of the Arrangement Agreement, there will not have occurred a Material Adverse Effect in respect of CREIT or in respect of Choice Properties. Although a Material Adverse Effect excludes certain events, including events in some cases that are beyond the control of CREIT or Choice Properties, there can be no assurance that a Material Adverse Effect in respect of CREIT or in respect of Choice Properties will not occur prior to the Effective Time. If such a Material Adverse Effect occurs, the Transaction may not proceed.

Fees, Costs and Expenses of the Transaction

If the Transaction is not completed, the Arrangement Agreement does not provide for Choice Properties to receive any reimbursement from CREIT for the fees, costs and expenses it has incurred in connection with the Transaction. Such fees, costs and expenses include, without limitation, legal fees and financial advisor fees, which will be payable whether or not the Transaction is completed.

Market Price of the Units

If, for any reason, the Transaction is not completed or its completion is materially delayed and/or the Arrangement Agreement is terminated, the market price of the Units may be materially adversely affected. Choice Properties' business, financial condition or results of operations could be subject to various material adverse consequences, including that Choice Properties would remain liable for significant costs relating to the Transaction.

While the Transaction is Pending, Choice Properties is Restricted from Taking Certain Actions

Until the Transaction is completed, the Arrangement Agreement restricts Choice Properties from taking certain specified actions without the consent of CREIT. These restrictions may prevent Choice Properties from pursuing certain business opportunities that may arise prior to the completion of the Transaction. See "*Summaries of Transaction Documents – Arrangement Agreement – Covenants*".

REIT Exception

Choice Properties intends to conduct its affairs so that it will qualify for the REIT Exception at all times throughout 2018 and beyond. There can be no assurances that Choice Properties will be able to qualify for the REIT Exception such that Choice Properties and the Unitholders will not be subject to the SIFT Rules in 2018 or in future years.

SUMMARIES OF TRANSACTION DOCUMENTS

Arrangement Agreement

The Transaction is being effected pursuant to the Arrangement Agreement. The Arrangement Agreement contains covenants, representations and warranties of and from each of CREIT, CREIT GP and Choice Properties and various conditions precedent, both mutual and with respect to each party.

The Arrangement Agreement is available on SEDAR at www.sedar.com. The following is a summary of certain provisions of the Arrangement Agreement, but is not intended to be complete. Please refer to the Arrangement Agreement for a full description of the terms and conditions thereof. **Terms with initial capital letters referenced in this section not defined in the Glossary of Terms attached as Appendix C to this Information Statement shall have the meaning ascribed to them in the Arrangement Agreement.**

Covenants

General

Pursuant to the Arrangement Agreement, each of CREIT and Choice Properties has covenanted, among other things, to take, or cause to be taken, all actions and to do or cause to be done all other things necessary under all Law to consummate the Transaction, including using its commercially reasonable efforts to satisfy, or cause the satisfaction of, the conditions precedent to its obligations under the Arrangement Agreement to the extent the same is within its control.

The Arrangement Agreement also contains covenants of CREIT pertaining to, among other things: (a) obtaining required lender consents; (b) assisting with any pre-acquisition reorganization; (c) financing assistance; (d) composition of the Board upon completion of the Transaction; and (e) suspension or termination of unit plans administered by CREIT.

Conduct of CREIT's Business

During the period from the date of the Arrangement Agreement until the earlier of the Effective Time or termination of the Arrangement Agreement, CREIT will, and will cause each of its Subsidiaries to, (a) conduct its business in the ordinary course and in accordance with applicable Law, and (b) use commercially reasonable efforts to preserve intact the current business organization, properties, assets, goodwill, employment relationships and business relations with suppliers, tenants, partners and with other Persons with which CREIT and its Subsidiaries have material business relations.

CREIT has also agreed to a number of negative covenants related to carrying on its business until the earlier of the Effective Time or termination of the Arrangement Agreement.

Conduct of Choice Properties' Business

During the period from the date of the Arrangement Agreement until the earlier of the Effective Time or termination of the Arrangement Agreement, Choice Properties will, and will cause each of its Subsidiaries to, (a) conduct its business in the ordinary course and consistent with past practice and in accordance with applicable Law, and (b) use commercially reasonable efforts to preserve intact the current business organization, properties, assets, goodwill, employment relationships and business relations with suppliers, tenants, partners and with other Persons with which Choice Properties and its Subsidiaries have material business relations.

Choice Properties has also agreed to a number of negative covenants related to carrying on business until the earlier of the Effective Time or termination of the Arrangement Agreement.

Regulatory Covenants

Under the Arrangement Agreement, Choice Properties has agreed to use its commercially reasonable efforts to obtain Competition Act Approval as soon as reasonably practicable but, in any event, no later than the Outside Date for the Transaction. In this context, “commercially reasonable efforts” include proposing, negotiating, agreeing to and effecting, by undertaking, consent agreement, hold separate agreement or otherwise: (a) the sale, divestiture, licensing or disposition of all or any part of the businesses or assets of CREIT; (b) the termination of any existing contractual rights, relationships and obligations, or entry into or amendment of any licensing arrangements; (c) the taking of any action that, after consummation of the Transaction, would limit the freedom of action of, or impose any other requirement on, Choice Properties with respect to the operation of the business of CREIT; and (d) any other remedial action that may be necessary in order to obtain Competition Act Approval prior to the Outside Date; provided, however, that any such action is conditioned upon the completion of the Transaction. Notwithstanding the foregoing, Choice Properties will not be required to enter into any settlement, undertaking, consent, decree, stipulation or other agreement with the Commissioner or take any action or agree to take any action that would, individually or in the aggregate, be likely to significantly and adversely affect the business of CREIT or Choice Properties.

Non-Solicitation Covenant

The Arrangement Agreement provides that, except in accordance with such agreement, CREIT will not, and will cause its Subsidiaries not to, directly or indirectly, through any of its or its Subsidiaries' Representatives, and will not permit any such Person to: (a) solicit, assist, initiate, knowingly encourage or otherwise knowingly facilitate (including by way of furnishing or providing copies of, access to, or disclosure of, any confidential information, properties, facilities, books or records of CREIT or any of its Subsidiaries or entering into any form of agreement, arrangement or commitment) any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to an Acquisition Proposal; (b) enter into or otherwise engage or participate in any discussions (other than to (i) request clarification of an Acquisition Proposal that has already been made for purposes of assessing whether such Acquisition Proposal is or may reasonably be expected to constitute or lead to a Superior Proposal; (ii) advise any Person of the restrictions of the Arrangement Agreement; or (iii) advise any Person making an Acquisition Proposal that the CREIT Board has determined that such Acquisition Proposal does not constitute

a Superior Proposal) or negotiations with any Person regarding any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to an Acquisition Proposal, other than with Choice Properties and its affiliates; (c) make a Change in Recommendation; or (d) accept, approve, endorse, recommend or enter into, or publicly propose to accept, endorse or enter into, any letter of intent, agreement in principle, agreement, arrangement or understanding providing for any Acquisition Proposal.

The Arrangement Agreement further provides that CREIT will, and will cause its Subsidiaries and its and their Representatives to, immediately cease and terminate, and cause to be terminated, any solicitation, encouragement, discussion, or negotiations with any Person (other than Choice Properties and its affiliates) with respect to any inquiry, proposal or offer that constitutes, or may reasonably be expected to constitute or lead to, an Acquisition Proposal, and in connection therewith will: (a) discontinue access to and disclosure of all information regarding CREIT or any of its Subsidiaries in respect of any inquiry, proposal or offer that constitutes, or may reasonably be expected to constitute or lead to, an Acquisition Proposal, including any data room and any other confidential information, properties, facilities, books or records of CREIT or any Subsidiary of CREIT; and (b) to the extent that such information has not previously been returned or destroyed, within two Business Days of the date of the Arrangement Agreement request, and exercise all rights it has to require, (i) the return or destruction of all copies of any confidential information regarding CREIT or any Subsidiary of CREIT provided to such Person making such inquiry, proposal or offer, and (ii) the destruction of all material including or incorporating or otherwise reflecting such confidential information regarding CREIT or any Subsidiary of CREIT provided to such Person, in each case, provided to any Person making such inquiry, proposal or offer other than Choice Properties or any of its affiliates in respect of any inquiry, proposal or offer that constitutes, or may reasonably be expected to constitute or lead to, an Acquisition Proposal, using its commercially reasonable efforts to ensure that such requests are fully complied with in accordance with the terms of such rights or entitlements.

The Arrangement Agreement further provides that CREIT and its Subsidiaries will take all commercially reasonable action to enforce each confidentiality, standstill, non-disclosure, non-solicitation, use, business purpose or similar agreement or covenant to which CREIT or any Subsidiary of CREIT is a party, and it will not release, and will cause its Subsidiaries not to release, any Person from, or waive, amend, suspend or otherwise modify any provision of, or grant permission under or fail to enforce, any standstill, non-disclosure, non-solicitation, use, business purpose or similar agreement or covenant to which CREIT or any Subsidiary of CREIT is a party that remains in effect as of the date of the Arrangement Agreement (it being acknowledged by Choice Properties that the automatic termination or release of any standstill restrictions of any such agreements in accordance with the terms of any such agreement will not be a violation of the Arrangement Agreement).

Notice to Choice Properties of Acquisition Proposals

If CREIT or any of its Subsidiaries or any of their respective Representatives receives any written or oral inquiry, proposal or offer that constitutes, or may reasonably be expected to constitute or lead to, an Acquisition Proposal, or any request in connection with any written or oral inquiry, proposal or offer that constitutes, or may reasonably be expected to constitute or lead to, an Acquisition Proposal for copies of, access to, or disclosure of, confidential information relating to

CREIT or any Subsidiary of CREIT, including information, access, or disclosure relating to the properties, facilities, books or records of CREIT or any Subsidiary of CREIT, CREIT will promptly notify Choice Properties, at first orally, and then promptly (and in any event within 48 hours) in writing, of such Acquisition Proposal, inquiry, proposal, offer or request, including a description of the material terms and conditions of the Acquisition Proposal, inquiry, proposal, offer or request and the identity of all Persons making the Acquisition Proposal, inquiry, proposal, offer or request and will provide Choice Properties with copies of all written agreements, documents, correspondence (other than immaterial correspondence) or other materials received in respect of, from or on behalf of any such Persons. CREIT will keep Choice Properties fully informed on the status of all material developments and discussions and negotiations with respect to such Acquisition Proposal, inquiry, proposal, offer or request, including any material changes, modifications or other amendments to any such Acquisition Proposal, inquiry, proposal, offer or request and will provide to Choice Properties copies of all correspondence (other than immaterial correspondence) if in writing or electronic form, and if not in writing or electronic form, a description of the material terms of such correspondence communicated to CREIT by or on behalf of any Person making any such Acquisition Proposal, inquiry, proposal, offer or request.

Ability to Respond to a Superior Proposal

If at any time prior to the CREIT Special Resolution having been approved in accordance with the Interim Order, CREIT receives a written Acquisition Proposal, CREIT and its Representatives may (a) enter into, engage in, participate in, facilitate and maintain discussions or negotiations with the relevant Person regarding such Acquisition Proposal, and (b) provide copies of, access to or disclosure of confidential information, properties, facilities, books or records of CREIT and its Subsidiaries to such Person provided that: (i) the CREIT Board first determines in good faith, after consultation with outside legal counsel and financial advisers to CREIT, that such Acquisition Proposal constitutes, or could reasonably be expected to constitute or lead to, a Superior Proposal; (ii) prior to providing any such copies, access, or disclosure, CREIT enters into a confidentiality agreement acceptable under the Arrangement Agreement and any such copies, access or disclosure provided to such Person will have already been (or simultaneously be) provided to Choice Properties; (iii) prior to providing any such copies, access or disclosure, CREIT provides Choice Properties with a true, complete and final executed copy of the applicable confidentiality agreement; and (iv) such Acquisition Proposal does not result from a breach by CREIT of its obligations under the Arrangement Agreement and the Person making such Acquisition Proposal was not restricted from doing so pursuant to a standstill or similar agreement or restriction.

Choice Properties' Right to Match

If CREIT receives an Acquisition Proposal that constitutes a Superior Proposal prior to the CREIT Special Resolution having been approved in accordance with the Interim Order, the CREIT Board may enter into a definitive agreement with respect to such Superior Proposal, if and only if:

- (a) CREIT has complied with its obligations under the non-solicitation provisions of the Arrangement Agreement and the Person making such Acquisition Proposal was not restricted from doing so pursuant to a standstill or similar agreement or restriction;

- (b) CREIT has delivered to Choice Properties a written notice of the determination of the CREIT Board that such Acquisition Proposal constitutes a Superior Proposal and of the intention of the CREIT Board to enter into a definitive agreement with respect to such Superior Proposal, together with a written notice from the CREIT Board regarding the value and financial terms that the CREIT Board, in consultation with its financial advisors, has determined should be ascribed to any non-cash consideration offered under such Superior Proposal (the “**Superior Proposal Notice**”);
- (c) CREIT has provided Choice Properties a copy of the proposed definitive agreement for the Superior Proposal and all supporting materials, including any financing documents, supplied to CREIT and its Subsidiaries in connection therewith;
- (d) at least five Business Days have elapsed from the later of the date on which CREIT delivered the Superior Proposal Notice and the date on which Choice Properties received the materials set out in paragraph (c) above (the “**Matching Period**”);
- (e) after the Matching Period, the CREIT Board (i) has determined, after consultation with its outside legal counsel and financial advisors, that such Acquisition Proposal continues to constitute a Superior Proposal (if applicable, compared to the terms of the Transaction, as proposed to be amended by Choice Properties in accordance with the terms of the Arrangement Agreement) and (ii) has determined, after consultation with its outside legal counsel and financial advisors, that the failure by the CREIT Board to recommend that CREIT enter into a definitive agreement with respect to such Superior Proposal would be inconsistent with its fiduciary duties under applicable Law and the CREIT Declaration of Trust, as applicable; and
- (f) prior to or concurrently with entering into such definitive agreement, CREIT terminates the Arrangement Agreement and pays the Termination Fee, each in accordance with the terms of the Arrangement Agreement.

During the Matching Period: (a) Choice Properties will have the opportunity to offer to amend the Arrangement Agreement and the Transaction in order for such Acquisition Proposal to cease to be a Superior Proposal; (b) the CREIT Board will review any such offer made by Choice Properties to amend the terms of the Arrangement Agreement and the Transaction in good faith, after consultation with the legal counsel and financial advisors to CREIT, in order to determine whether such offer would, upon acceptance, result in the Acquisition Proposal previously constituting a Superior Proposal ceasing to be a Superior Proposal; and (c) CREIT will negotiate in good faith with Choice Properties to make such amendments to the terms of the Arrangement Agreement and the Transaction as would enable Choice Properties to proceed with the transactions contemplated by the Arrangement Agreement on such amended terms. If the CREIT Board determines that such Acquisition Proposal would cease to be a Superior Proposal, CREIT will promptly so advise Choice Properties and CREIT and Choice Properties will amend the Arrangement Agreement and will take and cause to be taken all such actions as are necessary to give effect to the foregoing.

Each successive amendment to any Acquisition Proposal that results in an increase in, or modification of, the consideration (or value of such consideration) to be received by the CREIT

Unitholders or other material terms or conditions thereof will constitute a new Acquisition Proposal for the purposes of the Arrangement Agreement, and Choice Properties will be afforded a new Matching Period in connection therewith, provided that the duration of such Matching Period will be three Business Days rather than five Business Days.

If CREIT provides a Superior Proposal Notice to Choice Properties on a date that is less than ten Business Days before the CREIT Meeting, CREIT will be entitled to and will upon request from Choice Properties postpone the Meeting to a date that is not more than ten Business Days after the scheduled date of the CREIT Meeting (and, in any event, prior to the Outside Date).

Under the Arrangement Agreement, the CREIT Board has agreed to promptly reaffirm its recommendation by press release after any Acquisition Proposal which it has determined not to be a Superior Proposal is publicly announced or publicly disclosed or the CREIT Board determines that a proposed amendment to the terms of the Arrangement Agreement would result in an Acquisition Proposal no longer constituting a Superior Proposal. CREIT will provide Choice Properties and its outside legal counsel with a reasonable opportunity to review the form and content of any such press release and will make all reasonable amendments to such press release as requested by Choice Properties and its counsel.

The Arrangement Agreement does not prohibit the CREIT Board from: (a) responding through a trustees' circular or otherwise as required by Law to an Acquisition Proposal in a manner consistent with non-solicitation provisions of the Arrangement Agreement; (b) calling or holding a meeting of CREIT Unitholders requisitioned by CREIT Unitholders in accordance with the CREIT Declaration of Trust or taking any other action with respect to an Acquisition Proposal to the extent ordered or otherwise mandated by a court of competent jurisdiction in accordance with Law; or (c) making any disclosure to comply with its fiduciary duty (including a change in its recommendation); provided that prior to making any such Change in Recommendation (i) CREIT has provided prior written notice to Choice Properties at least two Business Days in advance to the effect that the CREIT Board has resolved to effect a Change in Recommendation pursuant to the terms of the Arrangement Agreement, which notice will specify the reasons for the Change in Recommendation; and (ii) prior to effecting such Change in Recommendation, CREIT and its Representatives will negotiate in good faith with Choice Properties to make such amendments to the terms of the Arrangement Agreement and the Transaction as would enable Choice Properties to proceed with the transactions contemplated by the Arrangement Agreement on such amended terms without the CREIT Board effecting such Change in Recommendation.

Any violation of the restrictions set forth in the non-solicitation provisions of the Arrangement Agreement by CREIT, its Subsidiaries or their respective Representatives will be deemed to be a breach of such provisions by CREIT.

Representations and Warranties

The Arrangement Agreement contains customary representations and warranties made by CREIT to Choice Properties in respect of CREIT and customary representations and warranties made by Choice Properties to CREIT in respect of Choice Properties. Those representations and warranties were made solely for purposes of the Arrangement Agreement, were made as of a specified date and may be subject to contractual standards of materiality different from what may be viewed as

material to Unitholders. For the foregoing reasons, Unitholders should not rely on the representations and warranties contained in the Arrangement Agreement as statements of factual information at the time they were made or otherwise.

Conditions

The Arrangement Agreement contains certain customary conditions to the completion of the Transaction in favour of each of CREIT and Choice Properties:

- (a) the Unitholder Approval will have been obtained;
- (b) the CREIT Special Resolution will have been approved and adopted by CREIT Unitholders;
- (c) the requisite Interim Order and the Final Order will have each been obtained;
- (d) the Articles of Arrangement will be in form and substance satisfactory to each Party, acting reasonably;
- (e) the Competition Act Approval will have been obtained;
- (f) no Law (other than in connection with the Competition Act Approval) is in effect that makes the consummation of the Transaction illegal or otherwise prohibits or enjoins CREIT, CREIT GP or Choice Properties from consummating the Transaction;
- (g) Choice Properties will have obtained approval to the listing of the Units issuable or to be made issuable pursuant to the Transaction on the TSX; and
- (h) the Units issuable or to be made issuable pursuant to the Transaction will be freely tradeable in accordance with all applicable securities laws, excluding restrictions in respect of trades from holdings of a control person.

The Arrangement Agreement also contains certain customary conditions to the completion of the Transaction for the sole benefit of Choice Properties:

- (a) conditions related to covenants to be performed by CREIT and the correctness of representations and warranties provided by CREIT;
- (b) since the date of the Arrangement Agreement until immediately prior to the Effective Time, there will not have occurred a Material Adverse Effect with respect to CREIT; and
- (c) holders of not greater than 5% of the outstanding CREIT Units will have validly exercised Dissent Rights in respect of the Transaction that have not been withdrawn as of the Effective Date.

The Arrangement Agreement also contains certain customary conditions to the completion of the Transaction for the sole benefit of CREIT:

- (a) conditions related to covenants to be performed by Choice Properties and the correctness of representations and warranties provided by Choice Properties;
- (b) since the date of the Arrangement Agreement until immediately prior to the Effective Time, there will not have occurred a Material Adverse Effect with respect to Choice Properties;
- (c) the Class C Conversion will have been completed; and
- (d) Choice Properties will have deposited or caused to be deposited with the Depositary in escrow (the terms and conditions of such escrow to be satisfactory to CREIT and Choice Properties, acting reasonably) the Cash Consideration and an irrevocable treasury direction in respect of the Non-Cash Consideration payable to CREIT Unitholders as provided for in the Plan of Arrangement.

Termination

Termination by Choice Properties or CREIT

Prior to the Effective Time, either Choice Properties or CREIT may terminate the Arrangement Agreement by written notice to the other party if: (a) there is a mutual written agreement of the Parties to such effect; (b) the CREIT Special Resolution is not approved by CREIT Unitholders at the CREIT Meeting in accordance with the Interim Order; (c) after the date of the Arrangement Agreement, any Law is enacted, made, enforced or amended, as applicable, that makes the consummation of the Transaction illegal or otherwise prohibits or enjoins CREIT or Choice Properties from consummating the Transaction, and such Law has, if applicable, become final and non-appealable, provided the party seeking to terminate the Arrangement Agreement has used its commercially reasonable efforts to, as applicable, prevent, appeal or overturn such Law or otherwise have it lifted or rendered non-applicable in respect of the Transaction and provided further that the enactment, making, enforcement or amendment of such Law was not primarily due to the fault of such party to perform any of its covenants or agreements under the Arrangement Agreement; or (d) the Effective Time does not occur on or prior to the Outside Date, provided that a party may not terminate the Arrangement Agreement for such reason if the failure of the Effective Time so to occur has been caused by, or is a result of, a breach by such party of any of its representations or warranties or the failure of such party to perform any of its covenants or agreements under the Arrangement Agreement.

Termination by CREIT

Prior to the Effective Time, CREIT may terminate the Arrangement Agreement if:

- (a) the Unitholder Approval is not obtained;
- (b) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of Choice Properties under the Arrangement Agreement

occurs that would cause certain conditions in the Arrangement Agreement not to be satisfied, and such breach or failure is incapable of being cured or is not cured in accordance with the terms of the Arrangement Agreement; provided that CREIT is not then in breach of the Arrangement Agreement so as to cause certain conditions in the Arrangement Agreement not to be satisfied;

- (c) (i) all mutual conditions precedent and all conditions precedent of Choice Properties outlined in the Arrangement Agreement (excluding conditions that, by their terms, are to be satisfied on the Effective Date) have been satisfied or waived, (ii) CREIT has given notice to Choice Properties in writing that it is prepared to complete the Transaction, and (iii) Choice Properties does not provide or cause to be provided the Depositary with sufficient funds and the irrevocable treasury direction required to complete the transactions contemplated by the Arrangement Agreement within three Business Days after the delivery of such notice;
- (d) prior to the CREIT Special Resolution having been approved in accordance with the Interim Order, the CREIT Board authorizes CREIT to enter into a definitive written agreement (other than a confidentiality agreement permitted by and in accordance with the Arrangement Agreement) with respect to a Superior Proposal, provided CREIT is then in compliance with the Arrangement Agreement and, prior to or concurrent with such termination, CREIT pays the Termination Fee in accordance with the Arrangement Agreement; or
- (e) after the date of the Arrangement Agreement, a Material Adverse Effect in respect of Choice Properties has occurred.

Termination by Choice Properties

Prior to the Effective Time, Choice Properties may terminate the Arrangement Agreement if:

- (a) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of CREIT under the Arrangement Agreement occurs that would cause certain conditions in the Arrangement Agreement not to be satisfied, and such breach or failure is incapable of being cured or is not cured in accordance with the terms of the Arrangement Agreement; provided that Choice Properties is not then in breach of the Arrangement Agreement so as to cause certain conditions in the Arrangement Agreement not to be satisfied;
- (b) prior to the CREIT Special Resolution having been approved, there is a Change in Recommendation;
- (c) CREIT has breached its non-solicitation covenants in the Arrangement Agreement in any material respect; or
- (d) after the date of the Arrangement Agreement, a Material Adverse Effect in respect of CREIT has occurred.

Termination Fee

In certain circumstances upon the termination of the Arrangement Agreement, including (a) by Choice Properties in the event that there is a Change in Recommendation or CREIT has breached its non-solicitation covenants in the Arrangement Agreement in any material respect; or (b) by CREIT in connection with a Superior Proposal; or (c) by either Choice Properties or CREIT if the CREIT Special Resolution is not approved or the Effective Time does not occur on or prior to the Outside Date, CREIT will be required to pay the Termination Fee to Choice Properties.

In addition, the Termination Fee will be payable by CREIT to Choice Properties if the Arrangement Agreement is terminated in certain circumstances and:

- (a) at the time of such termination, (i) Choice Properties financing commitments have not been terminated, withdrawn or rescinded without being replaced in compliance with the Arrangement Agreement, and (ii) CREIT is not entitled to terminate the Arrangement Agreement in connection with the failure of Choice Properties to provide or cause to be provided the Depository with sufficient funds in accordance with the Arrangement Agreement;
- (b) prior to such termination, a *bona fide* Acquisition Proposal is proposed, offered or made or publicly announced or otherwise publicly disclosed by any Person other than Choice Properties or any of its affiliates or any Person other than Choice Properties or its affiliates have publicly announced an intention to make an Acquisition Proposal; and
- (c) within twelve months following the date of such termination, an Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal referred to in paragraph (b) above) is consummated.

Expenses

Except as otherwise provided for in the Arrangement Agreement, all out-of-pocket third party transaction expenses incurred by a party in connection with the Arrangement Agreement and the Transaction, including all costs, expenses and fees of CREIT incurred prior to or after the Effective Time in connection with, or incidental to, the Transaction, shall be paid by the party incurring such expenses, whether or not the Transaction is consummated.

Insurance and Indemnification of Trustees, Directors and Officers

From and after the Effective Time, CREIT will, and Choice Properties will cause CREIT (or its successor) to, indemnify and hold harmless, to the fullest extent permitted under applicable Law, each present and former trustee, director and officer of CREIT and its Subsidiaries against certain claims arising out of or related to such Person's service as a trustee, director or officer of CREIT and/or any of its Subsidiaries or services performed by such Persons at the request of CREIT and/or any of its Subsidiaries. In addition, prior to the Effective Time, Choice Properties will (at CREIT's expense) obtain and fully prepay the premium for the irrevocable extension of (a) the trustees', directors' and officers' liability coverage of CREIT's and its Subsidiaries' existing trustees', directors' and officers' insurance policies and (b) CREIT's existing fiduciary liability insurance

policies, in each case for a claims reporting or run-off and extended reporting period and claims reporting period of at least six years from and after the Effective Time with respect to any claim related to any period of time at or prior to the Effective Time, subject to certain conditions set forth in the Arrangement Agreement.

Loblaw Voting Agreement

On February 14, 2018, Choice Properties, CREIT and Loblaw, which holds an approximate 82% effective interest in Choice Properties, entered into a voting and support agreement (the “**Loblaw Voting Agreement**”) setting out the terms and conditions under which Loblaw has agreed to support the Transaction.

Under the terms of the Loblaw Voting Agreement, Loblaw has agreed to (a) provide evidence of its approval of the Transaction to the TSX, if requested by CREIT or Choice Properties; (b) vote all of the Loblaw Subject Units at any meeting of Unitholders (and in any action by written consent of such holders) in favour of the Transaction and against any proposed action by Choice Properties (i) in respect of any corporate transaction involving Choice Properties or Units other than the Transaction, and (ii) which might reasonably be regarded as being directed towards or being likely to prevent or delay the successful completion of the Transaction, including an Acquisition Proposal (as defined in the Arrangement Agreement) with respect to Choice Properties; (c) cause forms of proxy or voting instruction forms in respect of all Loblaw Subject Units to be voted in favour of the Transaction; (d) promptly terminate all discussions it is engaged in with any Person (other than CREIT and Choice Properties) with respect to any proposals that constitutes (or may reasonably be expected to constitute) an Acquisition Proposal in respect of Choice Properties; and (e) directly, or cause its affiliates to, effect the Class C Conversion at or prior to the Effective Time.

Pursuant to the Loblaw Voting Agreement, Loblaw also agreed, among other things, not to (a) solicit any Acquisition Proposal in respect of CREIT; (b) solicit or arrange for the solicitation of or purchases of or offers to sell Units for the purpose of affecting the control of Choice Properties; or (c) transfer the Loblaw Subject Units unless, following the transaction, Loblaw retains the sole right to vote the Loblaw Subject Units and continues to directly and indirectly own more than 50% of the Units (on a fully-exchanged basis).

The Loblaw Voting Agreement terminates on the earlier of: (i) the date on which the Arrangement Agreement is terminated in accordance with its terms; and (ii) the Effective Time.

INFORMATION CONCERNING CREIT

CREIT

CREIT is an unincorporated closed-end investment trust governed by the laws of the Province of Ontario and created pursuant to the CREIT Declaration of Trust. CREIT became a public real estate investment trust in September 1993. The registered and head office of CREIT is located at 175 Bloor Street East, North Tower, Suite 1400, Toronto, Ontario M4W 3R8.

CREIT holds its Canadian assets through nominee corporations or limited partnership structures. Two 100%-owned subsidiaries, CREIT Management (B.C.) Limited and CREIT Management L.P., manage most of CREIT's assets (along with any joint-venture interest, where applicable) in British Columbia and the rest of Canada, respectively.

Summary Description of Business

CREIT's primary business goal is to accumulate and aggressively manage a portfolio of high-quality real estate assets and deliver the benefits of such real estate ownership to CREIT Unitholders. The primary benefit is a reliable and, over time, increasing cash distribution.

CREIT's overall investment strategy incorporates both asset class and geographic diversification to balance the risks of local leasing and investment markets.

CREIT owns and manages a diversified real estate portfolio consisting of retail, industrial, office and residential properties (including development properties) throughout Canada. As of December 31, 2017, the portfolio's 206 properties (including development properties) contain 32.9 million square feet of gross leasable area, with CREIT's ownership interest at 25.0 million square feet, which includes:

- CREIT's retail portfolio that totals 9.3 million square feet and is focused on large-scale unenclosed retail centres anchored by food stores and other leading retailers on long-term leases;
- CREIT's industrial portfolio that totals 10.2 million square feet and is focused on distribution and warehousing facilities, and buildings used for light manufacturing and/or "flex-space" facilities of a size and configuration that will readily accommodate the diverse needs of a broad range of business tenants;
- CREIT's office portfolio that totals 3.0 million square feet and is focused on well-located, quality office buildings in major Canadian markets; and
- CREIT's development portfolio (excluding intensifications and property expansions), which consists of 16 properties, with CREIT's interest in these properties ranging from 25% to 85%.

CREIT owns interests in 16 other development properties where portions of such properties have become income-producing and are included in the retail and/or industrial property count.

CREIT also invests in multi-residential rental properties and mixed use properties that blend a combination of retail, office and/or residential uses.

For further information regarding CREIT and its properties, see “Business of the Trust” in the CREIT AIF, which is incorporated herein by reference.

Documents Incorporated by Reference

The following documents of CREIT, which have been filed with the securities commissions or similar regulatory authorities in each of the provinces and territories of Canada, are specifically incorporated by reference into, and form an integral part of, this Information Statement:

- (a) the CREIT AIF;
- (b) the management information circular of CREIT dated March 29, 2017 prepared in connection with the annual and special meeting of Unitholders held on May 18, 2017;
- (c) the audited financial statements of CREIT as at and for the years ended December 31, 2017 and December 31, 2016, together with the notes thereto and the auditor’s report thereon;
- (d) the CREIT Annual MD&A;
- (e) the joint press release of Choice Properties and CREIT announcing the Transaction dated February 15, 2018; and
- (f) the material change report of CREIT dated February 21, 2018 with respect to the Transaction.

Risk Factors

Investments in securities of CREIT are subject to certain risks. Unitholders should carefully consider the risks and uncertainties described in the CREIT AIF, including under the heading “Risk Factors”, and in the CREIT Annual MD&A, each of which is incorporated by reference in this Information Statement, as well as the other information contained and incorporated by reference in this Information Statement. These risks and uncertainties are not the only ones facing CREIT. Additional risks and uncertainties not presently known to CREIT or that CREIT currently deems immaterial may also impair CREIT’s business operations. If any of such risks actually occur, CREIT’s business, financial condition, liquidity and operating results could be materially adversely affected.

Additional Information

CREIT files reports and other information with the securities commissions of the provinces and territories of Canada. These reports and information are available to the public free of charge under CREIT’s profile on SEDAR at www.sedar.com.

APPENDIX A
FAIRNESS OPINION



TD Securities
TD Securities Inc.
66 Wellington Street West
TD Bank Tower, 9th Floor
Toronto, Ontario M5K 1A2

February 14, 2018

The Board of Trustees of Choice Properties Real Estate Investment Trust
22 St. Clair Avenue East
Suite 500
Toronto, Ontario
M4T 2S5

To the Board of Trustees of Choice Properties Real Estate Investment Trust:

TD Securities Inc. (“TD Securities”) understands that Choice Properties Real Estate Investment Trust (“Choice Properties” or the “REIT”) is considering entering into an arrangement agreement (the “Arrangement Agreement”) with Canadian Real Estate Investment Trust (“CREIT”) and CREIT Eastern GP Inc., pursuant to which Choice Properties would acquire all of CREIT’s assets and assume all of its liabilities, including long-term debt and all residual liabilities, following which CREIT will redeem all of the issued and outstanding units of CREIT (the “CREIT Units”) for \$22.50 in cash plus 2.4904 trust units of Choice Properties (“Choice Properties Trust Units”) per CREIT Unit, on a fully prorated basis, pursuant to a plan of arrangement under the *Business Corporations Act* (Ontario) and the *Trustee Act* (Ontario) (the “Arrangement”). Each holder of CREIT Units (individually, a “CREIT Unitholder”) will be entitled to elect to receive, in exchange for each CREIT Unit held: (i) 4.2835 Choice Properties Trust Units (the “Unit Consideration”); or (ii) \$53.75 in cash (the “Cash Consideration”) (the Unit Consideration and the Cash Consideration are collectively referred to herein as the “Consideration”). The Cash Consideration and the Unit Consideration are subject to proration such that the maximum Cash Consideration, in aggregate, will be approximately \$1,651 million and the maximum Unit Consideration, in aggregate, will be approximately 183 million Choice Properties Trust Units.

TD Securities also understands that to facilitate financing for the transaction, Loblaw Companies Limited (“Loblaw”) has agreed to convert all of its outstanding Class C LP units of Choice Properties Limited Partnership with a face value of \$925 million (the “Class C LP Units”) into Class B LP units of Choice Properties Limited Partnership (the “Class B LP Units”), which are non-voting but have one special voting unit of Choice Properties attached to each Class B LP Unit (the “Special Voting Units”) (together with the Choice Properties Trust Units, the “Choice Properties Voting Units”), on closing. Each Class C LP Unit will be valued at \$10.00 and the Class B LP Units issuable will be valued at the 20-day VWAP of Choice Properties Trust Units on the TSX at closing. Choice Properties plans to issue a maximum of approximately 70.9 million Class B LP Units for the conversion and to pay any shortfall in value on closing in cash. The TSX has granted Choice Properties an exemption from the minority unitholder approval requirement that would otherwise technically apply to the conversion given that the number of Class B LP Units to be issued to Loblaw exceeds 10% of the total number of outstanding Choice Properties Voting Units on a standalone basis before giving effect to the transaction and the conversion of the Class C LP Units is being accelerated to facilitate the financing of the transaction. As a condition of the exemption, Loblaw will undertake to not exercise its right to vote the Special Voting Units of Choice Properties issued in connection with the Class B LP Units or to exchange or transfer the Class B LP Units until the date on which the Class C LP Units would otherwise have become convertible in accordance with their terms.

TD Securities also understands that Loblaw, which holds an approximately 82% effective interest in Choice Properties on a fully diluted basis, prior to giving effect to the conversion of the Class C LP Units, has entered into a voting and support agreement dated February 14, 2018 with Choice Properties and

CREIT, and subject to the terms and conditions of its voting and support agreement, Loblaw has agreed to vote its Choice Properties Voting Units in favour of the resolution to issue Choice Properties Trust Units pursuant to the Arrangement.

The above description is summary in nature. The specific terms and conditions of the Arrangement are set out in the Arrangement Agreement. The Arrangement is subject to certain conditions, including the approval of CREIT Unitholders, the approval by the holders of Choice Properties Voting Units (the “Choice Properties Unitholders”) of the issuance of the Choice Properties Trust Units pursuant to the Arrangement, court approval, competition approval, exchange approval and other customary conditions.

ENGAGEMENT OF TD SECURITIES

TD Securities was initially contacted by George Weston Limited (“George Weston”), which holds an approximately 6% effective interest in Choice Properties on a fully diluted basis, prior to giving effect to the conversion of the Class C LP Units, and an approximately 48% direct interest in Loblaw on a fully diluted basis, on behalf of Choice Properties, regarding a potential advisory assignment in June 2017. TD Securities was formally engaged by Choice Properties pursuant to an engagement agreement letter effective July 1, 2017 to, among other things, provide financial advice and assistance to the REIT and the Board of Trustees of Choice Properties (the “Board of Trustees”) in evaluating potential acquisitions (the “Engagement Agreement”).

Pursuant to the Engagement Agreement, the Board of Trustees has asked TD Securities to prepare and deliver to the Board of Trustees an opinion (the “Opinion”) regarding the fairness, from a financial point of view, to Choice Properties of the Consideration to be paid to CREIT Unitholders by Choice Properties pursuant to the Arrangement Agreement. TD Securities has not prepared a valuation of CREIT, or Choice Properties, or any of their securities or assets and the Opinion should not be construed as such.

The terms of the Engagement Agreement provide that TD Securities will receive a fee for its services, a portion of which is payable on delivery of the Opinion and a portion of which is contingent on the successful completion of the Arrangement or certain other events, and will be reimbursed for its reasonable out-of-pocket expenses. Furthermore, Choice Properties has agreed to indemnify TD Securities, in certain circumstances, against certain expenses, losses, claims, actions, suits, proceedings, damages and liabilities which may arise directly or indirectly from services performed by TD Securities in connection with the Engagement Agreement.

On February 14, 2018, TD Securities delivered the Opinion to the Board of Trustees based upon and subject to the scope of review, assumptions and limitations and other matters described herein and contemplated by the Engagement Agreement.

CREDENTIALS OF TD SECURITIES

TD Securities is one of Canada’s largest investment banking firms with operations in all facets of corporate and government finance, mergers and acquisitions, equity and fixed income sales and trading and investment research. TD Securities also has significant international operations. TD Securities has been a financial advisor in a large number of transactions involving public and private companies in various industry sectors and has extensive experience in preparing valuations and fairness opinions.

The Opinion represents the opinion of TD Securities and its form and content have been approved by a committee of senior investment banking professionals of TD Securities, each of whom is experienced in merger, acquisition, divestiture, valuation and fairness and adequacy opinion matters.

RELATIONSHIP WITH INTERESTED PARTIES

Neither TD Securities nor any of its affiliated entities is an insider, associate or affiliate (as those terms are defined in the *Securities Act* (Ontario) (the “Securities Act”) of Choice Properties, CREIT, Loblaw, George Weston, Wittington Investments Limited (“Wittington”), George Weston's controlling shareholder, or any of their respective associates or affiliates (collectively, the “Interested Parties”). Neither TD Securities nor any of its affiliates is an advisor to any of the Interested Parties with respect to the Arrangement other than to Choice Properties and the Board of Trustees pursuant to the Engagement Agreement.

TD Securities and its affiliates have not been engaged to provide any financial advisory services, have not acted as lead or co-lead manager on any offering of securities of Choice Properties, CREIT, Loblaw, George Weston, Wittington or any other Interested Party, and have not had a material financial interest in any transaction involving Choice Properties, CREIT, Loblaw, George Weston, Wittington or any other Interested Party during the 24 months preceding the date on which TD Securities was first contacted with respect to the engagement of TD Securities by the Board of Trustees, other than services provided under the Engagement Agreement and as described herein. TD Securities has acted in the following capacities for Choice Properties: (i) joint bookrunner and co-lead arranger on Choice Properties' revolving credit facility of \$500 million; (ii) joint bookrunner in connection with Choice Properties' \$650 million dual tranche bond offering in January 2018; (iii) joint bookrunner in connection with Choice Properties' \$350 million dual tranche bond offering in March 2016; and (iv) joint bookrunner in connection with Choice Properties' \$200 million bond offering in November 2015. TD Securities has acted in the following capacities for Loblaw: (i) joint bookrunner on Loblaw's revolving credit facility of \$1.0 billion; and (ii) exclusive financial advisor to Loblaw on its acquisition of QHR Corporation in October 2016. In connection with the Arrangement, TD Securities has been engaged by Choice Properties to fully underwrite \$3.6 billion of credit facilities, for which TD will act as (i) sole bookrunner and sole lead arranger on Choice Properties' new bridge and term loan credit facilities of \$2.1 billion; and (ii) sole bookrunner and co-lead arranger on Choice Properties' new revolving credit facility of \$1.5 billion. TD Securities from time to time also acts as financial advisor to affiliates of Choice Properties with respect to other financial advisory assignments.

The Toronto-Dominion Bank (“TD Bank”), the parent company of TD Securities, directly or through one or more affiliates, provides banking services and other financing services to entities related to Choice Properties, CREIT, Loblaw, George Weston, and Wittington in the normal course of business, and may in the future provide banking services and credit facilities to Choice Properties, CREIT, Loblaw, George Weston, Wittington or any other Interested Party.

TD Securities and its affiliates act as a trader and dealer, both as principal and agent, in major financial markets and, as such, may have and may in the future have positions in the securities of any Interested Party, and, from time to time, may have executed or may execute transactions on behalf of any Interested Party or other clients for which it may have received or may receive compensation. As an investment dealer, TD Securities conducts research on securities and may, in the ordinary course of its business, provide research reports and investment advice to its clients on investment matters, including matters with respect to the Arrangement, Choice Properties, CREIT, Loblaw, George Weston, Wittington or any other Interested Party.

The fees paid to TD Securities in connection with the foregoing activities, together with the fees payable to TD Securities pursuant to the Engagement Agreement are not financially material to TD Securities. No understandings or agreements exist between TD Securities and any Interested Party with respect to future financial advisory or investment banking business, other than those that may arise as a result of the Engagement Agreement, including all engagements discussed above. TD Securities may in the future, in the ordinary course of its business, perform financial advisory or investment banking services for Choice Properties, CREIT, Loblaw, George Weston, Wittington or any other Interested Party. TD Bank may continue to provide in the future, in the ordinary course of business, banking services including loans to Choice Properties, CREIT, Loblaw, George Weston, Wittington or any other Interested Party.

SCOPE OF REVIEW

In connection with the Opinion, TD Securities reviewed and relied upon (without attempting to verify independently the completeness or accuracy of) or carried out, among other things, the following:

1. a draft of the Arrangement Agreement between Choice Properties, CREIT and CREIT Eastern GP Inc. dated February 14, 2018, including the Plan of Arrangement attached thereto;
2. a draft of the form of voting and support agreement dated February 14, 2018 of Loblaw;
3. a draft of the form of voting and support agreements dated February 14, 2018 of trustees and certain officers of CREIT;
4. audited annual financial statements of Choice Properties and management's discussion and analysis related thereto for the years ended December 31, 2016 and 2015;
5. audited annual financial statements of CREIT and management's discussion and analysis related thereto for the years ended December 31, 2016 and 2015;
6. unaudited financial statements of Choice Properties and management's discussion and analysis related thereto for the year ended December 31, 2017;
7. unaudited financial statements of CREIT and management's discussion and analysis related thereto for the year ended December 31, 2017;
8. annual information forms of Choice Properties for the years ended December 31, 2016 and 2015;
9. annual information forms of CREIT for the years ended December 31, 2016 and 2015;
10. notice of annual meeting and management information circular dated February 15, 2017, for the annual meeting of Choice Properties Unitholders held on April 25, 2017;
11. notice of annual meeting and management information circular dated March 29, 2017, for the annual meeting of CREIT Unitholders held on May 18, 2017;
12. unaudited projected financial and operational information for Choice Properties for the years ending December 31, 2018 through December 31, 2026 prepared by management of the REIT;

13. unaudited projected financial and operational information for CREIT for the years ending December 31, 2018 through December 31, 2020 prepared by management of CREIT;
14. certain unaudited projected financial information for CREIT prepared by management of Choice Properties;
15. Argus models for CREIT properties prepared by management of CREIT;
16. various internal financial and operating reports prepared by management of Choice Properties and management of CREIT considered to be relevant (including property specific operating statements, vacancy summaries, rent rolls, capital expenditure summaries and lease agreements, among other things);
17. independent appraisals for certain Choice Properties properties;
18. independent appraisals for certain CREIT properties;
19. discussions with senior management of Choice Properties and CREIT with respect to the information referred to above and other issues considered relevant;
20. discussions with legal counsel to Choice Properties with respect to the Arrangement and certain information referred to above and other issues considered relevant;
21. various research publications prepared by industry and equity research analysts regarding Choice Properties and CREIT and other selected public companies considered relevant;
22. public information relating to the business, operations, financial performance and stock trading history of Choice Properties, CREIT and other selected public companies considered relevant;
23. public information with respect to certain other transactions of a comparable nature considered relevant;
24. such other corporate, industry and financial market information, investigations and analyses as TD Securities considered necessary or appropriate in the circumstances; and
25. representations contained in a certificate dated February 13, 2018 from senior officers of Choice Properties (the "Certificate") as to the completeness and accuracy of the information upon which the Opinion is based.

TD Securities has not, to the best of its knowledge, been denied access by Choice Properties to any information requested by TD Securities. TD Securities did not meet with the auditors of either Choice Properties or CREIT and has assumed the accuracy, completeness and fair presentation of, and has relied upon, without independent verification, the financial statements of Choice Properties and CREIT and any reports of the auditors thereon.

PRIOR VALUATIONS

Senior officers of Choice Properties, on behalf of Choice Properties and not in their personal capacities, have represented to TD Securities that, among other things, to the best of their knowledge, information and belief after due inquiry, there have been no valuations or appraisals relating to Choice Properties or

any material subsidiary or any of their respective material assets, or material liabilities made in the preceding 24 months and in the possession or control of Choice Properties other than those which have been provided to TD Securities or, in the case of valuations known to Choice Properties which it does not have within its possession or control, notice of which has not been given to TD Securities.

ASSUMPTIONS AND LIMITATIONS

With the Board of Trustees' acknowledgement and agreement as provided for in the Engagement Agreement, TD Securities has relied upon the accuracy, completeness and fair presentation in all material respects of all financial and other data and information filed by Choice Properties and CREIT with securities regulatory or similar authorities (including on the System for Electronic Document Analysis and Retrieval ("SEDAR")), provided to it by or on behalf of Choice Properties, or otherwise obtained by TD Securities, including the Certificate identified above (collectively, the "Information"). The Opinion is conditional upon such accuracy, completeness and fair presentation in all material respects of the Information. Subject to the exercise of professional judgment, and except as expressly described herein, TD Securities has not attempted to verify independently the accuracy, completeness or fair presentation of any of the Information.

With respect to the budgets, forecasts, projections or estimates provided to TD Securities and used in its analyses, TD Securities notes that projecting future results is inherently subject to uncertainty. TD Securities has assumed, however, that such budgets, forecasts, projections or estimates provided to TD Securities and used in its analyses were prepared using the assumptions identified therein which TD Securities has been advised by Choice Properties are (or were at the time of preparation and continue to be) reasonable in the circumstances. TD Securities expresses no independent view as to the reasonableness of such budgets, forecasts, projections and estimates or the assumptions on which they are based.

The Chief Executive Officer and the Chief Financial Officer of Choice Properties, in their respective capacities as President and Chief Executive Officer and Executive Vice President and Chief Financial Officer of Choice Properties and not in their personal capacities, on behalf of Choice Properties, have represented to TD Securities in a certificate dated February 13, 2018, to the best of their knowledge, information and belief after due inquiry or, in the case of matters, events, plans, documents, materials, data or other information concerning CREIT and its respective subsidiaries, to the extent only of their actual knowledge, with the intention that TD Securities may rely thereon in connection with the preparation of the Opinion: (i) Choice Properties has undertaken due diligence concerning CREIT and the transaction and makes the following statements, where they relate to CREIT and its subsidiaries, on the basis of information provided to and/or developed by Choice Properties through Choice Properties' discussions with and analyses of information provided concerning CREIT; (ii) they have no information or knowledge of any facts public or otherwise not specifically provided to TD Securities relating to Choice Properties or CREIT which would reasonably be expected to affect materially the Opinion to be given by TD Securities; (iii) the information, data and other material (collectively, the "Information") as filed under Choice Properties' and CREIT's respective profiles on SEDAR, as amended or supplemented from time to time, and the Information provided to TD Securities by or on behalf of Choice Properties or CREIT or their representatives in respect of Choice Properties, CREIT or their respective subsidiaries in connection with the transaction is or, in the case of historical Information was, at the date of preparation, true, complete and accurate and did not and does not contain any untrue statement of a material fact and does not omit to state a material fact necessary to make the Information not misleading in the light of circumstances in which it was presented; (iv) to the extent that any of the Information identified in subparagraph (iii) above is historical, there have been no changes in any material facts or new material

facts since the respective dates thereof which have not been disclosed to TD Securities or updated by more current information not provided to TD Securities by Choice Properties and there has been no material change, financial or otherwise in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of Choice Properties or CREIT and no material change has occurred in the Information or any part thereof which would have or which would reasonably be expected to have a material effect on the Opinion; (v) any portions of the Information provided to TD Securities (or filed on SEDAR) which constitute forecasts, projections or estimates were prepared using the assumptions identified therein or otherwise disclosed to TD Securities, which, in the reasonable opinion of Choice Properties, are (or were at the time of preparation and continue to be) reasonable in the circumstances; (vi) there have been no valuations or appraisals relating to Choice Properties, CREIT, or any of their respective material subsidiaries or any of their respective material assets or liabilities made in the preceding 24 months and in the possession or control of Choice Properties other than those which have been provided to TD Securities or, in the case of valuations known to Choice Properties which it does not have within its possession or control, notice of which has not been given to TD Securities; (vii) there have been no verbal or written offers or serious negotiations for or transactions involving any material property of Choice Properties or any of its affiliates during the preceding 24 months which have not been disclosed to TD Securities. For the purposes of paragraphs (vi) and (vii) “material assets”, “material liabilities” and “material property” shall include assets, liabilities and property of Choice Properties or its affiliates having a gross value greater than or equal to C\$500 million; (viii) since the dates on which the Information was provided to TD Securities (or filed on SEDAR), no material transaction has been entered into by Choice Properties, CREIT or any of their respective subsidiaries except as publicly disclosed or otherwise disclosed to TD Securities; (ix) other than as disclosed in the Information, neither Choice Properties, CREIT nor any of their respective subsidiaries has any material contingent liabilities and there are no actions, suits, claims, proceedings, investigations or inquiries pending or threatened against or affecting the transaction, Choice Properties, CREIT or any of their respective subsidiaries at law or in equity or before or by any federal, national, provincial, state, municipal or other governmental department, commission, bureau, board, agency or instrumentality which may, in any way, materially adversely affect Choice Properties, CREIT or their respective subsidiaries taken as a whole or the transaction; (x) all Information, including any projections or forecasts provided to TD Securities, were prepared on a basis consistent in all material respects with the accounting policies applied in the most recent audited consolidated financial statements of Choice Properties or CREIT, as applicable; (xi) there are no agreements, undertakings, commitments or understandings (whether written or oral, formal or informal) relating to the transaction, except as have been disclosed to TD Securities; (xii) the contents of any and all documents prepared in connection with the transaction for filing with regulatory authorities or delivery or communication to securityholders of Choice Properties and CREIT (collectively, the “Disclosure Documents”) have been, are and will be true, complete and correct in all material respects and have not and will not contain any misrepresentation (as defined in the *Securities Act* (Ontario)) and the Disclosure Documents have complied, comply and will comply with all requirements under applicable laws; (xiii) Choice Properties has complied in all material respects with the Engagement Agreement, including the terms and conditions of Schedule A thereto; and (xiv) there is no plan or proposal for any material change (as defined in the *Securities Act* (Ontario)) in the affairs of Choice Properties or CREIT which have not been disclosed to TD Securities.

Choice Properties acknowledges and agrees that TD Securities has not obtained any certificate from senior officers of CREIT and, accordingly, TD Securities is relying on the Certificate provided by Choice Properties described above with respect to the Information related to CREIT.

In preparing the Opinion, TD Securities has made a number of assumptions, including that all final or executed versions of agreements and documents will conform in all material respects to the drafts

provided to TD Securities, that all conditions precedent to the consummation of the Arrangement can and will be satisfied, that all approvals, authorizations, consents, permissions, exemptions or orders of relevant regulatory authorities, courts of law, or third parties required in respect of or in connection with the Arrangement will be obtained in a timely manner, in each case without adverse condition, qualification, modification or waiver, that all steps or procedures being followed to implement the Arrangement are valid and effective and comply in all material respects with all applicable laws and regulatory requirements, that all required documents have been or will be distributed to CREIT Unitholders in accordance with applicable laws and regulatory requirements, and that the disclosure in such documents is or will be complete and accurate in all material respects and such disclosure is or will comply in all material respects with the requirements of all applicable laws and regulatory requirements. In its analysis in connection with the preparation of the Opinion, TD Securities made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of TD Securities, Choice Properties, CREIT and their respective subsidiaries or any other party involved in the Arrangement. Among other things, TD Securities has assumed the accuracy, completeness and fair presentation of and has relied upon the financial statements forming part of the Information. The Opinion is conditional on all such assumptions being correct.

The Opinion has been provided for the exclusive use of the Board of Trustees in connection with the Arrangement. The Opinion may not be used or relied upon by any other person or for any other purpose without the express prior written consent of TD Securities. The Opinion does not address the relative merits of the Arrangement as compared to other transactions or business strategies that might be available to Choice Properties, nor does it address the underlying business decision to implement the Arrangement or any other term or aspect of the Arrangement or the Arrangement Agreement or any other agreements entered into or amended in connection with the Arrangement. In considering fairness, from a financial point of view, TD Securities considered the Arrangement from the perspective of Choice Properties generally and did not consider the specific circumstances of Choice Properties Unitholders or any particular Choice Properties Unitholder, including with regard to income tax considerations. TD Securities expresses no opinion with respect to future trading prices of securities of Choice Properties or CREIT. For greater certainty TD Securities is not providing any opinion on the conversion of the Class C LP Units detailed above. The Opinion is rendered as of February 14, 2018 on the basis of securities markets, economic and general business and financial conditions prevailing on that date and the condition and prospects, financial and otherwise, of Choice Properties, CREIT and their respective subsidiaries and affiliates as they were reflected in the Information provided to TD Securities. Any material changes therein may affect the Opinion and, although TD Securities reserves the right to change, withdraw, withhold or supplement the Opinion in such event, it disclaims any undertaking or obligation to advise any person of any such change that may come to its attention, or to change, withdraw, withhold or supplement the Opinion after such date. TD Securities is not an expert on, and did not provide advice to the Board of Trustees regarding, legal, accounting, regulatory or tax matters. The Opinion may not be summarized, published, reproduced, disseminated, quoted from or referred to without the express written consent of TD Securities.

The preparation of a fairness opinion, such as the Opinion, is a complex process and is not necessarily amenable to partial analysis or summary description. TD Securities believes that its analyses must be considered as a whole and that selecting portions of the analyses or the factors considered by it, without considering all factors and analyses together, could create an incomplete or misleading view of the process underlying the Opinion. Accordingly, the Opinion should be read in its entirety.

CONCLUSION

Based upon and subject to the foregoing and such other matters that TD Securities considered relevant, TD Securities is of the opinion that, as of February 14, 2018, the Consideration to be paid by Choice Properties to CREIT Unitholders pursuant to the Arrangement Agreement is fair, from a financial point of view, to Choice Properties.

Yours very truly,

TD Securities Inc.

TD SECURITIES INC.

APPENDIX B
UNAUDITED *PRO FORMA* FINANCIAL STATEMENTS

Pro Forma Consolidated Financial Statements of

**CHOICE PROPERTIES REAL
ESTATE INVESTMENT TRUST**

Year ended December 31, 2017
(Unaudited)

CHOICE PROPERTIES REAL ESTATE INVESTMENT TRUST

Pro Forma Consolidated Balance Sheet
(In thousands of Canadian dollars)

December 31, 2017
(Unaudited)

	Choice Properties	CREIT	Subtotal	Pro forma adjustment	Note 2	Total
Assets						
Non-current assets:						
Investment properties	\$ 9,551,000	\$ 4,522,799	\$ 14,073,799	\$ 489,972	(b),(c)	\$ 14,563,771
Equity accounted joint ventures	32,339	661,664	694,003	(426)	(g)	693,577
Accounts receivable and other assets	5,565	4,289	9,854	—		9,854
Notes, mortgages and loans receivable	2,556	156,750	159,306	(346)	(d)	158,960
	9,591,460	5,345,502	14,936,962	489,200		15,426,162
Current assets:						
Accounts receivable and other assets	21,419	17,975	39,394	—		39,394
Notes, mortgages and loans receivable	304,225	66,759	370,984	—	(d)	370,984
Cash and cash equivalents	6,407	20,718	27,125	(1,651,312)	(b)	—
				2,100,000	(a)	—
				(647,605)	(a)	—
				(39,693)	(a)	—
				(132,488)	(h)	—
				343,973	(a)	—
	332,051	105,452	437,503	(27,125)		410,378
Total assets	\$ 9,923,511	\$ 5,450,954	\$ 15,374,465	\$ 462,075		\$ 15,836,540
Liabilities and Equity						
Non-current liabilities:						
Long-term debt and Class C LP units	\$ 3,336,942	\$ 1,552,997	\$ 4,889,939	\$ 2,100,000	(a)	
				(12,155)	(a),(h)	
				(886,824)	(a)	
				1,760	(f)	
				6,492	(e)	\$ 6,099,212
Credit facilities	311,000	86,605	397,605	343,973	(a)	
				(7,150)	(a),(h)	
				(397,605)	(a)	336,823
Exchangeable Units	4,259,724	—	4,259,724	885,307	(a)	5,145,031
Trade payables and other liabilities	2,713	24,760	27,473	—		27,473
Construction loans	—	7,178	7,178	—		7,178
Deferred income taxes	—	24,092	24,092	(24,092)	(i)	—
	7,910,379	1,695,632	9,606,011	2,009,706		11,615,717
Current liabilities:						
Long-term debt and Class C LP units	400,088	214,587	614,675	4,090	(e)	618,765
Credit facilities	250,000	—	250,000	(250,000)	(a)	—
Trade payables and other liabilities	426,063	85,186	511,249	24,092	(i)	535,341
	1,076,151	299,773	1,375,924	(221,818)		1,154,106
Total liabilities	8,986,530	1,995,405	10,981,935	1,787,888		12,769,823
Equity:						
Unitholders' equity	928,280	3,455,549	4,383,829	(38,176)	(a)	
				(1,760)	(f)	
				(113,183)	(h)	
				2,282,855	(b)	
				(3,455,549)	(b)	3,058,016
Non-controlling interests	8,701	—	8,701	—		8,701
Total equity	936,981	3,455,549	4,392,530	(1,325,813)		3,066,717
Total liabilities and equity	\$ 9,923,511	\$ 5,450,954	\$ 15,374,465	\$ 462,075		\$ 15,836,540

See accompanying notes to the unaudited pro forma consolidated financial statements.

CHOICE PROPERTIES REAL ESTATE INVESTMENT TRUST

Pro Forma Consolidated Statement of Income and Comprehensive Income
(In thousands of Canadian dollars)

Year ended December 31, 2017
(Unaudited)

	Choice Properties	CREIT	Subtotal	Pro forma adjustment	Note 2	Total
Net property income:						
Rental revenue from investment properties	\$ 829,834	\$ 415,360	\$ 1,245,194	\$ –		\$ 1,245,194
Property operating costs	(209,474)	(141,468)	(350,942)	–		(350,942)
	620,360	273,892	894,252	–		894,252
Other income and expenses:						
General and administrative expenses	(23,329)	(18,033)	(41,362)	–		(41,362)
Property management and other administration fees	1,270	5,072	6,342	–		6,342
Amortization of other assets	(934)	–	(934)	–		(934)
Net interest expense and other financing charges	(394,826)	(74,933)	(469,759)	4,369	(f)	
				185	(f)	
				(38,176)	(f)	
				46,250	(f)	
				(52,452)	(f)	
				(1,760)	(f)	
				14,873	(f)	
				(91,081)	(f)	
				(3,291)	(f),(h)	
				(3,385)	(f),(h)	(594,227)
Interest and other income	4,829	25,835	30,664	164	(d)	30,828
Share of income and comprehensive income in equity accounted joint ventures	(491)	77,380	76,889	270	(g)	
				595	(g)	77,754
Adjustment to fair value of Exchangeable Units	38,212	–	38,212	–		38,212
Adjustment to fair value of investment properties	160,254	(51,499)	108,755	–		108,755
Acquisition transaction costs	–	(1,242)	(1,242)	(109,892)	(b),(h)	(111,134)
	(215,015)	(37,420)	(252,435)	(233,331)		(485,766)
Income before income taxes	405,345	236,472	641,817	(233,331)		408,486
Income tax recovery (expense):						
Current	–	(1,195)	(1,195)	624		(571)
Deferred	–	9,011	9,011	(9,011)	(i)	
				(624)	(i)	(624)
	–	7,816	7,816	(9,011)		(1,195)
Net income	405,345	244,288	649,633	(242,342)		407,291
Other comprehensive income to be classified to profit or loss in subsequent years:						
Gain on cash flow hedges of interest rate risk	–	5,868	5,868	–		5,868
Reclassification of gains on cash flow hedges of interest rate risk to income	–	4,420	4,420	–		4,420
Unrealized foreign currency translation loss	–	(6,404)	(6,404)	–		(6,404)
Other comprehensive income	–	3,884	3,884	–		3,884
Net income and comprehensive income	\$ 405,345	\$ 248,172	\$ 653,517	\$ (242,342)		\$ 411,175
Net income and comprehensive income attributable to:						
Choice Properties' Unitholders	\$ 404,415	\$ 248,172	\$ 652,587	\$ (242,342)		\$ 410,245
Non-controlling interests	930	–	930	–		930
	\$ 405,345	\$ 248,172	\$ 653,517	\$ (242,342)		\$ 411,175

See accompanying notes to the unaudited pro forma consolidated financial statements.

CHOICE PROPERTIES REAL ESTATE INVESTMENT TRUST

Notes to Pro Forma Consolidated Financial Statements
(In thousands of dollars, except where otherwise indicated)

Year ended December 31, 2017
(Unaudited)

Choice Properties Real Estate Investment Trust ("Choice Properties" or the "Trust") is an unincorporated, "open-ended" mutual fund trust governed by the laws of the Province of Ontario and established pursuant to a declaration of trust (the "Declaration of Trust") dated May 21, 2013. Choice Properties is an owner, manager and developer of well-located retail and other commercial real estate across Canada. The principal, registered, and head office of Choice Properties is located at 22 St. Clair Avenue East, Suite 500, Toronto, Ontario M4T 2S5. Choice Properties' trust units ("Trust Units" or "Units") are listed on the Toronto Stock Exchange and are traded under the symbol "CHP.UN". Choice Properties commenced operations on July 5, 2013 when it issued Units and debt for cash pursuant to an initial public offering.

At December 31, 2017, Loblaw Company Limited ("Loblaw"), held an 82.4% direct effective interest in Choice Properties and was the parent of the Trust. At December 31, 2017, George Weston Limited ("GWL") owned approximately 48.7% of Loblaw's outstanding common shares and a 6.1% direct effective interest in Choice Properties, and was Loblaw's controlling shareholder. Following the acquisition transaction described below, Loblaw and GWL will own a direct effective interest of approximately 62% and 4% of the combined entity, respectively.

1. Basis of presentation:

The accompanying unaudited pro forma consolidated financial statements (the "Pro Forma") give effect to the Choice Properties' acquisition of Canadian Real Estate Investment Trust ("CREIT"), whereby, Choice Properties will acquire all of CREIT's assets and assume all of its liabilities. CREIT will then redeem all of its outstanding units for an aggregate of \$22.50 in cash and 2.4904 Trust Units per unit of CREIT on a fully prorated basis (the "CREIT Acquisition" or "acquisition transaction").

CREIT is an unincorporated "closed-end" trust governed by the laws of the Province of Ontario. CREIT commenced active operations on behalf of its unitholders on April 1, 1984, and became a real estate investment trust in July 1993.

The accounting policies applied in the preparation of this Pro Forma are consistent with those described in the audited consolidated financial statements of Choice Properties for the year ended December 31, 2017. These accounting policies are in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. This Pro Forma does not include all the information and disclosures required by IFRS for annual financial statements. This Pro Forma has been compiled from, and should be read in conjunction with, the audited consolidated financial statements of Choice Properties for the year ended December 31, 2017 and the audited consolidated financial statements of CREIT for the year ended December 31, 2017.

CHOICE PROPERTIES REAL ESTATE INVESTMENT TRUST

Notes to Pro Forma Consolidated Financial Statements (continued)
(In thousands of dollars, except where otherwise indicated)

Year ended December 31, 2017
(Unaudited)

1. Basis of presentation (continued):

The unaudited pro forma consolidated balance sheet gives effect to the CREIT Acquisition described in note 2, as if it had occurred on December 31, 2017. The unaudited pro forma consolidated statement of income and comprehensive income gives effect to the CREIT Acquisition and related transactions as described in note 2, as if they had occurred on January 1, 2017.

The accounting policies used in this Pro Forma are consistent with those in the audited consolidated financial statements of Choice Properties for the year ended December 31, 2017. Where the accounting policies used by CREIT did not align with those of Choice Properties, Choice Properties' policy was applied and the impact was included in the Pro Forma adjustments. The audited consolidated financial statements of CREIT included a balance sheet presented on a non-classified basis. The balance sheet of CREIT herein has been presented on a classified basis to align with the presentation of Choice Properties.

The Pro Forma is not necessarily indicative of the results that would have actually occurred had the transactions been consummated at the dates indicated, nor are they necessarily indicative of future consolidated operating results or the financial position of Choice Properties.

CHOICE PROPERTIES REAL ESTATE INVESTMENT TRUST

Notes to Pro Forma Consolidated Financial Statements (continued)
(In thousands of dollars, except where otherwise indicated)

Year ended December 31, 2017
(Unaudited)

2. Pro Forma adjustments:

The Pro Forma adjustments have been prepared to account for the impact of the CREIT Acquisition as contemplated in CREIT's Management Information Circular with respect to the proposed Plan of Arrangement as described below. It is assumed that the following transactions occur on the closing date of the acquisition transaction:

(a) The arrangement:

Pursuant to the proposed Plan of Arrangement, the Pro Forma assumes that Choice Properties will acquire all of CREIT's assets and assume all of its liabilities, including long-term debt and all residual liabilities. CREIT will then redeem all of its outstanding units for an aggregate of \$22.50 in cash and 2.4904 Trust Units per CREIT unit, on a fully prorated basis. Using the Choice Properties closing unit price on February 14, 2018 of \$12.49, this represents \$53.61 per CREIT unit. The aggregate consideration will consist of approximately 58% in Trust Units and 42% in cash. CREIT unitholders will have the ability to choose whether to receive \$53.75 in cash or 4.2835 Trust Units for each CREIT unit held, subject to proration. The maximum amount of cash to be paid by Choice Properties will be \$1,651,532 and approximately 183 million Trust Units will be issued, based on the fully diluted number of CREIT units outstanding on the date of the announcement of the CREIT Acquisition.

Choice Properties plans to finance the cash portion of the transaction with committed credit facilities totaling \$3,600,000. These committed credit facilities initially included a \$1,250,000 term loan structured in three, four and five year tranches and an \$850,000 bridge facility. On March 8, 2018, through a private placement, Choice Properties issued \$1,300,000 aggregate principal amount of senior unsecured debentures, which comprise of two series of debentures: \$550,000 at an interest rate of 3.556% per annum maturing on September 9, 2024, and \$750,000 at an interest rate of 4.178% per annum maturing on March 8, 2028. Subsequent to this issuance, Choice Properties notified the lender of the committed credit facilities that it will cancel the \$850,000 bridge facility and \$450,000 of the term loan, representing the full amount of the three-year tranche and a portion of the four-year tranche. The net proceeds of the senior unsecured debentures were placed in escrow until the satisfaction of the escrow release conditions are met, which include the satisfaction or waiver of all conditions to closing the acquisition transaction.

CHOICE PROPERTIES REAL ESTATE INVESTMENT TRUST

Notes to Pro Forma Consolidated Financial Statements (continued)
(In thousands of dollars, except where otherwise indicated)

Year ended December 31, 2017
(Unaudited)

2. Pro Forma adjustments (continued):

The debt placement costs associated with these committed facilities are expected to be \$12,155.

Choice Properties has also arranged a new \$1,500,000 committed revolving credit facility. Choice Properties will repay and cancel the existing credit facilities of Choice Properties and CREIT which had drawn balances as at December 31, 2017 totaling \$647,605, or \$561,000 and \$86,605, respectively. The debt placement costs associated with this new committed revolving credit facility are expected to be \$7,150. It is expected that of the \$1,500,000 available under the committed revolving credit facility, \$343,973 will be required to be drawn on the closing date of the acquisition transaction.

Concurrently with the closing of the acquisition transaction, Choice Properties and Loblaw have agreed to convert all of the outstanding Class C LP units of Choice Properties Limited Partnership ("Class C LP units") into Class B LP units of Choice Properties Limited Partnership ("Exchangeable Units") on similar terms and conditions. Each Class C LP unit will be valued at \$10.00 and the Exchangeable Units issuable will be valued at the 20-day volume weighted average price of Choice Properties units on the Toronto Stock Exchange calculated as of the end of the trading day immediately preceding the effective date of the CREIT Acquisition. At December 31, 2017, Choice Properties holds Class C LP units of \$925,000 with an unamortized debt premium of \$38,176. Choice Properties plans to issue a maximum of approximately 70.9 million Exchangeable Units upon the conversion and, if required, to pay any shortfall in value on closing in cash. This Pro Forma assumes that Exchangeable Units of \$885,307 will be issued and the remaining amount of \$39,693 will be paid in cash.

(b) CREIT Acquisition:

The acquisition transaction has been accounted for as a business combination. The allocation of the purchase price to the identifiable assets acquired and liabilities assumed was based on their provisional fair values, assuming the CREIT Acquisition occurred on December 31, 2017. No amounts were allocated to goodwill or other intangible assets. Transaction costs of \$109,892 have been expensed in the Pro Forma consolidated statement of income and comprehensive income.

CHOICE PROPERTIES REAL ESTATE INVESTMENT TRUST

Notes to Pro Forma Consolidated Financial Statements (continued)
(In thousands of dollars, except where otherwise indicated)

Year ended December 31, 2017
(Unaudited)

2. Pro Forma adjustments (continued):

The allocation of the purchase price is preliminary. Actual values of the assets acquired and liabilities assumed may differ from the amount disclosed upon closing of the acquisition transaction.

The provisional values of the assets and liabilities in accordance with the recognition and measurement principles of IFRS are as follows:

Investment properties	\$ 5,012,771
Equity accounted joint ventures	661,238
Accounts receivable and other assets	22,264
Mortgages and loans receivable	223,163
Cash and cash equivalents	20,718
Long-term debt	(1,778,166)
Credit facilities	(86,605)
Construction loans	(7,178)
Deferred income taxes	(24,092)
Trade payables and other liabilities	(109,946)
	<hr/>
	\$ 3,934,167
Purchase price settled by:	
Issuance of Trust Units	\$ 2,282,855
Cash	1,651,312
	<hr/>
	\$ 3,934,167

The unitholders' equity of CREIT prior to the transaction of \$3,455,549 was eliminated from equity in the Pro Forma consolidated balance sheet.

CHOICE PROPERTIES REAL ESTATE INVESTMENT TRUST

Notes to Pro Forma Consolidated Financial Statements (continued)
(In thousands of dollars, except where otherwise indicated)

Year ended December 31, 2017
(Unaudited)

2. Pro Forma adjustments (continued):

(c) Fair value adjustment on investment properties:

The fair value of investment properties has been adjusted to reflect the provisional fair value. The adjustment to the fair value of investment properties reflects a portion of the total purchase price agreed to between Choice Properties and CREIT, and will be updated to reflect the actual amounts on the closing date of the acquisition transaction.

(d) Notes, mortgages and loans receivable:

The notes, mortgages and loans receivable balance has been adjusted to reflect the fair value on the closing of the acquisition transaction. This resulted in a net discount of \$346 to the notes, mortgages and loan receivable balance. Effective interest rate amortization of \$164 related to this net discount is recorded in the Pro Forma consolidated statement of income and comprehensive income.

(e) Long-term debt and Class C LP units:

Long-term debt held by CREIT was comprised of mortgages payable and debentures payable. The long-term debt being acquired has been adjusted to reflect the fair value on the closing of the acquisition transaction for net discounts of \$6,492 and \$4,090 to the non-current and current portions, respectively. On completion of the acquisition transaction, CREIT's debentures will remain outstanding and will become debentures of Choice Properties, ranking equally with existing Choice Properties unsecured debentures. Choice Properties Limited Partnership will also provide a guarantee of the debentures.

This balance has also been adjusted for the placement of new committed credit facilities to finance the acquisition transaction and Choice Properties' conversion of Class C LP units for Exchangeable Units as described in note 2(a), such that the balance of Class C LP units is nil after the acquisition transaction.

CHOICE PROPERTIES REAL ESTATE INVESTMENT TRUST

Notes to Pro Forma Consolidated Financial Statements (continued)
(In thousands of dollars, except where otherwise indicated)

Year ended December 31, 2017
(Unaudited)

2. Pro Forma adjustments (continued):

(f) Net interest expense and other financing charges:

Net interest expense and other financing charges have been adjusted for the following:

- Effective interest rate amortization of the net debt discount on fair valuing of the long term debt being acquired of \$4,369;
- Adjustment to eliminate existing unamortized debt discount on the long term debt being acquired of \$185;
- Upon conversion of the Class C LP units to Exchangeable Units, write-off of unamortized debt premium on Class C LP units of \$38,176, removal of distributions on Class C LP units of \$46,250, and recording distributions to be made on the additional Exchangeable Units issued of \$52,452;
- On replacement of the existing credit facilities of Choice Properties and CREIT, write-off of existing debt placement costs of \$1,760, or \$1,478 and \$282, respectively, and reversal of the interest expense of \$14,873 incurred in 2017, or \$11,799 and \$3,074, respectively;
- Interest expense is comprised of \$76,893 on the term loan and senior unsecured debentures and \$14,188 on the new committed revolving credit facility, totalling \$91,081 based on an estimated weighted average interest rate;
- Expensing of financing fees of \$3,291 with respect to the bridge facility and term loan refinanced with senior unsecured debentures; and
- Amortization of debt placement costs for the Choice Properties' term loan, senior unsecured debentures and new committed revolving credit facility of \$3,385.

CHOICE PROPERTIES REAL ESTATE INVESTMENT TRUST

Notes to Pro Forma Consolidated Financial Statements (continued)
(In thousands of dollars, except where otherwise indicated)

Year ended December 31, 2017
(Unaudited)

2. Pro Forma adjustments (continued):

(g) Equity-accounted joint ventures:

The Pro Forma reflects the following adjustments related to investments in equity accounted joint ventures:

- Net debt discount of \$426 on fair valuing of long term debt on acquisition;
- Effective interest rate amortization of the net debt discount on fair valuing of long term debt being acquired of \$595; and
- Adjustment to eliminate existing unamortized debt discount of \$270.

(h) Business acquisition costs:

The Pro Forma reflects the following adjustments related to the acquisition transaction:

Debt placement costs on the term loan and senior unsecured debentures	\$ 12,155
Debt placement costs on the committed revolving credit facility	7,150
Financing fees expensed on the bridge facility and term loan	3,291
Other transaction costs expensed	109,892
	<hr/> \$ 132,488
Amortization of finance fees on the term loan and senior unsecured debentures	\$ 1,955
Amortization of finance fees on the committed revolving credit facility	1,430
	<hr/> \$ 3,385

Other transaction costs expensed include advisory fees, integration costs and land transfer tax.

CHOICE PROPERTIES REAL ESTATE INVESTMENT TRUST

Notes to Pro Forma Consolidated Financial Statements (continued)
(In thousands of dollars, except where otherwise indicated)

Year ended December 31, 2017
(Unaudited)

2. Pro Forma adjustments (continued):

(i) Income taxes:

The deferred income tax liability assumed on closing is payable on completion of the acquisition transaction and has been reclassified to current liabilities of the combined entity.

Current income taxes have been recalculated based on the Pro Forma values using the substantially enacted combined federal and state tax rate of 28.5% as at December 31, 2017 in the United States. Deferred income taxes have been recalculated based on the Pro Forma temporary differences between the carrying value and the tax basis of the net assets of CREIT's subsidiaries located in the United States.

(j) Restricted unit plan and employee unit purchase plan of CREIT:

CREIT has granted restricted units under its restricted unit plan and units under the employee unit purchase plan to employees of CREIT or a subsidiary of CREIT as unit based compensation. Under the terms of the Plan of Arrangement, Trust Units shall be delivered in exchange for the restricted units. The restricted units shall be subject to the same vesting, forfeiture, and disposition provisions and such other terms and conditions as were applicable to the restricted units immediately prior to acquisition transaction, pursuant to the restricted unit plan or any other employment agreement entered into by CREIT or a subsidiary of the CREIT with a holder of restricted units. CREIT units granted under the employee unit purchase plan will be treated identically to all other units under the terms of the Plan of Arrangement.

The Pro Forma assumes that CREIT has terminated the employee unit purchase plan.

APPENDIX C
GLOSSARY OF TERMS

In this Information Statement, the following capitalized terms have the meanings set forth below.

“**affiliate**” has the meaning specified in National Instrument 45-106 – *Prospectus Exemptions* as in effect on the date of the Arrangement Agreement.

“**Aggregate Cash Consideration**” means \$1,651,532,198, being the maximum amount of cash, which will be funded by Choice Properties, payable to CREIT Unitholders by CREIT on the Cash Redemption.

“**AIF**” means the annual information form of Choice Properties dated February 13, 2018 for the year ended December 31, 2017.

“**Annual MD&A**” means management’s discussion and analysis of results of operations and financial condition of Choice Properties for the year ended December 31, 2017.

“**Arrangement Agreement**” means the arrangement agreement dated February 14, 2018, by and among Choice Properties, CREIT and CREIT GP including all schedules annexed thereto, as it may be amended or supplemented or otherwise modified from time to time in accordance with the terms thereof.

“**Articles of Arrangement**” means the articles of arrangement of CREIT in respect of the Transaction required by the OBCA to be sent to the Director after the Final Order is made, which shall be in form and substance satisfactory to Choice Properties, CREIT and CREIT GP, each acting reasonably.

“**Board**” means the board of trustees of Choice Properties.

“**Cash Consideration**” means \$53.75 in cash per CREIT Unit.

“**Cash Redemption**” means the disposition of a CREIT Unit to CREIT in exchange for Cash Consideration pursuant to the Plan of Arrangement.

“**Certificate of Arrangement**” means the certificate of arrangement of CREIT to be issued by the Director pursuant to subsection 183(2) of the OBCA in respect of the Articles of Arrangement.

“**Choice Properties**” means Choice Properties Real Estate Investment Trust, a trust established under the laws of the Province of Ontario.

“**Choice Properties Declaration of Trust**” means the Declaration of Trust of Choice Properties dated as of May 21, 2013 and as further amended from time to time, which is governed by the laws of the Province of Ontario.

“**Choice Properties LP**” means Choice Properties Limited Partnership, a limited partnership established under the laws of the Province of Ontario.

“**Choice Properties LP Agreement**” means the amended and restated limited partnership agreement of Choice Properties LP dated as of July 5, 2013 and as further amended from time to time.

“**Class B LP Units**” means the Class B LP units of Choice Properties LP issued pursuant to the Choice Properties LP Agreement and having the attributes described therein, including the right of a holder thereof to exchange such units for Units.

“**Class C Conversion**” means the conversion of all outstanding Class C LP Units, being 92,500,000 Class C LP Units, into Class B LP Units, with the number of Class B LP Units issuable on the conversion equal to (a) \$925,000,000 divided by (b) the 20-day VWAP of the Units calculated as of the end of the trading day immediately preceding the Effective Date; provided that the number of Class B LP Units so issuable shall not exceed 70,881,226; and provided further that the difference (if a positive number) between (x) \$925,000,000 and (y) (i) 70,881,226 times (ii) the 20-day VWAP of the Units calculated as of the end of the trading day immediately preceding the Effective Date, shall be paid by Choice Properties LP to the holder of the Class C LP Units in cash.

“**Class C LP Units**” means the Class C LP units of Choice Properties LP issued pursuant to the Choice Properties LP Agreement and having the attributes described therein.

“**Competition Act**” means the *Competition Act* (Canada), as amended, and includes the regulations thereunder.

“**Competition Act Approval**” means (a) the issuance to Choice Properties of an advance ruling certificate issued under subsection 102(1) of the Competition Act in respect of the transactions contemplated by the Arrangement Agreement, (b) Choice Properties shall have received a No-Action Letter and, if applicable, the obligation to provide a pre-merger notification in accordance with Part IX of the Competition Act shall have been waived in accordance with paragraph 113(c) of the Competition Act, or (c) at the election of Choice Properties only, the waiting period, including any extension of such waiting period, under section 123 of the Competition Act shall have expired or been terminated.

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

“**Confidentiality Agreement**” means the mutual confidentiality agreement dated as of February 7, 2018 between Choice Properties and CREIT.

“**Consideration**” means, collectively, the Cash Consideration and the Non-Cash Consideration.

“**Court**” means the Ontario Superior Court of Justice (Commercial List).

“**CREIT**” means Canadian Real Estate Investment Trust, a trust established under the laws of the Province of Ontario.

“**CREIT AIF**” means the annual information form of CREIT dated March 29, 2017 (including the documents incorporated by reference therein) for the financial year ended December 31, 2016.

“**CREIT Annual MD&A**” means management’s discussion and analysis of results of operations and financial condition of CREIT for the year ended December 31, 2017.

“**CREIT Debentures**” means, collectively, the CREIT Series A Debentures, the CREIT Series B Debentures, the CREIT Series C Debentures and the CREIT Series D Debentures.

“**CREIT Declaration of Trust**” means the Amended and Restated Declaration of Trust of CREIT dated as of May 18, 2017 as further amended from time to time, which is governed by the laws of the Province of Ontario.

“**CREIT First Supplemental Indenture**” means the first supplemental indenture to the CREIT Indenture, dated July 24, 2013, between CREIT and Computershare providing for the issuance of CREIT Series A Debentures.

“**CREIT Fourth Supplemental Indenture**” means the fourth supplemental indenture to the CREIT Indenture, dated April 18, 2017, between CREIT and Computershare providing for the issuance of CREIT Series D Debentures.

“**CREIT GP**” means CREIT Eastern GP Inc., a corporation existing under the laws of the Province of Ontario.

“**CREIT Indenture**” means the trust indenture dated June 11, 2013, between CREIT and Computershare providing for the issuance of one or more series of unsecured debt securities of CREIT by way of supplemental indentures, as supplemented by the CREIT First Supplemental Indenture, the CREIT Second Supplemental Indenture, the CREIT Third Supplemental Indenture and the CREIT Fourth Supplemental Indenture.

“**CREIT Meeting**” means the special meeting of CREIT Unitholders to be held at 10:00 a.m. (Toronto time) on April 11, 2018, to consider, among other matters, the CREIT Special Resolution, including any adjournment or postponement thereof.

“**CREIT Restricted Unit Plan**” means the restricted unit plans of CREIT as amended, supplemented or restated from time to time.

“**CREIT Restricted Units**” means the vested and unvested CREIT Units subject to and administered under the CREIT Restricted Unit Plan.

“**CREIT Second Supplemental Indenture**” means the second supplemental indenture to the CREIT Indenture, dated December 12, 2013, between CREIT and Computershare providing for the issuance of CREIT Series B Debentures.

“**CREIT Series A Debentures**” means the 3.676% senior unsecured debentures due July 24, 2018 issued by CREIT pursuant to the CREIT First Supplemental Indenture originally in the aggregate principal amount of \$125,000,000.

“**CREIT Series B Debentures**” means the 4.323% senior unsecured debentures due January 15, 2021 issued by CREIT pursuant to the CREIT Second Supplemental Indenture originally in the aggregate principal amount of \$100,000,000.

“**CREIT Series C Debentures**” means the 2.564% senior unsecured debentures due November 30, 2019 issued by CREIT pursuant to the CREIT Third Supplemental Indenture originally in the aggregate principal amount of \$100,000,000.

“**CREIT Series D Debentures**” means the 2.951% senior unsecured debentures due January 18, 2023 issued by CREIT pursuant to the CREIT Fourth Supplemental Indenture originally in the aggregate principal amount of \$125,000,000.

“**CREIT Special Resolution**” means the special resolution of the CREIT Unitholders approving the Plan of Arrangement to be considered at the CREIT Meeting.

“**CREIT Third Supplemental Indenture**” means the third supplemental indenture to the CREIT Indenture, dated February 5, 2015, between CREIT and Computershare providing for the issuance of CREIT Series C Debentures.

“**CREIT Unit**” means a participating unit of interest in CREIT issued pursuant to the CREIT Declaration of Trust and having the attributes described therein.

“**CREIT Unitholder Approval**” means the approval of the CREIT Special Resolution by the affirmative vote of at least two-thirds (66 2/3%) of the votes cast by CREIT Unitholders present in person or represented by proxy at the CREIT Meeting and entitled to vote.

“**CREIT Unitholders**” means the registered and/or beneficial holders of CREIT Units.

“**Director**” means the Director appointed pursuant to section 278 of the OBCA.

“**Dissent Rights**” means the rights of dissent provided to CREIT Unitholders in the Plan of Arrangement.

“**Effective Date**” means the date shown on the Certificate of Arrangement giving effect to the Transaction.

“**Effective Time**” means 3:01 a.m. on the Effective Date, or such other time as the parties to the Arrangement Agreement agree to in writing before the Effective Date.

“**Fifth Supplemental Indenture**” means a supplemental indenture or supplemental indentures, as applicable, in form and content satisfactory to each of Choice Properties, CREIT and Computershare, acting reasonably, to be entered into by Choice Properties, CREIT and Computershare to evidence the succession of Choice Properties as the successor pursuant to and in accordance with the terms of the CREIT Indenture and the release of CREIT from all covenants thereunder and the CREIT Debentures issued thereunder.

“**Final Order**” means the final order of the Court in a form acceptable to CREIT, CREIT GP and Choice Properties, each acting reasonably, approving the Transaction pursuant to subsection 182(4) of the OBCA and section 60 of the Trustee Act, as such order may be amended, modified, supplemented or varied by the Court (with the consent of CREIT, CREIT GP and Choice Properties, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended, modified, supplemented or

varied (provided that any such amendment is acceptable to CREIT, CREIT GP and Choice Properties, each acting reasonably) on appeal.

“**Governmental Entity**” means (a) any international, multinational, national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission (including any securities commission or similar regulatory authority), board, bureau, ministry, agency or instrumentality, domestic or foreign, (b) any subdivision, agent or authority of any of the above, (c) any quasi-governmental body, professional body or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing, or (d) any stock exchange.

“**IFRS**” means International Financial Reporting Standards.

“**Information Statement**” means this information statement dated March 15, 2018, together with all appendices hereto and documents incorporated herein by reference, as amended, supplemented or otherwise modified from time to time.

“**Interim Order**” means the interim order of the Court pursuant to subsection 182(5) of the OBCA and section 60 of the Trustee Act in a form acceptable to CREIT, CREIT GP and Choice Properties, each acting reasonably, providing for, among other things, the calling and holding of the CREIT Meeting, as such order may be amended, modified, supplemented or varied by the Court (with the consent of CREIT, CREIT GP and Choice Properties, each acting reasonably).

“**Law**” means, with respect to any Person, any and all applicable law (including statutory and common law), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling, published administrative policy, or other similar requirement, whether domestic or foreign, enacted, adopted, incorporated by reference, promulgated or applied by a Governmental Entity, in each case having the force of law and that is binding upon or applicable to such Person or its business, undertaking, property or securities.

“**Loblaw**” means Loblaw Companies Limited and, if applicable, its Subsidiaries.

“**Loblaw Subject Units**” means the Units and Special Voting Units that Loblaw beneficially owns or exercises control or direction over, directly or indirectly, and any and all Units and Special Voting Units of which Loblaw acquires beneficial ownership, or control or direction over, directly or indirectly, other than Special Voting Units acquired on conversion of Class C LP Units in connection with the Class C Conversion.

“**Loblaw Voting Agreement**” has the meaning set out in “*Summaries of Transaction Documents – Loblaw Voting Agreement*”.

“**Material Adverse Effect**” means, when used in connection with a Person, any change, effect, event, circumstance, fact or occurrence that, individually or in the aggregate with any other changes, effects, events, circumstances, facts or occurrences, (i) is or would reasonably be expected to be material and adverse to the condition (financial or otherwise), business, properties, assets, liabilities (including contingent liabilities) or results of operations (financial or otherwise) of such Person and its Subsidiaries, taken as a whole, or (ii) prevents or materially impairs or could reasonably be expected to prevent or materially impair the ability of such Person to consummate

the transactions contemplated by the Arrangement Agreement on a timely basis; provided, however, that none of the following shall constitute or be taken into account in determining whether there has been, is or would be a Material Adverse Effect:

- (a) any change, effect, event, circumstance, fact or occurrence affecting the Canadian or United States real estate industry in general;
- (b) any change, effect, event, circumstance, fact or occurrence in global, national or regional political conditions (including the outbreak or escalation of hostilities, acts of war, sabotage or acts of terrorism);
- (c) any change, effect, event, circumstance, fact or occurrence in currency exchange, interest or inflation rates or in general economic, business, regulatory, political or market conditions or in national or global financial or capital markets;
- (d) any adoption, proposal, implementation or change in Law or any interpretation of Law by any Governmental Entity;
- (e) any change in IFRS (or comparable applicable national accounting standards) or the implementation or interpretation thereof;
- (f) any hurricane, flood, tornado, earthquake or other natural or man-made disaster;
- (g) any matter that has been disclosed in the REIT Disclosure Letter (as defined in the Arrangement Agreement);
- (h) in the case of CREIT or the Properties (as defined in the Arrangement Agreement), as applicable:
 - (i) any action required to be taken or omitted pursuant to the Arrangement Agreement or taken (or omitted to be taken) at the written request of Choice Properties or taken with Choice Properties' consent; or
 - (ii) any actions taken (or omitted to be taken) by Choice Properties or any of its affiliates or Representatives;
- (i) in the case of Choice Properties:
 - (i) any action required to be taken or omitted pursuant to the Arrangement Agreement or taken (or omitted to be taken) at the request of CREIT or taken with CREIT's consent; or
 - (ii) any actions taken (or omitted to be taken) by CREIT or any of its affiliates or Representatives;
- (j) the negotiation, execution, announcement or performance of the Arrangement Agreement or consummation of the Transaction, including any change related to the identity of Choice Properties, or facts and circumstances relating thereto, any

loss or threatened loss of, or adverse change or threatened adverse change in the relationship of CREIT or any of its Subsidiaries with any of their current or prospective employees, tenants, lenders, suppliers, securityholders or other third parties;

- (k) any change in the market price or trading volume of any securities of the Person (it being understood that any cause underlying such change in market price may be taken into account in determining whether a Material Adverse Effect has occurred);
- (l) the failure of the Person or its Subsidiaries or the Properties (as defined in the Arrangement Agreement), as applicable, to meet any internal or public projections, forecasts, guidance or estimates of, including revenues or earnings (it being understood that any cause underlying such failure may be taken into account in determining whether a Material Adverse Effect has occurred); or
- (m) any change in the credit ratings of the Person or any of its Subsidiaries (it being understood that any cause underlying such change it being understood that any cause underlying such failure may be taken into account in determining whether a Material Adverse Effect has occurred);

provided, however, that: (A) with respect to clauses (a) through (f), such matter does not relate only to or have a materially disproportionate effect on the Person and its Subsidiaries, taken as a whole, relative to other comparable companies and entities in the industries in which the Person or its Subsidiaries operate; and (B) references in certain sections of the Arrangement Agreement to dollar amounts are not intended to be, and shall not be deemed to be, illustrative or interpretive for purposes of determining whether a “Material Adverse Effect” has occurred.

“**No-Action Letter**” means one or more written letters from the Commissioner advising that he does not, at such time, intend to make an application under section 92 of the Competition Act in respect of the transactions contemplated by the Arrangement Agreement.

“**Non-Cash Consideration**” means 4.2835 Units per CREIT Unit.

“**OBCA**” means the *Business Corporations Act* (Ontario).

“**Outside Date**” means August 14, 2018, provided that if the Effective Date has not occurred on or prior to the Outside Date as a result of the failure to obtain Competition Act Approval by such date then any Party may elect, by notice in writing delivered to the other Parties on or prior to the Outside Date, to extend the Outside Date on no more than two occasions by a period of 30 days, provided that in aggregate such extensions shall not exceed 60 days from August 14, 2018; provided further that, notwithstanding the foregoing, a Party shall not be permitted to extend the Outside Date if the failure to obtain Competition Act Approval is primarily the result of the breach by such Party of its representations and warranties set forth in the Arrangement Agreement or such Party’s failure to comply with its covenants therein.

“**Person**” includes an individual, general partnership, limited partnership, corporation, company, limited liability company, body corporate, joint venture, unincorporated organization, other form of business organization, trust, trustee, executor, administrator or other legal representative,

government (including any Governmental Entity) or any other entity, whether or not having legal status.

“Plan of Arrangement” means the plan of arrangement and any amendments or variations thereto made in accordance with the Arrangement Agreement, plan of arrangement or made at the direction of the Court in the Final Order (with the prior written consent of CREIT and Choice Properties, each acting reasonably).

“RBC Capital Markets” means RBC Dominion Securities Inc.

“REIT Exception” means, with respect to an entity, the exception from the SIFT Rules available in a particular taxation year if the entity meets certain specified criteria relating to the nature of its revenues and investments so as to qualify as a “real estate investment trust” under the Tax Act for such year.

“Representative” means, with respect to any Person, any officer, trustee, director, employee, representative (including any financial or other adviser) or agent of such Person or of any of its Subsidiaries.

“SIFT Rules” means the special taxation regime imposed by the Tax Act applicable to certain publicly traded income trusts and partnerships.

“Special Voting Units” means a non-participating special voting unit of Choice Properties issued to a holder of Class B LP Units pursuant to the Choice Properties Declaration of Trust and having the attributes described therein.

“Subsidiary” means, with respect to a Person, a corporation, partnership, trust, limited liability company, unlimited liability company, joint venture or other Person of which either: (a) such Person or any other subsidiary of the Person is a general partner, managing member or functional equivalent; (b) voting power to elect a majority of the board of directors or trustees or others performing a similar function with respect to such organization is held by such Person or by any one or more of such Person’s subsidiaries; or (c) more than 50% of the equity interest is controlled, directly or indirectly, by such Person.

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

“TD Securities” means TD Securities Inc.

“Transaction” has the meaning set out in *“Information Contained in this Information Statement – General Information”*.

“Trustee Act” means the *Trustee Act* (Ontario).

“TSX” means the Toronto Stock Exchange.

“Unit” means a participating unit of Choice Properties issued pursuant to the Choice Properties Declaration of Trust and having the attributes described therein, and for greater certainty, does not include a Special Voting Unit.

“Unitholder Approval” means the approval of the Unitholders by ordinary resolution for the issuance of Units pursuant to the Transaction, as required by section 611 of the TSX Company Manual, which approval shall be obtained either at a special meeting of the Unitholders or by way of written consent satisfactory to the TSX.

“Unitholders” means the registered and/or beneficial holders of Units and Special Voting Units.

“VWAP” in regard to any securities, means the volume-weighted average trading price of such securities on the TSX.