

Choice Properties^{REIT}

**2015
ANNUAL INFORMATION FORM**

February 17, 2016

TABLE OF CONTENTS

I.	GLOSSARY	6
II.	FORWARD-LOOKING STATEMENTS	19
III.	LEGAL STRUCTURE OF CHOICE PROPERTIES	20
	Name and Establishment.....	20
	Organizational Structure	20
IV.	GENERAL DEVELOPMENT OF THE BUSINESS	22
	Initial Public Offering and Acquisition of the Initial Properties.....	22
	Financing	22
	Trust Debentures.....	22
	Transferor Notes and Partnership Debentures.....	23
	Credit Facility.....	23
	Acquisition and Disposition Activity	23
	Development Activity.....	28
V.	DESCRIPTION OF THE BUSINESS	29
	Overview	29
	Business and Growth Strategy	29
	Acquisitions.....	29
	Development.....	29
	Property Management.....	30
	Principal Tenant - Loblaw	30
	About Loblaw.....	30
	Loblaw Leases.....	31
	Leased Premises	31
	Use.....	31
	Term	32
	Options to Extend	32
	Annual Basic Rent.....	32
	Additional Rent/Net Lease	32
	Repair and Maintenance Responsibilities.....	33
	Right to Cease Operation	34
	Parking and Site Control	34
	Alterations.....	34
	Environmental Covenants	35
	Assignment and Subletting	35
	Damage and Destruction	36
	Restrictive Covenants.....	36
	Landlord and Tenant Expansion/Development Restrictions.....	36
	Events of Default	37
	Description of Third-Party Leases	37
	Competition	38
	Intellectual Property	38
	Employment.....	38
	Financial Performance.....	38
VI.	PROPERTIES HELD BY CHOICE PROPERTIES	38
	Overview	38
	Geographic Breakdown	38
	Ancillary GLA by Business Sector	39
	Top 10 Non-Loblaw Tenants by Base Rent.....	41
	Property Descriptions.....	41
	Western Canada	41
	Ontario	45
	Quebec	51
	Atlantic Canada	53
	2015 Acquisition Property Descriptions	55
	Western Canada	55
	Ontario	58
	Quebec	62

Atlantic Canada	62
VII. INVESTMENT GUIDELINES AND OPERATING POLICIES	63
Investment Guidelines	63
Operating Policies	64
Amendments to Investment Guidelines and Operating Policies	66
Regulatory Conflict	66
VIII. DECLARATION OF TRUST AND DESCRIPTION OF UNITS	66
General	66
Authorized Capital and Outstanding Securities	66
Units	66
Special Voting Units	67
Issuance of Units	67
Repurchase of Units	68
Limitations on Non-Resident Ownership of Units	68
Nomination of Trustees	68
Redemption Right	70
Trustees	71
Committees	72
Conflicts of Interest	72
Meetings of Voting Unitholders	73
Amendments to the Declaration of Trust and Other Extraordinary Matters	74
Take-Over Bids	75
Information and Reports	75
Rights of Unitholders	75
Non-Certificated Inventory System	76
IX. THE PARTNERSHIP AND DESCRIPTION OF PARTNERSHIP UNITS	76
Partnership Units	77
Operation	78
Distributions	78
Allocation of Partnership Net Income	79
Transfer of LP Units	79
Amendments to the Limited Partnership Agreement	80
X. DESCRIPTION OF THE UNSECURED DEBENTURES	80
General	81
Rank	82
Guarantees	82
Redemption	83
Covenants	83
Depository Services	84
Transfers	84
Payment of Interest and Principal	84
Repurchase upon Change of Control Triggering Event	85
Events of Default	85
Modification and Waiver	86
XI. DEBT MATURITIES	87
XII. RATINGS	87
XIII. MARKET FOR SECURITIES	88
Trading Price and Volume	88
XIV. DISTRIBUTION POLICY	89
Distribution Policy	89
Distribution Reinvestment Plan	89
XV. RISK FACTORS	90
OPERATING RISKS AND RISK MANAGEMENT	90
Enterprise Risks and Risk Management	90
ERM program	90
Risk appetite and governance	90

ERM framework	91
Risk monitoring and reporting	91
Property Development, Redevelopment and Renovation Risks	91
Information Integrity and Reliability	92
Strategic Execution and Capabilities	92
IT Systems	92
Competition	92
Vendor Management, Partnerships and Third-Party Service Providers.....	92
Employee Attraction, Development and Succession Planning.....	93
Current Economic Environment	93
Property Valuation Process.....	93
Property Management.....	93
Security of Information Technology	94
Business Continuity and Disaster Recovery	94
Workplace Health and Safety	94
Environmental Matters.....	94
Tax and Regulatory	95
Shared Service Arrangements	96
Tenant Concentration	96
Acquisitions and Associated Undisclosed Defects and Obligations	97
Change Management	98
Geographic Concentration	98
Reliance on the Partnership.....	98
Asset Class Diversification	98
Significant Ownership by Loblaw	98
Acquisition of Future Properties from Loblaw	99
Leasing Restrictions under the Strategic Alliance Agreement	99
Sale and Financing Provisions under the Strategic Alliance Agreement	99
Potential Conflicts of Interest with Loblaw	100
FINANCIAL RISKS AND RISK MANAGEMENT	100
Interest Rate Risk.....	100
Liquidity and Capital Availability Risk.....	101
Liquidity of Real Property.....	101
Unit Price Risk.....	101
Credit Risk	101
Degree of Leverage	102
XVI. TRUSTEES AND OFFICERS OF THE TRUST	103
Trustees	103
Executive Officers	104
Ownership of Securities	105
Conflicts of Interest.....	105
XVII. MATERIAL CONTRACTS	105
Strategic Alliance Agreement.....	106
Exchange Agreement.....	110
Master Acquisition Agreement.....	113
Services Agreement.....	114
XVIII. PROMOTER	115
XIX. LEGAL PROCEEDINGS AND REGULATORY ACTIONS	115
Legal Proceedings	115
Regulatory Actions	115
XX. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS	115
XXI. AUDITOR, TRANSFER AGENT, REGISTRAR AND INDENTURE TRUSTEE.....	116
XXII. AUDIT COMMITTEE INFORMATION.....	116
XXIII. EXTERNAL AUDIT FEES.....	117
XXIV. ADDITIONAL INFORMATION	117

Appendices

APPENDIX A – LIST OF PROPERTIES..... 118
APPENDIX B - AUDIT COMMITTEE CHARTER 124

I. GLOSSARY

“**Acquired Issuer**” has the meaning given to that term under “Investment Guidelines and Operating Policies — Investment Guidelines”.

“**Advance Notice Provision**” has the meaning given to that term under “Declaration of Trust and Description of Units — Nomination of Trustees”.

“**Affiliates**” has the meaning given to that term in National Instrument 45-106 — Prospectus Exemptions.

“**AFFO**” means adjusted funds from operations and is defined as FFO subject to certain adjustments, (a) to remove the impact of: (i) amortization of fair value mark-to-market adjustments on debt and amortization of financing costs; (ii) adjusting for any differences resulting from recognizing property rental revenues on a straight-line basis; (iii) non-cash compensation incentive plans; and (iv) one-time transactions not expected to recur; and (b) by deducting a reserve for normalized maintenance capital expenditures, tenant improvement allowances and direct leasing costs.

“**Aggregate Adjusted Assets**” as at any date means, as at the relevant Calculation Reference Date, the Aggregate Assets, provided that the component amount thereof that would otherwise comprise the amount shown on the Trust’s balance sheet as “Investment properties” (or its equivalent) shall be instead calculated as the amount obtained by applying the Capitalization Factor as at such Calculation Reference Date to determine the fair value of the Trust’s assets that would comprise “Investment properties” as at such date, using the valuation methodology described by the Trust in its then most recently published annual or interim financial statements or management’s discussion and analysis, applied consistently in accordance with past practice.

“**Aggregate Assets**” of the Trust as of any date means the total assets of the Trust, excluding goodwill and future income tax assets, determined on a consolidated basis and in accordance with GAAP, and giving effect to the Proportionate Consolidation Adjustments and to the extent applicable, adjusted for any adjustments which correspond to those made in accordance with the definition of Consolidated EBITDA (other than fair value adjustments reflecting an increase or decrease in the fair value of investment properties).

“**AIF**” means this annual information form of the Trust.

“**BA**” means bankers’ acceptance.

“**Board**” means the Board of Trustees of the Trust.

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

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

“**Capitalization Factor**” of the Trust means, as at the relevant Calculation Reference Date, the amount determined as the simple average of the weighted average capitalization rate published by the Trust in reference to the calculation of the fair value of its assets in the Trust’s annual or interim financial statements or management’s discussion and analysis published for each of the eight (8) most recently completed fiscal quarters (including the fiscal quarter in which the relevant Calculation Reference Date occurs).

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

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

“Change of Control” means the acquisition by a person, or group of persons acting jointly or in concert, directly or indirectly, other than the Weston Group or a member of the Weston Group or LCL or any of its Subsidiaries (in the event LCL ceases to be part of the Weston Group), of more than 50% of the aggregate voting rights attached to the Units and Special Voting Units of the Trust (taking into account: (i) full dilution from the exchange of all then-outstanding Class B LP Units into Units of the Trust; and (ii) in respect of any other securities that are convertible or exchangeable into Units of the Trust, only dilution resulting from the conversion or exercise of such other convertible or exchangeable securities held by such person or group of persons).

“Change of Control Offer” has the meaning given to that term under “Description of the Unsecured Debentures — Repurchase upon Change of Control Triggering Event”.

“Change of Control Payment Date” has the meaning given to that term under “Description of the Unsecured Debentures — Repurchase upon Change of Control Triggering Event”.

“Change of Control Triggering Event” means a Change of Control and a Rating Event.

“Choice Properties” and **“Trust”** are interchangeable and mean the Trust and its Subsidiaries, including the Partnership, on a consolidated basis, unless the context requires otherwise.

“Class A LP Preferred Distribution” has the meaning given to that term under “The Partnership and Description of Partnership Units — Distributions”.

“Class A LP Units” means a unit of interest in the LP designated as a Class A LP Unit and having the rights and attributes described in the Limited Partnership Agreement with respect thereto.

“Class B LP Units” means a unit of interest in the LP designated as a Class B LP Unit and having the rights and attributes described in the Limited Partnership Agreement with respect thereto, including the right of a holder to exchange such unit for a Unit.

“Class C LP Preferred Distribution” has the meaning given to that term under “The Partnership and Description of Partnership Units — Distributions”.

“Class C LP Units” means a unit of interest in the LP designated as a Class C LP Unit and having the rights and attributes described in the Limited Partnership Agreement with respect thereto.

“Closing Market Price” has the meaning given to that term under “Declaration of Trust and Description of Units — Redemption Right”.

“Consolidated EBITDA” of the Trust for any period means Consolidated Net Income for such period increased by the sum of, without duplication (i) Consolidated Interest Expense for such period, (ii) depreciation and amortization expense for such period, and (iii) Consolidated Income Tax Expense for such period (other than income taxes, either positive or negative, attributable to unusual or non-recurring gains or losses or other non-cash gains or losses as adjusted for in calculating Consolidated Net Income).

“Consolidated Income Tax Expense” of the Trust for any period means the income tax expense of the Trust for such period, determined on a consolidated basis and in accordance with GAAP and including Proportionate Consolidation Adjustments.

“Consolidated Indebtedness” of the Trust as at any date means the consolidated Indebtedness of the Trust as at such date determined in accordance with GAAP and including Proportionate Consolidation Adjustments.

“Consolidated Interest Expense” of the Trust for any period means the aggregate amount of interest expense of the Trust, adjusted in all cases for Proportionate Consolidation Adjustments in respect of

Consolidated Indebtedness, Capital Lease Obligations, the original issue discount (or, as applicable, premium) of any Consolidated Indebtedness issued at a price less than (or, as applicable, more than) the face amount thereof paid, accrued or scheduled to be paid or accrued by the Trust during such period and, to the extent interest has been capitalized on projects that are under development or held for future development during the period, the amount of interest so capitalized (including Proportionate Consolidation Adjustments), all as determined on a consolidated basis in accordance with GAAP; provided that (A) such amount shall be adjusted, as and to the extent applicable, for non-cash gains or losses related to the Transferor Notes and (B) notwithstanding its presentation under GAAP, all interest expense of the Trust in respect of convertible debenture Indebtedness and Subordinated Indebtedness will be included at the face rate of interest thereon and, for the purpose of calculations made in respect of the Debentures, distributions paid on the Class C LP Units will be included, and (C) for the avoidance of doubt, distributions in respect of the Class B LP Units will not be included in determining Consolidated Interest Expense and fair value adjustments on Class B LP Units.

“Consolidated Net Income” of the Trust for any period means the net income (loss) of the Trust for such period determined on a consolidated basis in accordance with GAAP, excluding (i) the aggregate amount of distributions on the Class B LP Units for such period, (ii) any gain or loss attributable to the sale or other disposition of any asset or liability of the Trust, (iii) any non-cash changes in fair value and other non-cash gains or losses of the Trust, determined on a consolidated basis in accordance with GAAP, (iv) other non-recurring items, and including (v) any Proportionate Consolidation Adjustments; and including or excluding, as applicable, the related tax impact of items (i) to (iv).

“Credit Facility” means the senior unsecured revolving credit facility in the amount of \$500 million made available to the Trust by a syndicate of lenders, as described under “General Development of the Business — Financing — Credit Facility”.

“DBRS” means DBRS Limited.

“Debentures” means, collectively, the Trust Debentures and the Partnership Debentures.

“Debt Service” means, for any period, the sum of (without duplication) (i) Consolidated Interest Expense for such period and (ii) all regularly scheduled principal payments made with respect to Consolidated Indebtedness during such period (other than any balloon, bullet or similar principal payable at maturity or which repays such Indebtedness in full).

“Declaration of Trust” means the declaration of trust of the Trust dated as of May 21, 2013, as described under “Declaration of Trust and Description of Units”.

“Deferred Income Plans” means, collectively, trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, deferred profit sharing plans, registered disability savings plans and tax-free savings accounts, each as described in the Tax Act.

“Demand Distribution” has the meaning given to that term under “Material Contracts — Exchange Agreement — Registration Rights”.

“Demand Registration Right” has the meaning given to that term under “Material Contracts — Exchange Agreement — Registration Rights”.

“Distribution Date” means, in respect of a calendar month, on or about the 15th day of the following calendar month or such other date as the Trustees so determine in their discretion.

“DRIP” means the Distribution Reinvestment Plan of the Trust.

“EBITDA” means Earnings Before Interest, Taxes, Depreciation and Amortization.

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

“Event of Default” has the meaning given to that term under “Description of the Unsecured Debentures — Events of Default”.

“Exchange Agreement” means the exchange agreement dated July 5, 2013 pursuant to which Loblaw has been granted, among other things, the right to require the Trust to exchange each Class B LP Unit held by Loblaw for one Unit as described under “Material Contracts — Exchange Agreement”.

“Excluded Transaction” means, for purposes of the Strategic Alliance Agreement, any transaction or series of transactions (including any sale, acquisition, construction, development or redevelopment transaction or series of transactions) involving a property owned or being acquired by Loblaw (in whole or in part) and in respect of which, in the opinion of Loblaw, acting reasonably: (i) Choice Properties does not have the expertise or ability to complete such transaction(s) on substantially the same terms, or to substantially the same standard, or within substantially the same timing; (ii) any such transaction where Loblaw determines that Choice Properties does not own the requisite interests in land or that any person that is not Loblaw or a supplier to a Loblaw business has advantageous approvals, permits, consent rights or agreements in place that would benefit the ultimate transaction; or (iii) is (are) proposed to be entered into by Loblaw for strategic purposes and involves more than one property that is or will be owned by Loblaw, in whole or in part.

“FFO” is defined consistently with the definition presented in the most recent White Paper on funds from operations prepared by the Real Property Association of Canada. FFO is calculated as net income (loss) in accordance with GAAP, adjusted by removing the impact of, but not limited to, (i) fair value adjustments on investment properties; (ii) other fair value adjustments including fair value adjustments on redeemable or exchangeable units; (iii) gains and losses on the sale of investment properties; (iv) amortization of tenant improvement allowances; and (v) distributions on redeemable or exchangeable units treated as interest expense.

“Fifth Supplemental Indenture” means the fifth supplemental indenture to the Indenture dated as of February 5, 2015 and providing for the creation and issuance of the Series E Debentures.

“Fifth Supplemental LP Indenture” means the fifth supplemental indenture to the LP Indenture dated as of May 12, 2014 and providing for the creation and issuance of the Series 9 Debentures.

“First Supplemental Indenture” means the first supplemental indenture to the Indenture dated as of July 5, 2013 and providing for the creation and issuance of the Series A Debentures.

“First Supplemental LP Indenture” means the first supplemental indenture to the LP Indenture dated as of April 21, 2014 and providing for the creation and issuance of the Series 5 Debentures.

“Fourth Supplemental Indenture” means the fourth supplemental indenture to the Indenture dated as of February 6, 2014 and providing for the creation and issuance of the Series D Debentures.

“Fourth Supplemental LP Indenture” means the fourth supplemental indenture to the LP Indenture dated as of May 12, 2014 and providing for the creation and issuance of the Series 8 Debentures.

“Fuel Facility” has the meaning given to that term under “Description of the Business — Principal Tenant — Loblaw — Loblaw Leases — Environmental Covenants”.

“GAAP” means generally accepted accounting principles in Canada (which for Canadian reporting issuers is IFRS) as in effect from time to time and as adopted by the Trust from time to time for the purposes of its public financial reporting.

“General Partner” means Choice Properties GP Inc., a corporation incorporated under the laws of the Province of Ontario that is wholly-owned by the Trust.

“GLA” means gross leasable area.

“Global Debenture” means a global certificate or certificates representing each of the Debentures.

“GP Unit” means a unit representing the general partner interest in the Partnership.

“Guarantee” means a guarantee provided by the Guarantors substantially in the form attached as Schedule “B” to each of the First Supplemental Indenture, Second Supplemental Indenture, Third Supplemental Indenture, Fourth Supplemental Indenture, Fifth Supplemental Indenture and Sixth Supplemental Indenture.

“Guarantor” means each of the General Partner and the Partnership together with any person that becomes a Subsidiary of the Trust (other than a Nominee Subsidiary or an inactive Subsidiary) for the Series A Debentures, Series B Debentures, Series C Debentures and Series D Debentures and any person that becomes a Wholly-Owned Subsidiary of the Trust for the Series E Debentures and Series F Debentures (other than a Nominee Subsidiary or an inactive Subsidiary).

“GWL” means George Weston Limited, the parent company and controlling shareholder of LCL.

“IFRS” means International Financial Reporting Standards as issued by the International Accounting Standards Board and as adopted by the Canadian Institute of Chartered Accountants in Part I of The Canadian Institute of Chartered Accountants Handbook — Accounting, as amended from time to time.

“Indebtedness” of any person means (without duplication) (i) any obligation of such person for borrowed money (including, for greater certainty, the full principal amount of convertible debt, notwithstanding its presentation under GAAP), (ii) any obligation of such person incurred in connection with the acquisition of property, assets or businesses, (iii) any obligation of such person issued or assumed as the deferred purchase price of property, (iv) any Capital Lease Obligation of such person, and (v) any obligations of the type referred to in clauses (i) through (iv) of another person, the payment of which such person has guaranteed or for which such person is responsible or liable; provided that, (A) for the purpose of clauses (i) through (v) (except in respect of convertible debt, as described above), an obligation will constitute Indebtedness of such person only to the extent that it would appear as a liability on the consolidated balance sheet of such person in accordance with GAAP, (B) obligations referred to in clauses (i) through (iii) exclude trade accounts payable, distributions payable to Unitholders, accrued liabilities arising in the ordinary course of business which are not overdue or which are being contested in good faith, deferred revenues, intangible liabilities, deferred income taxes, deferred financing costs, tenant deposits and indebtedness with respect to the unpaid balance of installment receipts where such indebtedness has a term not in excess of 12 months, and (C) Units, Class A LP Units, Class B LP Units, Class C LP Units, and exchangeable securities do not constitute Indebtedness. Furthermore, obligations referred to in clauses (i) through (v) shall be adjusted, as and to the extent applicable, for (a) any adjustments which correspond to those made in accordance with the definition of Consolidated EBITDA, and (b) Proportionate Consolidation Adjustments.

“Indenture” means the trust indenture entered into between the Trust and the Indenture Trustee, dated as of July 5, 2013, pursuant to which the Trust Debentures have been created and issued.

“Indenture Trustee” means BNY Trust Company of Canada for the Trust Debentures.

“Independent Trustee” means a Trustee who is “independent” pursuant to National Instrument 58-101 — Corporate Governance Guidelines.

“Initial Properties” means the portfolio of 425 properties totaling approximately 35.3 million square feet of GLA, comprising 415 retail properties, one office complex and nine warehouse properties that the Trust indirectly acquired through the Partnership in connection with the IPO, and “Initial Property” means any one of them.

“Investment Grade Rating” shall mean a rating equal to or higher than “Baa3” (or the equivalent) by Moody’s Investors Service Inc., “BBB-” (or the equivalent) by S&P, “BBB (low)” (or the equivalent) by DBRS, or “BBB-” (or the equivalent) by Fitch Ratings Inc. or the equivalent investment grade credit rating from any other Specified Rating Agency.

“IPO” means the initial public offering of Units pursuant to the IPO Prospectus.

“IPO Acquisition” means the acquisition by Choice Properties of the Initial Properties.

“IPO Closing” means the closing of the IPO, the IPO Debenture Offering and the IPO Acquisition and other related transactions.

“IPO Closing Date” means July 5, 2013.

“IPO Debenture Offering” means the offering of the Series A Debentures and the Series B Debentures in connection with the IPO.

“IPO Over-Allotment Option” means the option granted by the Trust to the IPO Underwriters to purchase an additional 6,000,000 Units on the same terms as set forth in the IPO Prospectus.

“IPO Prospectus” means the prospectus dated June 26, 2013 relating to the IPO.

“IPO Underwriters” means the underwriters in connection with the IPO.

“Issued Securities” has the meaning given to that term under “Material Contracts — Exchange Agreement — Pre-Emptive Rights”, and “Issued Security” means any one of them.

“IT” means information technology.

“LCBO” means the Liquor Control Board of Ontario.

“LCL” means Loblaw Companies Limited.

“Lead Trustee” refers to the Independent Trustee of the Board who is responsible for ensuring the appropriate leadership for the Independent Trustees, as further described under “Declaration of Trust and Description of Units — Conflicts of Interest”.

“Lien” means any security interest, encumbrance, lien, hypothec, mortgage, pledge, charge or any other arrangement (including a deposit arrangement) or condition that in substance secures payment or performance of an obligation.

“Limited Partners” mean, collectively, the Trust (which owns all of the Class A LP Units) and Loblaw (which owns all of the Class B LP Units and the Class C LP Units) and “Limited Partner” means any one of them.

“Limited Partnership Agreement” means the limited partnership agreement of Choice Properties Limited Partnership, as such agreement may be amended, supplemented or amended and restated from time to time, and, as the circumstances require, references to the “LP Agreement” shall include, as and to the

extent applicable, the limited partnership for any such other limited partnership that may be a Subsidiary of the Trust from time to time.

“Loblaw” means LCL and its Subsidiaries (excluding the Trust and the Trust’s Subsidiaries), or, as the context requires, only LCL.

“Loblaw Associated Property” means, for purposes of the Strategic Alliance Agreement, any retail, office, warehouse, distribution centre, industrial or commercial property that (i) is used or leased by Loblaw or a supplier to a Loblaw business or a franchisee of Loblaw (or, as the context requires, is intended to be so used or leased) and (ii) if it has third-party tenants (or, as the context requires, upon completion of the proposed acquisition, construction and/or development, will have), has no more than two third-party tenants (or subtenants in the case of a property that constitutes a long-term ground lease or emphyteutic lease).

“Loblaw Leases” and **“Loblaw Lease”** have the meanings given to them under “Description of the Business — Principal Tenant — Loblaw — Loblaw Leases”.

“Loblaw-Owned Banner” means: (i) corporate-owned or licensed (in the case of Dominion) store banners, including Atlantic Superstore, Box, Dominion, Extra Foods, Loblaws, Maxi, Maxi & Cie, Provigo, Real Canadian Superstore, T&T Supermarket and Zehrs Markets; (ii) wholesale outlets operating as Real Canadian Wholesale Club, Club Entrepot, and Presto; and (iii) franchised and affiliated store banners operating as Save Easy, Fortinos, Extra Foods, No Frills, Super Valu, Valu-mart, Provigo and Independent - Your Independent Grocer.

“LP Indenture” means the trust indenture entered into between the Partnership and the Indenture Trustee, dated as of April 21, 2014, pursuant to which the Partnership Debentures have been created and issued.

“LP Indenture Trustee” means Computershare Trust Company of Canada for the Partnership Debentures.

“Market Price” has the meaning given to that term under “Declaration of Trust and Description of Units — Redemption Right”.

“Master Acquisition Agreement” means the master acquisition agreement dated July 5, 2013 pursuant to which the Transferors or LCL, as the case may be, have agreed to provide, among other things, certain representations, warranties and indemnities in respect of the Initial Properties to the Trust and the Partnership, as described under “Material Contracts — Master Acquisition Agreement”.

“Material Subsidiary” at any date means any Subsidiary of the Trust which constitutes more than 10% of Unitholders’ Equity calculated as at such date.

“MD&A” means Management’s Discussion and Analysis.

“Monthly Limit” means the monthly limit on the total amount payable in cash by the Trust in respect of Units tendered for redemption in a calendar month as described under “Declaration of Trust and Description of Units — Redemption Right”.

“NCI” means the non-certificated inventory system administered by CDS.

“NOI” is defined as rental revenue from properties after reversing the effect of straight-line rent adjustments less property operating expenses as presented in the statement of income (loss) prepared in accordance with GAAP. Accordingly, NOI excludes certain expenses included in the determination of net income such as general and administrative expenses, fair value adjustments and amortization.

“Nominating Unitholder” has the meaning given to that term under “Declaration of Trust and Description of Units — Nomination of Trustees”.

“Nominee Subsidiary” means a Subsidiary of the Trust holding registered title to real property on behalf of the Trust, but which does not otherwise hold any assets or carry on any business and which has incurred no Indebtedness.

“Non-Residents” means (i) non-residents of Canada, (ii) partnerships that are not Canadian partnerships, or (iii) a combination of non-residents and such partnerships (all within the meaning of the Tax Act).

“Notice Date” has the meaning given to that term under “Declaration of Trust and Description of Units — Nomination of Trustees”.

“NSLC” means the Nova Scotia Liquor Corporation.

“Participants” means participants in the depository service of CDS, which include securities brokers and dealers, banks and trust companies.

“Partnership” means Choice Properties Limited Partnership, a limited partnership formed under the laws of the Province of Ontario and, as the circumstances require, references to the “LP” shall include, as to the extent applicable, such other limited partnerships that may be Subsidiaries of the Trust from time to time.

“Partnership Debentures” means, collectively, the Series 5 Debentures, the Series 6 Debentures, the Series 7 Debentures, the Series 8 Debentures, the Series 9 Debentures and the Series 10 Debentures.

“Permitted Indebtedness” means:

- (a) Indebtedness of (A) the Trust owed to any of its Subsidiaries and (B) any Subsidiary of the Trust owed to the Trust and/or another of its Subsidiaries (each of the entities in (A), and (B) being for this purposes a “related entity”), provided, however, that the provisions of this subsection (a) will no longer be applicable,
 - i. upon the subsequent transfer or other disposition of such Indebtedness to any person that is not a related entity to the transferor, to the amount that was so transferred or otherwise disposed of to such other person; or
 - ii. in the case of Indebtedness of the Trust owed to any of its Subsidiaries, upon the subsequent issuance or disposition of common shares (including, without limitation, by consolidation or merger) of such Subsidiary which results in such Subsidiary ceasing to be a Subsidiary of the Trust (and thereby for this purpose a “third-party”), to the amount of such Indebtedness equal to the product obtained by multiplying the amount of such Indebtedness by the percentage of common shares of the third-party owned immediately after such issuance or disposition of such common shares by persons other than the Trust or one of its Subsidiaries, and, in each case, such amount of such Indebtedness will be deemed for the purpose of the calculation of the Indebtedness Percentage to have been incurred at the time of such transfer, issuance or disposition; and
- (b) Indebtedness of the Trust or any of its Subsidiaries which is incurred or the proceeds of which are used to renew, extend, repay, redeem, purchase, refinance or refund (each a “refinancing”) any Indebtedness of the Trust or any of its Subsidiaries outstanding on the date hereof or permitted to be incurred hereunder, provided, however, that (i) the Indebtedness which is incurred will not exceed the aggregate principal amount of all Indebtedness which is so refinanced at such time, plus the amount of any premium required to be paid in connection with such refinancing pursuant to the terms of the Indebtedness which is so refinanced or the amount of any premium reasonably determined by the Trust or the relevant Subsidiary as necessary to accomplish such refinancing by means of a tender offer or privately negotiated agreement, plus the expenses of the Trust and the relevant Subsidiary incurred in connection with such refinancing and (ii) for purposes of the Debentures, the Indebtedness which is incurred, the proceeds of which are used to refinance the Debentures or Indebtedness of the Trust or any of its Subsidiaries which ranks equally and rateably

with the Debentures or Indebtedness of the Trust or any of its Subsidiaries which is subordinate in right of payment to the Debentures, will only be permitted if, in the case of any refinancing of the Debentures or Indebtedness of the Trust or any of its Subsidiaries which ranks equally and rateably with the Debentures, the Indebtedness which is incurred is made equal and rateable to the Debentures or subordinated to the Debentures and, in the case of any refinancing of the Indebtedness of the Trust or any of its Subsidiaries which is subordinate to the Debentures, the Indebtedness which is incurred is made subordinate to the Debentures at least to the same extent as is such Indebtedness which is being so refinanced.

“Phase I ESA Reports” means Phase I environmental site assessment reports.

“Phase II ESA Reports” means Phase II environmental site assessment reports.

“Piggy-Back Distribution” has the meaning given to that term under “Material Contracts — Exchange Agreement — Registration Rights”.

“Piggy-Back Registration Right” has the meaning given to that term under “Material Contracts — Exchange Agreement — Registration Rights”.

“Preferred Units” means preferred units of the Trust that may be created in the future, and “Preferred Unit” means any one of them.

“Properties” has the meaning given to that term under “General Development of the Business — Acquisition Activity”.

“Property Management Agreement” means the property management agreement between Choice Properties Limited Partnership and Loblaw Inc. as of January 1, 2015 whereby Choice Properties agreed to provide property management services in respect of the Loblaw properties;

“Proportionate Consolidation Adjustments” means accounting adjustments to reflect assets, liabilities, equity, revenues and expenses on a proportionate basis in place of the Trust’s use of equity accounting in accordance with GAAP with respect to real estate investments or interests in which the Trust participates.

“Rating Event” means any of (A) the rating of any series of senior unsecured debt securities of the Trust from time to time (“Debt Securities”) is lowered to below an Investment Grade Rating by at least two of the Specified Rating Agencies if there are more than two Specified Rating Agencies or all of the Specified Rating Agencies if there are less than three Specified Rating Agencies (the “Required Threshold”) on any day within the 60-day period (which 60-day period will be extended so long as the rating of Debt Securities of such series is under publicly announced consideration for a possible downgrade by such number of the Specified Rating Agencies which, together with Specified Rating Agencies which have already lowered their ratings on the Debt Securities of such series as aforesaid, would aggregate in number the Required Threshold, but only to the extent that, and for so long as, a Change of Control Triggering Event would result if such downgrade were to occur) after the earlier of (i) the occurrence of a Change of Control, and (ii) public notice of the occurrence of a Change of Control or of the Trust’s intention or agreement to effect a Change of Control, (B) the rating of any series of Debt Securities by the Required Threshold is below an Investment Grade Rating upon the occurrence of a Change of Control and the rating of such series of Debt Securities by the Required Threshold remains below an Investment Grade Rating 30 days after the occurrence of such Change of Control (which 30-day period will be extended so long as the rating of Debt Securities of such series is under publicly announced consideration for a possible increase by such number of the Specified Rating Agencies which, together with Specified Rating Agencies which have already increased their ratings on the Debt Securities of such series as aforesaid, would aggregate in number the Required Threshold), and (C) following the occurrence of a Change of Control, one or more of the Specified Rating Agencies cease to rate any series of Debt Securities such that only one Specified Rating Agency continues to rate such series of Debt Securities.

“Redemption Date” has the meaning given to that term under “Declaration of Trust and Description of Units — Redemption Right”.

“Redemption Price” has the meaning given to that term under “Declaration of Trust and Description of Units — Redemption Right”.

“Registered Plans” means, collectively, trusts governed by registered retirement savings plans, registered retirement income funds, registered disability savings plans, deferred profit sharing plans, tax-free savings accounts and registered education savings plans.

“Reimbursement Distribution Amount” has the meaning given to that term under “The Partnership and Description of Partnership Units — Distributions”.

“Related Party” means, with respect to any person, a person who is a “related party” as that term is defined in Multilateral Instrument 61-101 — Protection of Minority Security Holders in Special Transactions, as amended from time to time.

“S&P” means Standard & Poor’s Ratings Services.

“SAQ” means Société des alcools du Québec.

“Second Supplemental Indenture” means the second supplemental indenture to the Indenture dated as of July 5, 2013 and providing for the creation and issuance of the Series B Debentures.

“Second Supplemental LP Indenture” means the second supplemental indenture to the LP Indenture dated as of April 21, 2014 and providing for the creation and issuance of the Series 6 Debentures.

“SEDAR” means the System for Electronic Documents Analysis and Retrieval at www.sedar.com.

“Selected Amount” has the meaning given to that term under “The Partnership and Description of Partnership Units — Distributions”.

“Series A Debentures” means the \$400 million aggregate principal amount of 3.554% Series A senior unsecured debentures of the Trust due July 5, 2018.

“Series B Debentures” means the \$200 million aggregate principal amount of 4.903% Series B senior unsecured debentures of the Trust due July 5, 2023.

“Series C Debentures” means the \$250 million aggregate principal amount of 3.498% Series C senior unsecured debentures of the Trust due February 8, 2021.

“Series D Debentures” means the \$200 million aggregate principal amount of 4.293% Series D senior unsecured debentures of the Trust due February 8, 2024.

“Series E Debentures” means the \$250 million aggregate principal amount of 2.297% Series E senior unsecured debentures of the Trust due September 14, 2020.

“Series F Debentures” means the \$200 million aggregate principal amount of 4.055% Series F senior unsecured debentures of the Trust due November 24, 2025.

“Series 5 Debentures” means the \$300 million aggregate principal amount of 3.00% Series 5 senior unsecured debentures of the Partnership due April 20, 2016.

“Series 6 Debentures” means the \$200 million aggregate principal amount of 3.00% Series 6 senior unsecured debentures of the Partnership due April 20, 2017.

“Series 7 Debentures” means the \$200 million aggregate principal amount of 3.00% Series 7 senior unsecured debentures of the Partnership due September 20, 2019.

“Series 8 Debentures” means the \$300 million aggregate principal amount of 3.60% Series 8 senior unsecured debentures of the Partnership due April 20, 2020.

“Series 9 Debentures” means the \$200 million aggregate principal amount of 3.60% Series 9 senior unsecured debentures of the Partnership due September 20, 2021.

“Series 10 Debentures” means the \$300 million aggregate principal amount of 3.60% Series 10 senior unsecured debentures of the Partnership due September 20, 2022.

“Services Agreement” means the services agreement among the Trust, the Partnership and Loblaws Inc. as of July 5, 2013, as amended, pursuant to which Loblaws Inc. or certain of its Subsidiaries provide the Services, as described under “Material Contracts — Services Agreement”.

“Services” means the services provided by Loblaw to Choice Properties, on a cost-recovery basis, pursuant to the Services Agreement, as described under “Material Contracts — Services Agreement”.

“Shoppers Drug Mart” means Shoppers Drug Mart Corporation.

“Shopping Centre Property” means, for purposes of the Strategic Alliance Agreement, any property which has (or, as the context requires, upon completion of the proposed acquisition, construction and/or development, will have) three or more tenants that are not Loblaw or a supplier to a Loblaw business (or subtenants in the case of a property that constitutes a long-term ground lease or emphyteutic lease).

“SIFT Rules” means the rules applicable to specified investment flow through (“SIFT”) trusts and SIFT partnerships in the Tax Act.

“Sixth Supplemental Indenture” means the sixth supplemental indenture to the Indenture dated as of November 24, 2015 and providing for the creation and issuance of the Series F Debentures.

“Sixth Supplemental LP Indenture” means the sixth supplemental indenture to the Indenture dated as of May 12, 2014 and providing for the creation and issuance of the Series 10 Debentures.

“Special Voting Units” means, collectively, special voting units of the Trust, and “Special Voting Unit” means any one of them.

“Specified Rating Agencies” shall mean each of Moody’s Investors Service, Inc., S&P, DBRS and Fitch Ratings Inc. as long as, in each case, it has not ceased to rate the Debentures of the particular series or failed to make a rating of Debentures of the particular series publicly available for reasons outside of the Trust’s control; provided that if one or more of Moody’s Investors Service, Inc., S&P, DBRS or Fitch Ratings Inc. ceases to rate the applicable series of Debentures or fails to make a rating of the applicable series of Debentures publicly available for reasons outside of the Trust’s control, the Trust may select any other “designated rating organization” within the meaning of National Instrument 41-101 — *General Prospectus Requirements* as a replacement agency for such one or more of them, as the case may be; and “Specified Rating Agency” means any one of them.

“Strategic Alliance Agreement” means the strategic alliance agreement dated July 5, 2013 among the Trust, the Partnership, LCL, Loblaws Inc. and Loblaw Properties Limited, as described under “Material Contracts — Strategic Alliance Agreement”.

“Subordinated Indebtedness” means Indebtedness of the Trust (or its successor) (i) that is expressly subordinate in right of payment to the Debentures and the obligations of the Trust and its Subsidiaries under the Credit Facility and (ii) in connection with the issuance of which each Specified Rating Agency confirms

in writing that its rating, if any, for the Debentures upon the issuance of the Indebtedness will be at least equal to the rating accorded to the Debentures immediately prior to the issuance of the Indebtedness.

“Subsidiary” has the meaning given to that term in National Instrument 45-106 — *Prospectus and Registration Exemptions*.

“Subsidiary Notes” means promissory notes of the Partnership, a trust all of the units of which, or a corporation all of the shares of which, are owned directly or indirectly by the Trust or another entity that would be consolidated with the Trust under IFRS, having a maturity date and interest rate determined by the Trustees at the time of issuance.

“Supermarket Lease” means a lease that permits a Supermarket Use, regardless of whether the demised premises subject to such lease are actually used for a Supermarket Use.

“Supermarket Tenant” means any tenant pursuant to a Supermarket Lease.

“Supermarket Use” means a retail and/or wholesale location which has a total selling area of more than 6,000 square feet and: (a) sells primarily food products such as produce and meat, baked goods, dairy, dry and frozen grocery, confectionary, packaged and prepared foods (as customarily sold by grocery stores and supermarkets) (collectively, “Food Products”); or (b) has at least 6,000 square feet of selling area offering Food Products and also sells any of the following products: health and beauty products; basic baby items; household cleaning and paper products; floral; pet supplies; and/or prescription or non-prescription drugs (collectively, “Non-Food Products”), provided that the aggregate selling areas dedicated to Food Products and Non-Food Products comprises more than the lesser of (x) 50% of the total selling area and (y) 20,000 square feet.

“Supplemental Indentures” means, collectively, the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture and the Sixth Supplemental Indenture and “Supplemental Indenture” means any one of them.

“Supplemental LP Indentures” means, collectively, the First Supplemental LP Indenture, the Second Supplemental LP Indenture, the Third Supplemental LP Indenture, the Fourth Supplemental LP Indenture, the Fifth Supplemental LP Indenture and the Sixth Supplemental LP Indenture, and “Supplemental LP Indenture” means any one of them.

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

“Third Supplemental Indenture” means the third supplemental indenture to the Indenture dated as of February 6, 2014 and providing for the creation and issuance of the Series C Debentures.

“Third Supplemental LP Indenture” means the third supplemental indenture to the LP Indenture dated as of May 12, 2014 and providing for the creation and issuance of the Series 7 Debentures.

“Transferor Notes” means the promissory notes issued by the Partnership to the Transferor Trust in connection with the IPO in exchange for the Transferor Trust Notes, as described under “General Development of the Business — Financing — Transferor Notes and Partnership Debentures”, and “Transferor Note” means any one of them.

“Transferor Trust” means a trust created pursuant to a declaration of trust which was initially established for the benefit of the Transferors.

“Transferor Trust Notes” means, collectively, the \$2.6 billion aggregate principal amount of promissory notes issued by the Transferors to the Transferor Trust in connection with the IPO in exchange for units of the Transferor Trust, and subsequently assigned by (a) the Transferor Trust to the Partnership in exchange for the Transferor Notes, and (b) the Partnership to the Transferors as partial consideration for the sale of the Initial Properties.

“Transferors” means, collectively, Loblaw Inc., Provigo Distribution Inc., Loblaw Properties Limited, Loblaw Properties West Inc. and Provigo Properties Limited, and **“Transferor”** means any one of them.

“Trust Debentures” means, collectively the Series A Debentures, the Series B Debentures, the Series C Debentures, the Series D Debentures, the Series E Debentures and the Series F Debentures.

“Trustees” means the trustees from time to time of the Trust, and **“Trustee”** means any one of them.

“TSX” means the Toronto Stock Exchange.

“Unencumbered Aggregate Adjusted Assets” as at any date means, as at the relevant Calculation Reference Date, the Aggregate Assets (excluding any amount relating to assets that are Encumbered), provided that the component amount thereof that would otherwise comprise the amount shown on a balance sheet as “Investment properties” (or its equivalent) shall be instead calculated as the amount obtained by applying the Capitalization Factor as at such Calculation Reference Date to determine the fair value of the Trust’s assets that would comprise “Investment properties” (excluding assets that are Encumbered) using the valuation methodology described by the Trust in its then most recently published annual or interim financial statements or management’s discussion and analysis, applied consistently in accordance with past practice.

“Unitholders” means holders of Units, and **“Unitholder”** means any one of them.

“Unitholders’ Equity” means, for purposes of the definition of Material Subsidiary only, at any time, the aggregate of (i) the aggregate amount of Unitholders’ equity of the Trust plus (ii) the aggregate capital ascribed to the Class B LP Units, in each case, as shown on the Trust’s most recently published annual or interim consolidated balance sheet at such time and calculated as at such date in accordance with GAAP.

“Units” means trust units in the capital of the Trust, other than Special Voting Units, and **“Unit”** means any one of them.

“Voting Unitholders” means, collectively, holders of Voting Units, and **“Voting Unitholder”** means any one of them.

“Voting Units” means, collectively, the Units and the Special Voting Units, and **“Voting Unit”** means any one of them.

“Weston” means GWL and its Subsidiaries (other than LCL and its Subsidiaries).

“Weston Group” means (a) W. Galen Weston (“WGW”); (b) his spouse; (c) any lineal descendant of WGW (treating for this purpose, for greater certainty, any legally adopted descendants as a lineal descendant); (d) the estate trustee of any person listed in clauses (a) to (c); (e) any trust (whether testamentary or inter vivos) primarily for the lineal descendants of WGW, spouses of such lineal descendants, WGW himself or his spouse; and/or (f) any and all corporations which are directly or indirectly controlled by one or more of the foregoing, provided that for the purposes of this definition, “control” of a corporation means the ownership of, or control or direction over, more than 50% of the total voting interest entitled (without regard to the occurrence of any contingency) to vote in the election of the board of directors and the votes attached to such voting interest are sufficient, if exercised, to elect a majority of the board of directors of such corporation and “spouse” includes a person’s widow or widower.

“Wholly-Owned Subsidiary” means any Subsidiary of which the Trust or Partnership (so long as, in the case of the Partnership, the Partnership remains a Guarantor) beneficially owns, directly or indirectly, all of the outstanding shares, units or interests and, if such Subsidiary is a limited partnership, all of the shares, units or interests of each general partner of such Subsidiary.

II. FORWARD-LOOKING STATEMENTS

This AIF contains forward-looking statements about Choice Properties’ objectives, outlook, plans, goals, aspirations, strategies, financial condition, results of operations, cash flows, performance, prospects and opportunities. Specific statements with respect to anticipated future results can be found in various sections of this MD&A, included but not limited to Section 3 “Objectives and Strategy”, Section 5 “Investment Properties”, Section 6 “Consolidated Results of Operations”, Section 7 “Other Measures of Performance”, Section 8 “Liquidity and Capital Resources”, Section 9 “Quarterly Results of Operations” and Section 16 “Outlook”. Forward-looking statements are typically identified by words such as “expect”, “anticipate”, “believe”, “foresee”, “could”, “estimate”, “goal”, “intend”, “plan”, “seek”, “strive”, “will”, “may”, “should” and similar expressions, as they relate to Choice Properties and its management.

Forward-looking statements reflect Choice Properties’ current estimates, beliefs and assumptions, which are based on management’s perception of historic trends, current conditions, outlook and expected future developments, as well as other factors it believes are appropriate in the circumstances. Choice Properties’ expectation of operating and financial performance is based on certain assumptions, including assumptions about the Trust’s future growth potential, prospects and opportunities, industry trends, future levels of indebtedness, current tax laws, current economic conditions and no new competition in the market that leads to reduced revenues and profitability. Management’s estimates, beliefs and assumptions are inherently subject to significant business, economic, competitive and other uncertainties and contingencies regarding future events and as such, are subject to change. Choice Properties can give no assurance that such estimates, beliefs and assumptions will prove to be correct. Numerous risks and uncertainties could cause the Trust’s actual results to differ materially from those expressed, implied or projected in the forward-looking statements, including those described in Section 12, “Enterprise Risks and Risk Management”, of this MD&A. Such risks and uncertainties include:

- changes in economic conditions, including changes in interest rates, and the rate of inflation or deflation;
- the inability of Choice Properties to maintain and leverage its relationship with Loblaw Companies Limited (“Loblaw”), including in respect of: (i) Loblaw’s retained interest in Choice Properties; (ii) the services to be provided to Choice Properties (whether directly or indirectly) by Loblaw; (iii) expected transactions to be entered into between Loblaw and Choice Properties (including Choice Properties’ acquisition of certain properties held by Loblaw); and (iv) the Strategic Alliance Agreement between Choice Properties and Loblaw;
- changes in Loblaw’s business, activities or circumstances which may impact Choice Properties, including Loblaw’s inability to make rent payments or perform its obligations under its leases;
- failure to manage its growth effectively in accordance with its growth strategy or acquire assets on an accretive basis;
- changes in timing to obtain municipal approvals, development costs, and tenant leasing and occupancy of properties under development, redevelopment, or intensification;
- changes in Choice Properties’ capital expenditure and fixed cost requirements;
- the inability of Choice Properties Limited Partnership to make distributions or other payments or advances;
- the inability of Choice Properties to obtain financing;

- changes in Choice Properties' degree of financial leverage;
- changes in laws or regulatory regimes, which may affect Choice Properties, including changes in the tax treatment of the Trust and its distributions to Unitholders or the inability of the Trust to continue to qualify as a "mutual fund trust" and as a "real estate investment trust", as such terms are defined in the Income Tax Act (Canada); and
- changes in Choice Properties' competitiveness in the real estate market or the unavailability of desirable commercial real estate assets.

This is not an exhaustive list of the factors that may affect Choice Properties' forward-looking statements. Other risks and uncertainties not presently known to Choice Properties could also cause actual results or events to differ materially from those expressed in its forward-looking statements. Additional risks and uncertainties are discussed in Choice Properties' materials filed with the Canadian securities regulatory authorities from time to time, including the Trust's 2015 Annual Information Form. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect Choice Properties' expectations only as of the date of this Annual Report. Except as required by applicable law, Choice Properties does not undertake to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect Choice Properties' expectations only as of the date of this AIF. Except as required by applicable law, Choice Properties does not undertake to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

The information in this AIF is current to December 31, 2015, unless otherwise noted. All information regarding Loblaw contained herein is derived from its public disclosure record. All amounts are in Canadian dollars.

III. LEGAL STRUCTURE OF CHOICE PROPERTIES

Name and Establishment

Choice Properties Real Estate Investment Trust is an unincorporated, open-ended real estate investment trust established pursuant to the Declaration of Trust under, and governed by, the laws of the Province of Ontario. The registered and head office of the Trust is located at 22 St. Clair Avenue East, Suite 500, Toronto, Ontario, Canada, M4T 2S5.

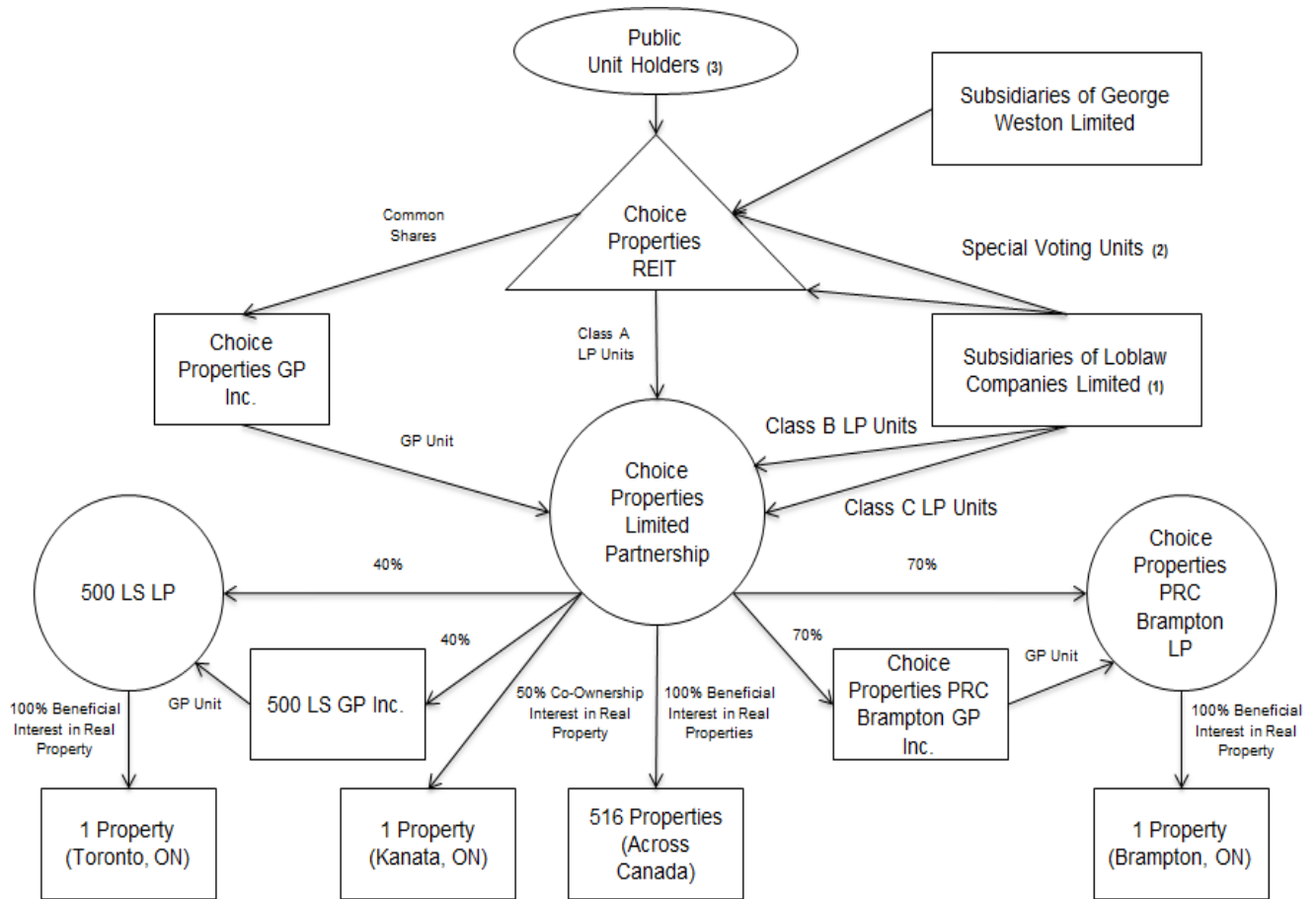
The Trust is not a trust company and is not registered under applicable legislation governing trust companies as it does not carry on or intend to carry on the business of a trust company. The Units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* and are not insured under the provisions of that statute or any other legislation.

Organizational Structure

The following chart shows the organizational structure of Choice Properties, including the principal Subsidiaries, their respective jurisdiction of incorporation or formation, and the percentages of voting and non-voting securities owned by Choice Properties and Loblaw as at December 31, 2015.

As at December 31, 2015, Loblaw's effective interest in the Trust was 83.0% through ownership of 21,500,000 Units and Loblaw and its Subsidiaries hold all of the Class B LP Units, which are economically equivalent to, and exchangeable for, Units. Loblaw holds all of the Class C LP Units.

Organizational Structure



Notes:

(1) Loblaws Inc. (Ontario), Loblaw Properties Limited (Ontario), Loblaw Properties West Inc. (Canada), Provigo Distribution Inc. (Quebec), Provigo Properties Limited (Canada), 2154041 Ontario Inc. (Ontario) and 2156601 Ontario Inc. (Ontario), each an affiliate of LCL, are limited partners of the Partnership and hold all of the Class B LP Units of the Partnership and Loblaw Alberta Inc. (Alberta) holds all of the Class C LP Units of the Partnership.

(2) Each Class B LP Unit is accompanied by one Special Voting Unit which provides the holder thereof with a right to vote on matters respecting the Trust equal to the number of Units that may be obtained upon the exchange of the Class B LP Units for which each Special Voting Unit is attached.

(3) All ownership interests in the above diagram are 100% unless otherwise indicated. Unitholders include Loblaw and Weston. As at December 31, 2015, Weston's effective interest in the Trust was 5.6% through ownership of 22,732,062 Units and Weston was the controlling shareholder of LCL.

For the purposes of this AIF, all "effective interest" calculations have been based on the total number of Units that would be outstanding if all outstanding Class B LP Units were exchanged into Units on a one-for-one basis but without giving effect to Units issuable upon the exercise of outstanding Unit options.

IV. GENERAL DEVELOPMENT OF THE BUSINESS

Initial Public Offering and Acquisition of the Initial Properties

On July 5, 2013, the Trust completed its initial public offering of 40,000,000 Units at a price of \$10.00 per Unit for aggregate gross proceeds of \$400 million. Concurrently with the closing of the IPO, GWL, indirectly purchased, through two wholly-owned Subsidiaries, 20,000,000 Units at a price of \$10.00 per Unit for aggregate gross proceeds of \$200 million. The Trust used the proceeds of the IPO and the GWL unit subscription to indirectly acquire, through the Partnership, the Initial Properties from Loblaw.

The Initial Properties consisted of 425 properties, comprising 415 retail properties, one office complex and nine warehouse properties. The aggregate purchase price for the Initial Properties was approximately \$7 billion. The retail properties were made up of: (i) 267 properties with a stand-alone store operating under a Loblaw-Owned Banner; (ii) 143 properties anchored by a Loblaw-Owned Banner that also contain one or more ancillary tenants; and (iii) five properties containing only ancillary tenants. The office complex consisted of two office buildings and the warehouse properties included two properties that host three warehouses each. The total GLA of the Initial Properties was approximately 35.3 million square feet as of the IPO Closing Date. The Initial Properties, which are located in all 10 Canadian provinces, had the largest concentration in Ontario, which represented 38% of the Trust's GLA as of the IPO Closing Date.

On July 17, 2013, the Trust completed the issuance of an additional 6,000,000 Units at a price of \$10.00 per Unit for aggregate gross proceeds of \$60 million pursuant to the exercise in full by the IPO Underwriters of the IPO Over-Allotment Option. Choice Properties used the net proceeds from the exercise of the IPO Over-Allotment Option to repay indebtedness.

Financing

Choice Properties partially financed the acquisition of the Initial Properties with fixed rate unsecured term debt with staggered maturities. The fixed rate term debt was made up of the Transferor Notes issued by the Partnership and the Trust Debentures issued by the Trust. The Transferor Notes were subsequently replaced by the Partnership Debentures on April 21 and May 12, 2014. The Debentures have varying maturities. Additionally, floating rate unsecured debt may be incurred pursuant to the Credit Facility. The Trust is generally liable for the Trust Debentures and the Credit Facility and the Partnership is generally liable for the Partnership Debentures and is a guarantor to the Trust Debentures and the Credit Facility.

Trust Debentures

On July 5, 2013, the Trust completed the issuance of (i) \$400 million aggregate principal amount of Series A Debentures and (ii) \$200 million aggregate principal amount of Series B Debentures. The Series A Debentures and the Series B Debentures were each issued at a price of \$1,000 per \$1,000 principal amount. The net proceeds from the IPO Debenture Offering were used to early redeem the Series 1 and Series 2 Transferor Notes and to partially repay the Series 3 Transferor Note.

On February 6, 2014, the Trust completed the issuance of (i) \$250 million aggregate principal amount of Series C Debentures and (ii) \$200 million aggregate principal amount of Series D Debentures, each at a price of \$1,000 per \$1,000 principal amount. The net proceeds from the offering were used to repay the remainder of the Series 3 Transferor Note and to repay in full the Series 4 Transferor Note.

On February 5, 2015, the Trust completed the issuance of \$250 million aggregate principal amount of Series E Debentures at a price of \$1,000.01 per \$1,000 principal amount. The net proceeds from the offering were used to repay existing indebtedness and for general business purposes.

On November 24, 2015, the Trust completed the issuance of \$200 million aggregate principal amount of Series F Debentures at a price of \$1,000 per \$1,000 principal amount. The net proceeds from the offering were used to repay existing indebtedness and for general business purposes.

For more information on the Trust Debentures, see “Description of Unsecured Debentures”.

Transferor Notes and Partnership Debentures

On July 5, 2013, in connection with the acquisition of the Initial Properties, the Partnership issued ten Transferor Notes, each of a different series, totaling \$2.6 billion to the Transferor Trust. During the third quarter of 2013, Choice Properties repaid \$660 million of Transferor Notes, fully repaying the Series 1 and Series 2 Transferor Notes and partially repaying \$60 million of the Series 3 Transferor Note. During the first quarter of 2014, Choice Properties repaid an additional \$440 million of Transferor Notes, fully repaying the outstanding amounts owing under the Series 3 Transferor Note and the Series 4 Transferor Note. The remaining six Transferor Notes were replaced by the Partnership Debentures on April 21 and May 12, 2014, as the case may be. The Partnership Debentures have maturity dates ranging from April 20, 2016 to September 20, 2022, and interest is paid semi-annually. For more information on the Partnership Debentures, see “Description of the Partnership Debentures”.

Credit Facility

On July 5, 2013, the Trust entered into the \$500 million Credit Facility, which contains certain financial covenants. The Credit Facility is available for general business purposes, including property acquisitions and development activities, and the refinancing of indebtedness. The Credit Facility bears interest at variable rates: prime plus 0.45% or the BA rate plus 1.45%. Pricing is contingent on the Trust’s credit rating from either DBRS or S&P remaining at “BBB”.

Effective July 14, 2015, the term of the Credit Facility was extended by one year to July 5, 2020.

As of December 31, 2015, no funds were drawn on the Credit Facility.

Acquisition and Disposition Activity

Since the IPO, Choice Properties has continued to expand its asset base through accretive acquisitions consistent with its ongoing business strategy. The following tables outline the property acquisitions completed since the IPO and highlight the growth opportunities provided through Choice Properties’ relationship with Loblaw.

2013 Acquisitions

On October 22, 2013, the following properties were acquired by Choice Properties from Loblaw:

Location	Banner	Property Class	GLA (in square feet)
SE Marine Drive, Vancouver, BC	Real Canadian Superstore	Retail and Warehouse	621,177
Hurontario St., Collingwood, ON	Loblaws	Retail	57,795
Bullock Drive, Markham, ON	N/A	Retail	12,102
Highway 8, Stoney Creek, ON	Fortinos	Retail	92,546
Avenue Rd., Toronto, ON	No Frills	Retail	13,299
Lakeshore Blvd. W, Toronto, ON	No Frills	Retail	32,011
Yonge St., Toronto, ON	Loblaws	Retail	33,700
Main St., Salisbury, NB	Save Easy	Retail	17,291
Highway 7, Porter’s Lake, NS	Atlantic Superstore	Retail	54,300
Total			934,221

The total purchase price was approximately \$149.5million, excluding acquisition costs, of which approximately \$98.9 million was funded through the issuance of 9,925,671 Class B LP Units of the Partnership, with the remainder paid in cash.

On October 28, 2013, the following property was acquired by Choice Properties from a third-party:

Location	Banner	Property Class	GLA (in square feet)
Oxford St., London, ON	N/A	Retail	5,538

The total purchase price for this third-party acquisition was approximately \$1.8 million, excluding acquisition costs, and was paid in cash. This property was a third-party single tenant retail property that was adjacent to an existing Choice Properties-owned property leased to a stand-alone store with a Loblaw-Owned Banner. As a result, this property, together with the adjacent Choice Properties-owned property, was re-categorized after the acquisition as a multi-tenant property.

On December 19, 2013, the following properties were acquired by Choice Properties from Loblaw:

Location	Banner	Property Class	GLA (in square feet)
160th St., Surrey, BC	N/A	Land	N/A
Wilson Ave., Toronto, ON	No Frills	Retail	47,344
Total			47,344

The total purchase price was approximately \$34.7 million, excluding acquisition costs, of which approximately \$17.2 million was funded through the issuance of 1,651,212 Class B LP Units of the Partnership, with the remainder paid in cash. Since the acquisition, construction of a Real Canadian Superstore in Surrey, BC has commenced.

2014 Acquisitions

On May 6, 2014, the following properties were acquired by Choice Properties from Loblaw:

Location	Banner	Property Class	GLA (in square feet)
1502 Columbia Ave., Castlegar, BC	No Frills	Retail	57,036
1401 Alaska Ave., Dawson Creek, BC	No Frills	Retail	39,923
2155 Ferry Ave., Prince George, BC	Real Canadian Superstore	Retail	139,265
14650 – 104th Ave., Surrey, BC	Real Canadian Superstore	Retail	147,420
5335 – 55th St., Cold Lake, AB	No Frills	Retail	28,561
6904 – 99th St., Edmonton, AB	Real Canadian Wholesale Club	Retail	112,378
1725 Ellice Ave., Winnipeg, MB	Real Canadian Wholesale Club	Retail	74,011
1578 Regent Ave. W., Winnipeg, MB	Real Canadian Superstore	Retail	139,695
227 Main St., Delhi, ON	Your Independent Grocer	Retail	18,344
177 Highway #108 N., Elliot Lake, ON	No Frills	Retail	32,644
160 Main St., Hagersville, ON	No Frills	Retail	12,213
1521 Highway 11 W., Hearst, ON	Your Independent Grocer	Retail	50,369
960 Hamilton Rd., London, ON	No Frills	Retail	20,260
55 Scott St., New Liskeard, ON	Your Independent Grocer	Retail	56,642
230 George St. N., Peterborough, ON	No Frills	Retail	35,325

Location	Banner	Property Class	GLA (in square feet)
780 Queen St. E., St. Mary's, ON	Your Independent Grocer	Retail	38,759
10 Lower Jarvis St., Toronto, ON	Loblaws and Joe Fresh	Retail	78,425
1160 Boul. Louis-XIV, Charlesbourg, QC	Maxi	Retail	36,422
10455 Boul. Saint-Laurent, Montreal, QC	Provigo	Retail	17,841
62 Prince Rupert St., Stephenville, NF	Dominion	Retail	45,673
Total			1,181,206

The total purchase price for the May 6, 2014 acquisition was approximately \$198.7 million, excluding acquisition costs, of which approximately \$119.6 million was funded through the issuance of 11,259,208 Class B LP Units of the Partnership, with the remainder paid in cash.

On October 8, 2014, the following properties were acquired by Choice Properties from Loblaw:

Location	Banner	Property Class	GLA (in square feet)
250 Old Airport Rd., Yellowknife, NT	Extra Foods	Retail	60,970
2270-2nd Ave., Whitehorse, YT	Real Canadian Superstore	Retail	90,211
2855 Gladwin Rd., Abbotsford, BC	Real Canadian Superstore	Retail	141,487
16 Superior St., Devon, AB	Extra Foods	Retail	30,918
7613-100th Ave., Peace River, AB	No Frills	Retail	58,225
2815 Wanuskewin Rd., Saskatoon, SK	Extra Foods	Retail	48,754
3193 Portage Ave., Winnipeg, MB	Real Canadian Superstore	Retail	147,458
30 King St. S., Alliston, ON	Zehrs	Retail	72,247
124 Clair Rd. E., Guelph, ON	Zehrs	Retail	39,956
2187 Bloor St. W., Toronto, ON	No Frills	Retail	15,778
720 Broadview Ave., Toronto, ON	Loblaws	Retail	33,163
449 Carlaw Ave., Toronto, ON	No Frills	Retail	125,771
180 Chemin du Tremblay, Boucherville, QC	Distribution Centre	Warehouse	315,961
55 Jacques-Cartier Sud, Sherbrooke, QC	Provigo	Retail	43,000
480, Boul. Sainte-Anne, Ste-Anne-Des-Plaines, QC	Provigo	Retail	27,516
61 Main St., Sackville, NB	Save-Easy	Retail	14,512
Total			1,265,927

The total purchase price was approximately \$211.9 million, excluding acquisition costs, of which approximately \$111.2 million was funded through the issuance of 10,698,143 Class B LP Units of the Partnership, \$3.4 million was funded by the assumption of a mortgage, and the remainder was paid in cash.

On November 7, 2014, Choice Properties acquired a 70% interest in a limited partnership for approximately \$18.0 million, which holds a 21-acre site in Brampton, Ontario with a total value of approximately \$25.7 million. The limited partnership expects to commence the development of a Loblaw grocery anchored retail centre upon satisfaction of certain conditions.

On December 9, 2014, Choice Properties acquired a 40% interest in a limited partnership for \$6.2 million, which holds land in Toronto, Ontario with a total value of approximately \$15.6 million. Since the acquisition redevelopment of the site for mixed-use, incorporating retail, office and residential components anchored by a Loblaw grocery store has commenced.

2014 Dispositions

On August 30, 2014, Choice Properties disposed of two investment properties with a fair value of \$13,480 million for cash proceeds of \$13,030 million. These properties were previously identified for divestiture by the Competition Bureau in relation to Loblaw's acquisition of all the outstanding shares of the Shoppers Drug Mart Corporation. In connection with the dispositions, Choice Properties received \$450 million of lease surrender revenue from Loblaw.

2015 Acquisitions

On January 9, 2015, Choice Properties acquired a 16-acre site in Barrie, Ontario from Loblaw at a purchase price of \$11.5 million, excluding acquisition costs. Choice Properties intends to co-develop the property with PenEquity Realty Corporation ("PenEquity"), which holds an adjacent 21-acre parcel of land, to construct an integrated retail centre that spans a total of 37 acres. Upon 85% occupancy of the retail centre, Choice Properties has the option to acquire the PenEquity parcel. Since the acquisition, construction of a Zehrs' grocery store and Shoppers Drug Mart store has commenced.

On January 30, 2015, Choice Properties entered into a co-ownership agreement with PenEquity and another partner to acquire a nine-acre parcel of land in Kanata, Ontario. The purchase price for the property was \$4.0 million with Choice Properties' proportionate share being 50%, or \$2.0 million. This co-ownership acquisition provides Choice Properties with the opportunity to benefit from an existing and maturing purchase option held by PenEquity and its partner to acquire this desirable parcel of land situated within a developing community in the Fernbank area of Kanata. Upon 95% occupancy of the property, Choice Properties has the option to acquire the remaining share of the property.

On January 30, 2015, Choice Properties acquired a 921,256 square foot warehouse in Pickering, Ontario from Loblaw, for a purchase price of \$81.2 million excluding acquisition costs. The acquisition was immediately accretive with an estimated stabilized NOI of \$5.3 million representing a capitalization rate of 6.50%. The modern ambient temperature warehouse, which was originally constructed in 2005 and further expanded in 2012, is well-located east of Toronto and with access to major transportation routes. The warehouse is fully occupied by Loblaw as the single tenant with a 20-year initial lease term with six five-year renewal options.

On February 19, 2015, Choice Properties acquired a 54,569 square foot shopping centre in Porter's Lake, Nova Scotia from a third-party, for a purchase price of \$5.2 million, excluding acquisition costs. The shopping centre is currently 88% occupied by 22 tenants, including a number of national retailers, with lease maturities ranging from 2016 to 2024. The shopping centre is anchored by the 47,000 square foot Loblaw grocery store on an adjacent property owned by Choice Properties.

On June 1, 2015, the following properties were acquired by Choice Properties from Loblaw:

Location	Banner	Property Class	GLA (in square feet)
221 Highway 16, Burns Lake, BC	Real Canadian Wholesale Club	Retail	51,241
1501 Cook St., Creston, BC	Extra Foods	Retail	38,798
1792 - 9th Ave., Fernie, BC	Extra Foods	Retail	39,922
7000 - 27th St., Grand Forks, BC	Extra Foods	Retail	40,374
2335 Maple Dr. E., Quesnel, BC	Extra Foods	Retail	58,224
4524 Feeney Ave., Terrace, BC	Real Canadian Wholesale Club	Retail	53,904
2110 Ryley Ave., Vanderhoof, BC	Your Independent Grocer	Retail	38,049
5001 Anderson Way, Vernon, BC	Real Canadian Superstore	Retail	154,717

Location	Banner	Property Class	GLA (in square feet)
5007 - 52nd St., Athabasca, AB	Your Independent Grocer	Retail	40,136
10527 - 101 Ave., Lac La Biche, AB	Your Independent Grocer	Retail	39,922
5701 - 47th Ave., Stettler, AB	No Frills	Retail	37,562
10851 - 100th St., Westlock, AB	Your Independent Grocer	Retail	39,922
315 Herold Rd., Saskatoon, SK	Your Independent Grocer	Retail	42,568
30 Kenderdine Rd., Saskatoon, SK	Your Independent Grocer	Retail	38,966
206 Broadway St., E., Yorkton, SK	Real Canadian Superstore	Retail	101,733
1200 Main St. E, Swan River, MB	Extra Foods	Retail	38,056
175 Cargill Rd., Winkler, MB	Real Canadian Superstore	Retail	110,253
512 St. Phillippe St., Alfred, ON	Valu-mart	Retail	17,507
127 Hastings St. N., Bancroft, ON	No Frills	Retail	25,338
75-85 - 105 Causley St., Blind River, ON	Valu-mart	Retail	26,543
726 Principale St., Casselman, ON	No Frills	Retail	17,954
31-1 Hwy. #11 W., Cochrane, ON	Valu-mart	Retail	19,953
66 Fourth Ave., Englehart, ON	Valu-mart	Retail	7,968
1012 Main St., Geraldton, ON	Extra Foods	Retail	25,744
40 Meredith St., Gore Bay, ON	Valu-mart	Retail	9,486
55 Brunetville Rd., Kapuskasing, ON	Your Independent Grocer	Retail	41,585
15 McChesney Ave., Kirkland Lake, ON	Your Independent Grocer	Retail	45,157
40 Meredith St. E., Little Current, ON	Valu-mart	Retail	10,726
24 - 65 Regional Rd., Lively, ON	Your Independent Grocer	Retail	30,768
1120 Second Ave. E, Owen Sound, ON	Cash and Carry	Retail	14,900
519 Main St., Powassan, ON	Valu-mart	Retail	14,222
654 Algonquin Blvd. E., Timmins, ON	Your Independent Grocer	Retail	50,020
449 Parliament St., Toronto, ON	No Frills	Retail	14,414
11 Redway Rd., Toronto, ON	Loblaws	Retail	60,950
186 Mission Rd., Wawa, ON	Valu-mart	Retail	15,224
7000 Route 125, Chertsey, QC	Provigo	Retail	24,661
419 Main St., Doaktown, NB	Save Easy	Retail	10,500
31 - 35 Broadway St., Kensington, PE	Save Easy	Retail	18,918
Total			1,466,885

The total purchase price for the June 1, 2015 acquisition was approximately \$201.3 million, excluding acquisition costs, of which approximately \$102.1 million was funded through the issuance of 9,237,166 Class B LP Units of the Partnership, with the remainder paid in cash.

On August 11, 2015, Choice Properties acquired a 12,023 square foot, single-storey, fully-occupied, retail building adjacent to an existing Choice Properties owned site located in Mississauga, Ontario. The total purchase price was \$5.6 million excluding acquisition costs. The acquisition was immediately accretive, with an estimated stabilized NOI of approximately \$0.3 million representing a capitalization rate of 6.07%. Upon acquisition, the property was combined with the adjacent Choice Properties owned site and together re-categorized as a single multi-tenant property.

On August 20, 2015, Choice Properties acquired two stand-alone Shoppers Drug Mart pharmacies located in Midland and Courtice, Ontario from Loblaw with total GLA of 48,638 square feet for a purchase price of \$18.2 million, excluding acquisition costs and a market-to-market adjustment on the Exchangeable Units issued as partial consideration on the closing date of the acquisition. The acquisition was immediately accretive, with an estimated stabilized NOI of approximately \$1.1 million representing a capitalization rate of 6.16%. Both properties are occupied by 100% Shoppers Drug Mart, each with a 20-year initial lease term and five, five-year renewal options.

On November 17, 2015, the following properties were acquired by Choice Properties from Loblaw:

Location	Banner	Property Class	GLA(in square feet)
15900 Bayview Ave., Aurora, ON	N/A	Retail	19,199
296 Bank St., Ottawa, ON	Your Independent Grocer	Retail	43,286
671 River Rd., Ottawa, ON	Your Independent Grocer	Retail	69,761
985 Woodbine Ave., Toronto, ON	Valu-mart	Retail	28,772
100 Starrs Rd., Yarmouth, NS	Loblaw Gas Bar	Retail	1
Total			161,019

The total purchase price for the November 17, 2015 acquisition was approximately \$45.6 million, excluding acquisition costs, and a market-to-market adjustment on the Exchangeable Units issued as partial consideration on the closing date of the acquisition of which approximately \$15.2 million was funded through the issuance of 1,294,701 Class B LP Units of the Partnership, with the remainder paid in cash.

As a result of these acquisitions, Choice Properties' portfolio as at December 31, 2015 consisted of 519 properties comprising 501 retail properties, eleven warehouse properties, one office complex, one industrial property and five parcels of land, (including one parcel held in a Subsidiary and one parcel held in a joint venture), totaling approximately 41.6 million square feet of GLA across Canada (collectively, the "Properties").

For additional information regarding the Trust's acquisitions, refer to the "Acquisition of Investment Properties" section of the MD&A.

Development Activity

2014

In 2014, Choice Properties constructed 51,050 square feet of incremental GLA, including a new retail store for each of Dollarama and the LCBO in Toronto, Ontario; a new Fortinos grocery store in Stoney Creek, Ontario; and the expansion of a Maxi grocery store in Drummondville, Quebec.

2015

In 2015, Choice Properties completed 124,000 square feet of new GLA for incoming tenants. The projects include new retail units in Calgary and Edmonton, Alberta and Stoney Creek, Ontario. In addition, Choice Properties completed construction of two new Shoppers Drug Mart stores in Regina, Saskatchewan and Edmonton, Alberta.

As at December 31, 2015, ongoing development projects included approximately 400,000 square feet of new GLA for Loblaw comprising two new food stores: one in Barrie, Ontario and the other in Surrey, British Columbia; a new Shoppers Drug Mart store in Barrie, Ontario; and a warehouse expansion in Boucherville, Quebec.

V. DESCRIPTION OF THE BUSINESS

Overview

Choice Properties' principal business consists of owning, developing and managing properties with a focus on supermarket and/or pharmacy-anchored store shopping centres, stand-alone supermarkets and pharmacies with or without intensification opportunities and other well-located retail properties that management believes present the best opportunity to generate stable, growing cash flows and capital appreciation.

Business and Growth Strategy

The objectives of Choice Properties are to: (a) provide Unitholders with stable, predictable and growing monthly cash distributions on a tax-efficient basis; (b) expand Choice Properties' asset base while also increasing its AFFO per Unit, including through accretive acquisitions and site intensification; and (c) enhance the value of Choice Properties' assets in order to maximize long-term Unitholder value.

To achieve its objectives, Choice Properties' strategy is to grow its portfolio and distributable income by leveraging its sizeable base of assets, its relationship with Loblaw and its solid capital structure. The Trust is focused on driving growth through acquisition of assets that meet or exceed the Trust's investment criteria, the development and redevelopment of properties for their highest and best use, and active management of properties to maximize their occupancy and profitability. Choice Properties closely monitors market and economic conditions to ensure its strategy remains aligned with its business environment.

Choice Properties' strategy has three areas of focus: acquisitions, development and property management.

Acquisitions

Choice Properties aims to acquire supermarket and pharmacy-anchored and retail properties that demonstrate potential for complementary merchandising, expansion or more efficient management. Choice Properties' acquisition activities include a dedicated pipeline based on its right of first offer to acquire additional properties from Loblaw and, as opportunities arise, assets from third-party vendors. Currently, Loblaw owns commercial properties comprising approximately 9.5 million square feet of GLA, including properties Loblaw acquired subsequent to the Trust's IPO. Choice Properties has a right of first offer, subject to certain exceptions, in respect of new properties that Loblaw develops or acquires. See "Material Contracts — Strategic Alliance Agreement" and "Risk Factors".

Choice Properties evaluates potential acquisition opportunities based on a number of factors, including price, expected financial performance, physical features, existing leases, functionality of design, geographic market, location, and opportunity for future value enhancement.

Choice Properties' acquisition activities since the IPO are described in the "General Development of the Business" section.

Development

Choice Properties believes that development and redevelopment of properties for their highest and best use are key drivers of incremental and accretive growth. The Trust's development program intends to build upon its grocery and pharmacy-anchored asset base with a focus on retail and retail mixed-use developments. The Trust's pipeline of development opportunities includes: (i) excess density within its existing portfolio that is available for at-grade intensification; (ii) redevelopment of its properties in primary markets for mixed-use purposes; and (iii) greenfield retail or mixed-use development. To mitigate higher risk associated with development, it is Choice Properties' intention to pre-lease a significant portion of any proposed new square footage prior to initiating development of any applicable property.

At the time of the IPO, Choice Properties' portfolio included the potential to develop incremental at-grade GLA of approximately 3.5 million square feet. Since then, Choice Properties has further refined its development program based on a number of factors, including expected financial return, ability to lease new space, functionality of design, geographic market, location, physical amenities, and opportunity for future value. Over the next 24 to 36 months, Choice Properties is expecting to complete the development of up to 1.4 million square feet of additional GLA. As at December 31, 2015, the Trust had approximately 1 million square feet in various stages of pre-development. These development projects include at-grade intensification, mixed-use redevelopment and greenfield development.

Under the terms of the Strategic Alliance Agreement, both Choice Properties and Loblaw will benefit from any construction, development or redevelopment that result in intensified use of any applicable property that was previously owned by Loblaw. Specifically, Choice Properties benefits from ownership of excess density that it pays for only after it has pre-leased and developed the applicable property and Loblaw benefits from potential consumer traffic gains due to new, complementary and adjacent retail and mixed use development.

Property Management

Choice Properties looks for opportunities to increase the cash flows and value of the Properties through initiatives designed to enhance performance. With Loblaw as principal tenant, the Trust has the capacity to deliver solid and stable monthly distributions to Unitholders. Choice Properties' leases with Loblaw have remaining terms ranging from approximately 7 to 20 years with a weighted average remaining lease term of approximately 12.3 years with multiple renewal options and predominantly with rent escalation of approximately 7.7% every 5 years.

After accounting for GLA leased to Loblaw, approximately 4.5 million square feet of GLA is available to lease to tenants that benefit from the consumer traffic of a food retailer. Choice Properties property management activities are focused on driving value by serving tenants in business sectors that complement a grocery anchor and/or pharmacy. Choice Properties' is committed to active property management, including leasing, merchandising and investing in capital to improve occupancy rates, analyzing trends in rental rates achieved on leasing or renewing space currently leased and in contractual increases and examining recovery rates achieved on operating costs, property taxes and property capital expenditures related to ancillary tenants.

A key component of Choice Properties' active management strategy is an internally managed business model. In 2014, in order to transition into a fully internalized real estate organization, the Trust implemented a new business platform, which includes systems, processes and people. Choice Properties' internally managed business model commenced on January 1, 2015. Effective January 1, 2015, Choice Properties also agreed to manage Loblaw's third-party properties on a fee for service basis.

Principal Tenant - Loblaw

Loblaw is Choice Properties' largest tenant. At December 31, 2015, Loblaw represented 89.1% of total GLA and 91.1% of annual base minimum rent. At December 31, 2015, Loblaw leased 37.1 million square feet of GLA from Choice Properties, with approximately 84.5%, 14.0% and 1.5% of such GLA attributable to retail, warehouse and office space, respectively. See the "Loblaw Leases" section below for a description of key terms of the Loblaw Leases.

About Loblaw

LCL was incorporated on January 18, 1956, although portions of its business originated before 1900. It is controlled by GWL and is listed on the TSX under the symbol "L". It had a market capitalization of approximately \$26.7 billion as at February 17, 2016 and has investment grade credit ratings from each of DBRS and S&P that have been in place for over 10 years.

Loblaw, together with its franchisees, is one of the largest private sector employers in Canada with more than 196,000 full-time and part-time employees. Based on reported sales of publicly traded peer companies and Canadian food retailers, Loblaw holds a leading market share. Loblaw's customers comprise a wide cross-section of consumers located across the country.

With the creation of Choice Properties, Loblaw now has three reportable operating segments. The Retail segment consists primarily of a discount supermarket business, a full-service supermarket business, an emerging business and a pharmacy business. The pharmacy business includes the Shoppers Drug Mart retail network, which was acquired by Loblaw in 2014. The Financial Services segment provides retail banking; Mastercard® products; PC Financial auto, home, life, travel and pet insurance; and wireless mobile products and services. The Choice Properties segment owns, develops, leases and manages income-producing commercial properties.

Loblaw successfully operates a multi-banner strategy across Canada. Each region of Canada has two Loblaw store formats, namely discount and market. In some regions of Canada, there are multiple Loblaw-Owned Banners that operate under each of these store formats.

For additional information regarding Loblaw, please refer to Loblaw's Annual Information Form filed at www.sedar.com.

Loblaw Leases

For the purposes of this section only, all references to "Loblaw" means "Loblaws Inc." in its capacity as tenant under the Loblaw Leases.

All of the Properties (other than five Properties where Loblaw does not lease space) are subject to leases with Loblaw, a subsidiary corporation of LCL ("Loblaw Leases"). LCL has agreed to indemnify Choice Properties in respect of any defaults by Loblaw under the Loblaw Leases.

The following is a general summary of the material terms of the Loblaw Leases. The terms of individual Loblaw Leases may vary from property to property depending on the nature and location of the premises being leased and whether the leased premises are a stand-alone property or form part of a multi-tenant property, but the differences are not considered material.

Leased Premises

For those Properties where Loblaw occupies a stand-alone property, Loblaw leases the entire building and all associated lands. For those Properties where Loblaw occupies leased premises that form part of a larger shopping centre or office complex, Loblaw leases its individual premises. Choice Properties is responsible for obtaining any required severances under applicable planning legislation to permit leases of stand-alone pad premises in a multi-tenant property, if required. All leasehold improvements situated at the leased premises remain the property of Loblaw until the expiration or earlier termination of the Loblaw Leases. Loblaw is not required to remove any leasehold improvements at the expiration or earlier termination of the term, other than organic waste tanks and fuel equipment and tanks.

Use

For those Properties where Loblaw occupies a stand-alone property, the leased premises may be used for any existing retail, warehouse or office use or any other lawful purpose permitted under applicable zoning by-laws, existing insurance policies and use restrictions, provided that Loblaw must provide notice to Choice Properties of any proposed change in use and may not use the leased premises for heavy manufacturing or any other use that may materially adversely affect the useful life of the leased premises or cause environmental contamination that cannot be managed in a commercially reasonable manner.

For those Properties where Loblaw occupies leased premises in a multi-tenant retail property the premises must be used for the operation of a food supermarket or a retail store which carries on the business, directly

or indirectly, of a pharmacy, gas bar, liquor store, bank or other lawful retail use. Loblaw is permitted, without Choice Properties' consent, to change the use of up to 50% of the GLA of the leased premises, provided that not less than the greater of (i) 50% of the GLA of the leased premises and (ii) 30,000 square feet of the GLA of the leased premises continues to be used for the operation of a food supermarket or grocery store - and further provided that the new use is permitted under applicable zoning by-laws, existing insurance policies and existing exclusive use restrictions in favour of other tenants. Loblaw is not permitted to change the use of leased premises that contain less than 30,000 square feet of GLA in a multi-tenant retail property without the consent of Choice Properties. Leased premises in a multi-tenant office property must be used for office purposes.

The Loblaw Leases also contain restrictions that, with certain exceptions, prohibit Choice Properties, as landlord, from (i) leasing premises in other properties within a specified radius of the leased premises under the Loblaw Leases, or (ii) leasing other premises within a multi-tenant retail shopping centre, in each case for certain prohibited uses such as a food supermarket or grocery store. See "— Restrictive Covenants".

Term

As at December 31, 2015, the remaining term of the Loblaw Leases range from approximately 7 to 20 years with a weighted average remaining lease term of approximately 12.3 years. The year of expiry of each Loblaw Lease is set forth in Appendix A. The leased premises are leased to Loblaw in an "as is" condition, and Choice Properties is not required to perform any repairs or construct any improvements to the leased premises.

Options to Extend

Provided Loblaw is not in material default beyond any applicable cure period, Loblaw has successive options to extend each Loblaw Lease for extension periods of five years each with a final extension period of 4 years and 11 months. The total remaining term (including all extensions terms) of the Loblaw Leases vary, but can be up to a maximum of 100 years. The annual basic rent payable during each extension term under the Loblaw Leases is generally the lesser of (i) 110% of the annual basic rent payable during the final year of the remaining term or preceding extension term, as the case may be, and (ii) a fair market rent for the leased premises having regard to their age, size, use and location as agreed between Choice Properties and Loblaw and failing agreement as determined pursuant to arbitration procedures set forth in the Loblaw Leases, provided that in no event will the annual basic rent payable during an extension term be less than the annual basic rent payable during the final year of the remaining term or the preceding extension term, as the case may be.

Annual Basic Rent

Loblaw is required to pay annual basic rent in equal monthly installments in advance on the first day of each month without set off or deduction. Annual basic rent under the Loblaw Leases escalates during the remaining term of each Loblaw Lease at a steady state, with weighted average annual rent escalation of approximately 1.5%. It will take the Trust approximately five years from the IPO Closing Date to achieve this steady state level as about 20% of the Loblaw Leases escalate in each of the five years following the IPO Closing Date at an effective average annual escalation rate of 1.5%.

Additional Rent/Net Lease

In a lease of a stand-alone property, in addition to annual basic rent, Loblaw is required to pay (i) realty taxes attributable to the leased premises (excluding excess lands not utilized by Loblaw), (ii) Choice Properties' costs of operating and maintaining the property (but excluding the costs of repairs and replacements to the building structure, all utility services up to the point of connection with the leased premises and any high voltage transformers servicing the leased premises that are owned by Choice Properties, unless the repairs or replacements are required as a result of the actions or default of Loblaw and certain other standard exclusions and deductions), and (iii) all charges for utilities supplied to or consumed in the leased premises.

In a lease of premises in a multi-tenant property, in addition to annual basic rent, Loblaw is required to pay (i) realty taxes attributable to the leased premises and its proportionate share of realty taxes attributable to common areas (excluding excess lands not utilized by Loblaw or other tenants), (ii) Loblaw's proportionate share of Choice Properties' costs of operating and maintaining the common areas (but excluding the costs of repairs and replacements to the building structure, all utility services up to the point of connection with the leased premises and any high voltage transformers servicing the leased premises that are owned by Choice Properties, unless the repairs or replacements are required as a result of the actions or default of Loblaw and certain other standard exclusions and deductions), and (iii) all charges for utilities supplied to or consumed in the leased premises.

Except as otherwise set out in the Loblaw Leases, each Loblaw Lease is net and carefree to Choice Properties and Choice Properties is not responsible for any costs relating to the leased premises.

Repair and Maintenance Responsibilities

For stand-alone properties, Choice Properties is required to maintain, repair and replace the structural components of the building, (excluding the roof membrane and all windows in the leased premises) and all utility services up to the point of connection with the building and any high voltage transformers servicing the leased premises, which are owned by Choice Properties, at its sole expense (unless such repairs are required as a result of the actions or default of Loblaw). Choice Properties is also required to replace (but not maintain or repair) the roof membrane and the entirety of the parking and driveway areas and will charge the costs (where costs are to be amortized) of such replacements back to Loblaw amortized based on a useful life of 20 years and 10 years, respectively, together with interest on the unamortized balance of such costs, as part of operating costs. Loblaw is responsible for all other maintenance, repairs and replacements required to leased premises in a stand-alone property, including the roof membrane, windows and the parking and driveway areas.

For multi-tenant properties, Choice Properties is required to operate and maintain the properties as would a prudent owner and will maintain, repair and replace the structural components of the building, the building systems (excluding systems installed in and exclusively serving Loblaw's leased premises), the roof membrane of the building (except where the roof of the leased premises is physically separate from the remainder of the multi-tenant property as described below), parking and driveway areas, all utility services up to the point of connection with the leased premises and any high voltage transformers servicing the leased premises which are owned by Choice Properties. The costs of repairs and replacements to the building structure, all utility services up to the point of connection with the leased premises and any high voltage transformers servicing the leased premises which are owned by Choice Properties will be for Choice Properties' account unless the repairs or replacements are required as a result of the actions or default of Loblaw. The costs of repairs and replacements to the roof membrane and exterior parking and driveway areas will be included in operating costs and charged back to Loblaw and other occupants of the property. In the event the costs of repairs and replacements to the roof membrane and exterior parking and driveway areas are not fully charged back by Choice Properties in the lease year in which they are incurred, they will be amortized based on a useful life of 20 years and 10 years, respectively, and charged back to Loblaw and other occupants of the property, together with interest on the unamortized balance of such costs. Loblaw is otherwise responsible at its sole expense for all maintenance, repairs and replacements to leased premises in a multi-tenant property. If the roof of the leased premises is physically separate from the remainder of the multi-tenant property, Loblaw is required to maintain and repair the roof membrane at its sole expense and Choice Properties is required to replace the roof membrane and the cost of such replacement will be amortized based on a useful life of 20 years and charged back to Loblaw, together with interest on the unamortized balance of such costs. Choice Properties is also required to maintain, repair and replace the building systems serving the common areas, the costs of which will be included in operating costs and charged back to Loblaw and other occupants of the property based on the estimated useful life of such building system components.

In either case, Choice Properties is not required to replace any major capital item or, in a multi-tenant property, any building system within the last 2 years of the remaining term or any extension term, unless Loblaw has exercised its next extension option, if any.

Right to Cease Operation

Loblaw is not obligated to operate any business or use the leased premises for any period of time or purpose. If (i) Loblaw gives notice to Choice Properties that it has decided to permanently cease all business operations from any leased premises; or (ii) no business operations have been conducted for a period of 180 consecutive days from the supermarket premises forming part of the leased premises in a multi-tenant property, or for a period of 24 consecutive months from the leased premises in a stand-alone property, Choice Properties has the option to give notice terminating a Loblaw Lease (a "Termination Notice") within 90 days thereafter. If within 30 days after receipt of a Termination Notice Loblaw delivers a further notice stating that it will recommence its business operations within the applicable leased premises and does so within 120 days thereafter, the Termination Notice will be void and the Loblaw Lease for such premises will remain in force. Loblaw is permitted to temporarily cease its business operations from any leased premises for the purposes of performing major repairs or renovations or store rebranding, provided such temporary cessation does not exceed 120 consecutive days.

If Choice Properties terminates a Loblaw Lease for a stand-alone property, Choice Properties will be prohibited from using or leasing such Property to a third-party for the purposes of a food supermarket or grocery store from the date of termination of such Loblaw Lease until the earlier of (i) the date on which Loblaw operates or commences to operate a food supermarket or grocery store from premises within a specified radius of the leased premises and (ii) the date which would have been the expiry date of the applicable Loblaw Lease had it not been terminated.

Neither Choice Properties nor Loblaw otherwise has rights to terminate the Loblaw Leases except as a result of damage or destruction and except for the right of the Trust to terminate the Loblaw Lease following an event of default by Loblaw.

Parking and Site Control

Under the Loblaw Leases for multi-tenant properties, Loblaw agrees that the parking ratio shown on the site plan attached to each Loblaw Lease is acceptable. For multi-tenant properties, the entire parking and driveway areas are designated as 'no build' areas, however the site plan may show designated development areas where Choice Properties may build additions or expansions to the shopping centre. If Choice Properties intends to build in a designated development area it has to first provide a revised site plan to Loblaw showing, among other things, driveways, parking ratios, heights of proposed buildings and the location of any proposed drive-thrus. Loblaw has the right to approve the proposed site plan, acting reasonably. In the event that Choice Properties builds in a designated development area, it is required to maintain a parking ratio appropriate for the proposed use of the addition or expansion, acceptable to Loblaw, and in any event not lower than the minimum parking ratio required by law.

Alterations

Loblaw may install its usual trade fixtures in the leased premises and such items will remain the property of Loblaw. Loblaw may, without Choice Properties' consent, make changes to the interior decoration, configuration and layout of the leased premises and any other alterations and additions it deems desirable provided such alterations and additions do not adversely affect the building structure or systems. Loblaw may make alterations or additions to the building structure or systems with Choice Properties' prior written consent, which will not be unreasonably withheld, conditioned or delayed. All alterations and leasehold improvements will become the Trust's property at the end of the term of the applicable Loblaw Lease.

Environmental Covenants

Loblaw provides customary covenants with respect to compliance with applicable environmental laws and an indemnity in favour of Choice Properties in respect of costs it incurs if Loblaw breaches such covenants or causes environmental contamination of the leased premises that Loblaw is responsible to remediate and/or manage pursuant to the terms of the applicable Loblaw Lease. Pursuant to the Master Acquisition Agreement, LCL has also provided an indemnity in favour of the Trust in respect of certain environmental liabilities relating to the Initial Properties. See “Material contracts — Master Acquisition Agreement”.

At certain Properties, third-party agents of Loblaw operate gas bars, propane sales depots and/or truck refueling stations at warehouses (each, a “Fuel Facility”). Any above or below ground storage tanks and related fueling equipment at such locations which are used by Loblaw or its agents are deemed to be the property of Loblaw and will be decommissioned and removed by Loblaw in accordance with applicable environmental laws on the earlier of Loblaw ceasing to operate the Fuel Facility or the expiry or earlier termination of the applicable Loblaw Lease. If Loblaw has caused environmental contamination at any leased premises that must be removed, remediated or otherwise managed to comply with environmental laws, then upon the expiry or earlier termination of the Loblaw Lease for such premises, Loblaw will be required to obtain a Phase I ESA Report and, if required, a Phase II ESA Report and either remove or remediate any contamination caused by Loblaw or manage the contamination in-situ at Loblaw’s sole cost and expense.

Assignment and Subletting

Except for certain specific permitted transfers, Loblaw may not assign or mortgage the Loblaw Leases or sublet or share possession of the leased premises without Choice Properties’ prior written consent, which will not be unreasonably withheld, conditioned or delayed. Loblaw may, without consent but on prior notice to the Trust:

- (a) assign the Loblaw Lease or sublet the whole or part of the leased premises to an affiliated entity that is controlled by or under common control with Loblaw;
- (b) sublet the whole of the leased premises to a franchisee or other food supermarket operator dealing with Loblaw through a written franchise or supply/buying agreement;
- (c) mortgage Loblaw’s interest in the leased premises to secure bona fide financing;
- (d) assign the Loblaw Lease to the purchaser of all or substantially all of Loblaw’s assets and operations in the province in which the leased premises are located; or
- (e) sublease or grant a right to occupy the whole or any part of the leased premises comprising a stand-alone property, or in the case of leased premises in a multi-tenant retail property, sublease or grant a right to occupy up to 50% of the GLA of the leased premises, provided that not less than the lesser of 30,000 square feet of GLA or the GLA of the leased premises continues to be used for the operation of a food supermarket.

Loblaw will not be released from its obligations under a Loblaw Lease in connection with a transfer of such Loblaw Lease except in the case of an assignment of such Loblaw Lease to a purchaser in (d) above that has a reasonably similar or better financial covenant as that of Loblaw at the date of purchase. LCL will not be released from its obligations under the applicable indemnity agreements in respect of the Loblaw Leases in connection with a transfer of a Loblaw Lease. In either case, Loblaw and LCL will not be liable for any amendment, renewal or extension of a Loblaw Lease or any expansion of the leased premises made after the date such Loblaw Lease is transferred other than in respect of an extension or expansion pursuant to the exercise by the transferee of an existing contractual right in such Loblaw Lease.

Portions of the leased premises at certain Properties are occupied by Loblaw's subtenants, franchisees, licensees and concessionaires.

Damage and Destruction

If all or part of the leased premises is damaged or destroyed Choice Properties must, at its expense to the extent of available insurance proceeds, repair the damage and reconstruct the premises and Loblaw must restore its leasehold improvements and trade fixtures. Rent will not abate in respect of any damage or destruction to a Property that renders all or part of the leased premises unfit for use or inaccessible. Choice Properties must maintain standard "all risks" property insurance against damage and destruction not less than the full replacement value of any premises leased to Loblaw. Loblaw must maintain business interruption insurance for an indemnity period of not less than 12 months, in the case of retail premises, or 24 months, in the case of warehouse or office premises.

Either Choice Properties or Loblaw has the right to terminate a Loblaw Lease of premises in a multi-tenant property if, in the reasonable opinion of the Trust's architect, the leased premises or the multi-tenant property, as the case may be, is damaged or destroyed to such an extent that the building has to be totally demolished.

Either the Trust or Loblaw has the right to terminate a Loblaw Lease of premises in a multi-tenant or a stand-alone property if damage occurs to the leased premises in the last three years of the term of the Loblaw Lease and would cost more than 50% of the replacement cost of the leased premises to repair and Loblaw is not at that time prepared to exercise its next extension option, if any.

Restrictive Covenants

Each of the Loblaw Leases includes a radius restriction pursuant to which Choice Properties agrees that Choice Properties and any person controlled directly or indirectly by Choice Properties will not lease to third-parties other premises on lands located within a specified radius of the leased premises (the "Radius Lands") for use as a food supermarket or grocery store ("Supermarket Business"). This restriction does not apply to properties acquired by Choice Properties, or a person controlled directly or indirectly by Choice Properties, (i) from LCL or any person controlled directly or indirectly by LCL, or (ii) that at the time of such acquisition are subject to an existing lease to a Supermarket Business. The restriction also does not apply to any amendment or extension of an existing lease to a Supermarket Business within the Radius Lands.

In addition, in Loblaw Leases for leased premises in a multi-tenant retail shopping centre, Choice Properties agrees, subject to certain limited exceptions, including existing uses by other tenants, not to lease or allow the occupation of premises in the shopping centre for use as a Supermarket Business or an amusement arcade, bingo hall, bowling alley, billiard parlour, convenience/variety store, pharmacy, cinema, bar, tavern, nightclub, massage parlour or retail store selling pornographic, adults only or erotic material.

Landlord and Tenant Expansion/Development Restrictions

Certain Properties include lands designated for use by Loblaw as outdoor sales areas or areas for expansion of Loblaw's leased premises, lands designated as development areas where Choice Properties may build additions or expansions to the shopping centre and 'no build' areas (which protect the visibility, access and parking for Loblaw's premises), all of which are described in the Loblaw Leases and identified on site plans attached to the applicable Loblaw Leases. See "Description of the Business — Business and Growth Strategy" and "Material Contracts — Strategic Alliance Agreement".

Where a Property includes land designated for future expansion of Loblaw's leased premises, the applicable Loblaw Lease includes provisions whereby Loblaw can request the construction of an expansion to its premises based on plans and specifications prepared by Loblaw and approved by Choice Properties. Such expansion will be constructed, at Loblaw's option, either by Choice Properties, in which case the construction costs will be factored into the annual basic rent payable by Loblaw for the expansion premises,

or by Loblaw at its direct cost, in which case no annual basic rent will be payable by Loblaw for the expansion premises. If a stand-alone property includes lands designated for development by Choice Properties and Choice Properties develops such lands, Choice Properties will enter into a further amendment to the applicable Loblaw Lease to amend the description of the leased premises and to adopt terms similar to those contained in other Loblaw Leases relating to multi-tenant properties.

Events of Default

Events of default under the Loblaw Leases include:

- (a) Loblaw's failure to pay rent which is not remedied within 10 days after notice from Choice Properties;
- (b) any other Loblaw default that is not remedied within 30 days after notice from Choice Properties (unless the default cannot be remedied within 30 days in which case Loblaw will not be in default if it commences to remedy the default within such 30 day period and thereafter diligently continues to remedy the same);
- (c) Loblaw or LCL filing a proposal or voluntary assignment for the benefit of creditors or being declared bankrupt;
- (d) a petition is filed against Loblaw or LCL to declare it bankrupt which is not cancelled or annulled within 60 days;
- (e) a trustee or receiver is appointed with respect to Loblaw or LCL and such appointment is not cancelled or annulled within 60 days;
- (f) the Loblaw Lease is seized or taken in execution by any creditor of Loblaw and not released within 45 days;
- (g) Loblaw makes a sale in bulk of substantially all its goods out of the ordinary course of business (except in connection with an assignment or subletting permitted under the Loblaw Leases);
- (h) Loblaw assigns, sublets or mortgages a Loblaw Lease or leased premises other than in accordance with the Loblaw Lease;
- (i) the indemnity agreement is terminated for any reason or in the event the obligations of LCL, as indemnifier, are reduced, modified or otherwise limited (except by way of agreement with Choice Properties); or
- (j) any insurance policy is cancelled as a result of Loblaw's use or occupancy of the leased premises and such use or occupancy is not discontinued within 48 hours after notice from Choice Properties.

Upon the occurrence of an event of default under a Loblaw Lease, Choice Properties will be permitted to exercise all rights and remedies under the Loblaw Lease and at law including a right to remedy Loblaw's default, to terminate the Loblaw Lease, to re-enter and relet the leased premises as agent of Loblaw and to recover arrears of rent and damages, including any deficiency between the rent that Choice Properties would have received from Loblaw for the balance of the term of the Loblaw Lease and the net amounts actually received by Choice Properties for reletting the leased premises.

Description of Third-Party Leases

Each of the leases with third-party tenants assumed by Choice Properties were negotiated between arm's-length parties. Although the specific terms of each third-party lease differ, these leases generally are triple net leases and reflect customary terms for leases of commercial premises. For further details of the Properties that are subject to one or more third-party leases, please see "Appendix A —Initial Properties —

Properties with One or More Additional Third-Party Tenants”.

Competition

Choice Properties, as one of the largest public real estate entities in Canada, competes with other investors, managers and owners of properties. The key assets that real estate entities compete for are stable tenants and real estate properties for purchase or development. To compete for tenants with desirable covenants, real estate entities typically differentiate themselves by location, age of building, merchandising and operational efficiency. As for real estate assets, competition is based on financial and other resources as well as operating flexibility. Choice Properties is well-positioned to compete in the Canadian real estate sector with a market leading anchor as its principal tenant, well-located sites and a strong balance sheet.

Intellectual Property

Choice Properties has registered various trademarks that it uses in its operations. None of these trademarks are material to Choice Properties’ operations.

Employment

As at December 31, 2015, Choice Properties had 115 full-time employees. The majority of the employees are located in Choice Properties’ Toronto, Ontario office, with the remaining employees located at various regional offices across Canada.

Financial Performance

Information on trends affecting the Trust and its strategies and financial performance can be found in the financial statements and the MD&A section of the Trust’s 2015 Annual Report.

VI. PROPERTIES HELD BY CHOICE PROPERTIES

Overview

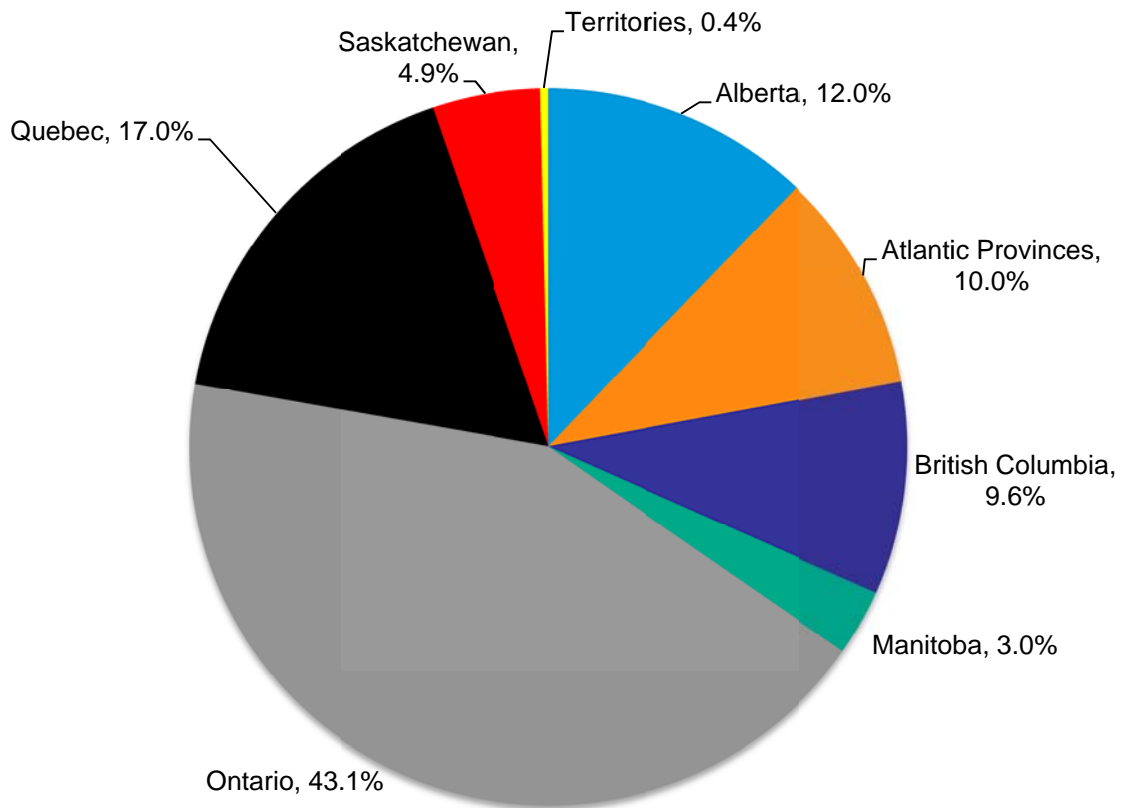
At December 31, 2015, Choice Properties owned a portfolio of 519 properties in ten provinces, comprising approximately 41.6 million square feet of GLA. See Appendix A for a complete list of the Properties.

Loblaw is Choice Properties’ largest tenant. As of December 31, 2015, Loblaw represented 89.1% of total GLA and 91.1% of annual base minimum rent.

Geographic Breakdown

Choice Properties’ portfolio is located across Canada with 43.1% of the rental revenue from investment properties located in Ontario:

Base Rent By Province⁽ⁱ⁾

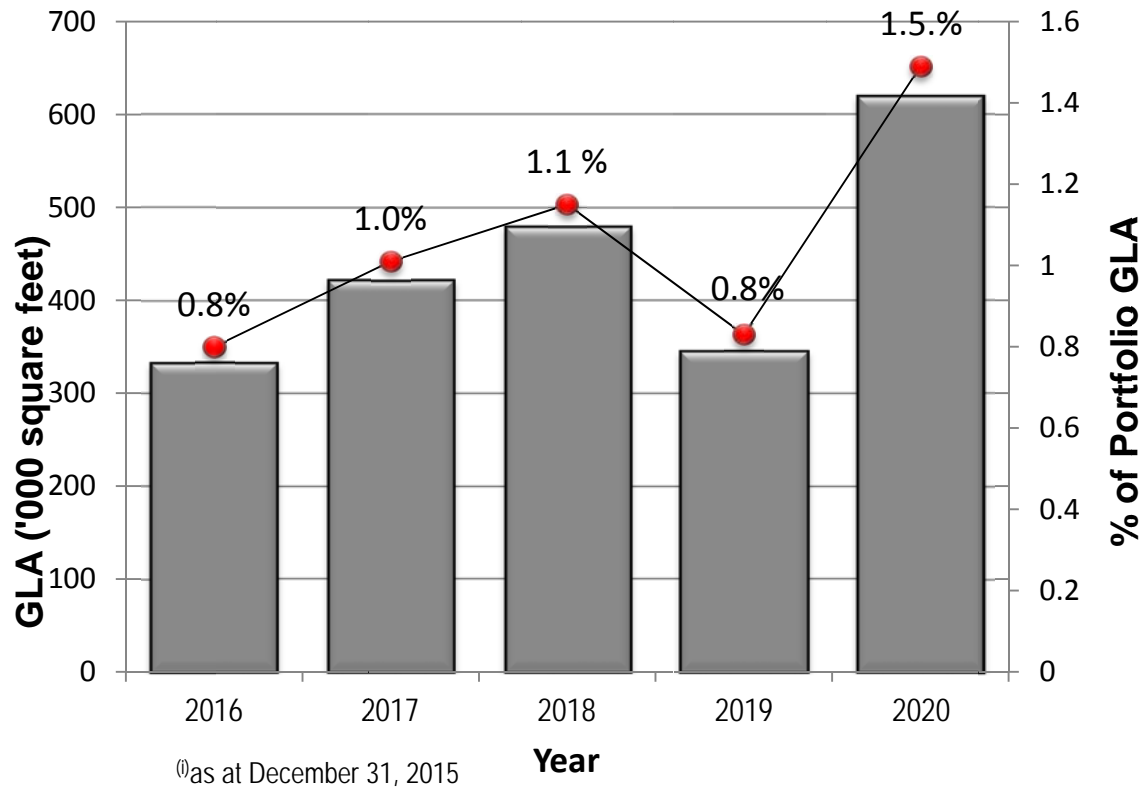


(i) For the year-to-date period ended December 31, 2015, including straight-line rent.

Ancillary GLA by Business Sector

At December 31, 2015, after accounting for GLA leased to Loblaw, approximately 5.2 million square feet of GLA was available to lease to ancillary tenants. For the purposes of this AIF, references to “ancillary tenants” refer to non-Loblaw tenants.

Ancillary Lease Expiry by Year (5 years)⁽ⁱ⁾



The following chart illustrates the ancillary lease expiration by year for the next five years.

Year	GLA
2016	333,165
2017	421,566
2018	479,470
2019	345,895
2020	619,296
Total	2,199,392

Top 10 Non-Loblaw Tenants by Base Rent

The following chart illustrates the top 10 Non-Loblaw tenants which represents 30.99% of its ancillary portfolio:

Ancillary Tenant	% of Total Base Minimum Rent	# of Locations
SAQ	0.49%	14
LCBO	0.48%	10
Dollarama	0.46%	20
Goodlife Fitness	0.37%	10
TD Canada Trust	0.29%	15
Staples	0.28%	7
Dollar Tree	0.22%	10
ACE Bakery Limited	0.21%	1
Nova Scotia Liquor Corporation	0.18%	15
JYSK	0.15%	3
Total	3.13%	105

Property Descriptions

The following is a summary description of 51 of the Properties, which were selected to represent all of the Properties in a balanced manner, with representation from each of the Loblaw-bannered anchor tenants by region. Specifically, each of the Properties has a Loblaw-Owned Banner anchor tenant. The percentage of these Loblaw-Owned Banner anchor tenants within the overall portfolio of Properties determined the approximate percentage that these Loblaw-Owned Banner Properties represent of the properties described below. For example, Atlantic Superstore-bannered stores anchor approximately 10% of the Properties. Therefore, approximately 10% of the Properties summarized in this section are properties anchored by an Atlantic Superstore.

Additionally, the properties described in this section comprise a mixed selection of (i) properties with a stand-alone Loblaw-Owned Banner, (ii) properties with a stand-alone Loblaw-Owned Banner and one additional third-party tenant, and (iii) properties with a stand-alone Loblaw-Owned Banner and more than one additional third-party tenant.

The Properties described in this section also generally reflect properties with higher NOI and more specifically, the top 10 Properties as ranked by NOI are included in the descriptions below.

Western Canada

Multi-tenant properties

3000 and 3064 Lougheed Highway, Coquitlam, British Columbia

3000 and 3064 Lougheed Highway is a shopping centre that contains three free-standing buildings (22 units) and is currently anchored by a Real Canadian Superstore and gas bar. The property benefits from its close proximity to Lougheed Highway and its exposure with approximately 1,218 feet of frontage along the north side of Lougheed Highway. The property is close to the future Coquitlam Central Sky Train station and is across from Coquitlam Centre. This property is situated on 17.7 acres of land, contains 279,374 square feet of GLA and has integrated parking for 1,148 vehicles (including covered parking under an elevated store). As of December 31, 2015, the property was 97.46% leased to 21 tenants, including Real Canadian Superstore (140,725 square feet of GLA), The Brick (41,177 square feet of GLA), Winners (36,491 square feet of GLA) and Steve Nash Fitness (21,410 square feet of GLA).

439 North Road, Coquitlam, British Columbia

439 North Road is a shopping centre that contains 25 units and is currently anchored by a Your Independent Grocer supermarket. This neighbourhood shopping centre (the Cariboo Centre) is centrally located within one of Coquitlam's major retail shopping districts. The property benefits from its proximity to three major arterial roads (Lougheed Highway, North Road and Austin Road), and its close proximity to the Lougheed Highway SkyTrain station and the Lougheed Mall and its exposure with approximately 701 feet of frontage along the east side of North Road. This property is situated on 6.9 acres of land, contains 86,110 square feet of GLA and has surface parking for 370 vehicles. As of December 31, 2015, the property was 98.24% leased to 23 tenants, including Your Independent Grocer (35,633 square feet of GLA), PJ's Pets (9,854 square feet of GLA), Royal Bank of Canada (7,504 square feet of GLA) and North Road Medical Clinic (5,337 square feet of GLA). This property also has the potential for long term mixed use (residential/retail) redevelopment.

4651 No. 3 Road, Richmond, British Columbia

4651 No. 3 Road is a shopping centre that contains 16 units and is currently anchored by a Real Canadian Superstore and gas bar. The property benefits from its close proximity to the Canada Line SkyTrain Route and is close to the Aberdeen and Lansdowne SkyTrain stations, as well as Lansdowne Mall, Aberdeen Centre, Vancouver International Airport and the Richmond Olympic Oval. The property benefits from full signal access and its exposure, with approximately 362 feet of frontage along the south side of No. 3 Road. This property is situated on 7.8 acres of land, contains 163,466 square feet of GLA and has parking for 590 vehicles including covered parking under an elevated store. As of December 31, 2015, the property was 100% leased to 15 tenants, including Real Canadian Superstore (137,492 square feet of GLA), Providence Health Care (7,998 square feet of GLA), Manulife Financial (7,428 square feet of GLA) and FedEx (2,299 square feet of GLA). The Real Canadian Superstore was fully renovated in 2013. This property has the potential for long-term redevelopment for mixed use (residential/retail).

7020-4th Street NW, Calgary, Alberta

7020-4th Street NW is a Real Canadian Superstore, gas bar and Real Canadian Liquor Store-anchored property that contains three free-standing buildings located in the heart of the Huntington Hills residential community in Calgary. The property benefits from its close proximity to Deerfoot Trail, its access from two main streets in the community, Centre Street and 4th Street, and its exposure with approximately 1,381 feet of frontage along the east side of 4th Street. The property is situated on 14.1 acres of land, contains 149,874 square feet of GLA and has surface parking for 873 vehicles. As of December 31, 2015, the property was 100% leased to three tenants, comprised of a Real Canadian Superstore (147,680 square feet of GLA) including a gas bar, and two additional retail units (2,194 square feet of GLA) which are currently leased to Dream Cuts and Starbucks.

3575-20th Avenue NE, Calgary, Alberta

3575-20th Avenue NE is a Real Canadian Superstore, gas bar and Real Canadian Liquor Store-anchored property that contains four free-standing buildings located next to Sunridge Mall in the prominent retail district of northeast Calgary. The property benefits from its close proximity to Highway 1 and the Rundle C-Train station and its exposure to 36th Street NE and 20th Avenue NE with approximately 797 feet of frontage along the south side of 20th Avenue NE. The property is situated on a total site area of 17.3 acres of land, contains 169,654 square feet of GLA and has surface parking for 951 vehicles. As of December 31, 2015, the property was 100% leased to two tenants comprised of a Real Canadian Superstore (161,455 square feet of GLA) and one additional retail unit (8,199 square feet of GLA) which is currently leased to Shillelagh's. The buildings were built in 1990 and were most recently renovated in 2012. This property has the potential for intensification.

14740 –111th Avenue, Edmonton, Alberta

14740 –111th Avenue is a supermarket-anchored property anchored by The Real Canadian Wholesale Club containing two units. The property is a corner lot with good exposure to 111th Avenue and 149th Street, in one of Edmonton's major industrial sectors. The property benefits from approximately 922 feet of frontage along the north side of 111th Avenue. The property is situated on a total site area of 10 acres of land, with land occupied by buildings of 8.2 acres, contains 86,884 square feet of GLA and has surface parking for 241 vehicles. As of December 31, 2015, the property was 100% leased to two tenants, namely The Real Canadian Wholesale Club (74,884 square feet of GLA) and Weston Bakeries (12,000 square feet of GLA). The Real Canadian Wholesale Club was renovated in 2014. The property has the potential for intensification.

17303 Stony Plain Road, Edmonton, Alberta

17303 Stony Plain Road is a shopping centre that contains six free-standing buildings and is currently anchored by a Real Canadian Superstore, a gas bar and a Real Canadian Liquor Store. The property is situated in one of Edmonton's major retail districts. The property benefits from good ingress/egress, its exposure to three major arterial roads (170th Street, Stony Plain Road and 100th Avenue) and its exposure with approximately 1,235 feet of frontage along the east side of Stony Plain Road West. The property is close to West Edmonton Mall, and is shadow-anchored by Home Depot, Best Buy, Urban Barn and various banks. This property is situated on 17.3 acres of land, with land occupied by buildings of 16.1 acres, contains 171,708 square feet of GLA and has surface parking for 1,017 vehicles. As of December 31, 2015, the property was 100% leased to four tenants, including Real Canadian Superstore (154,319 square feet of GLA), Red Robin (7,294 square feet of GLA), Alberta Treasury (6,451 square feet of GLA) and Burger King (3,644 square feet of GLA). The buildings were built in 1986. This property also has the potential for intensification.

#100, 1–100th Street, Fort Saskatchewan, Alberta

#100, 1–100th Street is a shopping centre that contains three free-standing buildings, and is currently anchored by a No Frills supermarket, gas bar and a Real Canadian Liquor Store. The property is located in a growing suburb of Edmonton and is a main retail destination in Fort Saskatchewan. The property benefits from good visibility from Highway 15 (which experiences high daily traffic volumes) and its exposure, with approximately 874 feet of frontage along the south-east side of Highway 15. This property is situated on a total site area of 11.8 acres of land, contains 60,979 square feet of GLA and has surface parking for 438 vehicles. As of December 31, 2015, the property was 100% leased to three tenants, comprised of No Frills (39,890 square feet of GLA), Dollarama (10,250 square feet of GLA) and Winner's Way (10,839 square feet of GLA). The buildings were built in 2004 and the store was most recently renovated in 2008 when it was converted to a No Frills store. The shopping centre is shadow-anchored by Canadian Tire and Walmart. This property also has the potential for intensification on vacant lands.

2901 and 2921–8th Street East, Saskatoon, Saskatchewan

2901 and 2921–8th Street East is a strip mall plaza anchored by a Real Canadian Superstore and a gas bar located along one of Saskatoon's major retail arteries. The property benefits from its exposure with 773 feet of frontage along 8th Street East. This property is situated on a total site area of 8.0 acres of land, contains 149,925 square feet of GLA and has covered parking for 326 vehicles under the Real Canadian Superstore as well as surface parking for 361 vehicles. As of December 31, 2015, the property was 100% leased to five tenants, including Real Canadian Superstore (141,752 square feet of GLA), Primacy Medical Clinic (1,924 square feet of GLA), an Italian restaurant (3,558 square feet of GLA), a pizza restaurant (1,400 square feet of GLA) and a wealth management office (1,921 square feet of GLA).

2132 and 2136 McPhillips Street, Winnipeg, Manitoba

2132 and 2136 McPhillips Street is a grocery-anchored shopping centre that contains three free-standing buildings and is anchored by a Real Canadian Superstore and gas bar. It is located along one of Winnipeg's main retail corridors. The property benefits from its close proximity to Garden City Shopping Centre, and its exposure, with approximately 507 feet of frontage along the west side of McPhillips Street. The property has full signal access from Stardust Avenue and McPhillips Street. This property is situated on a total site area of 13.1 acres of land, contains 169,066 square feet of GLA and has surface parking for 824 vehicles. As of December 31, 2015, the property was 100% leased to 11 tenants, including Real Canadian Superstore (141,765 square feet of GLA), GoodLife Fitness (11,028 square feet of GLA), Pet Valu (3,000 square feet of GLA) and Cambrian Credit Union (4,000 square feet of GLA). The building was built in 1986. The property is shadow-anchored by a Canadian Tire and Home Depot. This property also has the potential for intensification with small pad opportunities.

Stand-alone properties

2270-2nd Avenue, Whitehorse, Yukon

This site is located in the north end of Whitehorse. This location is occupied by a 90,219 square foot Real Canadian Superstore. It was built in 2003 and most recently renovated in 2013. The site is situated on 8.5 acres, has a gas bar and is 100% leased to Loblaw. The location is highly visible with 460 feet of frontage on 2nd Avenue. The total number of parking stalls is 522 (approximately 3.27 stalls per 1,000 square feet).

3185, 3189 and 3191 Grandview Highway, Vancouver, British Columbia

3185, 3189 and 3191 Grandview Highway is a free-standing Real Canadian Superstore and gas bar in the City of Vancouver. The property is in a desirable location, adjacent to Rupert Sky Train station, with good visibility from Grandview Highway, a major commuter route, and with full signal access from Rupert Street. Grandview Highway (45,000 vehicle trips daily) and Rupert Street (10,000 vehicle trips daily) are high volume vehicle routes for the area. The property benefits from its exposure, with approximately 856 feet of frontage along the north side of Grandview Highway. This property is situated on a total site area of 12.8 acres, with land occupied by buildings of 12.5 acres, contains 136,570 square feet of GLA, has surface parking for 674 vehicles and has an associated office facility and gas bar. The property is 100% leased to Real Canadian Superstore. The building was renovated in 2012.

2055 Prince of Wales Drive, Regina, Saskatchewan

2055 Prince of Wales Drive is a free-standing Real Canadian Superstore and gas bar. The property is ideally located in one of the most favourable areas of greater Regina, at the corner of Victoria Avenue (Trans-Canada Highway) and Prince of Wales Drive. It has good exposure with approximately 883 feet of frontage along the east side of Prince of Wales Drive. The property benefits from its proximity to the Trans-Canada Highway and is within the primary retail area of the fast-growing community of Regina. The property is situated on a total site area of 18.3 acres of land, with land occupied by buildings of 12.7 acres, containing 142,021 square feet of GLA and has surface parking for 727 vehicles. The property is 100% leased to a Real Canadian Superstore (142,021 square feet of GLA) and the gas bar. The building was most recently renovated with a major full store renovation in 2011. Construction began in 2015 for eight retail buildings totaling 54,000 square feet. The development includes a TD Bank and Bank of Nova Scotia, as well as national and local restaurants, retailers and personal and professional services. Construction will be completed for tenant possessions starting in June 2016.

Warehouses

2755–190th Street, 2456–188th Street and 18917–24th Avenue, Surrey, British Columbia

2755–190th Street, 2456–188th Street and 18917–24th Avenue is a modern, state of the art warehouse building centre that is currently home to a Loblaw warehouse and distribution centre operated by a third-party to serve the Loblaw network of stores in British Columbia. The property is located in an emerging industrial district/logistics hub in Surrey. The building is LEED Silver certified and is a temperature-controlled facility which includes a freezer and has cross-dock operation (91 loading dock doors) and truck fuelling stations. This property is situated on a total site area of 74.5 acres and contains 407,000 square feet of GLA. The property has a frontage of approximately 2,572 feet along 190th Street. The property contains vehicle parking for 276 cars and 242 trailers. This property is 100% leased to Loblaw. The property was built in 2009. The property benefits from its close proximity to an arterial road network, with little traffic congestion, and is close to the Canada-U.S. border crossing as well as to Surrey City Development Corporation's Campbell Heights Business Park. This property also has the potential for warehouse intensification.

55 Freeport Boulevard NE, Calgary, Alberta

55 Freeport Boulevard NE is a modern, state of the art multi-temperature warehouse and distribution centre located directly north of the Calgary airport in the city's primary industrial park. The facility is operated by Loblaw and was designed to serve the Loblaw network of stores in Alberta. This property is situated on a total site area of 41.9 acres of land, contains 499,837 square feet of GLA and has 119 loading dock doors. The property has a frontage of approximately 1,355 feet along Freeport Boulevard NE. The property contains vehicle parking for 297 cars and 210 trailers. This property is 100% leased to Loblaw. The property was originally built in 2003 and was significantly expanded in 2009. The property benefits from its close proximity to Deerfoot Trail (Queen Elizabeth 2 Highway) and the upgraded Stoney Trail connection to Highway 1. This property also has the potential for warehouse expansion.

2101 Fleming Road, Regina, Saskatchewan

2101 Fleming Road is a modern, state of the art multi-temperature warehouse and distribution centre situated in an emerging global transportation hub located just west of Regina. The facility is operated by Loblaw and was designed to primarily serve the Loblaw network of stores in Manitoba and Saskatchewan. The building is strategically located adjacent to a newly constructed Canadian Pacific Railway intermodal facility, with convenient access to Highway 1 through an upgraded road network. This property is situated on a total site area of 83.7 acres, contains 1,029,675 square feet of GLA, and has 204 loading dock doors. The property has a frontage of approximately 1,451 feet along Fleming Road. The property contains vehicle parking for 586 cars and 655 trailers. This property is 100% leased to Loblaw. Phase one of this building was constructed in 2011 with subsequent expansions occurring in 2012. Additional site works and access improvements were completed for 2013. This property has the potential for additional warehouse expansion.

Ontario

Multi-tenant properties

2025 Guelph Line, Burlington, Ontario

2025 Guelph Line is a prime retail shopping centre anchored by a Fortinos. The property is located at a major intersection in the heart of Burlington and benefits from its access from both Guelph Line and Upper Middle Road, with multiple access points including a signal entrance from both streets, and an additional all-turns access from Upland Drive. The property benefits from its exposure, with approximately 800 feet of frontage along Guelph Line. The property is within a high population area with high average household incomes. The property is situated on a total site area of 17.0 acres of land, with land occupied by buildings

of 15.1 acres, contains 178,829 square feet of GLA and has surface parking for 945 vehicles. As of December 31, 2015, the property was 100% leased. Tenants include Fortinos and Joe Fresh (94,851 square feet of GLA), LCBO (12,861 square feet of GLA), Dollarama (9,551 square feet of GLA) and Kumon (1,015 square feet of GLA). The Fortinos and Joe Fresh stores were renovated in 2014.

31–9th Street East, Cornwall, Ontario

31–9th Street East is a shopping centre that contains two buildings (10 units) currently anchored by a Your Independent Grocer supermarket and Staples Business Depot. The property is centrally located on 9th Street East within Cornwall, a major east/west corridor. The property benefits from its close proximity to the commercial heart of Cornwall and its exposure, with approximately 523 feet frontage along the north side of 9th Street East. The property is situated close to the Canada-U.S. border and benefits from full signal access from 9th Street East and easy access to Highway 401, Pitt Street and Sydney Street. The property is situated on 9.6 acres of land, contains 111,067 square feet of GLA and has surface parking for 569 vehicles. As of December 31, 2015, the property was 92.28% leased to nine tenants, including Your Independent Grocer (54,167 square feet of GLA), Staples Business Depot (24,483 square feet of GLA), Jean-Coutu (11,000 square feet of GLA) and TD Canada Trust (8,468 square feet of GLA). The buildings were built in 1992.

435–447 Main Street East, Hamilton, Ontario

435–447 Main Street East is a shopping centre that contains two buildings (11 units comprised of 7 retail and 4 office) and is currently anchored by a No Frills supermarket and a Pharma Plus drug. The property benefits from its close proximity to downtown Hamilton and its exposure, with approximately 388 feet of frontage along the north side of Main Street East. This property is located in the heart of Hamilton and is situated on a total site area of 3.6 acres of land, contains 57,668 square feet of GLA and has surface parking for 175 vehicles. As of December 31, 2015, the property was 96.53% leased to eight tenants, including No Frills (20,283 square feet of GLA), Catholic Family Services (13,459 square feet of GLA), Pharma Plus (5,200 square feet of GLA) and National Bank (4,236 square feet of GLA). The buildings were built in 1990 and the No Frills was most recently renovated in 2002. This property has the potential for intensification.

875 Highland Road West, Kitchener, Ontario

875 Highland Road West is a shopping centre that contains four free-standing buildings (22 units) currently anchored by one of Canada's largest Real Canadian Superstores. The property is located in a prime retail location at the south-west corner of Fischer Hallman Road and Highland Road West. The property has good visibility and access, enhanced by an on-site Kitchener public transit hub and full signal access from both Fischer Hallman Road and Highland Road West. The property benefits from its close proximity to a large high school and a mature residential area. Highway 8 is 1.7 kilometres to the south, providing easy access to a Highway 401 interchange. In addition, the property benefits from its exposure, with approximately 479 feet of frontage along the south side of Highland Road West. This property is located in the central area of Kitchener where there are high average household incomes. The property is situated on a total site area of 22.8 acres of land (with land occupied by buildings of 22.9 acres) contains 233,949 square feet of GLA and has surface parking for 1,060 vehicles. As of December 31, 2015, the property was 94.33% leased to 18 tenants, including Real Canadian Superstore (153,618 square feet of GLA), JYSK (24,650 square feet of GLA), and Your Dollar Store With More (6,447 square feet of GLA). The buildings were built in 1990.

1040–1100 Princess Street, Kingston, Ontario

1040–1100 Princess Street is a shopping centre that contains six buildings (27 units) anchored by a Loblaws supermarket. The property is a prime corner location, centrally located within the City of Kingston. The property fronts onto three major arterial roadways (Princess Street, Bath Road, and Sir John A. McDonald Boulevard). The property benefits from its close proximity to downtown Kingston and Queen's University, is enhanced by an on-site Kingston public transit hub and has full signal access from Princess

Street and Bath Road. The property enjoys easy access to Highway 401 and benefits from its exposure, with approximately 1,102 feet of frontage along the north east side of Princess Street. The property is situated on a total site area of 23.9 acres of land, with land occupied by buildings of 18.6 acres, contains 163,030 square feet of GLA and has surface parking for 1,204 vehicles. As of December 31, 2015, the property was 93.16% leased to 23 tenants, including Loblaws (81,332 square feet of GLA), Pharma Plus/Maple Family Health Team (19,584 square feet of GLA), TD Canada Trust (8,000 square feet of GLA) and Panda Garden Buffet (7,535 square feet of GLA). The property was purchased in 2004 and was most recently renovated in 2013, with a Loblaws supermarket major rebranding renovation completed. This property has the potential for intensification by way of mixed-use (office and retail) development.

289–293 Coldwater Road West, Orillia, Ontario

289–293 Coldwater Road West is a shopping centre containing two free-standing buildings, currently anchored by a Zehrs Market's supermarket. The property benefits from its access from Highway 11, located just 500 metres south of Coldwater Road (one of the primary access routes into Orillia). The property contains multiple access points including one signal access, and has good exposure, with approximately 586 feet of frontage along the south side of Coldwater Road. The overall population of the area increases seasonally with cottagers and skiers. This property is situated on 9.5 acres of land, contains 95,720 square feet of GLA and has surface parking for 455 vehicles. As of December 31, 2015, the property was 91.9% leased to three tenants, comprised of Zehrs Markets (74,558 square feet of GLA), LCBO (10,521 square feet of GLA) and BMO (2,880 square feet of GLA). The buildings were built in 1999 and the Zehrs Markets supermarket was most recently renovated in 2012, which consisted of a major rebranding and banner reset.

190 Richmond Road, Ottawa, Ontario

190 Richmond Road is a Real Canadian Superstore-anchored property that contains two free-standing buildings located in the Westboro area, a well-established neighbourhood of Ottawa. The property benefits from its close proximity and easy access to downtown Ottawa, and its exposure, with approximately 741 feet of frontage along the south side of Richmond Road. The property has full signal access from Richmond Road. The property is within a high population area with high average household incomes. This property is situated on a total site area of 9.8 acres, with land occupied by buildings of 7.7 acres, contains 95,063 square feet of GLA and has surface parking for 444 vehicles. The property includes a portion of land leased from a third-party for parking and access. As of December 31, 2015, the property was 100% leased to two tenants, comprised of a Real Canadian Superstore (representing 84,880 square feet of GLA) as well as one additional retail unit (representing an additional 10,183 square feet of GLA) which is currently leased to LCBO. The buildings were built in 2003 and were most recently renovated in 2009. This property has the potential for intensification by residential development of vacant land.

1792 Liverpool Road, Pickering, Ontario

1792 Liverpool Road is a shopping centre anchored by a Loblaws supermarket. The property is strategically located at the centre of the town of Pickering and benefits from its location in an affluent trade area predominantly comprised of young families. It has good exposure, with approximately 578 feet of frontage along Kingston Road, a major east-west arterial road, and approximately 150 feet of frontage along Liverpool Road. The property is located just west of the Pickering Town Centre and a GO Station is located just south of the property. The property benefits from full signal access from Liverpool Road and easy access to Highway 401. The property is within a high population area with high average household incomes. This property is situated on a total site area of 12.0 acres of land, with land occupied by buildings of 11.2 acres, contains 152,985 square feet of GLA and has surface parking for 639 vehicles. As of December 31, 2015, the property was 100% leased to 12 tenants, including Loblaws (115,529 square feet of GLA), GoodLife Fitness (18,877 square feet of GLA), Si Vous Play Sports (6,705 square feet of GLA) and a dental office (2,080 square feet of GLA). The buildings were built in 1990 and were most recently renovated in 2014.

1893 Scugog Street, Port Perry, Ontario

1893 Scugog Street is a Your Independent Grocer-anchored property containing two free-standing buildings, strategically located near the downtown commercial strip in Port Perry. The town sits on the shore of Lake Scugog, just north of Whitby and just off of Highway 12, the gateway to the Kawarthas. The property benefits from its close proximity to downtown Port Perry with full signal access from Scugog Street, its exposure with approximately 570 feet of frontage along the north side of Scugog Street (King's Highway 7A) and its unique accessibility by virtue of an adjacent dock on Lake Scugog. The town of Port Perry has a population of approximately 6,000 (and the summer season population generally increases by approximately 10%) with high average household incomes. The property is situated on a total site area of 8.7 acres of land, with land occupied by buildings of 8.0 acres, contains 56,115 square feet of GLA and has surface parking for 383 vehicles. As of December 31, 2015, the property was 100% leased to two tenants, comprised of a Your Independent Grocer supermarket (representing 50,725 square feet of GLA) and a land lease to Timwen Partnership. The buildings were built in 1995 and were most recently renovated in 2009.

245 Dixon Road, Toronto, Ontario

245 Dixon Road is a No Frills supermarket and Loblaw Drug-anchored property which is located in the north-west area of Toronto known as Etobicoke. The property is centrally located in a well-established neighbourhood, with a dense population in close proximity (approximately 18,000 people located within one kilometre, 71% of whom live in apartment buildings), with high average household incomes. The property benefits from its close proximity to and full signal access from Dixon Road and its excellent exposure, with approximately 285 feet of frontage along the north side of Dixon Road. The property benefits from proximity to public transit bus stops available on both Islington Road and Dixon Road as well as close proximity to Highway 401. The property is located on a major commuter route into the city of Toronto, is situated on 7.1 acres of land, contains 67,160 square feet of GLA and has surface parking for 390 vehicles. As of December 31, 2015, the property was 100% leased to twelve tenants. The property was repositioned in 2012 with the construction of a No Frills supermarket and Loblaw Drug (representing 47,042 square feet of GLA, inclusive of Loblaw Drug) as well as additional units (representing an additional 18,200 square feet of GLA). The majority of the additional units are currently leased to a number of medical practitioners and medical and health support businesses for the purpose of a unique Regional Health Centre which provides support/relief to the nearby Humber River Regional Hospital. This property has high intensification potential, with opportunities for major mixed-use (residential/retail) development.

10 Lower Jarvis Street, Toronto, Ontario

This property has excellent visibility, both from the Gardiner Expressway, Lake Shore Boulevard and Lower Jarvis Street, on which it has 555 feet of frontage. This location has future redevelopment potential along the Queen's Quay corridor. The 73,425 square foot building is currently 100% occupied by a Loblaw food store.

222 Lansdowne Avenue, Toronto, Ontario

222 Lansdowne Avenue is a shopping centre that contains four units and is currently anchored by a No Frills supermarket. The property is located within a neighbourhood in transition in the western area of Toronto and benefits from its location at the south west corner of Lansdowne Avenue and Dundas Street West. It has good exposure with approximately 938 feet of frontage along Lansdowne Avenue. The property benefits from easy access to public transit available on both Lansdowne Avenue and Dundas Street West. The property is within a high population area with high average household incomes. This property is situated on 6.9 acres of land (of which 1.8 acres are leased), contains 61,664 square feet of GLA and has surface parking for 416 vehicles. As of December 31, 2015, the property was 100% leased to four tenants, including No Frills (57,059 square feet of GLA), Primacy (1,810 square feet of GLA), a dental office (1,680 square feet of GLA) and Albany Pizza (1,115 square feet of GLA). The building was built in 2003.

Stand-alone properties

15900 Bayview Avenue, Aurora, Ontario

15900 Bayview Avenue is a free-standing building located within the growing community of Aurora, just north of Toronto, and contains a Real Canadian Superstore. The property benefits from its close proximity to Bayview Road and St. John's Side Road, and good exposure, with approximately 852 feet of frontage along the west side of Bayview Avenue. The property is within a high population area with high average household incomes. The property is situated on 11.5 acres of land, contains 106,665 square feet of GLA and has surface parking for 582 vehicles. This is 100% leased to Real Canadian Superstore. The property is adjacent to an LCBO and a Beer Store. The lands where the LCBO and Beer Store are located were purchased in 2015. The building was built in 2004. While the property is currently comprised of a single Real Canadian Superstore, it also has the potential for intensification.

500 Holland Street West, Bradford, Ontario

500 Holland Street West is a free-standing Zehrs Markets supermarket building strategically located in suburban Bradford with close proximity to Highway 400. Bradford is a growth community, located between Newmarket and Barrie, with a population of approximately 32,000. The property is well positioned within a new commercial area surrounded by new and future residential growth. The property benefits from full signal access from Holland Street and its exposure, with approximately 546 feet of frontage along the north side of Holland Street West. The property is situated on a total site area of 14.9 acres of land, with land occupied by buildings of 1.2 acres and has surface parking for 821 vehicles. As of December 31, 2015, the property was 100% leased to Zehrs Markets (50,075 square feet of GLA). The property represents a shadow anchor to the adjacent Home Depot. The building was built in 2012. The property has the potential for intensification.

380 The East Mall, Etobicoke, Ontario

380 The East Mall is a free-standing Loblaws supermarket centrally located in the heart of the Etobicoke area of Toronto. The property benefits from its close proximity to the convergence of three highways, including Highway 427, Highway 401 and the Queen Elizabeth Way/Gardiner Expressway. The property has good exposure, with approximately 900 feet of frontage along the west side of The East Mall and highway visibility from Highway 427. The property benefits from full signal access from The East Mall, public transit bus stops available on both Burnhamthorpe Road and The East Mall and its location just north of Cloverdale Mall. The property is located within a high population area with high average household incomes. The property is situated on a total site area of 10.2 acres of land, with land occupied by buildings of 8.8 acres, contains 81,914 square feet of GLA and has surface parking for 597 vehicles. This property is 100% leased to Loblaws. The building was built in 1999 and was renovated in 2014. While the property is currently comprised of a single Loblaws store, it also has the potential for intensification.

131 Howland Drive, Huntsville, Ontario

131 Howland Drive is a free-standing building comprised of a Your Independent Grocer supermarket with an on-site gas bar. The property is located in a prime regional location centrally located within cottage country. The town of Huntsville has a population of approximately 7,500 with a catchment area population of 30,000 and an annual summer seasonal population increase of approximately 40%. The property has good visibility and access to Highway 11 and benefits from full signal access from Highway 60 and its exposure with approximately 579 feet of frontage along the west side of Howland Drive. The property is situated on a total site area of 8.9 acres of land, with land occupied by buildings of 8.1 acres, contains 69,013 square feet of GLA and has surface parking for 468 vehicles. As of December 31, 2015, the property was 100% leased to a Your Independent Grocer. The property represents a shadow-anchor to Walmart. The building was built in 2004 and was most recently renovated in 2009.

750 Ottawa Street South, Kitchener, Ontario

750 Ottawa Street South is a free-standing Zehrs Markets supermarket located in Kitchener, Ontario. The property is located at the northwest corner of Strasburg Road and Ottawa Street South, and benefits from its close proximity to Highway 7/8. The property benefits from a full signal access from Ottawa Street South, the availability of Kitchener transit buses at Strasburg Road and its exposure, with approximately 644 feet of frontage along the north side of Ottawa Street South. The property is also located within a prime retail location for south Kitchener, which includes a new Target, Home Outfitters and Rona. The property is within a high population area with high average household incomes. The property is situated on 9.9 acres of land, contains 115,000 square feet of GLA and has surface parking for 614 vehicles. This property is 100% leased to Zehrs Markets. The building was built in 2002.

650 Dupont Street, Toronto, Ontario

650 Dupont Street is a free-standing Loblaws supermarket centrally located in the Annex neighbourhood in Toronto. The property benefits from its close proximity to public transit available on both Dupont Street and Christie Street, as well as vehicular access accommodated by full signal access off of Dupont Street. The property enjoys good exposure with approximately 759 feet of frontage along the north side of Dupont Street. The property is within a high population area with high average household incomes. The property is situated on 4.3 acres of land, contains 52,025 square feet of GLA and has surface parking for 289 vehicles. The property includes a portion of land leased from a third-party. This property is 100% leased to Loblaws. The building was built in 1996 and was most recently renovated in 2015, with a new roof installed in early 2013. While the property is currently comprised of a single Loblaws store, it has the potential for intensification by way of mixed-use (residential/retail) development.

Offices

1 President's Choice Circle and 55 Hereford Street, Brampton, Ontario

1 President's Choice Circle and 55 Hereford Street represent a prime office location within an industrial office node immediately north of Highway 407 in Brampton. 1 President's Choice Circle is a four storey office building that is the store support centre for Loblaw and contains such amenities as the President's Choice test kitchens, a fully-equipped cafeteria, an auditorium and a GoodLife Fitness gym facility that is exclusive to Loblaw employees. 1 President's Choice Circle was built in 2005 and won a number of architectural awards. 1 President's Choice Circle is renovated periodically to accommodate the ever-changing requirements of the Loblaw store support centre.

55 Hereford Street is a neighbouring office building that houses office infrastructure support for Loblaw. It is occupied by Loblaw personnel and others.

These properties are situated on a total site area of 42.8 acres, with land occupied by buildings of 34.1 acres, contains 484,000 square feet of GLA (1 President's Choice Circle) and 125,000 square feet of GLA (55 Hereford), and has surface parking for 3,172 vehicles and underground parking for 110 vehicles. The property benefits from its close proximity to Highway 407, with easy access to Highway 401. The property benefits from full signal access from Mississauga Road and its location (approximately 35 kilometres from downtown Toronto with convenient proximity to Pearson International Airport). The property has extensive project landscaping. The property has potential for extensive intensification by adding additional office space and structured parking.

Warehouses

1105 Fountain Street, Cambridge, Ontario

1105 Fountain Street is a multi-temperature (including freezer) warehouse building that serves as a Loblaws warehouse and distribution centre located in a prime industrial location in Cambridge, serving

Western and Northern Ontario. The property is centered in the tri-city area of Kitchener/Waterloo and Cambridge, and is approximately 80 kilometres from downtown Toronto and approximately 250 kilometres from Detroit. The property benefits from full signal access and its close proximity and easy access to Highway 401 and Highway 8. The property has a site frontage of approximately 3,189 feet along Fountain Street. The property is situated on a total site area of 90.8 acres of land and contains 911,670 square feet of GLA with development land that may be used for future expansions. The property has parking for 691 vehicles and 594 trailers. This property is 100% leased to Loblaws. The building was built in 2001 and was most recently renovated in 2011 with a 61,000 square foot expansion. This property has the potential for intensification by way of additional warehouse and distribution buildings.

Quebec

Multi-tenant locations

375, chemin d'Aylmer, Gatineau, Quebec

375, chemin d'Aylmer is a commercial strip of four units, anchored by Provigo Le Marché supermarket. The property is located on chemin d'Aylmer, an east-west arterial road in the city of Gatineau, starting near Les Galeries D'Aylmer, the largest shopping mall in western Gatineau, and ending at boulevard Alexandre-Tache heading towards downtown Gatineau and Ottawa. The property is surrounded by vast amounts of green space, including excess land for future development opportunities. The property benefits from its prime location within the national capital region (Ottawa/Gatineau) and its exposure, with approximately 236 feet of frontage along the north side of chemin d'Aylmer. The property is situated on a total site area of 15.3 acres of land (a small portion of land is leased for parking from a third-party), with land occupied by buildings of 9.4 acres, contains 82,000 square feet of GLA and has surface parking for 469 vehicles. As of December 31, 2015, the property was 100% leased to four tenants, consisting of Provigo (63,314 square feet of GLA), Dollarama (9,399 square feet of GLA), Marie Frances Crevier (5,027 square feet of GLA), and Hokkaido Sushi (4,260 square feet of GLA). The property was built in 1991. A major renovation and rebranding to the Provigo Le Marché banner was completed in 2014. This property has the potential for intensification.

6750–6800, rue Jean-Talon E., Montreal, Quebec

6750–6800, rue Jean-Talon E. is a commercial building in the Saint-Leonard borough in the East end of the island of Montreal. The property is comprised of two units, a Maxi supermarket and a Bureau en Gros (Staples), occupying 64.5% and 35.5% of the building, respectively. The site is surrounded by wholesale stores, furniture stores and restaurants which, together, create an attractive retail node with a wide range of clientele. The property benefits from its location within a major commercial sector in Montreal's East end, its close proximity to major highways and its exposure with approximately 368 feet of frontage along rue Jean-Talon E. The property has good visibility and access right from Trans-Canada Highway at boulevard Langelier and faces a prime arterial road in Montreal (rue Jean-Talon E.). The property is situated on a total site area of 12.4 acres of land, with land occupied by buildings of 11.0 acres, contains 71,356 square feet of GLA and has surface parking for 574 vehicles. As of December 31, 2015, the property was 100% leased to two tenants, Maxi (46,369 square feet of GLA) and Bureau en Gros (Staples) (24,987 square feet of GLA). The property was built in 2002 and was most recently renovated in 2012. This property has excess land with the potential for intensification.

8305 and 8405, avenue Papineau, Montreal, Quebec

8305 and 8405, avenue Papineau is a Maxi & Cie supermarket-anchored property that contains two free-standing complementary stores, a Maxi & Cie and a SAQ, in the Villeray-St-Michel borough of the city of Montreal. The property benefits from its close proximity to the Trans-Canada Highway and avenue Papineau, making the property easily accessible by car. The property is surrounded by residential sectors on both sides of the Trans-Canada Highway and has close proximity to the boundaries of Montreal-Nord and Saint-Leonard boroughs. A nearby Canadian Tire contributes to create a larger retail destination for the trade area. The property has approximately 886 feet of frontage along the south side of avenue Papineau,

including access to the Trans-Canada Highway. The property is situated on 12 acres of land, contains 95,486 square feet of GLA and has surface parking for 480 vehicles (which includes a small portion of land leased from a third-party for parking). As of December 31, 2015, the property was 100% leased to two tenants, Maxi & Cie (87,812 square feet of GLA) and SAQ (7,674 square feet of GLA). Maxi & Cie was built in 1997 and the SAQ building was built in 2003. Both buildings were fully renovated in 2014. The Maxi & Cie building has the structural capacity to become a multi-storey building, with the possible integration of additional floors to the main building.

Stand-alone properties

114, boulevard Saint Jean-Baptiste, Chateauguay, Quebec

114, boulevard Saint Jean-Baptiste is a free-standing Maxi supermarket located in Chateauguay. The property is centrally-located at a prime intersection between two major commercial arterial roads, boulevard Anjou and boulevard Saint Jean-Baptiste, maximizing accessibility and visibility. The property benefits from its exposure, with approximately 370 feet of frontage along the east side of boulevard Saint Jean-Baptiste. The property is situated on 4.5 acres of land, contains 54,218 square feet of GLA and has surface parking for 305 vehicles. This property is 100% leased to Maxi. The building was built in 1984 and was most recently renovated in 2010.

16900, autoroute Trans-Canada, Kirkland, Quebec

16900, autoroute Trans-Canada is a free-standing Loblaws supermarket located in Kirkland. The property benefits from its close proximity to the Trans-Canada Highway and is positioned along a main retail area in the town of Kirkland on the West Island of Montreal. The property has good exposure from the highway and has approximately 2,180 feet of frontage along the south side of Autoroute 40 (Trans-Canada). The property has good accessibility, surrounded by major roads such as boulevard Saint-Charles. This property is situated on a total site area of 16.1 acres, with land occupied by buildings of 8.4 acres, contains 82,680 square feet of GLA and has surface parking for 552 vehicles. This property is 100% leased to Loblaw. The building was built in 2000, was renovated in 2006, and was most recently renovated in 2009. The property had a major renovation to turn the Loblaws into a Provigo Le Marché in the third quarter of 2013. The property has the potential for intensification.

1350, rue Sherbrooke, Magog, Quebec

1350, rue Sherbrooke is a free-standing Loblaws supermarket located on Route 112 in Magog. The property is approximately 100 kilometres from the island of Montreal and a short distance from the Canada-U.S. border. The property is accessible from Interstate 91, Autoroute 10 and Autoroute 55, and benefits from its exposure, with approximately 569 feet of frontage along rue Sherbrooke. The property is situated on a total site area of 9.4 acres of land, with land occupied by buildings of 8.4 acres, contains 71,918 square feet of GLA and has surface parking for 435 vehicles. This property is 100% leased to Loblaws. The building was built in 2004 and a planned major renovation and rebranding of the Loblaws supermarket to Provigo Le Marché was completed during the third quarter of 2013. While the property is currently comprised of a single Provigo Le Marché, it also has the potential for intensification.

50, avenue du Mont-Royal West, Montreal, Quebec

50, avenue du Mont-Royal West is a free-standing Provigo supermarket located in the Plateau-Mont-Royal borough, a popular and centrally-located area on the island of Montreal. The population density and diversity of its cultural life attracts a significant number of visitors to the area's bars, restaurants and grocery stores. In addition, the store has historical significance as it was once the home to the Montreal Canadiens and the Montreal Maroons hockey teams. The property benefits from its close proximity to important commercial arteries such as boulevard St-Laurent, rue St-Urbain and avenue Du Parc, and easy access to the property by multiple means of transportation. The property has good exposure, with approximately 236 feet of frontage along the southeast side of avenue du Mont-Royal West. The property is situated on 1.0 acres

of land, contains 36,234 square feet of GLA and has underground parking for 53 vehicles. This property is 100% leased to Provigo. The Provigo store opened in 2002 and was most recently renovated in 2009.

Warehouses

180 chemin du Tremblay, Boucherville, Quebec

The property is located in an industrial park to the south of Boucherville. The 33.89 acre lot has excellent access to both the Trans-Canada Highway and Highway #30. The site has 627 feet of frontage onto Chemin du Tremblay and has parking for 328 vehicles and 187 tractor trailers. The 315,961 square foot distribution centre on site is 100% leased to Loblaw. There is sufficient land to accommodate the planned expansion of a building which has been approved.

Atlantic Canada

Multi-tenant properties

471 Smythe Street, Fredericton, New Brunswick

471 Smythe Street is an Atlantic Superstore-anchored neighbourhood center located in the heart of Fredericton's "South Side" at the intersection of Beaverbrook Street (an east-west corridor) and Smythe Street (a north-south corridor). The property benefits from its access with two entrances from Wagoner's Land and Smythe Street and from public transit bus service to the property. The property is well situated in an established residential community and has a significant employment component in the fields of government and institutions. The Fredericton economy is stable and Fredericton residents have relatively high employment and household incomes. The property benefits from approximately 507 feet of frontage along the east side of Smythe Street. The property is situated on a total site area of 9.7 acres of land, contains 94,074 square feet of GLA and has surface parking for 447 vehicles. As of December 31, 2015, the property was 100% leased to two tenants consisting of Atlantic Superstore (89,640 square feet of GLA) and Oromocto Plumbing (4,434 square feet of GLA). The buildings were built in 1996 and were most recently renovated with a major renovation in 2010.

115 Campbell Road and 77 and 81 Marr Road, Rothesay, New Brunswick

115 Campbell Road and 77 and 81 Marr Road is a community shopping centre that contains two free-standing buildings (including 4 ancillary units), anchored by an Atlantic Superstore. The property is conveniently located on Campbell Drive and benefits from its close proximity to, and high visibility from, Highway 1 (MacKay Highway). The property benefits from its exposure, with approximately 1,120 feet of frontage along the west side of Campbell Road and an additional approximately 467 feet of frontage along the west side of Campbell Road. Rothesay is a suburban bedroom community outside the city of St. John and is one of the more affluent communities in New Brunswick. This property is situated on a total site area of 28.1 acres, with land occupied by buildings of 19.8 acres, contains 154,949 square feet of GLA and has surface parking for 985 vehicles. As of December 31, 2015, the property was 91.61% leased to four tenants, including Atlantic Superstore (106,656 square feet of GLA), Staples Business Depot (15,253 square feet of GLA), Dollarama (8,021 square feet of GLA) and the New Brunswick Liquor Corporation (12,019 square feet of GLA). The buildings were built in 2003. This property also has the potential for intensification on vacant lands within the overall site.

211 Duke Street and 3855 Highway No. 3, Chester, Nova Scotia

211 Duke Street and 3855 Highway No. 3 is a Save Easy supermarket-anchored property that contains two units located in Chester, Nova Scotia, a bustling commercial center that effectively services the Chester Municipal District and the Lunenburg County. The property is strategically located at one of the main entrances to the Village of Chester at the corner of Highway No. 3 (Lighthouse Route) and Duke Street. The

property has good highway visibility and access. The property benefits from two entrances from Highway No. 3 and Duke Street, and from its exposure with approximately 461 feet of frontage along the west side of Duke Street. Chester is a popular vacation and seasonal home destination and is located approximately one hour from Halifax. The property is situated on 1.8 acres of land, contains 19,878 square feet of GLA and has surface parking for 95 vehicles. As of December 31, 2015, the property was 100% leased to two tenants consisting of Save Easy (representing 13,874 square feet of GLA) and the NSLC (representing 6,004 square feet of GLA). The Save Easy building was built in 1999, was expanded by 4,000 square feet in 2006 and was completely renovated in 2014. The NSLC building was built in 2012.

650 Portland Street, Dartmouth, Nova Scotia

650 Portland Street is a shopping centre that contains four free-standing buildings anchored by an Atlantic Superstore and gas bar (the gas bar is located at 648 Portland Street). The property represents a prime location on Portland Street near the Circumferential Highway, which makes the shopping centre a convenient destination for customers throughout Dartmouth, Cole Harbour, and Eastern Passage. The property benefits from its strategic location in the heart of a large residential neighbourhood and offers three entrances from Eisner Boulevard. Eisner Boulevard connects with full signal to Portland Street which is the main east-west oriented street in the area. Metro Transit provides bus service directly to the site, and the property is less than one kilometre from the Penhorn Mall and Portland Hills bus terminals. Retailers at the shopping centre benefit from recent nearby residential developments such as Portland Hills and Russell Lake. The property has good exposure, with approximately 1,771 feet of frontage along the east side of Eisner Boulevard. The property is situated on 22.4 acres of land, contains 262,144 square feet of GLA and has surface parking for 1,295 vehicles. As of December 31, 2015, the property was 99.75% leased to 20 tenants, including Atlantic Superstore (132,753 square feet of GLA), Goodlife Fitness (26,328 square feet of GLA), Halifax Public Library (23,713 square feet of GLA) and Winners (22,204 square feet of GLA). The buildings were built in 1993.

3601, 3609, 3627 and 3711 Joseph Howe Drive, Halifax, Nova Scotia

3601, 3609, 3627 and 3711 Joseph Howe Drive is a community commercial shopping center (retail and office components), that is anchored by an Atlantic Superstore and gas bar, which also contains a liquor store that is on Joseph Howe Drive at the isthmus connecting Peninsula Halifax (downtown Halifax) with the mainland. The property includes a separate stand-alone building known municipally as 3711 Joseph Howe Drive which contains five office units anchored by the Atlantic regional office for Loblaw. The property is located in a unique geographic region which creates a commanding retail presence, as virtually all commuters living in the west end of Halifax must travel in close proximity to the property when travelling to and from downtown Halifax. The property has four entrances, one of which is located at a full signal intersection. The property benefits from its close proximity to adjacent residential and office development and there are several high density projects currently under construction or in planning stages within 500 metres of the property. The property has good exposure, with approximately 1,324 feet of frontage along the east side of Joseph Howe Drive. The property is situated on a total site area of 17.9 acres of land, with land occupied by buildings of 13.6 acres, contains 182,736 square feet of GLA and has surface parking for 789 vehicles. As of December 31, 2015, the property was 97.87% leased to seven tenants (including Atlantic Superstore and Loblaw). The 3601 portion of the property is comprised of an Atlantic Superstore (representing 129,309 square feet of GLA) and includes five additional retail units, including one unit currently leased to the NSLC (13,007 square feet GLA). The 3711 portion of the property is comprised of five office units currently leased to the Atlantic regional office of Loblaw (26,924 square feet of GLA), ACCEL Physiotherapy (4,063 square feet of GLA), H&R Block (3,304 square feet of GLA), and Joseph Howe Drive Family Dentistry Inc. (2,237 square feet of GLA). The 3601 building was built in 2000 and most recently renovated in 2004. The 3711 buildings were significantly renovated (from its supporting structure) in 2008. A complete renovation of the food store was completed in 2014.

55 Stavanger Drive, St. John's, Newfoundland and Labrador

55 Stavanger Drive is a Dominion supermarket-anchored property that includes a Newfoundland and Labrador Liquor Commission outlet. The property is located in the Cabot Power Center, the largest power

center in Newfoundland and Labrador, and one of the largest in Atlantic Canada. The property is located on Stavanger Drive, which is the main entrance to the Cabot Power Center, and is ideally situated at the terminus of the four lane highway known as the Outer Ring Road (Route 1), which provides easy access to the property for the population of greater St. John's. There are two entrances to the property off of Stavanger Drive, one of which is full signal. The property benefits from its exposure, with approximately 606 feet of frontage along the north side of Stavanger Drive. This property is situated on a total site area of 12.1 acres, contains 102,818 square feet of GLA and has surface parking for 476 vehicles. As of December 31, 2015, the property was 100% leased to two tenants consisting of Dominion (92,818 square feet of GLA) and the Newfoundland and Labrador Liquor Commission (10,000 square feet of GLA). The buildings were built in 1998. A major renovation of Dominion was completed in 2014.

Stand-alone properties

461–465 University Avenue, Charlottetown, Prince Edward Island

461–465 University Avenue is a free-standing Atlantic Superstore supermarket located in Charlottetown. University Avenue is a major commercial retail street in Charlottetown, and the property is one of the most centrally-located retail developments relative to the population of Charlottetown. The property benefits from its easy access with four entrances on three different streets (University, Belvedere and Queen) and its exposure with approximately 761 feet of frontage along the east side of University Avenue. This property is situated on a total site area of 7.9 acres, with land occupied by buildings of 6.2 acres, contains 83,113 square feet of GLA and has surface parking for 382 vehicles. This property is 100% leased to Atlantic Superstore. The building was built in 2000 and was most recently renovated in 2011 which consisted of a major renovation and rebranding of the Atlantic Superstore supermarket. A medical clinic was added inside the store in the first quarter of 2013. While the property is currently comprised of a single Atlantic Superstore supermarket, it also has the potential for intensification.

2015 Acquisition Property Descriptions

The following is a summary description of the 47 Properties that were purchased by Choice Properties from Loblaw and third-parties in 2015.

Western Canada

Stand-alone properties

195, 201 Highway 16 West, Burns Lake, British Columbia

The property is a 51,240 square foot shopping centre located just off the Yellowhead Highway in the Village of Burns Lake. Burns Lake is located in north-central British Columbia (population: 2,390). The town serves as a hub for the local logging, saw-milling and mining industries. The property is anchored by a stand-alone Real Canadian Wholesale Club, which was constructed in 2000, and a gas bar. The total site area is approximately 3.1 acres with 51,240 square feet of GLA for the Real Canadian Wholesale Club. The total number of parking stalls is 98 (approximately 2 stalls per 1,000 square feet).

1501 Cook Street, Creston, British Columbia

The property is a 38,797 square foot shopping centre located south of Cook Street and north of the railway lines in the Town of Creston. Creston is located in the Kootenay region of southeastern British Columbia (population: 5,379). The town is largely resource based with agriculture and forestry. The property includes a stand-alone Extra Foods, which was constructed in 2000, and a gas bar. The property is situated on approximately 5.6 acres with 38,797 square feet of GLA for the food store and 2.2 acres of development area. The total number of parking stalls is 158 (approximately 4 stalls per 1,000 square feet).

1792 9th Avenue, Fernie, British Columbia

The property is a 39,921 square foot shopping centre located on the south side of 9th Avenue, between 19th Street and the Crowsnest Highway (Highway 3) in the City of Fernie. Fernie is located in the East Kootenay region of southeastern British Columbia (population: 4,811). The property is anchored by a stand-alone Extra Foods, which was constructed in 2003, and a gas bar. The property is situated on approximately 4.7 acres with 39,921 square feet of GLA for the food store. The total number of parking stalls is 228 (approximately 6 stalls per 1,000 square feet).

7007 27th Street, Grand Forks, British Columbia

The property is located on the south side of Highway 5 / Central Avenue, between Spraggett Road and 27th Street in the City of Grand Forks. Grand Forks is located in the West Kootenay region of British Columbia (population: 4,274). The City is dependent on agriculture, forestry and, to a lesser extent, tourism. The property is anchored by an Extra Foods which was constructed in 2004. The total site area is approximately 14.5 acres with 40,373 square feet of GLA for the food store and 9.3 acres designated for development. The total number of parking stalls is 186 (approximately 5 stalls per 1,000 square feet).

2335 Maple Drive East, Quesnel, British Columbia

The property is a 58,223 square foot shopping centre located at the junction of Chew Avenue and Maple Drive in the City of Quesnel. Quesnel is located in the Cariboo district in northern British Columbia (population: 13,566). The property is anchored by an Extra Foods which was constructed in 2004 and a gas bar. The property is situated on approximately 10 acres with 58,223 square feet of GLA for the food store and 2.1 acres designated for development. The total number of parking stalls is 359 (approximately 6 stalls per 1,000 square feet).

4524 Feeney Avenue, Terrace, British Columbia

The property is a 53,903 square foot shopping centre located at the junction of the Yellowhead Highway and Cramer Street in the City of Terrace. Terrace is located on the north coast of British Columbia (population: 15,569). The property is anchored by a Real Canadian Wholesale Club, which was constructed in 1997, and a gas bar. The property is situated on approximately 3.1 acres with 53,903 square feet of GLA for the Wholesale Club. The total number of parking stalls is 123 (approximately 2 stalls per 1,000 square feet).

2110 Ryley Avenue, Vanderhoof, British Columbia

The property is a 38,048 square foot shopping centre located in Vanderhoof, off the Yellowhead Highway. Vanderhoof is located at the geographical centre of British Columbia (population: 1,382). The property is anchored by a Your Independent Grocer food store, which was constructed in 2000 and last renovated in 2014, and a gas bar. The property is situated on approximately 5.1 acres with 38,048 square feet of GLA for the food store and 2.0 acres of development area. The total number of parking stalls is 158 (approximately 4 stalls per 1,000 square feet).

5001 Anderson Way, Vernon, British Columbia

The property is a 154,716 shopping centre located on Anderson Way and north of downtown in the City of Vernon. Vernon is located in the Okanagan region of the Southern Interior of British Columbia (population: 44,600). The property is anchored by a Real Canadian Superstore, which was constructed in 2005 and last renovated in 2014, and a gas bar. The property is situated on approximately 13.6 acres with 154,716 square feet of GLA for the food store. The total number of parking stalls is 594 (approximately 4 stalls per 1,000 square feet).

5007 52nd Street, Athabasca, Alberta

The property is a 40,136 square foot shopping centre located in Athabasca at the junction of 53rd Street and 50th Avenue in the Town of Athabasca. Athabasca is located in northern Alberta (population: 2,990). The property is anchored by a stand-alone Your Independent Grocer food store that was constructed in 2001 and last renovated in 2014. The property is situated on approximately 2.8 acres with 40,136 square feet of GLA for the food store. The total number of parking stalls is 155 (approximately 4 stalls per 1,000 square feet).

10527, 101 Avenue, Lac La Biche, Alberta

The property is a 39,921 square foot shopping centre located in Lac La Biche at the junction of 105th Street and 85th Avenue. Lac la Biche is located in northern Alberta (population: 2,544). The property is anchored by a Your Independent Grocer food store, which was constructed in 2001 and last renovated in 2014, and a gas bar. The property is situated on approximately 7.4 acres with 39,921 square feet of GLA for the food store, and 1.6 acres of development area. The total number of parking stalls is 117 (approximately 3 stalls per 1,000 square feet).

5101 47th Avenue, Stettler, Alberta

The property is a 37,561 square foot shopping centre located at the junction of 47th Avenue and 50th Street in the Town of Stettler. Stettler is located in east-central Alberta (population: 5,779). The property is anchored by a No Frills food store, which was constructed in 1995, and a gas bar. The total site area is approximately 2.7 acres with 28,228 square feet of GLA for the food store and 9,333 square feet of space used for food store storage. The total number of parking stalls is 149 (approximately 4 stalls per 1,000 square feet).

10851 100th Street, Westlock, Alberta

The property is a 39,921 square foot shopping centre located at the junction south of the 100th Street and 113th Avenue junction in the Town of Westlock. Westlock is located in central Alberta (population: 4,823). The property is anchored by a Your Independent Grocer food store, which was constructed in 2003 and last renovated in 2014, and a gas bar. The total site area is approximately 6.5 acres with 39,921 square feet of GLA for The Your Independent Grocer and 1.4 acres of development area. The total number of parking stalls is 207 (approximately 5 stalls per 1,000 square feet).

315 Herold Road, Saskatoon, Saskatchewan

The property is a 42,567 square foot shopping centre located on the west side of Herold Road in the City of Saskatoon in a growing suburban sector (population: 222,035). Saskatoon's main economic drivers are oil and gas, natural gas, agriculture and manufacturing. The property is anchored by a Your Independent Grocer food store, which was constructed in 1997 and last renovated in 2014, and a gas bar. The property is situated on approximately 6.0 acres with 42,567 square feet of GLA for the Your Independent Grocer and 0.7 acres of development area. The total number of parking stalls is 277 (approximately 7 stalls per 1,000 square feet).

30 Kenderdine Road, Saskatoon, Saskatchewan

The property is a 38,966 square foot shopping centre located on Attridge Drive in the neighbourhood of Erindale on the eastern edge of Saskatoon (population: 222,035). The property is anchored by a Your Independent Grocer food store which was constructed in 1996 and last renovated in 2014. The property is situated on approximately 3.6 acres with 38,966 square feet of GLA for the Your Independent Grocer. The total number of parking stalls is 196 (approximately 5 stalls per 1,000 square feet).

206 Broadway Street East, Yorkton, Saskatchewan

The property is a 101,732 square foot shopping centre located in Yorkton at the junction of Broadway Street East and Highway 9, in south-eastern Saskatchewan (population: 15,795). The property is anchored by a Real Canadian Superstore, which was constructed in 1994 and last renovated in 2014, and a gas bar. The property is situated on approximately 10.4 acres with 101,732 square feet of GLA for the Real Canadian Superstore. The total number of parking stalls is 665 (approximately 7 stalls per 1,000 square feet).

1200 Main Street, Swan River, Manitoba

The property is a 38,055 square foot shopping centre located on Main Street in the Town of Swan River, in west-central Manitoba (population: 3,907). The property is anchored by an Extra Foods, which was constructed in 1996, and a gas bar. The property is situated on approximately 3.2 acres with 38,055 square feet of GLA for the Extra Foods. The total number of parking stalls is 193 (approximately 5 stalls per 1,000 square feet).

175 Cargill Road, Winkler, Manitoba

The property is a 110,252 square foot shopping centre located at the north-east of the junction of 1st Street and Cargill Road in the City of Winkler. Winkler is located in southern Manitoba (population: 12,005). The property is anchored by a Real Canadian Superstore, which was constructed in 2002 and last renovated in 2013, and a gas bar. The total site area is approximately 9.2 acres with 110,252 square feet of GLA for the Real Canadian Superstore and 0.7 acres of development area. The total number of parking stalls is 431 (approximately 4 stalls per 1,000 square feet).

Ontario

Stand-alone properties

512 St. Phillippe Street, Alfred, Ontario

The property is a 17,507 square foot food store located in Alfred, a small community (population: 1,350) located approximately 60 minutes east of Ottawa. The property is anchored by a Valu-mart food store that was constructed in 1999 and last renovated in 2014. The food store is situated on approximately 1.2 acres with 17,507 square feet of GLA for the Valu-mart. The total number of parking stalls is 51 (approximately 3 stalls per 1,000 square feet).

127 Hastings Street North, Bancroft, Ontario

The property is a 25,338 square foot food store located in cottage country in central Ontario (population: 3,880). The property includes a stand-alone No Frills food store that was constructed in 2005. The food store is situated on approximately 1.7 acres. The total number of parking stalls is 90 (approximately 4 stalls per 1,000 square feet).

726 Principale Street, Casselman, Ontario

The property is a 17,954 square foot food store located in Casselman, a small town (population: 3,642) between Ottawa and Montreal. The property is anchored by a No Frills food store that was constructed in 2001. The property is situated on approximately 1.4 acres with 17,954 square feet of GLA for the No Frills. The total number of parking stalls is 90 (approximately 5 stalls per 1,000 square feet).

31-1 Highway #11 West, Cochrane, Ontario

The property is a 19,953 square foot shopping centre located in Cochrane in northeastern Ontario (population: 3,976). The property is anchored by a Valu-mart food store that was constructed in 1995 and last renovated in 2005. The property is situated on approximately 2.4 acres with 19,953 square feet of food

store GLA and 0.3 acres of development area. The total number of parking stalls is 153 (approximately 8 stalls per 1,000 square feet).

1428 Highway 2, Courtice, Ontario

The property is a 30,309 square foot shopping centre located in Courtice, about sixty kilometers east of Toronto and, adjacent to Oshawa. The property is anchored by a Shoppers Drug Mart store that was constructed in 2012. The property is situated on approximately 2.0 acres with 19,425 square feet of drug store GLA and 10,884 square feet of second floor office and medical clinic GLA. The total number of parking stalls is 115 (approximately 4 stalls for 1,000 square feet).

66 Fourth Avenue, Englehart, Ontario

The property is a 7,968 square foot shopping centre located in Englehart, a small town in northeastern Ontario (population: 1,554). The property is anchored by a Valu-mart food store that was constructed in 1990. The property is situated on approximately 1.0 acres with 7,968 square feet of GLA for the Valu-mart. The total number of parking stalls is 25 (approximately 3 stalls per 1,000 square feet).

1012 Main Street, Geraldton, Ontario

The property is a 54,744 square foot shopping centre located on the shores of Kenogamisis Lake in northern Ontario (population: 1,893). The property is anchored by an Extra Foods food store that was constructed in 2006 and last renovated in 2014. The total site area is approximately 5.3 acres with 54,744 square feet of GLA for the Extra Foods and 2.1 acres of development area. The total number of parking stalls is 107 (approximately 4 stalls per 1,000 square feet).

40 Meredith Street, Gore Bay, Ontario

The property is a 9,486 square foot shopping centre located in Gore Bay on Manitoulin Island in Lake Huron's North Channel (population: 850). The property is anchored by a Valu-mart food store that was constructed in 1990. The property is situated on approximately 0.5 acres with 9,486 square feet of GLA for the Valu-mart. The total number of parking stalls is 8 (approximately 1 stall per 1,000 square feet).

55 Brunetville Road, Kapuskasing, Ontario

The property is a 41,585 square foot shopping centre located in Kapuskasing, close to the Kapuskasing River in Northern Ontario (population: 7,638). The property is anchored by stand-alone Your Independent Grocer that was constructed in 2000 and last renovated in 2012. The property is situated on approximately 6.7 acres with 41,585 square feet of GLA for the Your Independent Grocer and 2.4 acres of development area. The total number of parking stalls is 228 (approximately 5 stalls per 1,000 square feet).

15 McChesney Avenue, Kirkland Lake, Ontario

The property is a 45,157 square foot shopping centre located in Kirkland Lake in the Timiskaming District in Northeastern Ontario (population: 7,334). The property is anchored by a Your Independent Grocer that was constructed in 1995 and last renovated in 2011. The centre is situated on approximately 4.6 acres with 45,157 square feet of GLA for the Your Independent Grocer. The total number of parking stalls is 285 (approximately 6 stalls per 1,000 square feet).

40 Meredith Street, Little Current, Ontario

The property is a 10,762 square foot shopping centre located in Little Current, the largest community in Northeastern Manitoulin and the Islands in Northeastern Ontario (population: 1,523). The property is anchored by a Valu-mart that was constructed in 2000. The property is situated on approximately 1 acre with 10,762 square feet of GLA for the Valu-mart. The total number of parking stalls is 57 (approximately 5 stalls per 1,000 square feet).

24-65 Regional Road, Lively, Ontario

The property is a 30,768 square foot shopping centre located in Lively, within the greater Sudbury area in Northern Ontario (population: 6,922). The property includes a Your Independent Grocer that was constructed in 1990 and last renovated in 2013. The property is situated on approximately 3.8 acres with 30,768 square feet of GLA for the food store and 0.5 acres of development area. The total number of parking stalls is 171 (approximately 6 stalls per 1,000 square feet).

9186 Highway 93 South, Midland, Ontario

The property is a 18,329 square foot shopping centre located in Midland, at the southern end of Georgian Bay's 30,000 Islands in Simcoe County. The property is anchored by a Shoppers Drug Mart store that was constructed in 2012. The property is situated on approximately 2 acres with 18,329 square feet of GLA. The total number of parking stalls is 109 (approximately 6 stalls per 1,000 square feet).

296 Bank Street, Ottawa, Ontario

The property is a 43,286 square foot shopping centre located in the Centre town neighbourhood of Ottawa. The property is anchored by a Your Independent Grocer food store. The building was established in 1900, and last renovated in 2005. The property is situated on approximately 1.4 acres with 43,286 square feet of GLA for the Your Independent Grocer.

671 River Road, Ottawa, Ontario

The property is a 69,761 square foot shopping centre located in the Riverside South-Leitrim neighbourhood of Ottawa. The property is anchored by a Your Independent Grocer, constructed in 2005. The property is situated on approximately 9.4 acres with 69,761 square feet of GLA for the Your Independent Grocer and includes 1.6 acres of development area. The total number of parking stalls is 466 (approximately 7 stalls per 1,000 square feet). A binding Offer to Lease has been executed between Choice and Shoppers Drug Mart for a 15,000 square foot Shoppers Drug Mart store, expected to open in Q2 2017.

1120 Second Avenue East, Owen Sound, Ontario

The property is a 14,900 square foot shopping centre located in Owen Sound, at the mouths of the Pottawatomi and Sydenham Rivers on an inlet of Georgian Bay (population: 22,134). The property is anchored by a Cash and Carry food store that was constructed in 1997. The total site area is approximately 1.5 acres with 14,900 square feet of GLA for the Cash and Carry. The total number of parking stalls is 81 (approximately 5 stalls per 1,000 square feet).

519 Main Street, Powassan, Ontario

The property is a 14,222 square foot shopping centre located in Powassan, a small community (population: 1,301) near North Bay, Ontario. The property is anchored by a Valu-mart food store that was constructed in 1990. The property is situated on approximately 0.9 acres with 14,222 square feet of GLA for the Valu-mart. The total number of parking stalls is 36 (approximately 3 stalls per 1,000 square feet).

654 Algonquin Boulevard East, Timmins, Ontario

The property is a 50,020 square foot shopping centre located in Timmins, Northeastern Ontario near the Mattagami River (population: 30,614). The property is anchored by a Your Independent Grocer food store that was constructed in 1992 and last renovated in 2009. The property is situated on approximately 10.9 acres with 50,020 square feet of GLA for the Your Independent Grocer and 5.2 acres of development area. The total number of parking stalls is 279 (approximately 5 stalls per 1,000 square feet).

449 Parliament Street, Toronto, Ontario

The property is a 14,414 square foot shopping centre located on Parliament Street in the Cabbagetown neighbourhood of Toronto. The property is anchored by a No Frills food store that was constructed in 1999 and last renovated in 2014. The property is situated on approximately 0.5 acres with 14,414 square feet of GLA for the No Frills. The total number of parking stalls is 29 (approximately 2 stalls per 1,000 square feet).

11 Redway Road, Toronto, Ontario

The property is a 60,950 square foot shopping centre located in Toronto, on Redway Road close to the Leaside neighbourhood. The property is anchored by a Loblaws food store that was constructed in 1994 and last renovated in 2008. The property is situated on approximately 14.1 acres with 60,950 square feet of GLA for the Loblaws and 2.2 acres of development area. The total number of parking stalls is 490 (approximately 8 stalls per 1,000 square feet).

186 Mission Road, Wawa, Ontario

The property is a 15,224 square foot food store located in Wawa in Northern Ontario (population: 2,634) three hours north of Sault Ste. Marie. The property is anchored by a Valu-mart food store that was constructed in 1990 and last renovated in 2009. The property is situated on approximately 1.2 acres with 15,244 square feet of GLA for the Valu-mart. The total number of parking stalls is 76 (approximately 5 stalls per 1,000 square feet).

Multi-tenant properties

15900 Bayview Avenue, Aurora, Ontario

The property is a 19,199 square foot shopping center located in Aurora (population: 60,000), just north of Toronto. Two free standing buildings were constructed on the property in 2006 and 2011. The property has an LCBO and a Beer Store. Adjacent to the property is a 106,665 square feet Loblaw food store that was acquired by Choice Properties in conjunction with the IPO. The property is situated on approximately 2.8 acres with 19,199 square feet of retail GLA. The total number of parking stalls is 140 (approximately 7 per 1,000 square feet).

75 - 85 - 105 Causley Street, Blind River, Ontario

The property is a 26,543 square foot shopping centre located in Blind River, a small tourism, fishing and logging community (population: 2,540) located approximately two hours west of Sudbury. The property is anchored by a Valu-mart food store that was constructed in 1999 and last renovated in 2013, and co-anchored by KFC, the Bank of Nova Scotia, Red Apple Stores and Canada Brokerlink. The property is situated on approximately 5.4 acres with 10,132 square feet of food store GLA and 16,411 square feet of ancillary GLA. The total number of parking stalls is 101 (approximately 4 stalls per 1,000 square feet).

985 Woodbine Avenue, Toronto, Ontario

The property is a 28,772 square foot shopping centre located in the East York neighbourhood of Toronto, directly above the Toronto Transit Commission's subway system. The property is anchored by a stand-alone Valu-mart food store that was constructed in 1968 and last renovated in 2015. The property has TD Bank, Rogers and Magic Cuts as tenants. The property is situated on approximately 1.4 acres with 28,772 square feet of GLA for the food store and ancillary space. The total number of parking stalls is 77 (approximately 3 stalls per 1,000 square feet).

Warehouses

1400 Church Street South, Pickering, Ontario

The property is a 921,256 square foot warehouse in Pickering, Ontario. The warehouse is a modern ambient temperature warehouse, which was originally constructed in 2005 and further expanded in 2012, is well-located east of Toronto and with access to major transportation routes. The warehouse is fully occupied by Loblaw as the single tenant with a 20-year initial lease term with six five-year renewal options.

Quebec

Stand-alone property

7000 RTE 125, Chertsey, Quebec

The property is a 24,661 square foot located in a small tourist town (population: 4,836) located approximately 60 minutes north of Montreal. The property includes a Provigo food store that was constructed in 2007. The total site area is approximately 7.0 acres with 24,661 square feet of food store GLA. The total number of parking stalls is 185 (approximately 7 stalls per 1,000 square feet).

Atlantic Canada

Stand-alone properties

419 Main Street, Doaktown, New Brunswick

The property is a 10,500 square foot shopping centre located in Doaktown, a small lumber town (population: 793) approximately 45 minutes northeast of Fredericton. The property is anchored by a Save Easy food store that was constructed in 1998 and last renovated in 2007. The food store is situated on approximately 2.4 acres with 10,500 square feet of GLA for the Save Easy. The total number of parking stalls is 82 (approximately 8 stalls per 1,000 square feet).

Multi-tenant properties

5528 Highway 7, Porter's Lake, Nova Scotia

This property is a 54,569 square foot shopping centre in Porter's Lake, Nova Scotia. The shopping centre is currently 88% occupied by 22 tenants, including a number of national retailers, with lease maturities ranging from 2016 to 2024. The shopping centre is anchored by the 47,000 square foot grocery store on an adjacent property owned by Choice Properties. Upon acquisition, the property was combined with the adjacent Choice Properties owned site and together re-categorized as a single multi-tenant property.

100 Starrs Road, Yarmouth, Nova Scotia

The property is a gas bar located in Yarmouth, a port town (population 7,200) in southwestern Nova Scotia. The property is situated on approximately 1 acre and it is adjacent to an 116,836 square feet multi-tenant site acquired by Choice Properties in conjunction with the IPO. The gas bar was constructed in 2014. Upon acquisition, the property was combined with the adjacent Choice Properties owned site and together re-categorized as a single multi-tenant property.

31 Broadway Street, Kensington, Prince Edward Island

The property is a 18,288 square foot shopping centre located in Kensington, a small service oriented community (population: 1,512) approximately 40 minutes from Charlottetown. The property is anchored by a Save Easy food store that was constructed in 1997 and last renovated in 2014. The total site area is

approximately 4.0 acres with 12,998 square feet of food store GLA and 5,920 square feet of ancillary GLA. The total number of parking stalls is 61 (approximately 3 stalls per 1,000 square feet).

Further information on Choice Properties' business can be found in the Trust's 2015 MD&A, which information is incorporated herein by reference and available at www.sedar.com.

VII. INVESTMENT GUIDELINES AND OPERATING POLICIES

Investment Guidelines

The Declaration of Trust provides certain restrictions on investments that may be made by the Trust. The assets of the Trust may be invested, directly or indirectly, only as follows:

- (a) the Trust will invest primarily, directly or indirectly, in interests (including fee ownership and leasehold interests) in income-producing real estate located in Canada, the United States or Europe that is primarily commercial in nature and assets ancillary thereto necessary for the operation of such real estate and such other activities as are consistent with the other investment restrictions of the Trust;
- (b) notwithstanding anything else contained in the Declaration of Trust, the Trust shall not make or hold any investment, take any action or omit to take any action or permit a Subsidiary to make or hold any investment or take any action or omit to take any action that would result in:
 - i. the Trust not qualifying as a "mutual fund trust" or a "unit trust" both within the meaning of the Tax Act;
 - ii. Units not qualifying as qualified investments for Deferred Income Plans;
 - iii. the Trust not qualifying as a "real estate investment trust" within the meaning of the Tax Act if, as a consequence of the Trust not so qualifying, the Trust or any of its Subsidiaries would be liable to pay a tax imposed under either paragraph 122(1)(b) or subsection 197(2) of the Tax Act; or
 - iv. the Trust being liable to pay a tax under Part XII.2 of the Tax Act;
- (c) the Trust shall not invest in any interest in a single real property if, after giving effect to the proposed investment, the cost to the Trust of such investment (net of the amount of debt incurred or assumed in connection with such investment) will exceed 20% of Aggregate Assets at the time the investment is made;
- (d) the Trust may make its investments and conduct its activities, directly or indirectly, through an investment in one or more persons on such terms as the Trustees may from time to time determine, including by way of joint ventures, partnerships (general or limited), and limited liability companies;
- (e) except for temporary investments held in cash, deposits with a Canadian chartered bank or trust company registered under the laws of a province or territory of Canada, deposits with a savings institution, trust company, credit union or similar financial institution that is organized or chartered under the laws of a state or of the United States, short-term government debt securities or money market instruments maturing prior to one year from the date of issue and except as permitted pursuant to these investment guidelines and operating policies of the Trust, the Trust may not hold securities of a person other than to the extent such securities would constitute an investment in real property (as determined by the Trustees) and provided further that, notwithstanding anything contained in the Declaration of Trust to the contrary, but in all events subject to paragraph (b) above, the Trust may hold securities of a person: (i) acquired in connection with the carrying on, directly or indirectly, of the Trust's activities or the holding of its assets; or (ii) which focuses its activities primarily on the activities described in paragraph (a) above, provided in the case of any proposed investment or acquisition which would result in the beneficial ownership of more than 10% of the outstanding securities of an issuer (the "Acquired Issuer"), the investment is made for

the purpose of subsequently effecting the merger or combination of the business and assets of the Trust and the Acquired Issuer or for otherwise ensuring that the Trust will control the business and operations of the Acquired Issuer;

- (f) the Trust shall not invest in rights to or interests in mineral or other natural resources, including oil or gas, except as incidental to an investment in real property;
- (g) the Trust shall not invest in raw land for development, except (i) for existing properties with additional development or properties adjacent to existing properties of the Trust for the purpose of the renovation or expansion of existing properties, or (ii) the development of new properties which will be capital property of the Trust, provided that the aggregate value of the investments of the Trust in raw land, excluding raw land under development, after giving effect to the proposed investment, will not exceed 10% of Aggregate Assets;
- (h) the Trust may invest in mortgages and mortgage bonds (including participating or convertible mortgages) and similar instruments where:
 - i. the real property which is security therefor is income producing real property which otherwise meets the other investment guidelines of the Trust; and
 - ii. the aggregate book value of the investments of the Trust in mortgages, after giving effect to the proposed investment, will not exceed 15% of Aggregate Assets; and
- (i) the Trust may invest an amount (which, in the case of an amount invested to acquire real property, is the purchase price less the amount of any debt incurred or assumed in connection with such investment) up to 15% of the Aggregate Assets of the Trust in investments which do not comply with one or more of paragraphs (a), (d), (e), (g) and (h).

Any references in the foregoing to investment in real property will be deemed to include an investment in a joint arrangement that invests in real property.

Operating Policies

The Declaration of Trust provides that the operations and affairs of the Trust will be conducted in accordance with the following policies:

- (a) the Trust shall not purchase, sell, market or trade in currency or interest rate futures contracts otherwise than for hedging purposes where, for this purpose, the term "hedging" has the meaning given by National Instrument 81-102 — Investment Funds adopted by the Canadian Securities Administrators, as replaced or amended from time to time and, in all events, subject to paragraph (b) of the Investment Guidelines described above;
- (b) (i) any written instrument creating an obligation which is or includes the granting by the Trust of a mortgage; and (ii) to the extent the Trustees determine to be practicable and consistent with their fiduciary duties to act in the best interest of the Unitholders, any written instrument which is, in the judgment of the Trustees, a material obligation, shall contain a provision, or be subject to an acknowledgement to the effect, that the obligation being created is not personally binding upon, and that resort must not be had to, nor will recourse or satisfaction be sought from, by lawsuit or otherwise the private property of any of the Trustees, Unitholders, annuitants or beneficiaries under a plan of which a Unitholder acts as a trustee or carrier, or officers, employees or agents of the Trust, but that only property of the Trust or a specific portion thereof is bound; the Trust, however, is not required, but must use all reasonable efforts, to comply with this requirement in respect of obligations assumed by the Trust upon the acquisition of real property;
- (c) the Trust shall not lease or sublease to any tenant (other than Loblaw, any Affiliate thereof or, in the case of a lease or sublease in any province, a purchaser of all or substantially all of the assets and operations of Loblaws Inc. in that province) any real property, premises or space where that person

and its Affiliates would, after the contemplated lease or sublease, be leasing or subleasing real property, premises or space having a fair market value net of encumbrances in excess of 20% of Aggregate Assets;

- (d) the Trust may engage in construction or development of real property to maintain its real properties in good repair or to improve the income-producing potential of properties in which the Trust has an interest;
- (e) the Trust may not engage in construction or development of new properties that will be capital properties of the Trust on completion unless the aggregate value of the investments of the Trust in such properties under development, after giving effect to the proposed investment in the construction or development, shall not exceed 15% of Aggregate Assets;
- (f) title to each real property shall be held by and registered in the name of the Trust, the Trustees or a person wholly-owned, directly or indirectly, by the Trust or jointly-owned, directly or indirectly, by the Trust, with joint venturers or by any other persons in such manner as the Trustees consider appropriate, taking into account advice of legal counsel; provided that, where land tenure will not provide fee simple title, the Trust, the Trustees or a corporation or other entity wholly-owned, directly or indirectly, by the Trust or jointly owned, directly or indirectly, by the Trust or such person as the Trustees consider appropriate shall hold a land lease as appropriate under the land tenure system in the relevant jurisdiction;
- (g) the Trust shall not incur or assume any Indebtedness, other than Permitted Indebtedness, if, after giving effect to the incurrence or assumption of such Indebtedness, the Consolidated Indebtedness (excluding convertible Indebtedness) of the Trust would be more than 60% of Aggregate Adjusted Assets (or 65% of Aggregate Adjusted Assets including convertible Indebtedness); and
- (h) except in connection with or related to the IPO Acquisition of the Initial Properties, the Trust shall not directly or indirectly guarantee any indebtedness or liabilities of any person unless such guarantee: (i) is given in connection with or incidental to an investment that is otherwise permitted by the Trust's investment guidelines; (ii) has been approved by the Trustees; and (iii) (A) would not disqualify the Trust as a "mutual fund trust" within the meaning of the Tax Act, and (B) would not result in the Trust losing any status under the Tax Act that is otherwise beneficial to the Trust and its Unitholders;
- (i) the Trust shall directly or indirectly obtain and maintain at all times property insurance coverage in respect of potential liabilities of the Trust and the accidental loss of value of the assets of the Trust from risks, in amounts, with such insurers, and on such terms as the Trustees consider appropriate, taking into account all relevant factors, including the practice of owners of comparable properties;
- (j) the Trust shall have obtained an appraisal of each real property that it intends to acquire and an engineering survey with respect to the physical condition thereof, in each case, by an independent and experienced consultant, unless the requirement for such an appraisal or engineering survey is waived by the Independent Trustees; and
- (k) the Trust shall either (i) obtain a Phase I ESA Report or (ii) be entitled to rely on a Phase I ESA Report dated no earlier than six months prior to receipt by the Trust, of each real property to be acquired by it and, if the Phase I ESA Report recommends that a further environmental site assessment be conducted, the Trust shall have conducted such further environmental site assessments, in each case by an independent and experienced environmental consultant.

Any references in the foregoing to investment in real property will be deemed to include an investment in any joint arrangement that invests in real property.

Where any maximum or minimum percentage limitation is specified in any of the investment guidelines or operating policies, such investment guidelines or operating policies shall be applied on the basis of the

relevant amounts calculated immediately after the making of such investment or the taking of such action. Any subsequent change relative to any percentage limitation which results from a subsequent change in the amount of Aggregate Assets will not require the divestiture of any investment.

Amendments to Investment Guidelines and Operating Policies

Pursuant to the Declaration of Trust, the investment guidelines set forth under “— Investment Guidelines” and the operating policies set forth in sub-paragraphs (a), (g), (h), (j) and (k) under “— Operating Policies” may be amended only with the approval of not less than two-thirds of the votes cast at a meeting of Voting Unitholders called for such purposes (or a written resolution signed by Voting Unitholders representing at least two-thirds of the outstanding Voting Units). The remaining operating policies may be amended with the approval of a majority of the votes cast at a meeting of Voting Unitholders called for such purposes (or a written resolution signed by Voting Unitholders representing at least a majority of the outstanding Voting Units).

Regulatory Conflict

Notwithstanding the foregoing paragraph, if at any time a government or regulatory authority having jurisdiction over the Trust or any property of the Trust shall enact any law, regulation or requirement which is in conflict with any investment guideline or operating policy of the Trust then in force, such investment guideline or operating policy in conflict shall, if the Trustees on the advice of legal counsel to the Trust so resolve, be deemed to have been amended to the extent necessary to resolve any such conflict and, notwithstanding anything to the contrary, any such resolution of the Trustees shall not require the prior approval of Unitholders.

VIII. DECLARATION OF TRUST AND DESCRIPTION OF UNITS

General

The Trust is an unincorporated open-ended real estate investment trust established pursuant to the Declaration of Trust under, and governed by, the laws of Ontario. Although the Trust qualifies as a “mutual fund trust” as defined in the Tax Act, the Trust is not a “mutual fund” as defined by applicable securities legislation.

Authorized Capital and Outstanding Securities

The Declaration of Trust authorizes the issuance of an unlimited number of two classes of units, namely the Units and Special Voting Units. Special Voting Units are only issued in tandem with the issuance of Class B LP Units of the Partnership or such other limited partnerships that may be Subsidiaries of the Trust from time to time. As at December 31, 2015, the Trust had a total of 90,953,817 Units outstanding and 317,109,792 Special Voting Units outstanding.

In addition, Preferred Units may from time to time be created and issued in one or more classes (each of which may be made up of unlimited series) without requiring Voting Unitholder approval. As at December 31, 2015, the Trust had no Preferred Units outstanding. Before the issuance of Preferred Units of a series, the Trustees will execute an amendment to the Declaration of Trust containing a description of such series, including the designations, rights, privileges, restrictions and conditions determined by the Trustees, and the class of Preferred Units of which such series is a part.

Units

Each Unit is transferable and represents an equal, undivided beneficial interest in the Trust and any distributions from the Trust, whether of net income, net realized capital gains (other than such gains allocated and distributed to redeeming Unitholders) or other amounts and, in the event of the termination or winding-up of the Trust, in the net assets of the Trust remaining after satisfaction of all liabilities. All Units rank among themselves equally and rateably without discrimination, preference or priority. Each Unit

entitles the holder thereof to receive notice of, to attend and to one vote at all meetings of Voting Unitholders or in respect of any written resolution of Voting Unitholders.

Unitholders are entitled to receive distributions from the Trust (whether of net income, net realized capital gains or other amounts) if, as and when declared by the Trustees. Upon the termination or winding-up of the Trust, Unitholders will participate equally with respect to the distribution of the remaining assets of the Trust after payment of all liabilities. Such distribution may be made in cash, as a distribution in kind, or both, all as the Trustees in their sole discretion may determine. Units have no associated conversion or retraction rights. No person is entitled, as a matter of right, to any pre-emptive right to subscribe for or acquire any Unit, except for Loblaw as set out in the Exchange Agreement, or as otherwise agreed to by the Trust pursuant to a binding written agreement.

Special Voting Units

Special Voting Units are only issued in tandem with Class B LP Units and are not transferable separately from the Class B LP Units to which they relate and, upon any valid transfer of Class B LP Units, such Special Voting Units will automatically be transferred to the transferee of the Class B LP Units. As Class B LP Units are exchanged for Units or redeemed or purchased for cancellation by the issuer thereof, the corresponding Special Voting Units will be cancelled for no consideration.

Each Special Voting Unit entitles the holder thereof to receive notice of, to attend, and to one vote at all meetings of Voting Unitholders or in respect of any resolution in writing of Voting Unitholders. Except for the right to attend and vote at meetings of Voting Unitholders or in respect of written resolutions of Voting Unitholders, Special Voting Units do not confer upon the holders thereof any other rights. A Special Voting Unit does not entitle its holder to any economic interest in the Trust, or to any interest or share in the Trust, any of its distributions (whether of net income, net realized capital gains or other amounts) or in any of its net assets in the event of the termination or winding-up of the Trust.

Issuance of Units

Subject to the pre-emptive rights of Loblaw contained in the Exchange Agreement, Units or rights to acquire Units or other securities may be created, issued and sold at such times, to such persons, for such consideration and on such terms and conditions as the Trustees determine, including pursuant to a rights plan, distribution reinvestment plan, purchase plan or any incentive option or other compensation plan. Units will be issued only when fully paid in money, property or past services, and they will not be subject to future calls or assessments, provided that Units may be issued and sold on an installment basis and the Trust may take security over any such Units so issued. Where the Trustees determine that the Trust does not have available cash in an amount sufficient to pay the full amount of any distribution, the payment may, at the option of the Trustees, include or consist entirely of the issuance of additional Units having a fair market value determined by the Trustees equal to the difference between the amount of the distribution and the amount of cash that has been determined by the Trustees to be available for the payment of such distribution. These additional Units will be issued pursuant to applicable exemptions under applicable securities laws, discretionary exemptions granted by applicable securities regulatory authorities or a prospectus or similar filing. The Declaration of Trust also provides that unless the Trustees determine otherwise, and subject to all necessary regulatory approvals, immediately after any pro rata distribution of additional Units to all Unitholders as described above, the number of outstanding Units will automatically be consolidated such that each Unitholder will hold after the consolidation the same number of Units as the Unitholder held before the distribution of such additional Units. In such circumstances, each certificate representing a number of Units prior to the distribution of additional Units will be deemed to represent the same number of Units after the distribution of such additional Units and the consolidation. If tax is required to be withheld from a Unitholder's share of the distribution, the consolidation will not result in such Unitholder holding the same number of Units. Each such Unitholder will be required to surrender the certificates, if any, representing that Unitholder's original Units in exchange for a certificate representing that Unitholder's post consolidation Units.

The Trustees may refuse to allow the issuance of or to register the transfer of Units where such issuance or transfer would, in their opinion, adversely affect the treatment of the Trust under applicable Canadian tax laws or their qualification to carry on any relevant business. See “— Limitations on Non-Resident Ownership of Units” below.

Repurchase of Units

The Trust may, from time to time, purchase all or a portion of the Units for cancellation at a price per Unit and on a basis determined by the Trustees in accordance with applicable securities laws and stock exchange rules.

Limitations on Non-Resident Ownership of Units

In order for the Trust to maintain its status as a mutual fund trust under the Tax Act, it must not be established or maintained primarily for the benefit of non-resident persons. Accordingly, the Declaration of Trust provides that at no time may Non-Residents be the beneficial owners of more than 49% of the Units on either a basic or fully-diluted basis and the Trust has informed its transfer agent and registrar of this restriction. The Trustees may require a registered holder of Units to provide them with a declaration as to the jurisdictions in which beneficial owners of Units registered in such holder’s name are resident and as to whether such beneficial owner is Non-Resident (and, in the case of a partnership, whether the partnership is Non-Resident). If the Trustees become aware, as a result of such declarations as to beneficial ownership or as a result of any other investigations, that the beneficial owners of more than 49% of the Units on either a basic or fully-diluted basis are, or may be, Non-Residents or that such a situation is imminent, the Trustees may make a public announcement thereof and will not accept a subscription for Units from, or issue or register a transfer of Units to, a person unless the person provides a declaration in form and content satisfactory to the Trustees that the person is not a Non-Resident and does not hold such Units for the benefit of Non-Residents. If, notwithstanding the foregoing, the Trustees determine that more than 49% of the Units on either a basic or fully-diluted basis are held by Non-Residents, the Trustees may send or cause to be sent a notice to such Non-Resident Unitholders chosen in inverse order to the order of acquisition or registration or in such other manner as the Trustees may consider equitable and practicable, requiring them to sell their Units or a portion thereof within a specified period of not more than 30 days. If the Unitholders receiving such notice have not sold the specified number of Units or provided the Trustees with satisfactory evidence that they are not Non-Residents within such period, the Trustees may on behalf of such persons sell or cause to be sold such Units and, in the interim, will suspend the voting and distribution rights attached to such Units. Upon such sale, the affected holders will cease to be holders of the relevant Units and their rights will be limited to receiving the net proceeds of sale upon surrender of the certificates, if any, representing such Units. Notwithstanding the foregoing, the Trustees may determine not to take any of the actions described above if the Trustees have been advised by legal counsel that the failure to take any of such actions would not adversely impact the status of the Trust as a mutual fund trust for purposes of the Tax Act or, alternatively, may take such other action or actions as may be necessary to maintain the status of the Trust as a mutual fund trust for purposes of the Tax Act.

Nomination of Trustees

The Declaration of Trust includes certain advance notice provisions (the “Advance Notice Provision”), which are intended to: (i) facilitate orderly and efficient annual general or, where the need arises, special meetings; (ii) ensure that all Voting Unitholders receive adequate notice of the Trustee nominations and sufficient information with respect to all nominees; and (iii) allow Voting Unitholders to register an informed vote. Except as otherwise provided below with respect to Loblaw, only persons who are nominated by Voting Unitholders in accordance with the Advance Notice Provision will be eligible for election as Trustees. Nominations of persons for election to the Board may be made for any annual meeting of Voting Unitholders, or for any special meeting of Voting Unitholders if one of the purposes for which the special meeting was called was the election of Trustees: (a) by or at the direction of the Trustees, including pursuant to a notice of meeting; (b) by or at the direction or request of one or more Voting Unitholders pursuant to a requisition of the Voting Unitholders made in accordance with the Declaration of Trust; or (c)

by any person (a "Nominating Unitholder"): (A) who, at the close of business on the date of the giving of the notice provided for below and on the record date for notice of such meeting, is entered in the Trust's register as a holder of one or more Voting Units carrying the right to vote at such meeting or who beneficially owns Voting Units that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth in the Advance Notice Provision.

In addition to any other applicable requirements, for a nomination to be made by a Nominating Unitholder, the Nominating Unitholder must have given timely notice thereof in proper written form to the Trustees. To be timely, a Nominating Unitholder's notice to the Trustees must be made: (a) in the case of an annual meeting of Voting Unitholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of Voting Unitholders; provided, however, that in the event that the annual meeting of Voting Unitholders is to be held on a date that is less than 50 days after the date (the "Notice Date") that is the earlier of the date that a notice of meeting is filed for such meeting or the date on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Unitholder may be made not later than the close of business on the 10th day following the Notice Date; and (b) in the case of a special meeting (which is not also an annual meeting) of Voting Unitholders called for the purpose of electing Trustees (whether or not called for other purposes), not later than the close of business on the 15th day following the day that is the earlier of the date that a notice of meeting is filed for such meeting or the date on which the first public announcement of the date of the special meeting of Voting Unitholders was made. In no event shall any adjournment or postponement of a meeting of Voting Unitholders or the announcement thereof commence a new time period for the giving of a Nominating Unitholder's notice as described above.

To be in proper written form, a Nominating Unitholder's notice to the Trustees must set forth: (a) as to each person whom the Nominating Unitholder proposes to nominate for election as a Trustee: (A) the name, age, business address and residential address of the person; (B) the principal occupation or employment of the person; (C) the class or series and number of Units or Special Voting Units which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of Voting Unitholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and (D) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of Trustees pursuant to applicable securities laws; and (b) as to the Nominating Unitholder giving the notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Unitholder has a right to vote any Voting Units and any other information relating to such Nominating Unitholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of Trustees pursuant to applicable securities laws. The Trust may require any proposed nominee to furnish such other information as may reasonably be required by the Trust to determine the eligibility of such proposed nominee to serve as an Independent Trustee or that could be material to a reasonable Voting Unitholder's understanding of the independence, or lack thereof, of such proposed nominee.

The chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

Notwithstanding the foregoing, the Trustees may, in their sole discretion, waive any requirement in the Advance Notice Provision.

The Declaration of Trust also provides Loblaw, in the event that its effective interest in the Trust on a fully-diluted basis is less than 50%, with the exclusive right to nominate a number of Trustees, proportionate to Loblaw's ownership interest in the Trust (on a fully-diluted basis), whether held directly or indirectly, rounded down to the nearest whole number, for election by Voting Unitholders; provided that, so long as Loblaw owns at least a 10% effective ownership interest in the Trust (on a fully-diluted basis), whether held directly or indirectly, Loblaw shall have the right to nominate not less than one Trustee.

Provided that Loblaw owns at least a 10% effective interest in the Trust (on a fully-diluted basis), any amendment to the Declaration of Trust that affects the right of Loblaw to nominate certain Trustees will require the prior written approval of Loblaw.

Redemption Right

A Unitholder may at any time demand redemption of some or all of its Units by delivering to the Trust a duly completed and properly executed notice requiring redemption in a form satisfactory to the Trustees, together with written instructions as to the number of Units to be redeemed. Upon receipt of the redemption notice by the Trust, all rights to and under the Units tendered for redemption shall be surrendered and the holder thereof will be entitled to receive a price per Unit (the "Redemption Price") equal to the lesser of:

- (a) 90% of the Market Price of a Unit calculated as of the date on which the Units were surrendered for redemption (the "Redemption Date"); and
- (b) 100% of the Closing Market Price on the Redemption Date.

For purposes of this calculation, the market price of a Unit as at a specified date (the "Market Price") will be:

- (a) an amount equal to the weighted average trading price of a Unit on the principal exchange or market on which the Units are listed or quoted for trading during the period of 10 consecutive trading days ending on such date;
- (b) an amount equal to the weighted average of the Closing Market Prices of a Unit on the principal exchange or market on which the Units are listed or quoted for trading during the period of 10 consecutive trading days ending on such date, if the applicable exchange or market does not provide information necessary to compute a weighted average trading price; or
- (c) if there was trading on the applicable exchange or market for fewer than five of the 10 trading days, an amount equal to the simple average of the following prices established for each of the 10 consecutive trading days ending on such date; the simple average of the last bid and last asking price of the Units for each day on which there was no trading; the closing price of the Units for each day that there was trading if the exchange or market provides a closing price; and the simple average of the highest and lowest prices of the Units for each day that there was trading, if the market provides only the highest and lowest prices of Units traded on a particular day.

The closing market price of a Unit for the purpose of the foregoing calculations (the "Closing Market Price"), as at any date, will be:

- (a) an amount equal to the weighted average trading price of a Unit on the principal exchange or market on which the Units are listed or quoted for trading on the specified date if the principal exchange or market provides information necessary to compute a weighted average trading price of the Units on the specified date;
- (b) an amount equal to the closing price of a Unit on the principal market or exchange on the specified date if there was a trade on the specified date and the principal exchange or market provides only a closing price of the Units on the specified date;
- (c) an amount equal to the simple average of the highest and lowest prices of the Units on the principal market or exchange, if there was trading on the specified date and the principal exchange or market provides only the highest and lowest trading prices of the Units on the specified date; or
- (d) the simple average of the last bid and last asking prices of the Units on the principal market or exchange, if there was no trading on the specified date.

If Units are not listed or quoted for trading in a public market, the Redemption Price will be the fair market value of the Units, which will be determined by the Trustees in their sole discretion. The aggregate Redemption Price payable by the Trust in respect of any Units surrendered for redemption during any calendar month will be satisfied by way of a cash payment in Canadian dollars on or before the last day of the calendar month immediately following the month in which the Units were tendered for redemption, provided that the entitlement of Unitholders to receive cash upon the redemption of their Units is subject to the limitations that: (i) the total amount payable by the Trust in respect of such Units and all other Units tendered for redemption in the same calendar month must not exceed \$50,000 (the "Monthly Limit") (provided that such limitation may be waived at the discretion of the Trustees in respect of all Units tendered for redemption in such calendar month); (ii) at the time such Units are tendered for redemption, the outstanding Units must be listed for trading on the TSX or traded or quoted on any other stock exchange or market which the Trustees consider, in their sole discretion, provides representative fair market value prices for the Units; and (iii) the normal trading of Units is not suspended or halted on any stock exchange on which the Units are listed (or, if not listed on a stock exchange, in any market where the Units are quoted for trading) on the Redemption Date or for more than five trading days during the 10-day trading period commencing immediately after the Redemption Date.

To the extent a Unitholder is not entitled to receive cash upon the redemption of Units as a result of the Monthly Limit, then the portion of the Redemption Price per Unit equal to the Monthly Limit divided by the number of Units tendered for redemption in the month shall be paid and satisfied by way of a cash payment in Canadian dollars and the remainder of the Redemption Price per Unit shall be paid and satisfied by way of a distribution in specie to such Unitholder of Subsidiary Notes having a fair market value equal to the product of (i) the remainder of the Redemption Price per Unit of the Units tendered for redemption and (ii) the number of Units tendered by such Unitholder for redemption. To the extent a Unitholder is not entitled to receive cash upon the redemption of Units as a result of the limitations described at (ii) or (iii) of the foregoing paragraph, then the Redemption Price per Unit shall be paid and satisfied by way of a distribution in specie of Subsidiary Notes having a fair market value determined by the Trustees equal to the product of (i) the Redemption Price per Unit of the Units tendered for redemption and (ii) the number of Units tendered by such Unitholder for redemption. No Subsidiary Notes in integral multiples of less than \$100 will be distributed and, where Subsidiary Notes to be received by a Unitholder includes a multiple less than that number, the number of Subsidiary Notes shall be rounded to the next lowest integral multiple of \$100 and the balance shall be paid in cash. The Redemption Price payable as described in this paragraph in respect of Units tendered for redemption during any month shall be paid by the transfer to or to the order of the Unitholder who exercised the right of redemption, of the Subsidiary Notes, if any, and the cash payment, if any, on or before the last day of the calendar month immediately following the month in which the Units were tendered for redemption. Payments by the Trust as described in this paragraph are conclusively deemed to have been made upon the mailing of certificates representing the Subsidiary Notes, if any, and a cheque, if any, by registered mail in a postage prepaid envelope addressed to the former Unitholder and/or any party having a security interest and, upon such payment, the Trust shall be discharged from all liability to such former Unitholder and any party having a security interest in respect of the Units so redeemed. The Trust shall be entitled to all accrued interest, paid or unpaid on the Subsidiary Notes, if any, on or before the date of distribution in specie as described in the foregoing paragraph. Any issuance of Subsidiary Notes will be subject to receipt of all necessary regulatory approvals, which the Trust shall use reasonable commercial efforts to obtain forthwith.

It is anticipated that the redemption right described above will not be the primary mechanism for Unitholders to dispose of their Units. Subsidiary Notes which may be distributed to Unitholders in connection with a redemption will not be listed on any exchange, no market is expected to develop in Subsidiary Notes and such securities may be subject to an indefinite "hold period" or other resale restrictions under applicable securities laws. Subsidiary Notes so distributed may not be qualified investments for Registered Plans, depending upon the circumstances at the time.

Trustees

The Declaration of Trust provides that the Trust may have a minimum of five and a maximum of twelve Trustees, the majority of who must be resident Canadians. The number of Trustees may be increased or

decreased within such limits from time to time by the Voting Unitholders by ordinary resolution or by the Trustees, provided that the Trustees may not, between meetings of the Voting Unitholders, appoint an additional Trustee if, after such appointment, the total number of Trustees would be greater than one and one-third times the number of Trustees in office immediately following the previous annual meeting of Voting Unitholders. A vacancy occurring among the Trustees may be filled by resolution of the remaining Trustees or by the Voting Unitholders at a meeting of the Voting Unitholders. If at any time a majority of Trustees are Non-Residents because of the death, resignation, adjudicated incompetence, removal or change in circumstances of any Trustee who was a resident Canadian, the remaining Trustees, whether or not they constitute a quorum, will appoint a sufficient number of resident Canadian Trustees to comply with the requirement that a majority of Trustees will be at all times resident Canadians.

In addition, a majority of the Trustees must at all times be Independent Trustees. If at any time a majority of Trustees are not Independent Trustees because of the death, resignation, bankruptcy, adjudicated incompetence, removal or change in circumstance of any Trustee who was an Independent Trustee, this requirement will not be applicable for a period of 60 days after such occurrence, during which time the remaining Trustees shall appoint a sufficient number of Independent Trustees to comply with this requirement.

The Declaration of Trust provides that, subject to its terms and conditions, the Trustees have, without further authorization and free from any control or direction on the part of the Voting Unitholders, full, absolute and exclusive power, control and authority over the assets and affairs of the Trust to the same extent as if the Trustees were the sole and absolute beneficial owners of the assets of the Trust, to do all acts and things as in their sole and absolute judgment and discretion are necessary or incidental to, or desirable for, carrying out any of the purposes or conducting the affairs of the Trust. All meetings of the Trustees (and any committees) shall take place in Canada. Trustees are appointed at each annual meeting of Voting Unitholders to hold office for a term expiring at the close of the next annual meeting and are eligible for re-election. The Declaration of Trust provides that a Trustee may resign at any time upon written notice to the Lead Trustee or, if there is no Lead Trustee, to the chair or, if there is no chair, to the President of the Trust or, if there is no President, to the Unitholders. A Trustee may be removed at any time with or without cause by an ordinary resolution of the Voting Unitholders at a meeting of Voting Unitholders or by the written consent of Voting Unitholders holding in the aggregate not less than a majority of the outstanding Voting Units or with cause by a resolution passed by at least two-thirds of the other Trustees.

The Declaration of Trust provides that the Trustees will act honestly and in good faith with a view to the best interests of the Trust and its Voting Unitholders and, in connection with that duty, will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Committees

The Declaration of Trust requires that the Trustees appoint a Governance, Compensation and Nominating Committee and an Audit Committee. In addition, the Trustees may create such additional committees as they, in their discretion, determine to be necessary or desirable for the purposes of properly governing the affairs of the Trust.

Conflicts of Interest

The Declaration of Trust contains provisions, similar to those contained in the CBCA, that require each Trustee to disclose to the Trust any interest in a material contract or transaction or proposed material contract or transaction with the Trust (including a contract or transaction involving the making or disposition of any investment in real property or a joint venture agreement) or the fact that such person is a director or officer of, or otherwise has a material interest in, any person who is a party to a material contract or transaction or proposed material contract or transaction with the Trust. Such disclosure is required to be made at the first meeting at which a proposed contract or transaction is considered. In any case, a Trustee who has made disclosure to the foregoing effect is not entitled to vote on any resolution to approve the contract or transaction unless the contract or transaction is one relating to: (i) his or her direct remuneration

as a Trustee, officer, employee or agent of the Trust; or (ii) indemnity of himself or herself as a Trustee or the purchase or maintenance of liability insurance.

All decisions of the Board require the approval of a majority of the Trustees, except for the following matters which also require the approval of a majority of the Independent Trustees who are disinterested Independent Trustees in accordance with the Declaration of Trust:

- (a) an acquisition of a property or an investment in a property, whether by co-investment or otherwise, or the provision of any financing, development or leasing services in respect of a property under the terms of the Strategic Alliance Agreement or otherwise in which Loblaw or an Affiliate of Loblaw or any Related Party of the Trust has any direct or indirect interest, whether as owner, operator, tenant or manager;
- (b) a material change to any agreement with Loblaw or an Affiliate of Loblaw or a Related Party of the Trust or any approval, consent, waiver or other decision of Trustees thereunder, or any renewal, extension or termination thereof or any increase in any fees (including any transaction fees) or distributions payable thereunder;
- (c) the entering into of, or the waiver, exercise or enforcement of any rights or remedies under, any agreement entered into by the Trust, or the making, directly or indirectly, of any co-investment, in each case, with (i) any Trustee, (ii) any entity directly or indirectly controlled by any Trustee in which any Trustee holds a significant interest, or (iii) any entity for which any Trustee acts as a director or in other similar capacity;
- (d) the refinancing, increase or renewal of any indebtedness owed by or to (i) any Trustee, (ii) any entity directly or indirectly controlled by any Trustee or in which any Trustee holds a significant interest, or (iii) any entity for which any Trustee acts as a director or in other similar capacity; or
- (e) decisions relating to any claims by or against one or more parties to any agreement with Loblaw or an Affiliate of Loblaw or any Related Party of the Trust.

As the Chair of the Board is not an Independent Trustee, an Independent Trustee has been appointed as "Lead Trustee" in order to ensure appropriate leadership for the Independent Trustees. The Lead Trustee (i) ensures that appropriate structures and procedures are in place so that the Board may function independently of management of the Trust; and (ii) leads the process by which the Independent Trustees seek to ensure that the Board represents and protects the interests of all unitholders. The Lead Trustee also is the chair of the Governance, Compensation and Nominating Committee.

Meetings of Voting Unitholders

The Declaration of Trust provides that meetings of Voting Unitholders be called and held annually for the election of Trustees and the appointment of auditors for the ensuing year, the presentation of the consolidated financial statements of the Trust for the immediately preceding fiscal year, and the transaction of such other business as the Trustees may determine or as may be properly brought before the meeting.

A meeting of Voting Unitholders may be convened by the Trustees at any time and for any purpose and must be convened, except in certain circumstances, if requisitioned by the holders of not less than 5% of the Voting Units then outstanding by a written requisition. A requisition must state in reasonable detail the business proposed to be transacted at the meeting.

Voting Unitholders may attend and vote at all meetings of Voting Unitholders either in person or by proxy and a proxyholder need not be a Voting Unitholder. Two or more persons present in person or represented by proxy and representing in total at least 10% of the votes attached to all outstanding units constitute a quorum for the transaction of business at all meetings.

The Declaration of Trust contains provisions as to the notice required and other procedures with respect to the calling and holding of meetings of Voting Unitholders.

Amendments to the Declaration of Trust and Other Extraordinary Matters

The Declaration of Trust, except where specifically provided otherwise, may be amended only with the approval of a majority of the votes cast by the Voting Unitholders at a meeting called for that purpose or the written approval of the Voting Unitholders holding a majority of the outstanding Voting Units. Notwithstanding the foregoing, certain amendments and certain extraordinary matters require the approval of at least two-thirds of the votes cast by the Voting Unitholders at a meeting of Voting Unitholders called for that purpose or the written approval of Voting Unitholders holding more than two-thirds of the outstanding Voting Units, including:

- i. any amendments to the amendment provisions of the Declaration of Trust;
- ii. an exchange, reclassification or cancellation of all or part of the Units or Special Voting Units;
- iii. the change or removal of the rights, privileges, restrictions or conditions attached to the Units or Special Voting Units, including, without limitation,
 - the removal or change of rights to distributions;
 - the removal of or change to conversion privileges, redemption privileges, options, voting, transfer or pre-emptive rights; or
 - the reduction or removal of a distribution preference or liquidation preference;
- iv. the creation of new rights or privileges attaching to certain Units or Special Voting Units;
- v. any change to the existing constraints on the issue, transfer or ownership of the Units or Special Voting Units, except as provided in the Declaration of Trust;
- vi. the sale of the Trust's property as an entirety or substantially as an entirety (other than as part of an internal reorganization approved by the Trustees);
- vii. the combination, amalgamation or arrangement of the Trust or any of its Subsidiaries with any other entity that is not the Trust or a Subsidiary of the Trust (other than as part of an internal reorganization as approved by the Trustees);
- viii. a material change to the Limited Partnership Agreement; and
- ix. certain amendments to the investment guidelines and operating policies of the Trust.

A majority of the Trustees may, however, without the approval of the Voting Unitholders, make certain amendments to the Declaration of Trust, including amendments for the purpose of:

- i. ensuring continuing compliance with applicable laws, regulations, requirements or policies of any governmental authority having jurisdiction over the Trustees, the Trust or the distribution of the Units or Special Voting Units;
- ii. providing additional protection or added benefits which are, in the opinion of the Trustees, necessary to maintain the rights of the Voting Unitholders set out in the Declaration of Trust;

- iii. removing any conflicts or inconsistencies in the Declaration of Trust or making corrections which are, in the opinion of the Trustees, necessary or desirable and not prejudicial to the Voting Unitholders;
- iv. making amendments of a minor or clerical nature or to correct typographical mistakes, ambiguities or manifest errors, which amendments are, in the opinion of the Trustees, necessary or desirable and not prejudicial to the Voting Unitholders;
- v. making amendments which are, in the opinion of the Trustees, necessary or desirable as a result of changes in taxation or other laws or accounting standards from time to time which may affect the Trust or the Voting Unitholders to ensure the Units qualify as equity for purposes of GAAP;
- vi. making amendments which, in the opinion of the Trustees are necessary or desirable to enable the Trust to implement a Unit option or purchase plan, the DRIP, or to issue Units for which the purchase price is payable in installments;
- vii. creating and issuing one or more new classes of Preferred Units that rank in priority to the Units (in respect of payment of distributions and in connection with any termination or winding-up of the Trust);
- viii. that are deemed necessary or advisable to ensure that the Trust has not been established nor maintained primarily for the benefit of persons who are not resident Canadians; or
- ix. for any purpose which, in the opinion of the Trustees, is not prejudicial to Voting Unitholders and is necessary or desirable.

In no event will the Trustees amend the Declaration of Trust if such amendment would amend Voting Unitholders' voting rights, cause the Trust to fail to qualify as a "mutual fund trust", "real estate investment trust" or "unit trust" under the Tax Act or cause the Trust or a Subsidiary of the Trust to be subject to tax under paragraph 122(1)(b), subsection 197(2) or Part XII.2 of the Tax Act.

Take-Over Bids

The Declaration of Trust contains provisions to the effect that if a take-over bid is made for Units and not less than 90% of the Units (including Units issuable on the exchange of any exchangeable securities, including Class B LP Units, but excluding Units held at the date of the take-over bid by or on behalf of the offeror or associates or Affiliates of the offeror or those acting jointly or in concert with them) are taken up and paid for by the offeror, the offeror will be entitled to acquire the Units held by holders who did not accept the take-over bid on the terms on which the offeror acquired Units from holders who accepted the take-over bid.

Information and Reports

Prior to each meeting of Voting Unitholders, the Trustees will make available to the Voting Unitholders (along with notice of the meeting) information similar to that required to be provided to shareholders of a corporation governed by the CBCA and as required by applicable securities laws and stock exchange requirements.

Rights of Unitholders

The rights of the Unitholders and the attributes of the Units are established and governed by the Declaration of Trust. Although the Declaration of Trust confers upon a Unitholder many of the same protections, rights and remedies as an investor would have as a shareholder of a corporation governed by the CBCA, significant differences exist, some of which are described below.

Many of the provisions of the CBCA respecting the governance and management of a corporation are incorporated in the Declaration of Trust. For example, Unitholders are entitled to exercise voting rights in respect of their holdings of Units in a manner comparable to shareholders of a CBCA corporation and to elect Trustees and the auditors of the Trust. The Declaration of Trust also includes provisions modeled after comparable provisions of the CBCA dealing with the calling and holding of meetings of Voting Unitholders and Trustees, the procedures at such meetings and the right of the Voting Unitholders to participate in the decision making process where certain fundamental actions are proposed to be undertaken. The matters in respect of which approval by the Voting Unitholders is required under the Declaration of Trust are generally less extensive than the rights conferred on the shareholders of a CBCA corporation, but effectively extend to certain fundamental actions that may be undertaken by the Subsidiaries of the Trust. These approval rights are supplemented by provisions of applicable securities laws that are generally applicable to issuers (whether corporations, trusts or other entities) that are “reporting issuers” or the equivalent or are listed on the TSX.

Unitholders do not have recourse to a dissent right under which shareholders of a CBCA corporation are entitled to receive the fair value of their shares where certain fundamental changes affecting the corporation are undertaken (such as an amalgamation, a continuance under the laws of another jurisdiction, the sale of all or substantially all of its property, a going private transaction or the addition, change or removal of provisions restricting: (a) the business or businesses that the corporation can carry on; or (b) the issue, transfer or ownership of shares). Unitholders similarly do not have recourse to the statutory oppression remedy that is available to shareholders of a CBCA corporation where the corporation undertakes actions that are oppressive, unfairly prejudicial or which disregard the interests of securityholders and certain other parties. Shareholders of a CBCA corporation may also apply to a court for the appointment of an inspector to investigate the manner in which the business of the corporation and its affiliates is being carried on where there is reason to believe that fraudulent, dishonest or oppressive conduct has occurred. The Declaration of Trust does not include a comparable right. The CBCA also permits shareholders to bring or intervene in derivative actions in the name of a corporation or any of its subsidiaries, with the leave of a court. The Declaration of Trust does not include a comparable right.

Non-Certificated Inventory System

Other than pursuant to certain exceptions, registration of interests in and transfers of Units held through CDS, or its nominee, are made electronically through the NCI system of CDS. The Trust, via its transfer agent, electronically delivers the Units registered to CDS or its nominee. Units held in CDS must be purchased, transferred and surrendered for redemption through a CDS participant, which includes securities brokers and dealers, banks and trust companies. All rights of Unitholders who hold Units in CDS must be exercised through, and all payments or other property to which such Unitholders are entitled are made or delivered by, CDS, or the CDS participant through which the Unitholder holds such Units. A Unitholder participating in the NCI system will not be entitled to a certificate or other instrument from the Trust or the Trust’s transfer agent evidencing that person’s interest in or ownership of Units, nor, to the extent applicable, will such Unitholder be shown on the records maintained by CDS, except through an agent who is a CDS participant.

The ability of a beneficial Unitholder to pledge such Units or otherwise take action with respect to such Unitholder’s interest in such Units (other than through a CDS participant) may be limited due to the lack of a physical certificate.

IX. THE PARTNERSHIP AND DESCRIPTION OF PARTNERSHIP UNITS

The Partnership is a limited partnership formed under the laws of the Province of Ontario and is governed by the Limited Partnership Agreement. The Partnership owns, operates and leases real estate assets and property and engages in all activities ancillary and incidental thereto. The general partner of the Partnership is Choice Properties GP Inc., a corporation incorporated under the laws of the Province of Ontario that is wholly-owned by the Trust and the limited partners of the Partnership are the Trust (which owns all of the Class A LP Units of the Partnership) and Loblaw owns all of the Class B LP Units of the Partnership and the

Class C LP Units of the Partnership. The board of directors of the General Partner is made up of the same members as the Board of Trustees.

Partnership Units

The Partnership has outstanding Class A LP Units, all of which are held by the Trust, Class B LP Units, all of which are held by Loblaw, and Class C LP Units, all of which are held by Loblaw. The General Partner has a general partner interest in the Partnership. As of December 31, 2015, Class A LP Units represented approximately 18.1% of the limited partnership interest in the Partnership, the Class B LP Units represented approximately 63.4% of the limited partnership interest in the Partnership and the Class C LP Units represented approximately 18.5% of the limited partnership interest in the Partnership.

The Class B LP Units are, in all material respects, economically equivalent to the Units on a per Unit basis. The Class B LP Units are exchangeable on a one-for-one basis for Units at any time at the option of their holder, unless the exchange would jeopardize the Trust's status as a "mutual fund trust" or "real estate investment trust" under the Tax Act or cause or create significant risk that the Trust would be caused to be subject to tax under paragraph 122(1)(b) of the Tax Act and subject to satisfaction of conditions set out therein.

The Class C LP Units provide Loblaw with an equity interest in the Partnership that entitles Loblaw to a fixed cumulative monthly distribution in priority to distributions made to holders of the Class A LP Units, Class B LP Units and the GP Unit, subject to certain exceptions. The annual distribution rate on the Class C LP Units is 5%, distributed on a monthly basis.

So long as any of the Class C LP Units are outstanding, the Partnership will not at any time without, but may at any time with, the approval of the holders of a majority of the Class C LP Units of the Partnership: (i) pay any distribution on the Class A LP Units, the Class B LP Units or GP Units of the Partnership unless distributions payable on the Class C LP Units have been paid in full (subject to certain exceptions); (ii) offer to accept the withdrawal of the Class A LP Units or the Class B LP Units; or (iii) issue any additional Class C LP Units, other than to Loblaw, in each case, subject to certain limited exceptions.

The table below sets forth various periods during which a holder of Class C LP Units will be entitled to require the Partnership to redeem, at any time and from time to time, up to the specified number of the outstanding Class C LP Units in exchange for Class B LP Units upon at least 180 days' prior written notice to the Partnership. In such circumstances, the number of Class B LP Units to be issued on the applicable redemption date will be determined based on the 20-day volume-weighted average price of the Units on the stock exchange on which the Units are then listed calculated as of the end of the trading day prior to redemption. The value of each Class C LP Unit for such redemption purposes will be \$10.00. The Partnership, at its option, may also elect to settle any such redemption payment, in whole or in part, in cash.

Class C LP Unit Redemption Periods	Numbers of Class C LP Units Eligible for Redemption
From and after the day that is 14 years following the IPO Closing Date	30,000,000
From and after the day that is 15 years following the IPO Closing Date	30,000,000
From and after the day that is 16 years following the IPO Closing Date	32,500,000

For greater certainty, from and after the day that is 16 years following the IPO Closing Date, the holders of all of the Class C LP Units will be entitled to require the Partnership to redeem some or all of such Class C LP Units at any time in the manner described above.

In addition, the Partnership is required to make an offer to the holders of its Class C LP Units to redeem for cash all of the outstanding Class C LP Units within 30 days following a Change of Control of the Trust. In such circumstances, the cash redemption price will be an amount equal to the initial subscription price for the applicable Class C LP Units. Except as required by law or the Limited Partnership Agreement, and in certain specified circumstances in which the rights of holders of Class B LP Units or Class C LP Units are

particularly affected, the holders of Class B LP Units and Class C LP Units are not entitled to vote at any meeting of the holders of units of the Partnership.

Except as required by law or the Limited Partnership Agreement and in certain specified circumstances in which the rights of a holder of Class B LP Units or Class C LP Units are affected, holders of Class B LP Units and Class C LP Units are not entitled to vote at any meeting of the holders of units of the Partnership.

Operation

The business and affairs of the Partnership is managed and controlled by the General Partner which is bound by the investment guidelines and operating policies applicable to the Trust. The Limited Partners are not entitled to take part in the management or control of the business or affairs of the Partnership. Except as provided below, the Partnership reimburses the General Partner for all direct costs and expenses incurred by the General Partner in the performance of its duties as the general partner of the Partnership.

The composition of the General Partner's board of directors is identical to the Board of Trustees. The Partnership operates in a manner to ensure, to the greatest extent possible, the limited liability of the Limited Partners. The Limited Partners may lose their limited liability in certain circumstances. If the limited liability of any Limited Partner is lost by reason of the negligence of the General Partner in performing its duties and obligations under the Limited Partnership Agreement, the General Partner will indemnify the applicable Limited Partner against all claims arising from assertions that its liabilities are not limited as intended by the Limited Partnership Agreement. The General Partner has no significant assets or financial resources other than its de minimis distribution entitlements from the Partnership. Accordingly, this indemnity may only be of nominal value.

Distributions

The Partnership has, and will continue to distribute to the General Partner and to the holders of its Class A LP Units, Class B LP Units and Class C LP Units their respective portions of distributable cash as set out below.

Distributions will be made forthwith after the General Partner determines the distributable cash of the Partnership and determines the amount of all costs and expenses incurred by it in the performance of its duties under the Limited Partnership Agreement as general partner (the "Reimbursement Distribution Amount"), which determination shall be made no later than the 10th day of each calendar month.

Distributable cash will represent, in general, all of the Partnership's cash on hand that is derived from any source (other than amounts received in connection with the subscription for additional interests in the Partnership) and that is determined by the General Partner not to be required in connection with the business of the Partnership. The distributable cash of the Partnership will be distributed in the following order and priority: (a) the Reimbursement Distribution Amount to the General Partner; (b) an amount to the holder of Class A LP Units sufficient to allow the Trust to pay its expenses (including, without limitation, any fees or commissions payable to agents or underwriters in connection with the sale of securities by the Trust, listing fees of applicable stock exchanges and fees of the Trust's auditors) on a timely basis (the "Class A LP Preferred Distribution"); (c) an amount to the holders of Class C LP Units sufficient to satisfy the priority monthly distribution thereon (the "Class C LP Preferred Distribution"); (d) an amount to the General Partner equal to 0.001% of the balance of the distributable cash of the Partnership; and (e) an amount equal to the remaining balance of the distributable cash of the Partnership to the holders of Class A LP Units and Class B LP Units in accordance with their pro rata entitlements as holders of Class A LP Units and Class B LP Units. Holders of Class B LP Units will be entitled to receive distributions on each such unit equal to the amount of the distribution declared by the Trust on each Unit. The record date and, subject to the following paragraph, the payment date for any distribution declared on the Class B LP Units will be the same as those for the Units.

In lieu of receiving all or a portion (the "Selected Amount") of a distribution declared by the Partnership from time to time, the holders of Class A LP Units, Class B LP Units and Class C LP Units may elect to defer

receipt of the distribution of the Selected Amount until the first business day following the end of the fiscal year in which such distribution would otherwise have been made. In the event that such an election is made by a holder of Class A LP Units, Class B LP Units or Class C LP Units, such a holder will be loaned an amount from the Partnership, on the date of such election, equal to the Selected Amount. Each such loan will not bear interest and will be due and payable in full on the first business day following the end of the fiscal year during which the loan was made.

A holder of Class B LP Units has the right to elect to reinvest all distributions payable on its Class B LP Units on the same economic terms as participants in the DRIP. A holder of Class B LP Units may reinvest such distributions in Class B LP Units, Units or a combination thereof. If a holder of Class B LP Units elects to reinvest its distributions, such holder will receive a bonus distribution of 3% of the amount reinvested, which bonus distribution will be reinvested in the Class B LP Units or Units, as the case may be, that the holder elects to receive.

Allocation of Partnership Net Income

The net income of the Partnership, determined in accordance with the provisions of the Tax Act, is generally allocated at the end of each fiscal year in the following manner:

- (a) first, to the holder of Class A LP Units in an amount equal to its Class A LP Preferred Distribution;
- (b) second, to the holder of Class C LP Units in an amount equal to its Class C LP Preferred Distribution;
- (c) third, to the General Partner in an amount equal to the aggregate of (i) the Reimbursement Distribution Amount, and (ii) the distributions paid on the GP Unit; and
- (d) the balance, among the holders of Class A LP Units and Class B LP Units based on their proportionate share of distributions received or receivable for such fiscal year.

Transfer of LP Units

The transfer of Class A LP Units, Class B LP Units and Class C LP Units is subject to a number of restrictions, including: (i) the Class A LP Units, Class B LP Units and Class C LP Units may not be transferred to a transferee who is a Non-Resident; (ii) no fractional Class A LP Units, Class B LP Units or Class C LP Units will be transferable; (iii) no transfer of Class B LP Units or Class C LP Units will be accepted by the General Partner if such transfer would cause the Partnership to be liable for tax under subsection 197(2) of the Tax Act; and (iv) no transfer of Class A LP Units, Class B LP Units or Class C LP Units will be accepted by the General Partner unless a transfer form, duly completed and signed by the registered holder of such Class A LP Units, Class B LP Units or Class C LP Units, as applicable, has been remitted to the registrar and transfer agent of the Partnership. In addition, a transferee of Class A LP Units, Class B LP Units or Class C LP Units must provide to the General Partner such other instruments and documents as the General Partner may require, in appropriate form, completed and executed in a manner acceptable to the General Partner, acting reasonably. A transferee of a unit of the Partnership will not become a partner or be admitted to the Partnership and will not be subject to the obligations and entitled to the rights of a partner under the Limited Partnership Agreement until the foregoing conditions are satisfied and such transferee is recorded on the Partnership's register of partners.

In addition to the above restrictions, the Limited Partnership Agreement also provides that no holder of Class B LP Units is permitted to transfer such Class B LP Units, other than for Units in accordance with the terms of the Exchange Agreement or the Limited Partnership Agreement, unless: (i) the transfer is to an Affiliate of the holder; (ii) such transfer would not require the transferee to make an offer to Unitholders to acquire Units on the same terms and conditions under applicable securities laws if such Class B LP Units, and all other outstanding Class B LP Units, were converted into Units at the then-current exchange ratio in effect under the Exchange Agreement immediately prior to such transfer; or (iii) the offeror acquiring such Class B LP Units makes a contemporaneous identical offer for the Units (in terms of price, timing, proportion

of securities sought to be acquired and conditions) and acquires such Class B LP Units along with a proportionate number of Units actually tendered to such identical offer. Certain rights affecting the holder of the Class B LP Units are specific to Loblaw and are not transferable to a transferee of the Class B LP Units, other than an Affiliate of Loblaw.

In addition to the above restrictions, the Limited Partnership Agreement also provides that no holder of Class C LP Units is permitted to transfer such Class C LP Units without the consent of the board of directors of the General Partner, unless such transfer is to an Affiliate of the holder.

Amendments to the Limited Partnership Agreement

The Limited Partnership Agreement may be amended with the prior consent of the holders of at least 66 2/3% of the Class A LP Units voted on the amendment at a duly constituted meeting of holders of Class A LP Units or by a written resolution of partners holding at least 66 2/3% of the Class A LP Units entitled to vote at a duly constituted meeting of holders of Class A LP Units, except for certain amendments which require unanimous approval of holders of limited partnership units, including: (i) changing the liability of any limited partner; (ii) changing the right of a limited partner to vote at any meeting of holders of Class A LP Units; and (iii) changing the Partnership from a limited partnership to a general partnership. The General Partner may also make amendments to the Limited Partnership Agreement without the approval or consent of the Limited Partners to reflect, among other things: (i) a change in the name of the Partnership or the location of the principal place of business or registered office of the Partnership; (ii) the admission, substitution, withdrawal or removal of Limited Partners in accordance with the Limited Partnership Agreement; (iii) a change that, as determined by the General Partner, is reasonable and necessary or appropriate to qualify or continue the qualification of the Partnership as a limited partnership in which the Limited Partners have limited liability under applicable laws; (iv) a change that, as determined by the General Partner, is reasonable and necessary or appropriate to enable the Partnership to take advantage of, or not be detrimentally affected by, changes in the Tax Act or other taxation laws; or (v) a change to amend or add any provision, or to cure any ambiguity or to correct or supplement any provisions contained in the Limited Partnership Agreement which may be defective or inconsistent with any other provision contained in the Limited Partnership Agreement or which should be made to make the Limited Partnership Agreement consistent with the disclosure set out in the IPO Prospectus. Notwithstanding the foregoing: (i) no amendment which would adversely affect the rights and obligations of the General Partner, as a general partner, may be made without the consent of the General Partner; and (ii) no amendment which would adversely affect the rights and obligations of any other holders of limited partnership units or any class of limited partner differently than any other class of limited partner may be made without the consent of such holder or class, including with respect to amendments to the restrictions on transfer of Class B LP Units or Class C LP Units.

In addition, the Declaration of Trust provides that the Trust will not agree to or approve any material amendment to the Limited Partnership Agreement without the approval of at least 66 2/3% of the votes cast at a meeting of the Voting Unitholders of the Trust called for such purpose (or by written resolution in lieu thereof).

X. DESCRIPTION OF THE UNSECURED DEBENTURES

As at December 31, 2015, the Trust had issued and outstanding (i) \$400 million aggregate principal amount of Series A Debentures, (ii) \$200 million aggregate principal amount of Series B Debentures, (iii) \$250 million aggregate principal amount of Series C Debentures, (iv) \$200 million aggregate principal amount of Series D Debentures, (v) \$250 million aggregate principal amount of Series E Debentures, and (vi) \$200 million aggregate principal amount of Series F Debentures. The debentures were issued under the Indenture, as supplemented, between the Trust and the Indenture Trustee. The issuance of the Series A Debentures, Series B Debentures, Series C Debentures, Series D Debentures, Series E Debentures and Series F Debentures were made by way of the First, Second, Third, Fourth, Fifth and Sixth Supplemental Indentures, respectively.

As at December 31, 2015, the Partnership had issued (i) \$300 million aggregate principal amount of Series 5 Debentures, (ii) \$200 million aggregate principal amount of Series 6 Debentures, (iii) \$200 million aggregate principal amount of Series 7 Debentures, (iv) \$300 million aggregate principal amount of Series 8 Debentures, (v) \$200 million aggregate principal amount of Series 9 Debentures, and (vi) \$300 million aggregate principal amount of Series 10 Debentures. These debentures were issued under the Partnership Indenture, as supplemented, between the Partnership and the LP Indenture Trustee. The issuance of the Series 5, 6, 7, 8, 9 and 10 debentures were made by way of the First, Second, Third, Fourth, Fifth and Sixth Supplemental LP Indentures, respectively.

The following summary of the material terms of the Debentures does not purport to be complete. For full particulars of such terms, reference should be made to the Indenture and the Partnership Indenture and the relevant supplemental indentures.

General

The Series A Debentures were issued in \$1,000 denominations initially issued for a purchase price of \$1,000 for each \$1,000 principal amount of Series A Debentures, were dated July 5, 2013, bear interest at the rate of 3.554% per annum payable in equal semi-annual installments on January 5 and July 5 in each year, with the first payment of interest having become due on January 5, 2014, and mature on July 5, 2018. The Series B Debentures were issued in \$1,000 denominations initially issued for a purchase price of \$1,000 for each \$1,000 principal amount of Series B Debentures, were dated July 5, 2013, bear interest at the rate of 4.903% per annum payable in equal semi-annual installments on January 5 and July 5 in each year, with the first payment of interest having become due on January 5, 2014, and mature on July 5, 2023. The Series C Debentures were issued in \$1,000 denominations initially issued for a purchase price of \$1,000 for each \$1,000 principal amount of Series C Debentures, were dated February 6, 2014, bear interest at the rate of 3.498% per annum, payable in equal (except for the first interest payment) semi-annual installments on February 8 and August 8 in each year, with the first payment of interest having become due on August 8, 2014, and mature on February 8, 2021. The Series D Debentures were issued in \$1,000 denominations initially issued for a purchase price of \$1,000 for each \$1,000 principal amount of Series D Debentures, were dated February 6, 2014, bear interest at the rate of 4.293% per annum, payable in equal (except for the first interest payment) semi-annual installments on February 8 and August 8 in each year, with the first payment of interest having become due on August 8, 2014, and mature on February 8, 2024. The Series E Debentures were issued in \$1,000 denominations initially issued for a purchase price of \$1,000.01 for each \$1,000 principal amount of Series E Debentures, were dated February 5, 2015, bear interest at the rate of 2.297% per annum, payable in equal (except for the first interest payment) semi-annual installments on March 14 and September 14 in each year, with the first payment of interest having become due on March 14, 2015, and will mature on September 14, 2020. The Series F Debentures were issued in \$1,000 denominations initially issued for a purchase price of \$1,000 for each \$1,000 principal amount of Series F Debentures, were dated November 24, 2015, bear interest at the rate of 4.055% per annum, payable in equal semi-annual installments on May 24 and November 24 in each year, with the first payment of interest due on May 24, 2016, and will mature on November 24, 2025.

The following table sets out the Partnership Debentures, their Interest Rates, Payment and Maturity Dates.

Series	Denomination	Interest Rate	Payment Dates	Maturity Date
Series 5 Debentures	Per \$1,000	3.00%	Semi-annually April 20 & October 20	April 20, 2016
Series 6 Debentures	Per \$1,000	3.00%	Semi-annually April 20 & October 20	April 20, 2017
Series 7 Debentures	Per \$1,000	3.00%	Semi-annually March 20 & September 20	September 20, 2019
Series 8 Debentures	Per \$1,000	3.60%	Semi-annually April 20 and October 20	April 20, 2020
Series 9 Debentures	Per \$1,000	3.60%	Semi-annually March 20 & September 20	September 20, 2021
Series 10 Debentures	Per \$1,000	3.60%	Semi-annually March 20 & September 20	September 20, 2022

The aggregate principal amount of each series of debentures that may be issued under the applicable Supplemental LP Indenture is unlimited.

Rank

The Series A Debentures, the Series B Debentures, the Series C Debentures, the Series D Debentures, the Series E Debentures and the Series F Debentures are direct senior unsecured obligations of the Trust and rank equally and rateably with one another and with all other unsecured and unsubordinated Indebtedness of the Trust and Partnership (including the Partnership Debentures), except to the extent prescribed by law.

Guarantees

The Series A Debentures, the Series B Debentures, the Series C Debentures and the Series D Debentures are guaranteed by each of the General Partner and the Partnership and will be guaranteed by any other Person that becomes a Subsidiary of the Trust (other than a Nominee Subsidiary or an inactive Subsidiary). In the case of default by the Trust, the Indenture Trustee will, subject to the Indenture, be entitled to seek redress from the Guarantors for the guaranteed obligations in the same manner and upon the same terms that it may seek to enforce the obligations of the Trust. These Guarantees are intended to address issues related to structural subordination. A Guarantor may be released from its Guarantee in certain circumstances where it no longer remains a majority-owned Subsidiary of the Trust. A Guarantor that is not a resident of Canada (within the meaning of the Tax Act) may be released from its Guarantee in certain circumstances set out in the applicable guarantee.

The Series E Debentures and the Series F Debentures are guaranteed by each of the General Partner and the Partnership and will be guaranteed by any other Person that becomes a Wholly-Owned Subsidiary of the Trust (other than a Nominee Subsidiary or an inactive Subsidiary). In the case of default by the Trust, the Indenture Trustee will, subject to the Indenture, be entitled to seek redress from the Guarantors for the guaranteed obligations in the same manner and upon the same terms that it may seek to enforce the obligations of the Trust. A Guarantor may be released from its Guarantee if it ceases to be a Wholly-Owned Subsidiary of the Trust. A Guarantor that is not a resident of Canada (within the meaning of the Tax Act) may be released from its Guarantee in certain circumstances set out in the applicable guarantee.

The Partnership Debentures are guaranteed by any other Person that becomes a Subsidiary of the Partnership (other than a Nominee Subsidiary or an inactive Subsidiary). In the case of default by the Partnership, the LP Indenture Trustee will, subject to the Partnership Indenture, be entitled to seek redress from the guarantors for the guaranteed obligations in the same manner and upon the same terms that it may seek to enforce the obligations of the Partnership. These Guarantees are intended to address issues related to structural subordination. A Guarantor may be released from its Guarantee in certain

circumstances where it no longer remains a majority-owned Subsidiary of the Partnership. A Guarantor that is not a resident of Canada (within the meaning of the Tax Act) may be released from its Guarantee in certain circumstances set out in the applicable guarantee.

Redemption

At its option, and subject to the paragraph below, the Trust may redeem the Series A Debentures, the Series B Debentures, the Series C Debentures, the Series D Debentures, the Series E Debentures, and the Series F Debentures at any time, in whole or in part, on payment of a redemption price equal to the greater of (i) the applicable Canada Yield Price (as defined in the applicable Supplemental Indenture) and (ii) par, together in each case with accrued and unpaid interest to, but excluding, the date fixed for redemption. The Trust must give notice of redemption at least 30 days but not more than 60 days before the date fixed for redemption.

Where less than all of the Series A Debentures, Series B Debentures, Series C Debentures, Series D Debentures, Series E Debentures or Series F Debentures are to be redeemed pursuant to their terms, the applicable debentures to be so redeemed will be redeemed on a pro rata basis according to the principal amount of debentures registered in the respective name of each holder of debentures or in such other manner as the Indenture Trustee may consider equitable. In the event that the Trust elects to redeem the Series B Debentures, the Series D Debentures or the Series F Debentures in whole (but not in part) within three calendar months or less of such Series B Debentures', Series D Debentures' or Series F Debentures' applicable maturity date, the redemption price for the Series B Debentures, the Series D Debentures or the Series F Debentures to be redeemed by the Trust, as applicable, shall be par, together with accrued and unpaid interest, but excluding, to the date fixed for redemption (less any taxes required by law to be deducted or withheld).

At its option, and subject to the paragraph below, the Partnership may redeem the Series 5 Debentures, the Series 6 Debentures, the Series 7 Debentures, the Series 8 Debentures, the Series 9 Debentures and the Series 10 Debentures at any time, in whole or in part, on payment of a redemption price equal to the greater of (i) the applicable Canada Yield Price (as defined in the applicable Supplemental LP Indenture) and (ii) par, together in each case with accrued and unpaid interest to the date fixed for redemption. The Partnership must give notice of redemption at least 30 days but not more than 60 days before the date fixed for redemption.

Where less than all of the Series 5 Debentures, Series 6 Debentures, Series 7 Debentures, Series 8 Debentures, Series 9 Debentures or Series 10 Debentures are to be redeemed pursuant to their terms, the applicable debentures to be so redeemed will be redeemed on a pro rata basis according to the principal amount of debentures registered in the respective name of each holder of debentures or in such other manner as the Indenture Trustee may consider equitable. In the event that the Partnership elects to redeem the Partnership Debentures in whole (but not in part) within three calendar months or less of such applicable debenture maturity date, the redemption price for the Partnership Debentures to be redeemed by the Partnership, as applicable, shall be par, together with accrued and unpaid interest to the date fixed for redemption (less any taxes required by law to be deducted or withheld).

Purchase of Debentures

The Trust and the Partnership, as the case may be, may at any time and from time to time purchase debentures in the market (which will include purchases from or through an investment dealer or a firm holding membership on a recognized stock exchange) or by tender or private contract at any price.

Covenants

Each of the Supplemental Indentures and Supplemental LP Indentures contains covenants substantially to the following effect:

- Consolidated EBITDA to Debt Service Ratio - The Trust will maintain at all times a ratio of Consolidated

EBITDA to Debt Service of not less than 1.50:1.00.

- Restrictions on Additional Indebtedness - The Trust will not incur, or permit any Subsidiary to incur, any Indebtedness, other than Permitted Indebtedness, unless certain conditions are met.
- Maintenance of Unencumbered Aggregate Adjusted Assets - The Trust will maintain at all times a ratio of Unencumbered Aggregate Adjusted Assets (excluding construction assets and other non-income producing assets) to the aggregate principal amount of the Trust's outstanding Consolidated Unsecured Indebtedness (excluding Subordinated Indebtedness) of not less than 1.50:1.00.
- Restrictions on Consolidations and Mergers - Neither the Trust or the Partnership, as the case may be, nor any Guarantor may consolidate with, amalgamate or merge with or into or sell, assign, transfer or lease all or substantially all of its properties and assets unless certain conditions are met.

Depository Services

Except as otherwise provided below, the debentures are issued in "book-entry only" form and must be purchased or transferred through Participants in the depository service of CDS. Except as described below, no purchaser of a debenture will be entitled to a certificate or other instrument from the Trust, the Partnership or CDS evidencing that holder's ownership thereof, and no holder of debentures will be shown on the records maintained by CDS except through a book-entry account of a Participant acting on behalf of such holder of debentures. CDS will be responsible for establishing and maintaining book-entry accounts for its Participants having interests in the debentures.

The debentures will be issued in fully registered form to holders or their nominees other than CDS or its nominee if (i) the Trust or the Partnership, as the case may be, determines that CDS is no longer willing or able to discharge properly its responsibilities as depository and the Trust or the Partnership, as the case may be, is unable to locate a qualified successor, (ii) the Trust or the Partnership, as the case may be, at its option elects, or is required by law, to terminate the book-entry system through CDS, or (iii) after the occurrence of an Event of Default, holders of the applicable debentures representing beneficial interests aggregating over 50% of the outstanding principal amount of the applicable debentures determine that the continuation of the book-entry system is no longer in their best interests.

Transfers

Transfers of ownership in the debentures are effected only through records maintained by CDS or its nominee for such debentures with respect to interests of Participants and on the records of Participants with respect to interests of persons other than Participants. Holders of debentures who are not Participants, but who desire to purchase, sell or otherwise transfer ownership of or other interest in the debentures, may do so only through Participants. The ability of a holder of debentures to pledge a debenture or otherwise take action with respect to such holder's interest in the debenture (other than through a Participant) may be limited due to the lack of a physical certificate.

Payment of Interest and Principal

Except in the case of payment on maturity, in which case payment may be made on surrender of the Global Debenture, payments of interest and principal on each Global Debenture are made to CDS as registered holder of the Global Debenture. Interest payments on the Global Debenture may be made by cheque dated the date interest is payable and delivered to CDS two days before the date interest is payable. Payments of interest may also be made, at the option of the Trust or the Partnership, by electronic funds transfer to CDS on the date interest is payable. Principal payments on the Global Debenture may be made by cheque dated the maturity date and delivered to CDS at maturity against receipt of the Global Debenture. Payments of principal may also be made, at the option of the Trust or the Partnership, as the case may be, by electronic funds transfer to CDS on the maturity date. As long as CDS is the registered holder of the Global Debenture, CDS will be considered the sole owner of the Global Debenture for the purpose of receiving payment on the applicable debentures and for all other purposes under the Indenture and Partnership

Indenture and the applicable debentures.

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

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

Repurchase upon Change of Control Triggering Event

If a Change of Control Triggering Event occurs with respect to any series of debentures, unless the Trust or the Partnership, as the case may be, has exercised its optional right to redeem all of the debentures of that series as described under "– Redemption" above, the Trust or the Partnership, as the case may be, is required to make an offer to repurchase all or, at the option of the holder of that series of debentures, any part (equal to \$1,000 or an integral multiple thereof) of each holder's debentures of that series pursuant to the offer described below (the "Change of Control Offer") on the terms set forth in the applicable Supplemental Indenture. In the Change of Control Offer, the Trust or the Partnership, as the case may be, is required to offer payment in cash equal to 101% of the aggregate outstanding principal amount of debentures of that series to be repurchased together with accrued and unpaid interest on such debentures to, but excluding, to the date of repurchase.

Within 30 days following any Change of Control Triggering Event, the Trust or the Partnership, as the case may be, is required to give written notice to holders of the applicable series of debentures describing the transaction or transactions that constitute the Change of Control Triggering Event and offering to repurchase the debentures of the applicable series on the date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is given (the "Change of Control Payment Date"). The Trust or the Partnership, as the case may be, must comply with the requirements of applicable securities laws and regulations in connection with the repurchase of the debentures of the particular series as a result of a Change of Control Triggering Event. To the extent that the provisions of any such applicable securities laws and regulations conflict with the Change of Control provisions, the Trust or the Partnership, as the case may be, is required to comply with such laws and regulations and will not be deemed to have breached its obligations to repurchase such series of debentures by virtue of such conflict.

The Trust or the Partnership, as the case may be, is not required to make a Change of Control Offer upon a Change of Control Triggering Event if a third-party makes such an offer substantially in the manner, at the times and in compliance with the requirements for a Change of Control Offer (and for at least the same purchase price payable in cash) and such third-party purchases all debentures of such series properly tendered and not withdrawn under its offer.

Events of Default

The Indenture and the Partnership Indentures provide that each of the following events constitute an event of default (each, an "Event of Default") in respect of each series of the Debentures:

- (a) default by the Trust or the Partnership, as the case may be, in payment of principal when due;

- (b) default by the Trust or the Partnership, as the case may be, in payment of any interest when due where such default continues for a period of three business days after the relevant interest payment date;
- (c) a breach of or default in the performance of any covenant of the Trust or the Partnership, as the case may be, under the applicable series of Debentures or the applicable Indentures in connection with that series of Debentures where such default or breach continues for a period of 30 days after the Indenture Trustee or the LP Indenture Trustee, as the case may be, has given notice in writing to the Trust or the Partnership, as the case may be, specifying the nature of such breach or default, and requiring the Indenture Trustee or the Partnership, as the case may be, to remedy such breach or default unless the Indenture Trustee or the LP Indenture Trustee, as the case may be, (having regard to the subject matter of such breach or default) agrees to a longer period, and in such event within the period agreed to by the Indenture Trustee or the LP Indenture Trustee, as the case may be;
- (d) certain events of bankruptcy, insolvency, winding up or dissolution related to the Trust, the Partnership or a Material Subsidiary as set out in the Indenture or the LP Indenture Trustee, as the case may be;
- (e) the rendering of a final judgment (not subject to appeal) against the Trust, the Partnership or any Material Subsidiary in an aggregate amount in excess of \$25 million by a court of competent jurisdiction, which remains undischarged and unstayed for a period of 60 days after the date on which the right to appeal has expired; and
- (f) in respect of the Trust Debentures, default by the Trust, the Partnership or any Material Subsidiary, and in respect of the Partnership Debentures, default by the Partnership or the Trust, under the terms of any Indebtedness (other than any Non-Recourse Indebtedness) where that default results in the acceleration of that Indebtedness (after expiration of any applicable grace period) unless such acceleration is waived or rescinded; provided that the aggregate of all such Indebtedness which is accelerated exceeds \$25 million.

Subject to the provisions of the Indenture or LP Indenture relating to the duties of applicable indenture trustee, in case an Event of Default applicable to a series of debentures occurs and is continuing, the indenture trustee is under no obligation to exercise any of its rights or powers under the Indenture or the LP Indenture at the request or direction of any of the holders of debentures of such series, unless such holders have offered to indemnify the such trustee to its reasonable satisfaction.

If an Event of Default (other than an Event of Default described in paragraph (d) above) occurs and is continuing with respect to a particular series of debentures, the Indenture Trustee or the LP Indenture Trustee, as the case may be, may, in its discretion, or will, upon receiving instruction from the holders of at least 25% in aggregate principal amount of the outstanding debentures of such series, accelerate the maturity of all debentures of such series; provided that, notwithstanding any other provisions of the Indenture or the LP Indenture, after such acceleration, but before a judgment or decree based on acceleration, the holders of a majority in aggregate principal amount of outstanding debentures of that series may rescind and annul such acceleration in certain circumstances described in the Indenture or the LP Indenture. See “— Modification and Waiver” below. If an Event of Default specified in paragraph (d) above occurs, the outstanding debentures become immediately due and payable without any declaration or other act on the part of the Indenture Trustee or the LP Indenture Trustee, as the case may be, or any holder of debentures.

Modification and Waiver

The rights of the holders of debentures issued under the Indenture or the LP Indenture and the applicable supplemental indenture may be modified if authorized by extraordinary resolution. If the proposed modification affects the rights of the holders of a separate series of debentures issued under a supplemental indenture to the Indenture or the LP Indenture rather than all of the debt securities of the Trust

or the Partnership, as the case may be, the approval of a like proportion of the holders of such separate series of debt securities outstanding under such supplemental indenture is required. Notwithstanding the above, the approval of holders of 100% of the outstanding principal amount of debentures of any series is required (a) to change the stated maturity of the principal, the redemption price of, or any installment of interest on, any debentures of such series, (b) to reduce the principal amount of, or interest or premium (if any) on, any debentures of such series, (c) to change the place or currency of payment of the principal of, premium (if any) on redemption price of or interest on, any debentures of such series, or (d) to amend the percentage of debentures of such series necessary to approve an Extraordinary Resolution. The holders of a majority of the outstanding principal amount of the debentures of a series, on behalf of all holders of debentures of that series, may waive compliance by the Trust or the Partnership, as the case may be, with certain restrictive provisions of the Indenture or the LP Indenture relating to such series. Subject to certain rights of the indenture trustee as provided in the Indenture or the LP Indenture, the holders of a majority of the outstanding principal amount of the debentures of a series, on behalf of all holders of debentures of such series, may waive certain Events of Default under the Indenture or the LP Indenture with respect to such series of debentures.

XI. DEBT MATURITIES

The following table presents the maturity balances on the outstanding Debentures, in each case, to be paid over each of the next five calendar years and thereafter (assuming such debt is not renewed at maturity). The table is current as of February 17, 2016.

Year	Balance Due on Maturity (\$000's)	Total Debt Repayments (\$000's)	% of Total
2016	\$ 300,000	\$ 300,000	10.0%
2017	\$ 200,000	\$ 200,000	6.7%
2018	\$ 400,000	\$ 400,000	13.3%
2019	\$ 200,000	\$ 200,000	6.7%
2020	\$ 550,000	\$ 550,000	18.3%
Thereafter	\$ 1,350,000	\$ 1,350,000	45.0%
Total	\$ 3,000,000	\$ 3,000,000	100.0%

Weighted average coupon rate: 3.3%

Weighted average term to maturity: 4.6 years

XII. RATINGS

S&P and DBRS provide credit ratings of debt securities for commercial entities. A credit rating generally provides an indication of the risk that the borrower will not fulfill its full obligations in a timely manner with respect to both interest and principal commitments. Rating categories range from highest credit quality (generally "AAA") to default in payment (generally "D").

S&P has provided the Trust with a long term issuer credit rating of "BBB", with a "Stable" outlook. A credit rating of "BBB" is the fourth highest of 12 categories for long-term issuer credit ratings. An obligor rated "BBB" has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments. The addition of a rating outlook modifier, such as "Positive", "Negative", "Stable" or "Developing" assesses the potential direction of a long-term credit rating over the intermediate term (typically six months to two years). An outlook is not necessarily a precursor of a rating change.

S&P has also provided the Trust with a credit rating of "BBB" relating to the Debentures. A credit rating of "BBB" by S&P is the fourth highest of 11 categories for long-term issue credit ratings and indicated that the obligation exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation. A credit rating of "BBB-" or higher is an investment grade rating. The addition of a plus (+) or minus (-) designation after a rating indicates the relative standing within a particular

rating category.

DBRS has provided the Partnership with an issuer credit rating of “BBB”, with a “Stable” trend, and provided the Trust with a credit rating of “BBB”, with a “Stable” trend relating to its Debentures. A credit rating of “BBB” by DBRS is the fourth highest of 10 categories and is assigned to debt that is considered to be of adequate credit quality, where payment of financial obligations is considered acceptable but the issuing entity may be vulnerable to future events. The assignment of a “(high)” or “(low)” modifier within each rating category indicates relative standing within such category. The assignment of a “Positive”, “Stable” or “Negative” trend modifier provides guidance in respect of DBRS’ opinion regarding the outlook for the rating. The rating trend indicates the direction in which DBRS considers the rating may move if present circumstances continue, or in certain cases, unless challenges are addressed by the issuer.

There can be no assurance that a rating will remain in effect for any given period of time or that a rating will not be lowered, withdrawn or revised by either or both rating agencies if in its judgment circumstances so warrant. The rating of any debt securities is not a recommendation to buy, sell or hold such securities, inasmuch as such ratings do not comment as to market price or suitability for a particular investor.

The Trust and the Partnership have paid customary rating fees to DBRS and S&P in connection with the above-mentioned ratings and in connection with the ratings of the Partnership Debentures. Neither the Trust nor the Limited Partnership has made any payments to DBRS or S&P in respect of any other service provided to the Trust or the Partnership by DBRS or S&P.

Credit Rating (Canadian Standards)	DBRS Limited		Standard & Poor’s	
	Rating	Trend	Rating	Outlook
Issuer Rating	BBB	Stable	BBB	Stable
Senior Unsecured Debentures	BBB	Stable	BBB	N/A

XIII. MARKET FOR SECURITIES

Trading Price and Volume

The Units are listed for trading on the TSX under the symbol “CHP.UN”. The monthly high and low trading prices, the average daily volume and total volume by month for the Units for the period from January 1, 2015 to December 31, 2015, are as follows, as reported by the TSX:

Month	High (\$ per Unit)	Low (\$ per Unit)	Avg. Daily Volume by Month (in Units)	Total Volume by Month (in Units)
January	\$11.06	\$10.43	86,304	1,812,391
February	\$11.68	\$10.79	225,584	4,286,095
March	\$11.85	\$11.25	113,044	2,486,974
April	\$11.74	\$11.20	119,015	2,499,316
May	\$11.38	\$10.85	88,872	1,777,441
June	\$11.46	\$10.57	182,813	4,021,888
July	\$11.53	\$10.66	194,545	4,279,983
August	\$11.67	\$10.57	86,037	1,720,746
September	\$11.52	\$11.05	60,164	1,263,454
October	\$12.17	\$11.25	217,501	4,567,528
November	\$11.94	\$11.07	78,074	1,639,548
December	\$11.99	\$11.25	44,021	924,446

XIV. DISTRIBUTION POLICY

The following outlines the distribution policy of the Trust which has been adopted pursuant to the Declaration of Trust. Determinations as to the amounts distributable, however, have been and will continue to be made in the sole discretion of the Trustees from time to time.

Distribution Policy

The Trust has adopted a distribution policy, as permitted under the Declaration of Trust, pursuant to which it will make monthly cash distributions to Unitholders and, through the Partnership, holders of Class B LP Units. The declaration and payment of distributions on the Units and the amounts thereof are at the discretion of the Board. In approving the distributions, the Trustees take into account the Trust's financial performance, internal funding needs, capital requirements, available cash flows, future prospects of the Trust's business and other factors considered relevant from time to time. Over the long term, it is the Trust's intention to increase the amount of the distribution while retaining appropriate free cash flows to finance future growth. It is the Trust's current intention to make distributions to Unitholders at least equal to the amount of net income and net realized capital gains of the Trust as is necessary to ensure that the Trust will not be liable for ordinary income taxes on such income. The Trust, subject to the discretion of the Board, targets to make annual cash distributions to Unitholders initially equal to approximately 90% of its AFFO on an annual basis.

Unitholders of record as at the close of business on the last business day of the month preceding a Distribution Date will have an entitlement on and after that day to receive distributions in respect of that month on such Distribution Date. Distributions may be adjusted for amounts paid in prior periods if the actual AFFO for the prior periods is greater than or less than the estimates for the prior periods. Under the Declaration of Trust and pursuant to the distribution policy of the Trust, where the Trust's cash is insufficient to make payment of the full amount of a distribution, such payment will, to the extent necessary, be distributed in the form of additional Units. See "Declaration of Trust and Description of Units — Issuance of Units".

After IPO, in 2013, the Trust made annual distributions in the amount of \$0.318917 per Unit. In 2014, the Trust made annual distributions in the amount of \$0.650004 per Unit. In 2015, the Trust made annual distributions in the amount of \$0.650004 per Unit. The Trust has increased its monthly distribution from \$0.054167 per Unit to \$0.055833 per Unit, beginning with the distribution paid to Unitholders on February 16, 2016, and intends to continue to make monthly distributions in the estimated amount of \$0.055833 per Unit provided that the ability of the Trust to make cash distributions, and the actual amount distributed, will be entirely dependent on the operations and assets of the Trust and will be subject to various factors. See "Risk Factors".

The General Partner, on behalf of the Partnership, has made, and will continue to make monthly cash distributions to holders of Class A LP Units and holders of Class B LP Units by reference to the monthly cash distributions payable by the Trust to Unitholders. Distributions made on the Class B LP Units will be equal to the distributions that the holders of Class B LP Units would have received if they were holding Units instead of Class B LP Units. Distributions to holders of Class C LP Units and the General Partner will be made in priority to distributions to holders of Class A LP Units (subject to certain exceptions) and holders of Class B LP Units. See "The Partnership and Description of Partnership Units — Distributions" and "Risk Factors".

Distribution Reinvestment Plan

The Trust has implemented a DRIP pursuant to which eligible Unitholders of the Trust that elect to participate in the DRIP will have their cash distributions used to purchase Units and will also receive "bonus distributions" of Units equal in value to 3% of each distribution. The DRIP provides an efficient and cost-effective way for the Trust to issue additional equity to its existing Unitholders while offering Unitholders the opportunity to increase their ownership in the Trust on a regular basis without incurring any

commission or brokerage fees. Cash undistributed by the Trust upon the issuance of additional Units under the DRIP are invested in the Trust to be used for future property acquisitions, capital improvements and working capital.

Units issued under the DRIP will be issued directly from treasury at a price based on the volume-weighted average closing price for the five trading days immediately preceding the relevant distribution date. The Trust reserves the right to amend, suspend or terminate the DRIP at any time, but such actions will have no retroactive effect that would prejudice the interests of DRIP participants. All administrative costs associated with the operation of the DRIP will be paid by the Trust.

The Trust initially reserved for issuance with the TSX 4,075,000 additional Units to accommodate the purchase of Units under the DRIP. Persons who do not reside in Canada for purposes of the Tax Act are not permitted to participate in the DRIP.

XV. RISK FACTORS

OPERATING RISKS AND RISK MANAGEMENT

Enterprise Risks and Risk Management

Choice Properties is committed to maintaining a framework that ensures risk management is an integral part of its activities. To ensure the continued growth and success of the Trust, risks are identified and managed through the Trust's Enterprise Risk Management ("ERM") program.

ERM program

The ERM program assists all areas of the business in managing risks within appropriate levels of tolerance by bringing a systematic approach and methodology for evaluating, measuring and monitoring key risks. The results of the ERM program and other business planning processes are used to identify emerging risks to the Trust, prioritize risk mitigation activities and develop a risk-based internal audit plan.

Risks are not eliminated through the ERM program, but rather, are identified and managed in line with the Trust's risk appetite and within understood risk tolerances. The ERM program is designed to:

- facilitate effective corporate governance by providing a consolidated view of risks across the Trust;
- enable the Trust to focus on key risks that could impact its strategic objectives in order to reduce harm to financial performance through responsible risk management;
- ensure that the Trust's risk appetite and tolerances are defined and understood;
- promote a culture of awareness of risk management and compliance within Choice Properties;
- assist in developing consistent risk management methodologies and tools across the Trust including methodologies for the identification, assessment, measurement and monitoring of risks; and
- anticipate and provide early warnings of risks through key risk indicators.

Risk appetite and governance

The Board has approved an ERM policy and a risk appetite framework and oversees the ERM program, including a review of the Trust's risks and risk prioritization. The risk appetite framework articulates key aspects of the Trust, values, and brands and provides directional guidance on risk taking. Key risk indicators are used to monitor and report on risk performance and whether Choice Properties is operating within its risk appetite. Risk owners are assigned relevant risks by management and are responsible for managing risk and implementing risk mitigation strategies.

ERM framework

Risk identification and assessments are important elements of the Trust's ERM process and framework. An annual ERM assessment is completed to assist in the update and identification of internal and external risks. This assessment is carried out in parallel with strategic planning through interviews, surveys and facilitated workshops with management and Board to align stakeholder views. Risks are assessed and evaluated based on the Trust's vulnerability to the risk and the potential impact that the underlying risks would have on the Trust's ability to execute on its strategies and achieve its objectives.

Risk monitoring and reporting

At least semi-annually, management provides an update to the Board (or a Committee of the Board) on the status of the key risks based on significant changes from the prior update, anticipated impacts in future quarters and significant changes in key risk indicators. In addition, the long term (three year) risk level is assessed to monitor potential long term risk impacts, which may assist in risk mitigation planning activities.

Any of these risks has the potential to negatively affect the Trust and its financial performance. Choice Properties has risk management strategies in place for key risks. However, there can be no assurance that the risks will be mitigated or will not materialize or that events or circumstances will not occur that could adversely affect the reputation, operations or financial condition or performance of the Trust.

The following discussion of risks identifies significant factors that may adversely affect the Trust's business, operations and financial condition or future performance. This information should be read in conjunction with the MD&A and the Trust's consolidated financial statements and related notes. The following discussion of risks is not all inclusive but is designed to highlight the key risks inherent in the Trust's business:

Property Development, Redevelopment and Renovation Risks

Choice Properties engages in development, redevelopment and major renovation activities with respect to certain Properties. It is subject to certain risks, including: (a) the availability and pricing of financing on satisfactory terms or availability at all; (b) the availability and timely receipt of zoning and other regulatory approvals; (c) the ability to achieve an acceptable level of occupancy upon completion; (d) the potential that Choice Properties may fail to recover expenses already incurred if it abandons redevelopment opportunities after commencing to explore them; (e) the potential that Choice Properties may expend funds on and devote management time to projects which are not completed; (f) construction or redevelopment costs of a project, including certain fees payable to Loblaw under the Strategic Alliance Agreement, may exceed original estimates, possibly making the project less profitable than originally estimated, or unprofitable; (g) the time required to complete the construction or redevelopment of a project or to lease-up the completed project may be greater than originally anticipated, thereby adversely affecting Choice Properties' cash flows and liquidity; (h) the cost and timely completion of construction (including risks beyond Choice Properties' control, such as weather, labour conditions or material shortages); (i) contractor and subcontractor disputes, strikes, labour disputes or supply disruptions; (j) delays with respect to obtaining, or the inability to obtain, necessary zoning, occupancy, land use and other governmental permits, and changes in zoning and land use laws; (k) occupancy rates and rents of a completed project may not be sufficient to make the project profitable; (l) Choice Properties' ability to dispose of properties redeveloped with the intent to sell could be impacted by the ability of prospective buyers to obtain financing given the current state of the credit markets; and (m) the availability and pricing of financing to fund Choice Properties' development activities on favourable terms or availability at all.

The above risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent the initiation of redevelopment activities or the completion of redevelopment activities once undertaken. In addition, redevelopment projects entail risks that investments may not perform in accordance with expectations and can carry an increased risk of litigation (and its accompanying risks) with contractors, subcontractors, suppliers, partners and others. Any failure by Choice Properties to

effectively manage all development, redevelopment and renovation initiatives may negatively impact the reputation and financial performance of the Trust.

Information Integrity and Reliability

Management depends on relevant and reliable information for decision making purposes, including key performance indicators and financial reporting. A lack of relevant and reliable information that enables management to effectively manage the business could preclude the Trust from optimizing its overall performance. Any significant loss of data or failure to maintain reliable data could adversely affect the reputation, operations and financial performance of the Trust.

Strategic Execution and Capabilities

Choice Properties is a Trust which was formed on July 5, 2013, and as such has limited operating history. There is a risk that key operational capabilities, including resources, processes and technology, may not be adequately suited or developed for the needs of Choice Properties' current state or for its growth strategy. Furthermore, Choice Properties' growth strategy must be understood, and appropriately executed to deliver long term growth for the Trust. If Choice Properties is not successful in implementing operational capabilities required for current state and future growth, as well as executing on its growth strategy, the reputation and financial performance of the Trust may be negatively impacted.

IT Systems

Failure to adopt the new IT system or disruption during the post-implementation period could result in a lack of relevant and reliable information to enable management to effectively achieve its strategic plan or manage the day-to-day operations of the Trust. In addition, failure to implement appropriate processes and training to support the new IT system could result in inefficiencies and duplication in current processes. Any disruption or duplication of processes could have an adverse effect on the operations of Choice Properties and could negatively affect the reputation, operations and financial performance of Choice Properties.

Competition

Choice Properties will compete with other investors, managers and owners of properties in seeking tenants and for the purchase and development of desirable real estate properties. Competitors may have newer or better located properties, greater financial or other resources, or greater operating flexibility than Choice Properties. An increase in the availability of funds for investment or an increase in interest in real estate property investments may increase the competition for real estate property investments, thereby increasing purchase prices and reducing the yield on the investment. Increased competition to lease properties could adversely impact Choice Properties' ability to find suitable tenants at the appropriate rent and may negatively impact the financial performance of the Trust.

Vendor Management, Partnerships and Third-Party Service Providers

Choice Properties currently relies on third-party vendors, developers, co-owners and strategic partners to provide the Trust with various services or to complete projects. The lack of an effective process for developing joint venture arrangements or for contract tendering, drafting, review, approval and monitoring may pose a risk for the Trust. Contracts must be negotiated according to policy with terms, services levels and rates that are optimal for Choice Properties. In addition, co-owners or joint venture partners may fail to fund their share of capital, may not comply with the terms of any governing agreements or may incur reputational damage which could negatively impact the Trust. Inefficient, ineffective or incomplete vendor management / partnership strategies, policies and procedures could impact the Trust's reputation, operations and/or financial performance.

Employee Attraction, Development and Succession Planning

Choice Properties' continued growth is dependent on its ability to hire, retain and develop its leaders and other key personnel. Any failure to effectively attract talented and experienced employees and to establish adequate succession planning and retention strategies could result in a lack of requisite knowledge, skill and experience. This could erode the Trust's competitive position or result in increased costs, competition for or high turn-over of employees. Any of the foregoing could negatively affect the Trust's ability to operate its business and execute its strategies, which in turn, could adversely affect its reputation, operations or financial performance.

Current Economic Environment

Continued concerns about the uncertainty over whether the economy will be adversely affected by inflation, deflation or stagflation, and the systemic impact of unemployment, volatile energy costs, geopolitical issues and the availability and cost of credit have contributed to increased market volatility and weakened business and consumer confidence. This difficult operating environment could adversely affect Choice Properties' ability to generate revenues, thereby reducing its operating income and earnings. It could also have a material adverse effect on the ability of Choice Properties' operators to maintain occupancy rates in the Properties, which could harm Choice Properties' financial condition. If these economic conditions continue, Choice Properties' tenants may be unable to meet their rental payments and other obligations due to Choice Properties, which could have a material adverse effect on Choice Properties.

Property Valuation Process

Choice Properties conducts a valuation assessment on a quarterly basis. As property values fluctuate over time in response to market factors, or as underlying assumptions and inputs to the valuation model change, the fair value of the Trust's portfolio could change materially. Choice Properties is responsible for the reasonableness of the assumptions and for the accuracy of the inputs into the property valuations model. Errors in the inputs to the valuation model or inappropriate assumptions may result in an inaccurate valuation of the Properties. In addition to a market activity report that is tailored to Choice Properties' portfolio, management uses the market information obtained in external appraisals, across multiple firms, commissioned during the reporting period to assess whether changes to market-related assumptions are required for the balance of the portfolio. The Trust is responsible for monitoring the value of its portfolio going forward and evaluating the impact of any changes in property value over time. Any changes in the value of the Properties may impact Unitholder value.

A publicly traded real estate investment trust will not necessarily trade at values determined solely by reference to the underlying value of its real estate assets. Accordingly, the Units may trade at a premium or a discount to values implied by the above-mentioned valuations.

Capitalization Rate Risk

The fair market property valuation process is dependent on several inputs including the current market capitalization rate. Risks associated with the Trust's property valuation model include fluctuations in the current market capitalization rate which can significantly impact the value of the Trust's overall real estate portfolio. In addition, the Trust is subject to certain financial and non-financial covenants in the Trust Debentures and Credit Facility that include maintaining certain leverage ratios. Changes in the market capitalization rate could impact the Trust's property valuation which in turn could impact financial covenants.

Property Management

Certain significant expenditures, including property taxes, maintenance costs, debt service payments, insurance costs and related charges, must be made throughout the period of ownership of real property, regardless of whether the property is producing sufficient income to pay such expenses. In order to retain

desirable rentable space and to generate adequate revenue over the long-term, Choice Properties must maintain or, in some cases, improve each property's condition to meet market demand. Choice Properties completed the internalization of the property management function effective January 1, 2015. Property management services, including lease processing and facility repairs and maintenance must be executed in a timely and cost effective manner. Maintaining a rental property in accordance with market standards can entail significant costs, which Choice Properties may not be able to recover from its tenants. All of the Loblaw leases contain exclusions on certain operating costs and/or tax recoveries. In addition, property tax reassessments based on updated appraised values may occur, which Choice Properties may not be able to recover from its tenants. As a result, Choice Properties may bear the economic cost of such operating costs and/or taxes which may adversely impact financial condition and results of operations and decrease the amount of cash available for distribution to Unitholders. Numerous factors, including the age of the relevant building, the materials used at the time of construction or currently unknown building code violations could result in substantial unbudgeted costs for refurbishment or modernization. In addition, the timing and amount of capital expenditures may indirectly affect the amount of cash available for distribution to Unitholders. Distributions may be reduced, or even eliminated, at times when Choice Properties deems it necessary to make significant capital or other expenditures.

If the actual costs of maintaining or upgrading a property exceed Choice Properties' estimates, or if hidden defects are discovered during maintenance or upgrading which are not covered by insurance or contractual warranties, additional and unexpected costs will be incurred. If similar properties located in the vicinity of one of the Properties are substantially refurbished and the Property is not, the net operating income derived from, and the value of, such Property could be reduced. Any failure by Choice Properties to undertake appropriate maintenance and refurbishment work in response to the factors described above could adversely affect the rental income that is earned from such properties. Any such event could have a material adverse effect on Choice Properties' cash flows, financial condition or results of operations and its ability to make distributions to Unitholders.

Security of Information Technology

Choice Properties requires segregation and protection of company information, including security over tenant lease details, colleague information, financial records and operational data. Any failure in data security or any system vulnerability (internal or external) could result in harm to the reputation or competitive position of the Trust.

Business Continuity and Disaster Recovery

Choice Properties' ability to continue critical operations and processes could be negatively impacted by a weather disaster, development site work stoppage, prolonged IT failure, terrorist activity, power failures or other national or international catastrophes. Ineffective contingency planning, business interruptions, crises or potential disasters could adversely affect the reputation, operations and financial performance of the Trust.

Workplace Health and Safety

Choice Properties is subject to various occupational health and safety laws and regulations. Any failure by the Trust to adhere to appropriate and established workplace health and safety procedures and to ensure compliance with applicable laws and regulations could have an adverse effect on the operations and reputation of the Trust.

Environmental Matters

As an owner of real property in Canada, Choice Properties is subject to various federal, provincial, territorial and municipal laws relating to environmental matters. Such laws provide that Choice Properties could be, or become, liable for environmental harm, damage or costs, including with respect to the release of hazardous, toxic or other regulated substances into the environment, and the removal or other remediation of hazardous, toxic or other regulated substances that may be present at or under its properties. Further,

liability may be incurred by Choice Properties with respect to the release of such substances from or to the Properties. These laws often impose liability regardless of whether the property owner knew of, or was responsible for, the presence of such substances. Additional liability may be incurred by Choice Properties with respect to the release of such substances from the Properties to properties owned by third-parties, including properties adjacent to the Properties or with respect to the exposure of persons to such substances. These laws also govern the maintenance and removal of materials containing asbestos in the event of damage, demolition or renovation of a property and also govern emissions of, and exposure to, asbestos fibers in the air.

The portfolio may contain ground contamination, hazardous substances and/or other residual pollution and environmental risks. Buildings and their fixtures might contain asbestos or other hazardous substances above the allowable or recommended thresholds, or other environmental risks could be associated with the buildings. Some of the properties have, or have had, tenants that would or currently use, hazardous, toxic or other regulated substances. For example, retail gas stations and dry-cleaning operations are currently located, or have been located in the past, at some of the properties.

In such cases, Choice Properties will bear the risk of cost-intensive assessment, remediation or removal of such ground contamination, hazardous substances or other residual pollution. The discovery of any such residual pollution on the sites and/or in the buildings, particularly in connection with the lease or sale of properties or borrowing using the real estate as security, could trigger claims for rent reductions or termination of leases for cause, for damages and other breach of warranty claims against Choice Properties. The remediation of any pollution and the related additional measures Choice Properties would have to undertake could have a materially adverse effect on Choice Properties and could involve considerable additional costs. Choice Properties will also be exposed to the risk that recourse against the polluter or the previous owners of the properties might not be possible. Moreover, the existence or even the mere suspicion of the existence of ground contamination, hazardous materials or other residual pollution can adversely affect the value of a property and Choice Properties' ability to lease or sell such property.

Choice Properties' operating policy is to obtain a Phase I environmental site assessment, conducted by an independent and experienced environmental consultant, prior to acquiring a property and to have Phase II environmental site assessment work completed where recommended in a Phase I environmental site assessment. Although such environmental site assessments would provide Choice Properties with some level of assurance about the condition of such properties, Choice Properties may become subject to liability for undetected contamination or other environmental conditions at its properties.

Choice Properties intends to make the necessary capital and operating expenditures to comply with environmental laws and address any material environmental issues and such costs relating to environmental matters that may have a material adverse effect on Choice Properties' business, financial condition or results of operations and decrease or eliminate the amount of cash available for distribution to Unitholders. However, environmental laws can change and Choice Properties may become subject to even more stringent environmental laws in the future, with increased enforcement of laws by the government. Compliance with more stringent environmental laws, which may be more rigorously enforced, the identification of currently unknown environmental issues or an increase in the costs required to address a currently known condition, may have a material adverse effect on Choice Properties' financial condition and results of operations and decrease or eliminate the amount of cash available for distribution to Unitholders.

Tax and Regulatory

Choice Properties is subject to laws and regulations governing the ownership and leasing of real property, securities, employment standards and other matters. Also, to retain its tax status as a real estate investment trust (a "REIT"), Choice Properties must comply with the REIT exception to the SIFT requirements under the Tax Act at all times. Choice Properties failing to comply with the REIT exception would result in certain distributions from the Trust not being deductible in computing its taxable income and the Trust being subject to tax on such distributions at a rate that is substantially equivalent to the general tax rate applicable to Canadian corporations. Any non-compliance under the Tax Act or non-compliance with other laws or regulations could negatively impact Choice Properties' operations and financial position.

Shared Service Arrangements

Choice Properties relies on Loblaw with respect to the provision of certain services, as described in the "Material Contracts" section. This means that certain of the Trust's day-to-day operational matters are dependent upon Loblaw's ability to successfully hire, train, supervise and manage its personnel and its ability to maintain its operating systems. If Loblaw fails to perform its obligations under the Services Agreement, the Trust may experience a material adverse impact on its business operations. The Trust may be unable to duplicate the quality and depth of the services available to it by handling such services internally or by retaining another service provider.

The Services Agreement may be terminated in certain circumstances and is only renewable on certain conditions. Accordingly, there can be no assurance that the Trust will continue to have the benefit of Loblaw's services. If Loblaw should cease for whatever reason to provide such services, the cost of obtaining substitute services may be greater than the cost-recovery fee basis that the Trust pays Loblaw under the Services Agreement, and this may materially adversely affect the Trust's ability to meet its objectives and execute its strategy which could materially and adversely affect the Trust's cash flows, operating results and financial condition and its ability to make distributions to Unitholders. Choice Properties also relies on other third-party vendors to provide certain services. The lack of an effective process for contract tendering, drafting, review and approval may pose a risk for the Trust.

Tenant Concentration

Investment properties generate income through rent payments made by tenants, and particularly rent payments made by Loblaw as Choice Properties' largest tenant. Upon the expiry of any lease, there can be no assurance that the lease will be renewed or the tenant replaced for a number of reasons. Furthermore, the terms of any subsequent lease may be less favourable than the existing lease, including the addition of restrictive covenants. In addition, historical occupancy rates and rents are not necessarily an accurate prediction of future occupancy rates. Choice Properties' cash flows and financial position would be adversely affected if its tenants (and especially Loblaw) were to become unable to meet their obligations under their leases or if a significant amount of available space in the properties was not able to be leased on economically favourable lease terms. In the event of default by a tenant, Choice Properties may experience delays or limitations in enforcing its rights as lessor and incur substantial costs in protecting its investment. In addition, restrictive covenants and the terms of the Strategic Alliance Agreement may narrow the field of potential tenants at a property and could contribute to difficulties in leasing space to new tenants. Furthermore, at any time, a tenant may seek the protection of bankruptcy, insolvency or similar laws which could result in the rejection and termination of the lease of the tenant and thereby cause a reduction in Choice Properties' cash flows, financial condition or results of operations and its ability to make distributions to Unitholders.

Choice Properties' net income could also be adversely affected in the event of a downturn in the business, or the bankruptcy or insolvency, of Loblaw, as the largest tenant. Choice Properties derives the large majority of its annual base minimum rent from Loblaw. Consequently, revenues are dependent on the ability of Loblaw to meet its rent obligations and Choice Properties' ability to collect rent from Loblaw. If Loblaw were to terminate its tenancies, default on or cease to satisfy its payment obligations, it would have a material adverse effect on Choice Properties' financial condition or results of operations and its ability to make distributions to Unitholders.

The closing of an anchor store at a property could also have a material adverse effect on the value of that property. Vacated anchor tenant space also tends to adversely affect the entire property because of the loss of the departed anchor tenant's power to draw customers to the property, which in turn may cause other tenants' operations to suffer and adversely affect such other tenants' ability to pay rent or perform any other obligations under their leases. No assurance can be given that Choice Properties will be able to quickly re-lease space vacated by an anchor tenant on favourable terms, if at all. In addition, certain leases contain a provision requiring tenants to maintain continuous occupancy of leased premises, and there can be no assurance that such tenants will continue to occupy such premises. The loss of an anchor tenant at

any leasable area could cause a reduction in Choice Properties' cash flows, financial condition or results of operations and its ability to make distributions to Unitholders.

Acquisitions and Associated Undisclosed Defects and Obligations

Choice Properties intends to make acquisitions and dispositions of properties in accordance with its growth strategy. If Choice Properties is unable to manage its growth effectively, it could adversely impact Choice Properties' financial position and results of operations and decrease or eliminate the amount of cash available for distribution to Unitholders. There can be no assurance as to the pace of growth through property acquisitions or that Choice Properties will be able to acquire assets on an accretive basis and, as such, there can be no assurance that distributions to Unitholders will be maintained or increased in the future.

Acquired properties may be subject to unknown, unexpected or undisclosed liabilities which could have a material adverse impact on the operations and financial results of Choice Properties. Representations and warranties given by third-parties to Choice Properties may not adequately protect against these liabilities and any recourse against third-parties may be limited by the financial capacity of such third-parties. Furthermore, it is not always possible to obtain from the seller the records and documents that are required in order to fully verify that the buildings to be acquired are constructed in accordance, and that their use complies, with planning laws and building code requirements. Accordingly, in the course of acquiring a property, specific risks might not be or might not have been recognized or correctly evaluated. These circumstances could lead to additional costs and could have a material adverse effect on rental income of the relevant properties or the sale prices of such properties upon a disposition of such properties.

Choice Properties' ability to acquire properties on satisfactory terms and successfully integrate and operate them is subject to the following additional risks: (a) Choice Properties may be unable to acquire desired properties because of (i) constraints imposed by the terms of the Strategic Alliance Agreement, or (ii) competition from other real estate investors with more capital, including other real estate operating companies, real estate investment trusts and investment funds; (b) Choice Properties may acquire properties that are not accretive to results upon acquisition, and Choice Properties may not successfully manage and lease those properties to meet its expectations; (c) competition from other potential acquirers may significantly increase the purchase price of a desired property; (d) Choice Properties may be unable to generate sufficient cash from operations, or obtain the necessary debt or equity financing to consummate an acquisition or, if obtainable, financing may not be on satisfactory terms; (e) Choice Properties may need to spend more than budgeted amounts to make necessary improvements or renovations to acquired properties; (f) agreements for the acquisition of properties are typically subject to customary conditions to closing, including satisfactory completion of due diligence investigations, and Choice Properties may spend significant time and money on potential acquisitions that Choice Properties does not consummate; (g) the process of acquiring or pursuing the acquisition of a new property may divert the attention of Choice Properties' senior management team from existing business operations; (h) Choice Properties may be unable to quickly and efficiently integrate new acquisitions, particularly acquisitions of portfolios of properties, into existing operations; (i) market conditions may result in higher than expected vacancy rates and lower than expected rental rates; and (j) Choice Properties may acquire properties without any recourse, or with only limited recourse, for liabilities, whether known or unknown, such as clean-up of environmental contamination, claims by tenants, vendors or other persons against the former owners of the properties and claims for indemnification by general partners, directors, officers and others indemnified by the former owners of the properties.

In addition, after the acquisition of a property, the market in which the acquired property is located may experience unexpected changes that adversely affect the property's value. The occupancy of properties that are acquired may decline during Choice Properties' ownership, and rents that are in effect at the time a property is acquired may decline thereafter.

If Choice Properties cannot complete property acquisitions on favourable terms, or operate acquired properties to meet Choice Properties' goals or expectations, Choice Properties' business, financial condition, results of operations and cash flows, the per Unit trading price and its ability to satisfy debt service obligations and to make distributions to Unitholders could be materially and adversely affected.

Change Management

Significant initiatives within Choice Properties are underway. Ineffective change management could result in disruptions to the operations of the Trust or negatively affect the ability of the Trust to implement and achieve its long term strategic objectives. Failure to properly implement several large, complex initiatives in a timely manner will adversely impact the operations of the Trust. If colleagues are not able to develop and perform new roles, processes and disciplines, the Trust may not achieve the expected cost savings and other benefits of its initiatives. Failure to properly execute the various processes will increase the risk of customer dissatisfaction, which in turn could adversely affect the reputation, operations and financial performance of the Trust.

Geographic Concentration

The Properties are all located in Canada, the majority of which are located in Ontario, Quebec and Alberta. As a result, Choice Properties' performance, the market value of the Properties, the income generated and Choice Properties' performance are particularly sensitive to changes in the economic condition and regulatory environment of Ontario, Quebec and Alberta. Adverse changes in the economic condition or regulatory environment of Ontario, Quebec or Alberta may have a material adverse effect on Choice Properties' business, cash flows, financial condition and results of operations and its ability to make distributions to Unitholders.

Reliance on the Partnership

Choice Properties is dependent on the business of the Partnership for NOI. The cash distributions made to Unitholders are dependent on the ability of the Partnership to make distributions in respect of the Partnership units of the Partnership, including the Class C LP Units which are entitled to distributions in priority to the Class A LP Units held by Choice Properties (subject to certain exceptions). The ability of the Partnership to make distributions or make other payments or advances to Choice Properties will depend on the Partnership's results of operations and may be restricted by, among other things, applicable tax and other laws and regulations and may be subject to contractual restrictions contained in any instruments governing the indebtedness of the Partnership, any priority distribution contained in the Limited Partnership Agreement and any other agreements governing the Partnership. If the Partnership is unable to make distributions or other payments or advances to Choice Properties, such failure could have a material adverse effect on Choice Properties' financial condition or results of operations and its ability to make distributions to Unitholders.

Asset Class Diversification

Choice Properties' investments are not widely diversified by asset class. Substantially all of Choice Properties' investments are in retail properties. A lack of asset class diversification increases risk because retail properties are subject to their own set of risks, such as vacancies and rising operating costs.

Significant Ownership by Loblaw

The Declaration of Trust grants Loblaw the right to nominate certain Trustees of the Trust based on Loblaw's direct and indirect ownership interest in the Trust in the event that Loblaw's effective ownership interest in the Trust on a fully diluted basis is less than 50%. See "Declaration of Trust and Description of the Units — Nomination of Trustees".

For so long as Loblaw maintains a significant effective interest in the Trust, Loblaw will have the ability to exercise certain influence with respect to the affairs of the Trust and to significantly affect the outcome of the votes of Voting Unitholders, and may have the ability to prevent or approve, as the case may be, various matters or transactions involving the Trust. Moreover, Loblaw's current effective voting interest in the Trust is large enough that it could approve, through one or more written resolutions, various matters that require an ordinary or extraordinary resolution of Voting Unitholders pursuant to the Declaration of Trust. Accordingly, a meeting of Voting Unitholders may not be called by the Trust if the applicable matter requiring Voting Unitholder approval has already been approved by a written resolution of Loblaw.

Accordingly, the Units may be less liquid and trade at a relative discount compared to such Units in circumstances where Loblaw did not have the ability to influence or determine matters affecting the Trust. Additionally, Loblaw's significant effective interest in the Trust may discourage transactions involving a change of control of the Trust, including transactions in which an investor, as a holder of the Units, might otherwise receive a premium for its Units over the then-current market price. Pursuant to the Exchange Agreement, each Class B LP Unit is exchangeable at the option of the holder for one Unit of the Trust (subject to customary anti-dilution adjustments). If Loblaw exchanges some or all of its Class B LP Units for Units and subsequently sells such Units in the public market, the market price of the Units may decrease. Moreover, despite the fact that Loblaw has advised the Trust that its current expectation is that it will continue to own a majority effective interest in the Trust for at least the next 10 years, the perception in the public market that these sales will occur could also produce such an effect.

Acquisition of Future Properties from Loblaw

Choice Properties' ability to expand its asset base and increase AFFO per Unit through acquisitions will be significantly affected by its ability to leverage its relationship with Loblaw to access opportunities to acquire additional properties that satisfy its investment criteria, all in accordance with the Strategic Alliance Agreement. Loblaw's current intention is to offer to sell to Choice Properties additional properties that it owns from time to time, subject to market conditions, although no assurance can be given in that regard. There can be no assurance that Choice Properties will be able to access such opportunities and acquire additional properties or do so on acceptable terms to Choice Properties. In addition, there can be no assurance that the right of first offer granted to Choice Properties by Loblaw to acquire Loblaw's interest in certain properties will be exercised or that Loblaw will dispose of interests in its properties. The inability of Choice Properties to expand its asset base by virtue of its relationship with Loblaw or pursuant to the right of first offer may have a material adverse effect on the Trust's business, cash flows, financial condition and results of operations and its ability to make distributions to Unitholders.

Leasing Restrictions under the Strategic Alliance Agreement

For so long as the Strategic Alliance Agreement is in effect, Choice Properties will be subject to significant restrictions with respect to Supermarket Tenants other than Loblaw. In certain cases, the Trust will not be able to enter into leases with such prospective tenants without the consent of Loblaw, which may be withheld in Loblaw's absolute discretion. Choice Properties may also be limited in achieving higher rents or longer term leases with Supermarket Tenants other than Loblaw owing to the operation of the right of first offer to lease in favour of Loblaw. Moreover, Loblaw has a right of first offer to lease any available space within a Trust property that can be used as a supermarket. In any case, these restrictions may result in the inability of Choice Properties to access otherwise viable commercial Supermarket Lease opportunities and may have a material adverse effect on its business, cash flows, financial condition and results of operations and its ability to make distributions to Unitholders.

Sale and Financing Provisions under the Strategic Alliance Agreement

Under the Strategic Alliance Agreement, the Trust has granted a right of first offer in favour of Loblaw in the event that the Trust intends to sell any of its properties (other than a sale from one Subsidiary of the Trust to another). In the event that the Trust desires to sell a property, the existence of this right of first offer in favour of Loblaw could limit the number of purchasers of such property, make it more difficult to sell such property

and/or decrease the potential purchase price that could be obtained for such property, which, in turn, could have a material adverse effect on the Trust. Further, pursuant to the Strategic Alliance Agreement, the Trust may also, subject to certain exceptions, provide financing to Loblaw at any time Loblaw proposes to obtain certain loans from a non-Loblaw party that are intended to be secured against a property that the Trust could acquire under the terms of its investment guidelines and operating policies. The provision of such financing to Loblaw could divert the time, attention and funds available to the Trust from the Trust's core business and the return to the Trust, if any, generated from such financing activities may not be as attractive as those generated by the Trust's core business.

Potential Conflicts of Interest with Loblaw

Loblaw is not limited or restricted in any way from owning, acquiring, constructing, developing or redeveloping Loblaw associated properties, and may itself compete with Choice Properties in seeking tenants and for the purchase, development and operation of desirable commercial properties. In the case of shopping centre properties, although Loblaw is required in certain circumstances under the Strategic Alliance Agreement to provide the Trust with certain opportunities, including rights of first opportunity to acquire or to participate in construction, development or redevelopment, those circumstances are not comprehensive and exclude circumstances in which Loblaw intends to complete the acquisition, construction or development for strategic purposes and involve more than one property owned by it. In addition, there can be no assurance that the Trust will be able to access such opportunities. As a result, Loblaw may compete with the Trust in seeking tenants for, and in the development and operation of, shopping centre properties.

Loblaw's continuing businesses may lead to other conflicts of interest between Loblaw and the Trust. The Trust may not be able to resolve any such conflicts and, even if it does, the resolution may be less favourable to the Trust than if it were dealing with a party that was not a holder of a significant interest in the Trust. Given Loblaw's significant holdings in the Trust, the Trust may not have the leverage to negotiate any required amendments to agreements with Loblaw, including the Strategic Alliance Agreement, on terms as favourable to the Trust as those the Trust could secure with a party that was not a significant effective Unitholder.

FINANCIAL RISKS AND RISK MANAGEMENT

Interest Rate Risk

Choice Properties requires extensive financial resources to complete the implementation of its investment and growth strategy. Successful implementation of Choice Properties' long-term strategy will require cost effective access to additional funding. There is a risk that interest rates may increase which could impact long-term borrowing costs and negatively impact financial performance.

The majority of Choice Properties' debt is financed at fixed rates with maturities staggered over 10 years, thereby mitigating the exposure to near term changes in interest rates. To the extent that Choice Properties incurs variable rate indebtedness (such as Borrowings under the Credit Facility), this will result in fluctuations in Choice Properties' cost of borrowing as interest rates change. If interest rates rise, Choice Properties' operating results and financial condition could be materially adversely affected and the amount of cash available for distribution to Unitholders would be decreased.

Choice Properties' Credit Facility and the Debentures also contain covenants that require it to maintain certain financial ratios on a consolidated basis. If Choice Properties does not maintain such ratios, its ability to make distributions to Unitholders may be limited or suspended.

Choice Properties analyzes its interest rate risk and the impact of rising and falling interest rates on operating results and financial condition on a regular basis.

Liquidity and Capital Availability Risk

Liquidity risk is the risk that Choice Properties cannot meet a demand for cash or fund its obligations as they come due. Although a portion of the cash flows generated by the Properties is devoted to servicing such outstanding debt, there can be no assurance that Choice Properties will continue to generate sufficient cash flows from operations to meet interest payments and principal repayment obligations upon an applicable maturity date. If Choice Properties is unable to meet interest or principal repayment obligations, it could be required to renegotiate such payments or issue additional equity or debt or obtain other financing. The failure of Choice Properties to make or renegotiate interest or principal payments or issue additional equity or debt or obtain other financing could materially adversely affect Choice Properties' financial condition and results of operations and decrease or eliminate the amount of cash available for distribution to Unitholders.

The real estate industry is highly capital intensive. Choice Properties requires access to capital to fund operating expenses, to maintain its properties, to fund its growth strategy and certain other capital expenditures from time to time, and to refinance indebtedness. Although Choice Properties expects to have access to the Credit Facility, there can be no assurance that it will otherwise have access to sufficient capital or access to capital on favourable terms. Further, in certain circumstances, Choice Properties may not be able to borrow funds due to limitations set forth in the Declaration of Trust and the trust indentures, as supplemented. Failure by Choice Properties to access required capital could have a material adverse effect on its financial condition or results of operations and its ability to make distributions to Unitholders.

Liquidity and capital availability risks are mitigated by maintaining appropriate levels of liquidity, by diversifying the Trust's sources of funding, by maintaining a well-diversified debt maturity profile and actively monitoring market conditions.

Liquidity of Real Property

An investment in real estate is relatively illiquid. Such illiquidity will tend to limit Choice Properties' ability to vary its portfolio promptly in response to changing economic or investment conditions. In recessionary times, it may be difficult to dispose of certain types of real estate. The costs of holding real estate are considerable and during an economic recession Choice Properties may be faced with ongoing expenditures with a declining prospect of incoming receipts. In such circumstances, it may be necessary for Choice Properties to dispose of properties at lower prices in order to generate sufficient cash for operations and for making distributions to Unitholders.

Unit Price Risk

Choice Properties is exposed to Unit price risk as a result of the issuance of the Class B LP Units, which are economically equivalent to and exchangeable for units, as well as the issuance of unit-based compensation. The Class B LP Units and unit-based compensation liabilities are recorded at their fair value based on market trading prices. The Class B LP Units and unit-based compensation negatively impact operating income when the unit price rises and positively impact operating income when the unit price declines.

Credit Risk

Choice Properties is exposed to credit risk resulting from the possibility that counterparties could default on their financial obligations to Choice Properties. Exposure to credit risk relates to rent receivables, cash and cash equivalents, short term investments, security deposits, derivatives and notes receivable.

Choice Properties mitigates the risk of credit loss related to rent receivables by evaluating the creditworthiness of new tenants, obtaining security deposits wherever permitted by legislation, ensuring its tenant mix is diversified and by limiting its exposure to any one tenant (except Loblaw). Choice Properties establishes an allowance for doubtful accounts that represents the estimated losses with respect to rent receivables. The allowance is determined on a tenant-by-tenant basis based on the specific factors related to the tenant.

The risk related to cash and cash equivalents, short term investments, security deposits, derivatives and notes receivable is reduced by policies and guidelines that require Choice Properties to enter into transactions only with Canadian financial and government institutions that have a minimum short term rating of "A-2" and a long term credit rating of "A-" from S&P or an equivalent credit rating from another recognized credit rating agency and by placing minimum and maximum limits for exposures to specific counterparties and instruments.

Despite such mitigation efforts, if Choice Properties' counterparties default, it could have a material adverse impact on Choice Properties' financial condition or results of operations and its ability to make distributions to Unitholders.

Degree of Leverage

Choice Properties' degree of leverage could have important consequences to Unitholders, including: (i) Choice Properties' ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions, development or other general business purposes, (ii) a larger portion of Choice Properties' cash flows being dedicated to the payment of the principal of and interest on, its indebtedness, thereby reducing the amount of funds available for distributions to Unitholders, and (iii) making Choice Properties more vulnerable to a downturn in business or the economy in general. Under the Declaration of Trust, the maximum amount that Choice Properties can leverage is (i) 60% excluding any convertible Indebtedness and (ii) 65% including any convertible Indebtedness plus Class C LP Units.

To reduce this risk, Choice Properties actively monitors its degree of leverage to ensure it is within acceptable levels.

Any of these risks could have an adverse effect on Choice Properties' financial condition, results of operations, cash flows, the trading price of the Units, distributions to Unitholders and its ability to satisfy principal and interest obligations on its outstanding debt.

Further information on Choice Properties' business can be found in the Trust's 2015 MD&A. This information is incorporated by reference and is available on SEDAR at www.sedar.com and on the Trust's website at www.choicereit.ca.

XVI. TRUSTEES AND OFFICERS OF THE TRUST

Trustees

Name, Province / State and Country of Residence	Position	Trustee Since	Committees	Principal Occupation
Galen G. Weston(1) Ontario, Canada	Chair	2013	-	Executive Chairman and President of LCL
Kerry D. Adams Ontario, Canada	Trustee	2013	Audit; Governance, Compensation and Nominating	President of K. Adams & Associates Limited
Christie J.B. Clark Ontario, Canada	Trustee	2013	Governance, Compensation and Nominating	Corporate Director
Graeme Eadie Ontario, Canada	Trustee	2013	Audit	Senior Managing Director, Global Head of Real Estate Investments of Canada Pension Plan Investment Board
Michelle Felman Connecticut, United States	Trustee	2013	Governance, Compensation and Nominating	Corporate Director
Michael P. Kitt Ontario, Canada	Trustee	2013	Audit; Governance, Compensation and Nominating	Executive Vice President, Canada of Oxford Properties Group
John Morrison(2) Ontario, Canada	Trustee	2013	-	President and Chief Executive Officer of the Trust
Daniel F. Sullivan Ontario, Canada	Lead Trustee	2013	Governance, Compensation and Nominating (Chair)	Corporate Director
Paul R. Weiss Ontario, Canada	Trustee	2013	Audit (Chair)	Corporate Director

Notes:

(1) Mr. Weston is considered a non-Independent Trustee as he is an executive officer of LCL and a relative of Mr. W. Galen Weston, LCL's ultimate controlling shareholder.

(2) Mr. Morrison is considered a non-Independent Trustee as he is the President and Chief Executive Officer of the Trust.

All Trustees hold office until the close of the next annual meeting of the Voting Unitholders or until their successors are duly elected or appointed.

Executive Officers

Name, Province and Country of Residence	Principal Occupation
John Morrison Ontario, Canada	President and Chief Executive Officer of the Trust
Bart Munn Ontario, Canada	Executive Vice President and Chief Financial Officer of the Trust
Dallas Wingerak	Vice President, Real Estate and Operations, Western Canada
Evan Williams	Vice President, Real Estate and Operations, Eastern Canada
Robert Yamamoto	Vice President, Development

All the foregoing trustees and executive officers have held their present occupations or other positions with the same or associated companies or organizations for the past five years except:

- Christie J.B. Clark, who formerly held the position of Chief Executive Officer and senior partner of PricewaterhouseCoopers LLP from 2005 to 2011;
- Daniel F. Sullivan, who formerly held the position of Consul General for Canada in New York City, appointed by Prime Minister Stephen Harper, from 2006 to 2011;
- John Morrison, who was President and Chief Executive Officer of Primaris Real Estate Investment Trust from 2009 to 2013;
- Bart Munn, who held the position of Chief Financial Officer of Calloway Real Estate Investment Trust from 2005 to 2013;
- Dallas Wingerak, who formerly held the positions of Vice President, Facilities Development and Real Estate at Calgary Cooperative Association Ltd. from 2011 to 2013 and the position of Senior Director, Real Estate at Loblaw Properties West Inc. from 2007 to 2011;
- Evan Williams, who formerly held the position of Vice President, Leasing at First Capital Realty from 2005 to 2014; and
- Robert Yamamoto, who formerly was an independent consultant in the real estate development sector prior to joining Choice Properties Real Estate Investment Trust.

None of the Trustees or executive officers of the Trust, and to the best of its knowledge, no Unitholder holding a sufficient number of securities to affect materially the control of the Trust, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

None of the Trustees or executive officers of the Trust, and to the best of its knowledge, no Unitholder holding a sufficient number of securities to affect materially the control of the Trust, has, within the 10 years prior to the date of the AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

None of the Trustees or executive officers of the Trust, and to the best of its knowledge, no Unitholder holding a sufficient number of securities to affect materially the control of the Trust is, as at the date of the AIF, or has been within the 10 years before the date of the AIF, (a) a director, chief executive officer or chief financial officer of any company that was subject to an order that was issued while the existing or proposed director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or (b) was subject to an order that was issued after the existing or proposed director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer, or (c) a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets. For the purposes of this paragraph, "order" means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case, that was in effect for a period of more than 30 consecutive days.

Ownership of Securities

As of December 31, 2015, the Trustees and executive officers of the Trust, as a group, beneficially owned, or controlled or directed, directly or indirectly, approximately 382,359 Units, representing less than 0.4% effective interest in the Trust. No Debentures were held by any of the Trustees or executive officers of the Trust.

Conflicts of Interest

Each of Galen G. Weston and Christie J.B. Clark, each a Trustee and a director of LCL, is required to disclose the nature and extent of his interest in, and is not entitled to vote on any resolution to approve, any material contract or transaction or any proposed material contract or transaction between Choice Properties and Loblaw or any of its Affiliates or any other entity in which Messrs. Weston or Clark, respectively, has an interest (unless the contract or transaction relates to his remuneration or an indemnity under the provisions of the Declaration of Trust on liability insurance).

XVII. MATERIAL CONTRACTS

The following are the only material agreements of Choice Properties (other than certain agreements entered into in the ordinary course of business):

- (a) the Declaration of Trust;
- (b) the Credit Agreement;
- (c) the Indenture and Supplemental Indentures;
- (d) the Partnership Indenture and Supplemental LP Indentures;
- (e) the Limited Partnership Agreement;
- (f) the Strategic Alliance Agreement;
- (g) the Exchange Agreement;
- (h) the Master Acquisition Agreement; and
- (i) the Services Agreement.

Copies of the foregoing documents are available on SEDAR. Key provisions of those agreements which have not otherwise been described in this AIF are described below.

Strategic Alliance Agreement

The Strategic Alliance Agreement creates a series of rights and obligations between the Trust and Loblaw intended to establish a preferential and mutually beneficial business and operating relationship. Its initial term is for 10 years from the IPO Closing Date, and thereafter it will continue until the earlier of 20 years from the IPO Closing Date and the date (if any) on which Loblaw ceases to own a majority interest (on a fully-diluted basis) in the Trust.

The Strategic Alliance Agreement provides the Trust with important rights (and imposes important obligations on Loblaw) that meaningfully contribute to the Trust's growth pipeline:

Right of First Offer

Subject to certain exceptions, the Trust has the right of first offer to purchase any property in Canada that Loblaw seeks to sell and that the Trust would otherwise be permitted to acquire under its investment guidelines and operating policies. If Loblaw wishes to sell a property, it will provide the Trust with an offer to sell the property and information in respect of the property. Any such offer will set out, in reasonable detail, its material terms and conditions, including the proposed sale price and the form of purchase price consideration (i.e., cash, Units, Class B LP Units and/or other securities of the Trust or any combination thereof) and any unusual terms, including any vendor obligations or restrictions. If the property contains a Loblaw-Owned Banner, office or warehouse, the property-specific information will include the proposed terms of any new or amended lease with Loblaw, including any terms that would differ from the standard terms of the Loblaw Leases. Loblaw will also provide the capital budget for the property for the current year (and ensuing year if available), a rent roll of all leases, historical financial information, copies of the most recent third-party appraisal or valuation and most recent environmental and structural inspection reports, and any additional relevant environmental and structural information. Within five business days after receiving the information, the Trust may provide written notice to Loblaw outlining any information which it believes to be incomplete, and request a list of outstanding information. Loblaw will make reasonable commercial efforts to provide the Trust with such additional information within 15 business days after receipt of any such request. The Trust will have 20 business days from the receipt of the offer to sell (or, as appropriate, after receipt of all requested information) to either accept Loblaw's offer by delivering a binding acceptance notice, together with a refundable cash deposit equal to 10% of the sale price, or to deliver a counter-offer to Loblaw. If the Trust does not provide an acceptance notice or a counter-offer within that 20 business day period, it will be deemed to have rejected the Loblaw offer. If the Trust delivers a counter-offer, Loblaw will have 10 business days to respond, failing which Loblaw will be deemed to have rejected it. If Loblaw accepts the Trust's counter-offer, the Trust must deliver a binding acceptance notice and the refundable cash deposit.

If the Trust accepts Loblaw's offer, it will have a 60-day due diligence period with respect to the property, including to obtain, as required, a phase I environmental site assessment, structural inspection report and an independent appraisal of the property. The closing of the purchase must be completed within 30 days of the waiver or expiry of this due diligence period. On the closing of the purchase, if Loblaw has specified that the consideration be paid all or in part in Units, Class B LP Units, or other exchangeable securities of the Trust, the number of such securities to be issued will be determined by reference to the 20 day volume-weighted average price of the Units on the TSX determined on the date prior to the closing of the purchase. If all or a part of the consideration is payable in other equity securities of the Trust which are not listed on the TSX, the reference market price will be the fair market value of such securities, as determined by the Trustees, provided that if debt securities form part of the consideration, the assumed fair market value of such debt securities will be their face amount, unless the Trust and Loblaw otherwise expressly agree.

If the Trust does not accept Loblaw's offer (or Loblaw does not accept the Trust's counter-offer) or if the Trust elects not to proceed with the purchase of the property during its due diligence period, Loblaw will be entitled to complete the sale of the property within the following 180 days to any third-party for a

consideration payable in cash only, at a price that is higher than the highest price that was provided for in the offer to the Trust, or as applicable, the Trust's counter-offer, and on other terms and conditions not materially more favourable to the third-party purchaser than those offered to the Trust (including in respect of the net effective rent payable under and the overall term of any proposed lease of the property to Loblaw).

This right of first offer in favour of the Trust is subject to any prior-ranking pre-emptive right in respect of the property (such as rights of first offer or rights of first refusal) that the property is subject to at the relevant time (including rights that may be granted in the ordinary course of business or assumed in connection with acquisitions, including pre-existing rights that future-acquired properties may be subject to at the time of acquisition). In addition, the right of first offer is subject to certain exceptions, including sales required in order to comply with applicable laws or governmental directions, sales in connection with expropriations, and sales of non-material components to governmental authorities or adjacent landowners or third-parties for public uses.

Loblaw is not required to provide the Trust with a right of first offer in connection with any property that is being transferred within the Loblaw group or a transfer which is an Excluded Transaction or a direct or indirect sale by Loblaw of one or more businesses or operations, including any sale of one or more Loblaw Associated Properties or Shopping Centre Properties that is completed as part of or in connection with a sale of a Loblaw business or operation that is operated on such property.

New Shopping Centre Acquisitions

Subject to certain exceptions, Loblaw is generally required to present Shopping Centre Property acquisition opportunities in Canada to the Trust to allow the Trust a right of first opportunity to acquire the property itself. If Loblaw wishes to acquire a Shopping Centre Property that it intends to continue to operate as a Shopping Centre Property (and not to convert into a Loblaw Associated Property) or convert into and operate as a Shopping Centre Property (but not a Loblaw Associated Property), Loblaw is required to provide written notice of such proposed acquisition to the Trust, together with all agreements and information in its possession or control at the time with respect to the property, other than information that Loblaw is not permitted to disclose due to confidentiality obligations and Loblaw's own internal valuations, reports, assessments, financial models and analysis. This information must be provided to the Trust, to the extent possible, at least 60 days prior to the proposed acquisition of the property by Loblaw.

In order to meaningfully provide for this right on the part of the Trust, Loblaw must ensure that any acquisition agreement that it enters into in respect of such a Shopping Centre Property will either (i) be assignable to the Trust, without additional cost and without resulting in any change in the terms of the agreement or (ii) permit the title to the Shopping Centre Property to be vested in a nominee designated by the Trust, with the Trust acquiring the beneficial interest in such property.

The Trust will have 15 business days from receipt of the notice and related property information from Loblaw to advise Loblaw whether it intends to: (i) make its own offer in respect of the property in circumstances where Loblaw has not entered into a purchase agreement; or (ii) to take an assignment of any agreements previously entered into by Loblaw; or (iii) where there are purchase agreements which are not assignable to the Trust, to complete the purchase of the property itself but acting through Loblaw. If the Trust declines to do any of the foregoing, or if it does not otherwise respond to the notice from Loblaw or if it otherwise determines not to proceed after initially electing to do so, Loblaw will be free to proceed with the acquisition of the Shopping Centre Property without further notice to the Trust. Loblaw is not required to make this right available to the Trust in respect of any Shopping Centre Property that is being transferred within the Loblaw group or that is being acquired by Loblaw as part of, or in connection with, an Excluded Transaction.

Right to Participate in Future Shopping Centre Developments

If at any time Loblaw wishes to construct, develop or redevelop the ancillary space in any property in Canada that it uses or intends to use as a Shopping Centre Property, and such project is not part of an

Excluded Transaction, Loblaw must provide the Trust with written notice of its intention to undertake the project. If the Trust advises Loblaw in writing, within 10 business days of receiving such notice, that it is interested in participating in the project, Loblaw and the Trust must negotiate in good faith with each other for a period of up to 30 days, with both parties acting reasonably, to determine if there is an opportunity for the Trust to participate in the project, including by the Trust potentially (i) acquiring all or an undivided co-ownership interest in the Shopping Centre Property and leasing the space occupied or used by Loblaw back to Loblaw; (ii) providing development and/or leasing services in respect of the project; and/or (iii) providing the funding required to complete the project with a possible right to purchase upon completion.

Right to Provide Financing to Loblaw

Subject to certain exceptions, if Loblaw at any time proposes to obtain a loan from a non-Loblaw party that is intended to be secured against a property in Canada that the Trust could acquire under the terms of its investment guidelines and operating policies, and such loan would include the grant to such third-party of (i) a pre-emptive right in respect of such property (such as a right to purchase or a right of first offer), or (ii) a participation right in the profits or gain from such property, or (iii) if such loan would otherwise result in the leveraging of such property to a level that is greater than 75% of its value, Loblaw must provide prior written notice to the Trust of the proposed loan. The written notice must set out the proposed terms of the third-party loan, together with such information in respect of the proposed secured property as a reasonable lender would require in order to make a financing decision. If the Trust reasonably believes that the information provided is insufficient for it to make a financing decision in respect of the property, it must notify Loblaw to that effect within 15 business days of receiving the notice, and Loblaw must make reasonable commercial efforts to provide the Trust with the additional requested financial information. The Trust will have a period of 15 business days after its receipt of the notice regarding the proposed loan from Loblaw (or, as applicable, the additional required information) to make a decision as to whether to provide the proposed loan on the terms set out in the notice. If the Trust does not agree to provide the loan, or it does not respond to the notice within such period, Loblaw will be permitted to proceed with the proposed loan from the third-party. If the Trust agrees to provide the loan, it will be deemed to have issued a binding commitment to provide it on the terms and conditions set out in the notice it received from Loblaw.

This right to provide a loan in these circumstances does not apply to an Excluded Transaction nor to any secured credit facilities made available to Loblaw that are not specifically in respect of any particular property.

Nothing in the Strategic Alliance Agreement requires Loblaw to provide notice to the Trust, or to seek any consent, or to consult with the Trust in any manner, with respect to Loblaw's ability to acquire vacant land or any property that it intends to use, develop or redevelop for use, as a Loblaw Associated Property, i.e. a Loblaw-Owned Banner, or an office or warehouse used by Loblaw or suppliers to Loblaw, and if the property has third-party tenants, up to two other non-Loblaw tenants. Such Loblaw Associated Properties, however, remain subject, in the event that Loblaw proposes to sell them at any time, to the above-described right of first offer in favour of the Trust and, as applicable, to the Trust's above-described right to provide financing in certain circumstances.

The Strategic Alliance Agreement provides Loblaw with certain important rights (and imposes important obligations on the Trust), with respect to certain activities of the Trust:

Intensification

Loblaw is entitled to benefit from any construction, development or redevelopment of additional commercial leasable area, or in the construction and development of residential dwellings for future sale or lease (in each case whether by the Trust, by a tenant or by any other party) on Initial Properties that continue to be owned by the Trust within 20 years after the IPO Closing. The Trust is required to provide Loblaw with written notice of any such proposed site intensification, in any case no later than 90 days after such site intensification work has been commenced. On the date of substantial completion of such intensification, the Trust will pay Loblaw an amount in respect of any retail, office, industrial or residential additional space in accordance with the site intensification payment grid set out below that takes into account the region,

market ranking and type of use for such intensified property. The payment will be calculated by multiplying the additional space by the base payment of \$10.00 per square foot which will be factored upwards or downwards by the factors in the site intensification payment grid below, for region, market ranking and type of use.

Site Intensification Payment Grid					
(Base payment per square foot of GLA = \$10.00)					
Region	Factor	Market Ranking	Factor	Type of Use	Factor
Atlantic Canada	0.90	AAA	1.35	Retail	2.00
Quebec	1.00	AA	1.20	Office	1.00
Ontario	1.50	A	1.00	Industrial	0.75
Western Canada	1.50	B	0.85	Rental Residential	1.25
		C	0.70	Condo Residential	1.40

Restrictions on the Trust regarding Supermarket Properties and Loblaw Right of First Offer to Lease

The Trust is not restricted in any way from acquiring properties from vendors other than Loblaw, including properties that have Supermarket Tenants other than Loblaw, nor is the Trust restricted in any way in its dealings with Supermarket Tenants other than Loblaw under their existing leases. The Trust, however, is subject to certain leasing restrictions under the Strategic Alliance Agreement with respect to additional Supermarket Tenants and to the entering into of new leases with existing Supermarket Tenants other than Loblaw. These restrictions are in addition to the restrictions under the Loblaw Leases. See “Description of the Business - Principal Tenant – Loblaw – Loblaw Leases”.

If the Trust at any time acquires a property that does not have a Supermarket Tenant at the time of its purchase (other than in a situation where the property previously had a Loblaw tenant and that Loblaw Lease has expired or been terminated), the Trust will not be permitted to lease, sublease or license all or any part of such property to permit Supermarket Use without the consent of Loblaw, which Loblaw may withhold in its sole and absolute discretion. If Loblaw does consent, and the Trust subsequently determines to lease the property for Supermarket Use, it must provide Loblaw with a first right to lease the space on the terms offered by the Trust. Loblaw will have 20 business days from delivery of the offer to lease by the Trust to accept the offer, or to make a counter-offer. If Loblaw declines the offer to lease, or Loblaw and the Trust fail to agree on the terms of a counter-offer, the Trust will be permitted within the next 180 days to lease the space originally offered to Loblaw to another tenant for Supermarket Use, but only for a net effective rent that is not materially more favourable to the other tenant than that which was offered to Loblaw and for an overall term (including renewals) which is not materially longer than that offered to Loblaw.

Loblaw also has this right of first offer to lease whenever any space in the Trust’s portfolio that is suitable for Supermarket Use becomes available, including on the termination of any lease with a Site Intensification Payment Grid (Base payment per square foot of GLA = \$10.00) Supermarket Tenant other than Loblaw. This right does not apply, however, in the case of any space in a property which was sold by Loblaw to the Trust and which, either prior to the sale or after the sale to the Trust, had a Loblaw Lease which had expired or had been terminated.

Right of First Offer on Properties that the Trust wishes to Sell

Subject to certain exceptions, Loblaw has the right of first offer to purchase any property in Canada that the Trust seeks to sell. If the Trust wishes to sell a property (other than a sale from one Subsidiary of the Trust to another), it is required provide Loblaw with an offer to sell the property and information in respect of the property. Any such offer will set out, in reasonable detail, its material terms and conditions, including the proposed sale price and any unusual terms, including any vendor obligations or restrictions to be imposed. The Trust is also required to provide the capital budget for the property for the current year (and ensuing year if available), a rent roll of all leases, historical financial information, copies of the most recent third-party appraisal or valuation and recent environmental and structural inspection reports, and any relevant environmental and structural information. Within five business days after receiving the information, Loblaw

may provide written notice to the Trust outlining any information which it believes to be incomplete, and request a list of outstanding information. The Trust will make reasonable commercial efforts to provide Loblaw with such additional information within 15 business days after receiving such request. Loblaw will have 20 business days from the receipt of the offer to sell (or, as appropriate, after receipt of all requested information) to either accept the Trust's offer by delivering a binding acceptance notice, together with a refundable cash deposit equal to 10% of the sale price, or to deliver a counter-offer to the Trust. If Loblaw does not provide a notice of acceptance or a counter-offer within that 20 business day period, it will be deemed to have rejected the Trust's offer. If Loblaw delivers a counter-offer, the Trust will have 10 business days to respond, failing which the Trust will be deemed not to have accepted it. If the Trust accepts Loblaw's counter-offer, Loblaw must deliver a binding acceptance notice and the refundable cash deposit.

If Loblaw accepts the Trust's offer, it will have a 60-day due diligence period with respect to the property, with closing to be completed within 30 days of the waiver or expiry of this period. If Loblaw does not accept the Trust's offer (or the Trust does not accept Loblaw's counter-offer), or if Loblaw elects not to proceed with the purchase of the property during its due diligence period, the Trust will be entitled to complete the sale of the property within the following 180 days to any third-party for consideration payable in cash, at a price equal to or higher than the highest purchase price that was provided in the offer to Loblaw or, as applicable, the Loblaw counter-offer, and on other terms and conditions not materially more favourable to the third-party purchaser than those offered to Loblaw.

This right of first opportunity in favour of Loblaw is subject to any prior-ranking pre-emptive right in respect of the property that the property is subject to at the relevant time. In addition, the right of first offer is subject to certain exceptions, including sales required in order to comply with applicable laws or governmental directives, or in connection with expropriations, or sales of non-material components to governmental authorities or adjacent landowners or third-parties for public uses.

The Trust and Loblaw have also agreed that, during the term of the Strategic Alliance Agreement, neither will intentionally solicit any specific tenant of a property that is owned by the other (other than their respective Subsidiaries) to vacate that property in favour of a property in which it has an ownership or operating interest. As well, for a period of time after the IPO Closing, Loblaw has the right to reallocate a portion of the rent that is payable under Loblaw Leases provided that there is no adverse impact to the Trust. Notwithstanding the term of the Strategic Alliance Agreement, it may be terminated by the Trust or by Loblaw at any time in the event of a material breach by the other party which cannot reasonably be corrected within a cure period. In the event of such termination, the rights of Loblaw with respect to the receipt of intensification payments in the circumstances described above will continue and survive the termination. In the event of any dispute or other disagreement under the terms of the Strategic Alliance Agreement, the Trust and Loblaw will submit such dispute to arbitration.

Exchange Agreement

Pursuant to the Exchange Agreement, the Trust has agreed with the Partnership and the holders of the Class B LP Units to, among other things, issue Units upon the exchange of Class B LP Units in accordance with their terms or upon the election of a holder of Class B LP Units to receive distributions on Class B LP Units in the form of Units on a basis equivalent to the rights of Unitholders participating in the DRIP. Upon an exchange, the corresponding number of Special Voting Units will be cancelled. Collectively, the rights granted by the Trust that require the Trust to issue Units are referred to as the "exchange right".

A holder of a Class B LP Unit has the right to initiate the exchange procedure pursuant to the "exchange right" at any time as long as each of the following conditions has been satisfied:

- (a) the exchange would not cause the Trust to cease to qualify as, or cause a significant risk to the Trust's status as, a "mutual fund trust" or "real estate investment trust" under the Tax Act or cause or create a significant risk that would cause the Trust to be subject to tax under paragraph 122(1)(b) of the Tax Act;

- (b) the Trust is legally entitled to issue the Units in connection with the exercise of the exchange right; and
- (c) the person receiving the Units upon the exercise of the exchange right complies with all applicable securities laws and stock exchange requirements at the time of the exchange.

The Exchange Agreement also provides for the right of the Trust to require the holders of all but not less than all of the Class B LP Units to exchange their Class B LP Units for Units if:

- (a) the total number of Units for which all outstanding Class B LP Units are exchangeable is less than 1% of the number of Class B LP Units that were issued on the IPO Closing Date; or
- (b) there occurs or is about to occur any amalgamation, merger, arrangement, take-over bid, material transfer or sale of Units or rights or other securities of the Trust or interests therein or thereto, or sale of all or substantially all of the assets of the Trust, or similar transaction involving the Trust or a Subsidiary of the Trust or any proposal to do any of the foregoing (other than in connection with a transaction involving one or more of such entities pursuant to which all of the assets of such entity or entities are transferred to the Trust or another wholly-owned direct or indirect Subsidiary of the Trust) and the Board determines that it is not reasonably practicable to substantially replicate the terms and conditions of the Class B LP Units in connection with such transaction and that the exchange of all but not less than all of the outstanding Class B LP Units is necessary to enable the completion of such transaction in accordance with its terms, provided, however, that in the case of a take-over bid, not less than 66 2/3% of the Units (calculated on a fully-diluted, converted and exchanged basis) have been validly deposited and tendered under such take-over bid and not withdrawn at the expiry of such take-over bid.

The Exchange Agreement also provides for the automatic exchange of Class B LP Units for Units in the event of a liquidation, dissolution or winding-up of the Trust.

Pre-Emptive Rights

In the event that the Trust or the Partnership decides to issue equity securities of the Trust or the Partnership or securities convertible into or exchangeable for equity securities of the Trust or the Partnership or an option or other right to acquire any such securities other than to an Affiliate thereof ("Issued Securities"), the Exchange Agreement provides Loblaw, for so long as it owns at least a 10% effective interest in the Trust (on a fully-diluted basis), with pre-emptive rights to purchase Units, Class B LP Units or Issued Securities, to maintain Loblaw's effective pro rata ownership interest (on a fully-diluted basis). The pre-emptive right does not apply to the issuance of Issued Securities in certain circumstances, including the following: (i) to participants in the DRIP or a similar plan of the Partnership, including any "bonus" distribution, (ii) in respect of the exercise of options, warrants, rights or other securities issued under the Trust's or the Partnership's security-based compensation arrangements, if any, (iii) the issuance of Units in lieu of cash distributions, (iv) the issuance is full or partial consideration for the purchase of real property by the Trust from Loblaw, (v) the exercise by a holder of a conversion, exchange or other similar privilege pursuant to the terms of a security in respect of which Loblaw did not exercise, failed to exercise, or waived, its pre-emptive right or in respect of which the pre-emptive right did not apply, (vi) pursuant to a unitholder rights plan of the Trust, if any, and (vii) to the Trust, the Partnership or any Subsidiary of the Trust or the Partnership or an Affiliate of any of them.

Registration Rights

The Exchange Agreement provides Loblaw with the right (the "Piggy-Back Registration Right") to require the Trust to include Units held by such securityholders, including Units issuable upon exchange of Class B LP Units, in any future offering undertaken by the Trust by way of prospectus that it may file with applicable Canadian securities regulatory authorities (a "Piggy-Back Distribution"). The Trust is required to use reasonable commercial efforts to cause to be included in the Piggy-Back Distribution all of the Units that

Loblaw requests to be sold, provided that if the Piggy-Back Distribution involves an underwriting and the lead underwriter determines that the total number of Units to be included in such Piggy-Back Distribution should be limited for certain prescribed reasons, the Units to be included in the Piggy-Back Distribution will be first allocated to the Trust.

In addition, the Exchange Agreement provides Loblaw with the right (the “Demand Registration Right”) to require the Trust to use reasonable commercial efforts to file one or more prospectuses with applicable Canadian securities regulatory authorities, qualifying Units held by such securityholders, including Units issuable upon the exchange of Class B LP Units, for distribution (a “Demand Distribution”). Loblaw is entitled to request not more than two Demand Distributions per calendar year, and each Demand Distribution must be comprised of such number of Units that would reasonably be expected to result in gross proceeds of at least \$20 million. The Trust may distribute Units in connection with a Demand Distribution provided that if the Demand Distribution involves an underwriting and the lead underwriter determines that the total number of Units to be included in such Demand Distribution should be limited for certain prescribed reasons, the Units to be included in the Demand Distribution will be first allocated to the selling securityholders.

Each of the Piggy-Back Registration Right and the Demand Registration Right are exercisable at any time, provided that Loblaw owns at least a 10% effective interest in the Trust (on a fully-diluted basis) at the time of exercise. The Piggy-Back Registration Right and the Demand Registration Right are subject to various conditions and limitations, and the Trust is entitled to defer any Demand Distribution in certain circumstances for a period not exceeding 90 days. The expenses in respect of a Piggy-Back Distribution, subject to certain exceptions, will be borne by the Trust, except that any underwriting fee on the sale of Units by Loblaw, and the fees of Loblaw’s external legal counsel, will be borne by Loblaw. The expenses in respect of a Demand Distribution, subject to certain exceptions, will be borne by the Trust and Loblaw on a proportionate basis according to the number of Units distributed by each. Pursuant to the Exchange Agreement, the Trust will indemnify Loblaw for any misrepresentation in a prospectus under which Loblaw’s Units are distributed (other than in respect of any information provided by Loblaw, in respect of Loblaw, for inclusion in the prospectus) and Loblaw will indemnify the Trust for any information provided by Loblaw, in respect of Loblaw, for inclusion in the prospectus.

Tag/Drag Rights

The Exchange Agreement provides that if Loblaw owns at least a 10% effective interest in the Trust (on a fully-diluted basis), and Loblaw so requests, the Trust will cause a purchaser (other than the Trust or an Affiliate of the Trust) of Class B LP Units (or any permitted assignee) to purchase a pro rata portion of the Class B LP Units owned by Loblaw, on substantially the same terms and subject to the same conditions as are applicable to the purchase by the purchaser of Class B LP Units held by the Trust. If Loblaw owns less than a 10% effective interest in the Trust (on a fully-diluted basis), the Trust will be entitled, in connection with the direct or indirect sale of all of its Class B LP Units, to require Loblaw or any permitted assignee to sell their Class B LP Units on the same terms and conditions as are applicable to the Trust’s direct or indirect sale of all other interests in the Partnership, and upon the Trust making such request and completing such sale, Loblaw will have no further interest in the Partnership.

Assignment

The Exchange Agreement is not assignable by Loblaw without the Trust’s prior written consent other than to one or more Affiliates of Loblaw, provided that such entity remains an Affiliate of Loblaw. However, Loblaw is able to assign its interest in the Exchange Agreement without the consent of the other parties in connection with the transfer of Class B LP Units in accordance with the provisions of the Limited Partnership Agreement; provided, however, that no assignment by Loblaw of its interest in the Exchange Agreement will be effective unless Loblaw has first complied with the terms and conditions in the Limited Partnership Agreement applicable to the transfer of Class B LP Units. In addition, the Exchange Agreement is not assignable by the Trust, except with the prior written consent of Loblaw. See “The Partnership and Description of Partnership Units — Transfer of LP Units”.

Master Acquisition Agreement

The Trust indirectly acquired interests in the Initial Properties from the Transferors pursuant to separate acquisition agreements for each Initial Property. The Master Acquisition Agreement, however, contains representations and warranties typical of those contained in real estate acquisition agreements negotiated between sophisticated purchasers and vendors acting at arm's length, certain of which are qualified as to knowledge and materiality and subject to reasonable exceptions, relating to the Transferors (as vendors), the Partnership and the Initial Properties (including, among other things, representations and warranties as to organization and status, power and authorization and issued capital of the Partnership, compliance with laws, title to the Initial Properties, condition of the Initial Properties, certain property related financial information, outstanding liens, status of the existing leases, Loblaw Leases and material agreements, accuracy of rent rolls, tax matters, environmental matters and litigation matters). Loblaw also provided a representation and warranty that the IPO Prospectus contains full, true and plain disclosure of all material facts, subject to an exception for portions of the IPO Prospectus purporting to be made on authority of an expert or purporting to be an extract from a report, opinion or statement of an expert. All representations and warranties survived for a period of 18 months from the IPO Closing Date; provided, however, that representations and warranties regarding existence and capacity, and power and authorization shall survive indefinitely, representations and warranties regarding tax matters shall survive for the applicable limitation periods, or in certain limited cases, three months following the expiry of the applicable limitation period, and representations and warranties regarding environmental matters shall survive for a period of 36 months following the IPO Closing Date.

Loblaw has agreed to indemnify Choice Properties for any breach of the representations and warranties in the Master Acquisition Agreement. The maximum liability of Loblaw under such indemnity is limited to an amount equal to the net proceeds of the IPO and no claim under this indemnity may be made until the aggregate losses exceed \$1 million and the threshold dollar amount for each claim to be included for purposes of a breach of representation claim is \$50,000. There can be no assurance of recovery by Choice Properties from Loblaw for any breach of the representations and warranties made by it under the Master Acquisition Agreement, as there can be no assurance that Loblaw's assets will be sufficient to satisfy such obligations.

Pursuant to the terms of the Master Acquisition Agreement, the Initial Properties were divided into three groups for purposes of allocating responsibility for environmental issues. The first group of properties initially consisting of 225 properties in respect of which certain actual or potential environmental issues were identified in individual Phase I ESA Reports and Phase II ESA Reports but for which no current remedial action was recommended in a report prepared by an independent environmental consultant. In relation to these properties, Loblaw has provided an indemnity under which Loblaw will indemnify Choice Properties for a period of 10 years following the IPO Closing Date for costs incurred in relation to the identified issues in certain events, including in relation to third-party claims and certain commercial transactions and situations where additional investigation undertaken by or with the consent of Choice Properties indicates that the environmental contamination: (a) is migrating or may migrate off-site; (b) may migrate beneath infrastructure, including a building; (c) may result in adverse effects to human health; or (d) may invite regulatory intervention, provided in all the foregoing events, Choice Properties would incur such costs if it was not indemnified for the issue.

The second group initially consisted of 27 properties in respect of which certain actual or potential environmental issues were identified in individual Phase I ESA Reports and Phase II ESA Reports that Loblaw has agreed to remediate to a standard or condition that is agreed to by Choice Properties and Loblaw, each acting reasonably and in good faith. The remediation of those issues may involve simply demonstrating that a potential issue does not exist or that an issue will not result in a particular harm. Loblaw will also indemnify Choice Properties for losses for all reasonable environmental management costs that are incurred by Choice Properties as result of third-party claims relating to the specific issues for which Loblaw has agreed to remediate.

The third group consists of 173 properties in respect of which no environmental issues were identified by individual Phase I ESA Reports. In respect of these properties, except for certain knowledge and materiality

qualifications, Loblaw has represented and warranted to Choice Properties regarding compliance of the Initial Properties with environmental laws and not being subject to environmental regulatory orders. These representations and warranties also apply to a property in either of the first two property groups in respect of issues not subject to the indemnification or remediation obligations described above.

In addition, each of Choice Properties and Loblaw have agreed to provide the other party with certain indemnities relating to certain tax matters in connection with the transfer and ownership of the Initial Properties and the issuance of the original Transferor Notes.

For post IPO acquisitions, individual environmental agreements set forth the allocation of responsibility for environmental issues with respect to the specific site. The first group of properties consists of 25 properties in respect of which certain actual or potential environmental issues were identified in individual Phase I ESA Reports and Phase II ESA Reports but for which no current remedial action was recommended in a report prepared by an independent environmental consultant. The second group consists of 9 properties in respect of which certain actual or potential environmental issues were identified in individual Phase I ESA Reports and Phase II ESA Reports that Loblaw has agreed to remediate to a standard or condition that is agreed to by Choice Properties and Loblaw, each acting reasonably and in good faith. The third group consists of 57 properties in respect of which no environmental issues were identified by individual Phase I ESA Reports.

Services Agreement

Pursuant to the Services Agreement, Loblaws Inc. provides Choice Properties with administrative and other support services, such as property and facility management services (in respect of certain Properties) and such other services as may be reasonably required from time to time.

Loblaws Inc. has agreed to provide these services to Choice Properties on a cost-recovery basis only. Loblaws Inc. has agreed to provide the above-noted services based on a fee schedule negotiated by the parties (which fixed fee excludes harmonized sales tax and all other applicable indirect or value added taxes, but includes all disbursements and expenses).

The Services Agreement has been in place since IPO and was most recently amended effective January 1, 2016, with automatic one year renewals until terminated pursuant to its terms. The Services Agreement or any of the services thereunder may be terminated by Choice Properties at any time during the term upon 90 days' prior written notice to Loblaw, or in the event of a material breach or material default of Loblaw's obligations under the Services Agreement, without payment of any termination fees. Loblaw has the right to terminate the Services Agreement with 12 months' written notice after the expiration of the initial one year term, upon the occurrence of an event of default by Choice Properties that has not been cured within the applicable cure period or in the event that the parties are unable to reach an agreement with respect to the annual budget for a calendar year within 90 days following the beginning of the calendar year. Other than in these three circumstances, Loblaw does not have the right to terminate the Services Agreement.

The Services Agreement contains an acknowledgement that Loblaw may engage in other businesses that may be similar to or in competition with Choice Properties' affairs. In the event of a conflict, Loblaw will provide Choice Properties with written notice of the conflict and Choice Properties will be entitled to retain one or more third parties to perform the administrative services to which the conflict relates and to deduct from the fees otherwise payable to Loblaw under the Services Agreement, in respect of the applicable annual budget, the fees payable to such third parties.

Management expects the scope of the services provided by Loblaw to decrease over time as Choice Properties develops the capacity to perform more of the services internally. As a result, management generally expects the fees payable to Loblaw pursuant to the Services Agreement to decrease over time (subject to adjustments for inflation) and for Choice Properties to incur a corresponding increase in internal costs over the same period, the net effect of which is that the cost to Choice Properties will generally remain the same.

XVIII. PROMOTER

As LCL took the initiative in founding and organizing the Trust and is considered a promoter of the Trust in accordance with applicable securities legislation. As of December 31, 2015, LCL and certain of its Subsidiaries held an approximate 83.0% effective interest in the Trust through ownership of 21,500,000 Units and all of the Class B LP Units of the Partnership that are economically equivalent to and exchangeable for Units. Loblaw holds all of the outstanding Class C LP Units and Special Voting Units.

The Trust reimbursed LCL for all reasonable expenses incurred by it in connection with the founding and organizing of the Trust, including financial, legal, accounting, tax, travel, filing and printing fees. LCL did not receive any acquisition or other fee in connection with the founding and organization of the Trust or the completion of the IPO Acquisition and related financings.

XIX. LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

Choice Properties is potentially the subject of various legal proceedings and claims that arise in the ordinary course of business. The outcome of all these proceedings and claims is uncertain. Based on information currently available, any proceedings and claims, individually and in the aggregate, are not expected to have a material impact on Choice Properties.

Choice Properties received notices of assessment from the Ontario Ministry of Finance for approximately \$10,319 (penalties and interest included) with respect to land transfer tax on Property acquisitions from Loblaw, primarily properties acquired in the IPO. The Trust has appealed this assessment. The Trust believes it is not liable for the tax under the applicable legislation, therefore, no liability was recognized in the consolidated financial statements. Choice Properties is fully indemnified by Loblaw for tax assessed on the IPO properties if the appeal is unsuccessful.

Regulatory Actions

The Trust is not aware of any penalties or sanctions imposed by a court or securities regulatory authority or other regulatory body against the Trust, nor has the Trust entered into any settlement agreements before a court or with a securities regulatory authority.

XX. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as described in this AIF and the Trust's 2015 MD&A, there are no material interests, direct or indirect, of the Trustees or executive officers of the Trust, any person that beneficially owns or controls more than 10% of any class or series of outstanding securities of the Trust or any associate or affiliate of any of the foregoing persons in any transaction within the last three years or any proposed transaction that has materially affected or would reasonably be expected to materially affect the Trust or any of its Subsidiaries.

It is the Trust's policy to conduct all transactions and settle all balances with related parties on market terms and conditions.

Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101") provides a number of circumstances in which a transaction between an issuer and a related party may be subject to valuation and minority approval requirements. An exemption from such requirements is available when the fair market value of the transaction does not exceed 25% of the market capitalization of the issuer. The Trust has been granted exemptive relief from the requirements of MI 61-101 that, subject to certain conditions, permits it to be exempt from the minority approval and valuation requirements for transactions that would have less than 25% of the Trust's market capitalization, if exchangeable Class B LP Units of the Partnership held by Loblaw are included in the calculation of the Trust's market capitalization.

As a result, the 25% threshold, above which the minority approval and valuation requirements would apply, is increased to include the approximately 77% indirect exchangeable equity interest in the Trust held by Loblaw in the form of exchangeable Class B LP Units of the Partnership.

Further information on related party transactions can be found on pages 34 of the Trust's 2015 MD&A.

XXI. AUDITOR, TRANSFER AGENT, REGISTRAR AND INDENTURE TRUSTEE

The Trust's auditors are KPMG LLP, who prepared the independent Auditors' Report to Unitholders in respect of the Trust's audited annual consolidated financial statements. KPMG LLP have confirmed that they are independent with respect to the Trust within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

The transfer agent and registrar for the Units is CST Trust Company at its principal office in Toronto, Ontario, and the indenture trustee for the Trust Debentures is BNY Trust Company of Canada and the indenture trustee for the Partnership Debentures is Computershare Trust Company of Canada.

XXII. AUDIT COMMITTEE INFORMATION

The Audit Committee Charter, as approved by the Board on February 17, 2016, is included in Appendix B. The members of the Audit Committee are indicated above. All members of the Audit Committee are independent and financially literate (as those terms are defined in Multilateral Instrument 52-110 of the Canadian Securities Administrators) and have the following education and experience which is relevant to their roles as Audit Committee Members:

Paul R. Weiss (Chair) – Mr. Paul Weiss, a corporate director, spent his career with KPMG LLP Canada serving as a member of the Management Committee and as a member of the International Global Audit Steering Group, and is also the former Managing Partner for KPMG LLP Canada's Audit Practice. Earlier in his career, Mr. Weiss was responsible for KPMG LLP Canada's Real Estate Practice. Mr. Weiss is a director of Bell Canada, BCE Inc., and Torstar Corporation. In addition to public board memberships, Mr. Weiss is a former director of Bell Alliant, ING Bank of Canada and Empire Life Insurance Company. Mr. Weiss is the past chair of Soulepper Theatre Company and past Chairman of Toronto Rehab Foundation. Mr. Weiss graduated from Carleton University with a Bachelor of Commerce degree and is a Fellow Chartered Accountant and a Fellow Chartered Professional Accountant.

Kerry D. Adams – Ms. Kerry Adams currently serves as President of K. Adams & Associates Limited, which has provided wealth management services for trusts and private corporations since 1991. She is the Chair of the Bank of Nova Scotia's AURION Real Estate Committee. Ms. Adams serves as a member of Fidelity Investments Canada ULC's Independent Review Committee. In addition to her public board experience, Ms. Adams has served as a Commissioner and Director of the Ontario Securities Commission (1996 to 2003), and Chair of its Investor Education Fund (2000 to 2006) and was a member of the board and governance committee of the Investment Industry Regulatory Organization of Canada (2008 to 2011). Ms. Adams also served as Director of Walmart Canada Bank, President of Widcor Limited and Widcor Financial and was a partner at KPMG Peat Marwick. Ms. Adams is a Fellow Chartered Accountant and a Fellow Chartered Professional Accountant and holds a Bachelor of Arts (Honours Economics) degree from Queens University. Ms. Adams is an Institute-certified Director of the Institute of Corporate Directors.

Graeme Eadie – Mr. Graeme Eadie is the Senior Managing Director, Global Head of Real Estate Investments for Canada Pension Plan Investment Board (a professional investment management organization), where he is responsible for the global real estate program which encompasses both equity and debt investments. Prior to joining Canada Pension Plan Investment Board, Mr. Eadie held multiple positions at Cadillac Fairview, including Chief Financial Officer, Chief Operating Officer and President. Mr. Eadie has also held senior management positions with a number of entities in the retail and manufacturing areas. Mr. Eadie is currently a director of Aliance Shopping Centers S.A. He also previously served as a trustee of Morguard Real Estate Investment Trust and a director of the Ontario Realty Corporation. Mr.

Eadie graduated from the University of British Columbia with a Bachelor of Commerce and Master of Science, Business Administration degrees.

Michael P. Kitt – Mr. Michael Kitt has been a senior executive for Oxford Properties Group (the real estate management, development and investment arm of OMERS) since 2007 and is currently the Executive Vice President, Canada, responsible for all activities within its 50 million square foot Canadian portfolio, including real estate management, development and investments. Mr. Kitt held various senior roles at Cadillac Fairview Corporation, leading both its Investment and Development Groups (1996 to 2006). As Executive Vice President, Development, he was responsible for planning and executing over \$2 billion of development projects. Mr. Kitt is a member of Building Owners and Managers Association. Mr. Kitt served on the board of trustees of InnVest Real Estate Investment Trust (2002 to 2013). Mr. Kitt graduated from the University of Manitoba with a Bachelor of Commerce degree and holds a Chartered Financial Analyst designation.

XXIII. EXTERNAL AUDIT FEES

The following tables sets forth the consolidated fees billed for professional services rendered by the independent external auditors, KPMG LLP for professional services rendered for the audit of the Trust's financial statements and other services for fiscals 2015 and 2014, respectively:

	2015	2014
Audit Fees	\$998,500	\$885,000
Audit-related fees	\$104,200	\$110,000
Total Fees	\$1,102,700	\$995,000

The Audit Committee Charter provides that the Audit Committee must pre-approve the retaining of the auditors for any non-audit service. The Audit Committee may delegate to one or more members the authority to pre-approve the retaining of the auditors for any non-audit service to the extent permitted by law.

XXIV. ADDITIONAL INFORMATION

Additional information, including trustees' and officers' remuneration and indebtedness, principal holders of the Trust's securities, and securities authorized for issuance under equity compensation plans, where applicable, will be contained in the Trust's Management Proxy Circular for the Annual Meeting of Unitholders to be held on April 26, 2016. Additional financial information is also provided in the Trust's consolidated financial statements and MD&A for its most recently completed financial year.

Additional information relating to the Trust has been filed on SEDAR and is available online at www.sedar.com or at www.choicereit.ca.

Appendix "A" Properties

The tables below set forth information concerning the Choice Properties' Properties as at December 31, 2015. The first table, "Stand Alone Properties", summarizes all of the Properties that have a stand-alone store, warehouse or office building operating under a Loblaw Owned Banner with no additional third party tenants. The second table, "Properties With One or More Additional Third Party Tenants", summarizes each of the Properties that is to be anchored by a store or warehouse operating under a Loblaw Owned Banner and also contains one or more additional third party tenants, as well as five properties that are not anchored by a store operating under a Loblaw Owned Banner and a parcel of Land to be developed into a "Property With One or More Additional Third-Party Tenants".

Stand-Alone Properties

Property	City	Property Class	Banner	Year Built	Year Last Renovated	GLA	Year of Expiry of Lease
Alberta							
300 Veterans Blvd. NE	Airdrie	Retail	Real Canadian Superstore	2005	2009	158,398	2025
5007 – 52 nd St.	Altabasca	Retail	You Independent Grocer	2001	2014	40,136	2030
55 Freeport Blvd. NE	Calgary	Warehouse	N/A	2003	2009	499,837	2029
5858 Signal Hill Cntr SW	Calgary	Retail	Real Canadian Superstore	1997	2009	122,147	2030
3633 Westwinds Dr. NE	Calgary	Retail	Real Canadian Superstore	2005	2009	161,951	2025
15915 Macleod Trail SE	Calgary	Retail	Real Canadian Superstore	1998	2012	144,531	2029
2928-23rd St. NE	Calgary	Retail	Real Canadian Wholesale Club	1996	N/A	50,000	2028
222-58th Ave. SE	Calgary	Retail	Real Canadian Wholesale Club	1994	N/A	53,114	2027
7005-48th Ave.	Camrose	Retail	Real Canadian Superstore	2001	N/A	139,498	2026
5335 – 55 th St.	Cold Lake	Retail	nofrills	1999	2008	28,561	2029
16 Superior St.	Devon	Retail	Extra Foods	1997	2011	30,918	2029
4821 Calgary Trail NW	Edmonton	Retail	Real Canadian Superstore	1984	2012	151,647	2030
9711-23rd Ave. NW	Edmonton	Retail	Real Canadian Superstore	2000	2012	147,280	2026
4431-4th Ave.	Edson	Retail	Extra Foods	1993	2003	39,123	2029
10702-83rd Ave.	Grande Prairie	Retail	nofrills	2010	N/A	33,375	2030
12225-99th St.	Grande Prairie	Retail	Real Canadian Superstore	1993	2011	142,108	2028
1103-18 St. SE	High River	Retail	Extra Foods	1995	2000	39,401	2028
10527 – 100 th Ave.	Lac La Biche	Retail	Your Independent Grocer	2001	2014	39,922	2030
3515 Mayor McGrath Dr. S	Lethbridge	Retail	Real Canadian Superstore	2005	2009	164,227	2024
5031-44th St.	Lloydminster	Retail	Real Canadian Superstore	1991	2012	108,529	2028
1792 Trans Canada Way SE	Medicine Hat	Retail	Real Canadian Superstore	1993	2010	135,169	2024
9 Sandstone Gate	Okotoks	Retail	nofrills	1998	2008	31,084	2029
7613 – 100 th Ave.	Peace River	Retail	nofrills	1994	2008	58,225	2029
5561 Hwy. #53	Ponoka	Retail	Extra Foods	1995	2000	38,942	2027
15-6350-67th St.	Red Deer	Retail	Real Canadian Wholesale Club	1997	N/A	53,089	2027
3 Clearview Market Way	Red Deer	Retail	Your Independent Grocer	2012	N/A	32,617	2024
100-410 Baseline Rd.	Sherwood Park	Retail	Real Canadian Superstore	1998	2010	136,180	2027
1-110 Campsite Rd.	Spruce Grove	Retail	Real Canadian Superstore	2000	2010	134,941	2028
5701 – 47 th Ave.	Stettler	Retail	nofrills	1995	N/A	37,562	2030
4734-50 Ave.	Vegreville	Retail	nofrills	2002	2007	40,093	2028
2601-14th Ave.	Wainwright	Retail	nofrills	2001	2007	39,922	2028
10851 – 100 th St.	Westlock	Retail	Your Independent Grocer	2003	2014	39,922	2030
British Columbia							
2855 Gladwin Rd.	Abbotsford	Retail	Real Canadian Superstore	1989	2010	141,487	2029
221 Highway 16	Burns Lake	Retail	Real Canadian Wholesale Club	2000	N/A	51,241	2030
45779 Luckakuck Way	Chilliwack	Retail	Real Canadian Superstore	1997	2010	130,022	2026
757 & 801 Ryan Rd.	Courtenay	Retail	Real Canadian Superstore	1993	2012	102,025	2027
2100-17th St. N	Cranbrook	Retail	Real Canadian Superstore	2003	N/A	132,090	2027
1501 Cook St.	Creston	Retail	Extra Foods	2000	2001	38,798	2030
1792 – 9 th Ave.	Fernie	Retail	Extra Foods	2003	N/A	38,922	2030
7000 – 27 th St.	Grand Forks	Retail	Extra Foods	2004	N/A	40,374	2030
32136 Lougheed Hwy.	Mission	Retail	Real Canadian Superstore	1997	2011	130,531	2024
6435 Metral Dr.	Nanaimo	Retail	Real Canadian Superstore	2002	N/A	141,616	2026
2155 Ferry Ave.	Prince George	Retail	Real Canadian Superstore	1995	N/A	139,265	2029
2335 Maple Dr. E	Quesnel	Retail	Extra Foods	2004	N/A	58,224	2030
14650 – 104 th Ave.	Surrey	Retail	Real Canadian Superstore	2002	2011	147,420	2029
2755-190 th St., 2456-188 St. & 18917-24th Ave.	Surrey	Warehouse	N/A	2009	N/A	407,000	2030
7550 King George Blvd.	Surrey	Retail	Real Canadian Superstore	1990	2012	139,332	2028
4524 Feeny Ave.	Terrace	Retail	Real Canadian Wholesale Club	1997	N/A	53,904	2030

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3185, 3189 & 3191 Grandview Hwy.	Vancouver	Retail	Real Canadian Superstore	1990	2012	136,570	2027
350 SE Marine Dr.	Vancouver	Retail	Real Canadian Superstore	1989	2011	621,177	2028
2110 Ryley Ave.	Vanderhoof	Retail	Your Independent Grocer	2000	2014	38,049	2030
5001 Anderson Way	Vernon	Retail	Real Canadian Superstore	2005	2014	154,717	2030
Manitoba							
920 Victoria Ave.	Brandon	Retail	Real Canadian Superstore	1992	2012	102,717	2027
15-1st Ave. NE	Dauphin	Retail	Extra Foods	1998	2006	28,351	2024
1200 Main St. E	Swan River	Retail	Extra Foods	1996	N/A	38,056	2030
175 Cargill Rd.	Winkler	Retail	Real Canadian Superstore	2002	2013	110,253	2030
1445 Main St.	Winnipeg	Retail	Extra Foods	1981	2013	21,130	2023
550 Kenaston Blvd.	Winnipeg	Retail	Real Canadian Superstore	1983	2012	86,240	2027
1578 Regent Ave. W	Winnipeg	Retail	Real Canadian Superstore	2000	2012	139,695	2029
215 St. Anne's Rd.	Winnipeg	Retail	Real Canadian Superstore	1981	2007	146,164	2027
1035 Gateway Rd.	Winnipeg	Retail	Real Canadian Superstore	1981	2012	103,553	2027
80 Bison Dr.	Winnipeg	Retail	Real Canadian Superstore	1999	2012	144,723	2029
New Brunswick							
25 Savoie Ave.	Atholville	Retail	Atlantic Superstore	2003	N/A	69,541	2031
168 Renfrew St.	Dalhousie	Retail	Save Easy	2000	2007	13,800	2024
419 Main St.	Doaktown	Retail	Save Easy	1998	2007	10,500	2030
116 Main St.	Fredericton	Retail	Atlantic Superstore	1995	2011	45,000	2029
408 King George Hwy.	Miramichi	Retail	Atlantic Superstore	1994	2007	48,535	2026
520 St. George Blvd.	Moncton	Retail	Atlantic Cash and Carry	1998	2009	20,035	2024
89 Trinity Dr.	Moncton	Retail	Atlantic Superstore	2001	2011	89,134	2030
775 Frenette Ave.	Moncton	Warehouse	N/A	2010	N/A	124,655	2031
85 Commerce St., RR # 4	Moncton	Warehouse	N/A	1995	2001	189,385	2025
52 rue Rochette	Petit Rocher	Retail	Save Easy	2002	2007	10,800	2030
220 Main St.	Plaster Rock	Retail	Save Easy	1999	N/A	6,500	2028
417, 425 & 429 Coverdale Rd.	Riverview	Retail	Atlantic Superstore	1994	2011	87,799	2025
61 Main St.	Sackville	Retail	Save Easy	1960	2006	14,512	2029
680 Somerset St.	Saint John	Retail	Atlantic Superstore	1998	2010	51,076	2024
307 & 313 Main St. E	Shediac	Retail	nofrills	2000	2009	18,067	2023
232 Water St. & 49 Frederick St.	St. Andrews	Retail	Save Easy	2000	2008	13,984	2029
44 Lansdowne Ave. S	Sussex	Retail	Atlantic Superstore	2006	N/A	73,771	2025
3455 rue Principale	Tracadie	Retail	Atlantic Superstore	2004	2012	68,594	2026
Newfoundland							
166 Main Hwy.	C.B.S.	Retail	Dominion	1994	2007	59,580	2027
5 Murphy Square	Corner Brook	Retail	Dominion	2001	2009	61,087	2027
17 Cromer Ave.	Grand Falls	Retail	Dominion	1999	2003	44,672	2025
35 Clyde Ave.	Mount Pearl	Warehouse	N/A	1960	2007	151,221	2023
20 Lake Ave.	St. John's	Retail	Dominion	2007	N/A	69,426	2024
Northwest Territories							
250 Old Airport Rd.	Yellowknife	Retail	Extra Foods	1995	2013	60,970	2034
Nova Scotia							
197 Commercial St.	Berwick	Retail	Save Easy	1996	2006	8,400	2024
21 Davidson Dr.	Bridgewater	Retail	Atlantic Superstore	1995	2012	70,342	2029
9 Braemar Dr.	Dartmouth	Retail	Atlantic Superstore	2001	2011	61,445	2029
7111 Chebucto Rd.	Halifax	Retail	Real Canadian Wholesale Club	1998	2005	45,227	2025
43, 45 & 47 Main St.	Hantsport	Retail	Save Easy	2000	N/A	6,803	2026
451 Main St.	Kentville	Retail	Save Easy	1999	2007	13,933	2031
543 Main St.	Mahone Bay	Retail	Save Easy	1993	2010	7,796	2027
394 Westville Rd.	New Glasgow	Retail	Atlantic Superstore	1999	2008	90,801	2026
9064 Commercial St.	New Minas	Retail	Atlantic Superstore	1995	2012	59,845	2029
50 Paint St.	Port Hawkesbury	Retail	Atlantic Superstore	2000	N/A	47,273	2025
330-390 Welton St.	Sydney	Retail	Atlantic Cash and Carry	1998	N/A	21,413	2025
1225 Kings Rd.	Sydney	Retail	Atlantic Superstore	1999	2012	47,189	2027
5175 St. Margaret's Bay Rd.	Upper Tantallon	Retail	Atlantic Superstore	2002	2012	63,878	2025
396 Main St.	Wolfville	Retail	Save Easy	1999	2007	9,378	2029
Ontario							
30 Kingston Rd. W	Ajax	Retail	Real Canadian Superstore	2003	2012	98,590	2023
512 St. Phillip St.	Alfred	Retail	valu-mart	1999	2014	17,507	2030
30 King St.	Alliston	Retail	Zehrs	2000	2010	72,247	2029
181 Sandwich St. S	Amherstburg	Retail	nofrills	2002	N/A	31,676	2024
285 Mill Street RR #1	Angus	Retail	nofrills	2006	N/A	27,025	2025
15900 Bayview Ave.	Aurora	Retail	Real Canadian Superstore	2004	2012	106,665	2026
657 John St. N	Aylmer	Retail	nofrills	2000	2004	43,651	2031
127 Hastings St. N	Bancroft	Retail	nofrills	2005	N/A	25,338	2030
319 Blake St.	Barrie	Retail	nofrills	1996	2004	15,824	2030
620 Yonge St.	Barrie	Retail	Zehrs Markets	2002	2009	83,640	2031
472 Bayfield St.	Barrie	Retail	Zehrs Markets	2001	2010	83,812	2029
30 Beaver Ave.	Beaverton	Retail	Your Independent Grocer	1999	2007	50,516	2029
211 Bell Blvd.	Belleville	Retail	nofrills	1997	2007	45,112	2029
400 Dundas St. E	Belleville	Retail	Your Independent Grocer	1993	2012	50,430	2030
487 Queen St. S	Bolton	Retail	Zehrs Markets	1998	2012	59,827	2027

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2375 Hwy. #2	Bowmanville	Retail	Loblaws	1998	2010	46,312	2024
270 Wellington St.	Bracebridge	Retail	Your Independent Grocer	1980	2010	60,007	2030
500 Holland St. W	Bradford	Retail	Zehrs Markets	2012	N/A	50,075	2023
1 President's Choice Circle & 55 Hereford St.	Brampton	Office	Office	2005	2013	609,000	2031
155 Elizabeth St., RR#3	Brighton	Retail	nofrills	2005	N/A	43,787	2025
1972 Parkdale Ave.	Brockville	Retail	Real Canadian Superstore	2005	2012	91,721	2023
2515 Appleby Line	Burlington	Retail	Fortinos	2011	N/A	79,710	2023
1105 Fountain St.	Cambridge	Warehouse	N/A	2001	2011	911,670	2031
400 Conestoga Blvd.	Cambridge	Retail	Zehrs Markets	1999	2012	82,422	2030
455 McNeely Ave.	Carleton Place	Retail	Your Independent Grocer	2000	2004	71,924	2030
726 Principale St.	Casselman	Retail	nofrills	2001	N/A	17,954	2030
801 St Clair St. N	Chatham	Retail	Real Canadian Superstore	2005	2012	91,230	2025
31-1 Hwy. #11 W	Cochrane	Retail	valu-mart	1995	2005	19,953	2030
12 Hurontario St.	Collingwood	Retail	Loblaws	2000	2008	57,795	2028
165 Bunker Ave.	Corunna	Retail	nofrills	2005	N/A	28,126	2023
1428 Highway 2	Courtoice	Retail	Shoppers Drug Mart	2009	N/A	30,309	2035
75 Deep River Rd.	Deep River	Retail	valu-mart	1990	N/A	22,863	2031
227 Main St.	Delhi	Retail	Your Independent Grocer	2006	N/A	18,344	2029
177 Highway #108 N	Elliot Lake	Retail	nofrills	2008	N/A	32,644	2029
66 Fourth Ave.	Englehart	Retail	valu-mart	1990	N/A	7,968	2030
745 Centre St.	Espanola	Retail	Your Independent Grocer	1995	2006	50,503	2027
330 Queen's Plate Dr.	Etobicoke	Retail	Fortinos	2003	2011	91,821	2031
380 The East Mall	Etobicoke	Retail	Loblaws	1999	2008	81,914	2030
3671 Dundas St. W	Etobicoke	Retail	Loblaws	1998	2008	53,352	2029
220 Royal York Rd.	Etobicoke	Retail	nofrills	1990	2004	20,182	2030
2399 Lake Shore Rd.	Etobicoke	Retail	valu-mart	2007	N/A	10,791	2024
1135 Thompson Rd.	Fort Erie	Retail	nofrills	2002	2006	31,784	2026
1012 Main St.	Geraldton	Retail	Extra Foods	2006	2014	25,744	2030
Hwy. #8	Goderich	Retail	Zehrs Markets	1995	2010	59,773	2028
40 Meredith St.	Gore Bay	Retail	valu-mart	1990	N/A	9,486	2030
290 First St. N	Gravenhurst	Retail	Your Independent Grocer	2000	2004	49,932	2026
361 South Service Rd.	Grimsby	Retail	Real Canadian Superstore	2002	2012	90,229	2023
124 Clair Rd. East	Guelph	Retail	Zehrs	2014	N/A	39,956	2029
160 Main St.	Hagersville	Retail	nofrills	2004	2011	12,213	2029
5121 Country Rd. #21	Haliburton	Retail	Your Independent Grocer	2004	2012	35,702	2025
1124 Main St. E	Hamilton	Retail	nofrills	1997	2006	19,065	2024
5200 Hwy. #69 N	Hanmer	Retail	Your Independent Grocer	1990	2002	45,029	2031
1560 Cameron St.	Hawkesbury	Retail	Your Independent Grocer	2003	2009	60,928	2030
1521 Highway 11 W	Hearst	Retail	Your Independent Grocer	2007	N/A	50,369	2029
131 Howland Dr.	Huntsville	Retail	Your Independent Grocer	2004	2009	69,013	2031
2211-20th Sideroad Rd.	Innisfil	Retail	nofrills	2009	2010	33,705	2023
55 Brunetville Rd.	Kapuskasing	Retail	Your Independent Grocer	2000	2012	41,585	2030
1048 Midland Ave.	Kingston	Retail	Loblaws	1999	2009	80,766	2030
1030 Coverdale Dr.	Kingston	Retail	nofrills	1995	2010	37,762	2028
300 Main St. E	Kingsville	Retail	Zehrs Markets	1990	2009	60,646	2031
15 McChesney Ave.	Kirkland Lake	Retail	Your Independent Grocer	1990	2011	45,157	2030
750 Ottawa St. S	Kitchener	Retail	Zehrs Markets	2002	2010	115,000	2031
400 Kent St. W	Lindsay	Retail	Loblaws	2002	2011	60,024	2031
40 Meredith St. E	Little Current	Retail	valu-mart	2000	N/A	10,726	2030
24 - 65 Regional Rd.	Lively	Retail	Your Independent Grocer	1990	2013	30,768	2030
960 Hamilton Rd.	London	Retail	nofrills	1980	2011	20,260	2029
1740 Richmond St. N	London	Retail	Loblaws	1998	2008	80,838	2031
825 Oxford St. E	London	Retail	Real Canadian Superstore	2004	2012	106,903	2026
9186 Highway 93	Midland	Retail	Shoppers Drug Mart	2009	N/A	18,329	2035
9292 County Rd. #93	Midland	Retail	Real Canadian Superstore	2003	2009	84,011	2024
277 King St.	Midland	Retail	valu-mart	1990	2006	15,617	2029
820 Main St. E	Milton	Retail	Real Canadian Superstore	2003	2012	117,753	2024
3050 Argenta Rd.	Mississauga	Retail	Real Canadian Superstore	2004	2012	118,244	2024
580 Secretariat Ct.	Mississauga	Industrial	N/A	2006	N/A	148,245	2029
5 Main St.	Morrisburg	Retail	valu-mart	1990	N/A	18,703	2030
504 Main St. N	Mount Forest	Retail	nofrills	2003	2010	35,313	2030
1540 Haysville Rd.	New Hamburg	Retail	nofrills	2008	N/A	33,838	2026
18120 Yonge St.	Newmarket	Retail	Real Canadian Superstore	2005	2012	148,922	2026
130 Queen St.	Niagara on the Lake	Retail	valu-mart	1999	N/A	6,000	2031
1 Laurentian Ave.	North Bay	Retail	Your Independent Grocer	1995	2009	50,143	2031
90 C-Line	Orangeville	Retail	nofrills	2004	N/A	25,139	2024
481 Gibb St.	Oshawa	Retail	Real Canadian Superstore	1999	2008	80,783	2026
296 Bank St.	Ottawa	Retail	Your Independent Grocer	1900	2005	43,286	2030
3201 Greenbank Rd.	Ottawa	Retail	Loblaws	2002	2007	115,193	2030
4270 Innes Rd.	Ottawa	Retail	Real Canadian Superstore	2005	2012	150,368	2026
363 Rideau St.	Ottawa	Retail	Loblaws	1994	2010	46,876	2029
671 River Rd.	Ottawa	Retail	Your Independent Grocer	2005	2015	69,761	2030

<u>Property</u>	<u>City</u>	<u>Property Class</u>	<u>Banner</u>	<u>Year Built</u>	<u>Year Last Renovated</u>	<u>GLA</u>	<u>Year of Expiry of Lease</u>
1150-16th St. E	Owen Sound	Retail	Zehrs Markets	1997	2009	63,737	2031
1120 Second Ave. E	Owen Sound	Retail	Cash and Carry	1997	N/A	14,900	2030
230 George St. N	Peterborough	Retail	nofrills	2001	2010	35,325	2029
1400 Church St.	Pickering	Warehouse	N/A	2005	2012	921,256	2045
13311 Loyalist Parkway	Pictou	Retail	nofrills	2000	2008	26,771	2030
1244 Hwy. #21	Port Elgin	Retail	Your Independent Grocer	2004	N/A	48,020	2031
20 Jocelyn Rd.	Port Hope	Retail	Your Independent Grocer	1999	2010	49,773	2029
519 Main St.	Powassan	Retail	valu-mart	1990	N/A	14,222	2030
150 Prescott Centre Dr.	Prescott	Retail	Your Independent Grocer	2002	2010	44,600	2026
680 O'Brien Rd.	Renfrew	Retail	nofrills	2004	2012	74,227	2024
612 Main St.	Sauble Beach	Retail	valu-mart	2009	N/A	19,511	2031
44 Great Northern Rd.	Sault Ste. Marie	Retail	Your Independent Grocer	1999	2009	72,095	2028
681 Silver Star Blvd.	Scarborough	Retail	nofrills	2002	2005	55,476	2023
2742 Eglinton Ave. E	Scarborough	Retail	nofrills	2000	2006	34,222	2024
2430 Eglinton Ave. E	Scarborough	Retail	nofrills	1991	2011	19,906	2023
101 Second Line	Shelburne	Retail	nofrills	2003	N/A	31,711	2027
125 Queensway E	Simcoe	Retail	Real Canadian Superstore	2000	2012	102,735	2024
25 Ferrara Dr.	Smiths Falls	Retail	Your Independent Grocer	1995	2009	40,637	2030
411 Louth St.	St. Catharines	Retail	Real Canadian Superstore	2004	2012	107,233	2026
285 Geneva St.	St. Catharines	Retail	Zehrs Markets	1997	2011	72,735	2030
780 Queen St. E	St. Mary's	Retail	Your Independent Grocer	2007	N/A	38,759	2029
1063 Talbot St.	St. Thomas	Retail	Real Canadian Superstore	2004	2012	106,911	2024
1251 Main St.	Stittsville	Retail	Your Independent Grocer	2003	2009	68,924	2031
21 Upper Centennial Pkwy. S	Stoney Creek	Retail	Fortinos	2000	2010	88,087	2028
865 Ontario St.	Stratford	Retail	Zehrs Markets	2001	2009	82,094	2031
12035 Hwy. #17 E	Sturgeon Falls	Retail	nofrills	2004	N/A	43,648	2031
1485 Lasalle Blvd.	Sudbury	Retail	Real Canadian Superstore	1980	2009	116,345	2023
1836 Regent St.	Sudbury	Retail	Your Independent Grocer	1995	2008	46,080	2031
82 Lorne St.	Sudbury	Retail	Your Independent Grocer	2001	2012	48,653	2031
20895 Dalton Rd.	Sutton West	Retail	nofrills	1998	2010	19,296	2027
70 Hope St. W	Tavistock	Retail	valu-mart	2006	N/A	11,429	2025
400 Simcoe St.	Tillsonburg	Retail	Zehrs Markets	1996	2010	61,158	2027
654 Algonquin Blvd. E	Timmins	Retail	Your Independent Grocer	1992	2009	50,020	2030
301 Moore Ave.	Toronto	Retail	Loblaws	1990	2009	31,164	2031
50 Musgrave St.	Toronto	Retail	Loblaws	2000	2011	80,988	2031
650 Dupont St.	Toronto	Retail	Loblaws	1996	2008	52,025	2028
3501 Yonge St.	Toronto	Retail	Loblaws	1990	2008	33,700	2028
372 Pacific Ave.	Toronto	Retail	nofrills	1991	2008	23,289	2031
449 Parliament St.	Toronto	Retail	nofrills	1999	2014	14,414	2030
25 Photography Dr.	Toronto	Retail	nofrills	2005	N/A	56,747	2027
1811 Avenue Rd. / Melrose St.	Toronto	Retail	nofrills	1992	2006	13,299	2028
3730 Lakeshore Blvd.	Toronto	Retail	nofrills	2000	2004	32,011	2028
10 Lower Jarvis St.	Toronto	Retail	nofrills	1998	2010	78,425	2029
51 Gerry Fitzgerald Dr.	Toronto	Retail	Real Canadian Superstore	2004	2010	149,542	2023
11 Redway Rd.	Toronto	Retail	Loblaws	1994	2008	60,950	2030
2549 Weston Rd.	Toronto	Retail	Real Canadian Superstore	2003	2009	149,066	2033
3940 Hwy. #7	Vaughan	Retail	Fortinos	1999	2011	81,753	2030
2911 Major MacKenzie Dr.	Vaughan	Retail	Fortinos	2001	2010	89,666	2031
2 Warwick Dr.	Wallaceburg	Retail	nofrills	1996	2007	24,017	2026
25-45th St. S	Wasaga Beach	Retail	Real Canadian Superstore	2005	2012	81,748	2025
186 Mission Rd.	Wawa	Retail	valu-mart	1990	2009	15,224	2030
821 Niagara St.	Welland	Retail	Zehrs Markets	1998	2011	62,892	2025
920 Dundas St. W	Whitby	Retail	nofrills	2000	2007	30,251	2031
200 Taunton Rd. W	Whitby	Retail	Real Canadian Superstore	2005	2012	149,048	2027
400 Glen Hill Dr.	Whitby	Retail	Real Canadian Wholesale Club	2003	N/A	39,109	2026
4371 Walker Rd.	Windsor	Retail	Real Canadian Superstore	2004	2012	123,730	2026
Prince Edward Island							
461-465 University Ave.	Charlottetown	Retail	Atlantic Superstore	2000	2011	83,113	2029
509 Main St.	Montague	Retail	Atlantic Superstore	2000	2007	39,310	2029
535 Granville St.	Summerside	Retail	Atlantic Superstore	2002	2011	80,146	2029
Quebec							
845 Ave. du Pont N	Alma	Retail	Maxi	1992	2006	26,734	2026
472-4 ième rue E	Amos	Retail	Maxi	2003	2008	43,521	2028
30 rue Racine	Baie-Saint-Paul	Retail	Maxi	1997	2003	14,033	2023
175 boul. Sir-Wilfrid-Laurier	Beloil	Retail	Maxi	1997	2006	36,433	2026
180 Chemin du Tremblay	Boucherville	Warehouse	Distribution Centre	2000	2004	315,961	2029
1601 boul. de Périgny & 248 & 250 Ostiguy	Chambly	Retail	Maxi	2001	2012	47,944	2025
1160 boul. Louis-XIV	Charlesbourg	Retail	Maxi	1990	2005	36,442	2029
114 boul. Saint Jean-Baptiste	Chateauguy	Retail	Maxi	1984	2010	54,218	2027
7000 Route 125	Chertsey	Retail	Provigo	2007	N/A	24,661	2030
885-3E rue	Chibougamau	Retail	Maxi	2005	2006	36,774	2029
235 Route 338	Coleau-du-Lac	Retail	Provigo	2007	N/A	24,316	2024

<u>Property</u>	<u>City</u>	<u>Property Class</u>	<u>Banner</u>	<u>Year Built</u>	<u>Year Last Renovated</u>	<u>GLA</u>	<u>Year of Expiry of Lease</u>
1122-1128 rue du Sud	Cowansville	Retail	Loblaws	2002	2005	51,998	2023
224 boul. Saint-Michel	Dolbeau-Mistassini	Retail	Provigo	2000	N/A	27,849	2026
482 Route 138	Donnacoona	Retail	Maxi	2005	2010	37,756	2024
325-335 boul. Saint-Joseph	Drummondville	Retail	Loblaws	2003	2007	67,491	2024
1 boul. Du Plateau	Gatineau	Retail	Loblaws	1997	2009	127,582	2030
300 boul. Saint-Joseph	Gatineau	Retail	Maxi	1994	2010	55,770	2026
130 Ave. Lépine	Gatineau	Retail	Maxi & Cie	1997	2010	58,518	2031
85 rue Adrien-Robert	Gatineau	Retail	Presto	2000	2002	22,523	2025
16900 Aut. Trans-Canada	Kirkland	Retail	Provigo	2000	2009	82,680	2025
355 & 367 rue Principale	Lachute	Retail	Maxi	2003	2010	45,668	2027
3500 rue Laval	Lac-Mégantic	Retail	Maxi	2003	2010	43,506	2024
1950 boul. De La Concorde E	Laval	Retail	Loblaws	1997	2002	82,223	2023
8475 rue Chartrand	Laval	Retail	Maxi	2003	2006	35,339	2027
2090 boul. Des Laurentides	Laval	Retail	Maxi & Cie	2000	2010	97,344	2025
3500 Saint-Martin O	Laval	Retail	Maxi & Cie	1999	2009	73,740	2024
53-57 Place Quevillon	Lebel-Sur-Quevillon	Retail	Provigo	1996	N/A	10,879	2029
1150 rue King-George	Longueuil	Retail	Loblaws	1998	2010	78,219	2023
1350 rue Sherbrooke	Magog	Retail	Loblaws	1996	2004	71,918	2026
170 rue Principale S	Maniwaki	Retail	Maxi	2004	2012	42,979	2028
6767 boul. Newman	Montreal	Retail	Loblaws	1999	2010	79,880	2025
3000-3100 rue Wellington	Montreal	Retail	Maxi	1998	2010	35,279	2026
1757 boul. Marcel-Laurin	Montreal	Retail	Maxi & Cie	1998	2010	80,331	2025
375 rue Jean-Talon O	Montréal	Retail	Loblaws	1999	2012	77,583	2023
6600 rue Saint-Jacques	Montréal	Retail	Loblaws	2002	2012	81,492	2024
800 boul. Henri-Bourassa O	Montréal	Retail	Loblaws	2002	2004	81,307	2023
2535 rue Masson	Montréal	Retail	Maxi	1995	2006	29,638	2028
7605 Maurice-Duplessis	Montréal	Retail	Maxi & Cie	2002	2010	75,856	2024
6825 Chemin de la Côte-des-Neiges	Montréal	Retail	Maxi & Cie	1998	2012	83,030	2024
50 Ave. du Mont-Royal O	Montréal	Retail	Provigo	2002	2009	36,234	2030
8570 boul. Saint-Laurent	Montréal	Retail	Provigo	1990	2001	17,930	2024
10455 boul. Saint-Laurent	Montréal	Retail	Provido	1986	2005	17,841	2029
3175-3185 rue Beaubien E	Montréal	Retail	Provigo	2001	2002	14,939	2023
390 Route 117	Mont-Tremblant	Retail	Maxi	1996	2007	33,822	2024
90-92 boul. Cardinal-Léger	Pin court	Retail	Maxi & Cie	2000	2010	97,502	2028
1877 rue Bilodeau	Plessisville	Retail	Maxi	1996	2006	24,995	2025
815-819 Ave. Myrand	Quebec	Retail	Provigo	1986	2004	14,312	2028
4535-4545 boul. Henri-Bourassa	Quebec	Retail	Loblaws	2002	2009	104,718	2023
491 rue Seigneuriale	Quebec	Retail	Provigo	2001	2002	21,303	2024
350 rue Bouvier	Québec	Retail	Maxi	2001	2012	46,718	2026
2225-2235 1ère Ave.	Québec	Retail	Provigo	1990	2002	18,348	2024
3397-3399 rue Queen	Rawdon	Retail	Maxi	2006	N/A	30,465	2023
86 boul. Brien	Repentigny	Retail	Loblaws	2001	2004	101,295	2023
150 Ave. Saint-Alphonse	Roberval	Retail	Maxi	2004	2006	43,378	2025
1074 Ave. Larivière	Rouyn-Noranda	Retail	Maxi	2005	2008	36,629	2023
180 boul. Barrette	Saguenay	Retail	Maxi	1995	2010	52,674	2025
2460 rue Cantin	Saguenay	Retail	Presto	2000	2003	24,175	2025
2501 boul. Du Millénaire	Saint-Basile-le-Grand	Retail	Maxi	2005	N/A	34,807	2024
1400 rue Roberval	Saint-Bruno-de-Montarville	Retail	Loblaws	1986	2004	53,610	2024
2840 boul. Des Promenades	Sainte-Marthe-Sur-Le-Lac	Retail	Maxi	2000	2006	35,552	2025
2000 boul. Casavant O	Saint-Hyacinthe	Retail	Loblaws	2001	2004	64,303	2025
1095 Saint-Isidore	Saint-Lin-Laurentides	Retail	Provigo	2002	N/A	44,085	2024
150 rue Des Grandes-Fourches S	Sherbrooke	Retail	Maxi	2001	2012	47,452	2027
55 Jacques-Cartier Sud	Sherbrooke	Retail	Provigo	2013	N/A	43,000	2029
3025 boul. De Portland	Sherbrooke	Retail	Maxi & Cie	2000	2010	87,914	2030
169 rue Queen & 2 rue Speid	Sherbrooke	Retail	Provigo	1999	N/A	16,383	2030
1100-13E Ave. N	Sherbrooke	Retail	Provigo	1987	2007	28,447	2027
50 rue Victoria	Sorel-Tracy	Retail	Provigo	1999	N/A	15,523	2025
480 boul. Sainte-Anne	Ste-Anne-Des-Plain	Retail	Provigo	1998	2005	27,516	2029
8200 boul. Lacroix	St-Georges	Retail	Maxi	2002	2012	52,133	2026
301 Chemin Kipawa	Temiscaming	Retail	Provigo	1996	N/A	8,112	2028
2260 Chemin Gascon	Terrebonne	Retail	Maxi	1992	2003	24,816	2024
390 Montée des Pionniers	Terrebonne	Retail	Maxi	2004	2007	34,885	2023
7201 boul. Laurier	Terrebonne	Retail	Maxi	2002	2012	35,572	2027
3725 boul. Des Forges	Trois-Rivières	Retail	Loblaws	2003	N/A	66,279	2023
2332 boul. Barette	Val D'Or	Retail	Loblaws	2001	2004	51,978	2024
60 rue Carignan	Victoriaville	Retail	Loblaws	1986	2002	67,079	2024
118-120 boul. Arthabaska O	Victoriaville	Retail	Maxi	2004	2010	42,910	2027
100 rue Des Oblats N	Ville-Marie	Retail	Provigo	2005	N/A	24,483	2031
295 rue Saint-Georges	Windsor	Retail	Provigo	2006	N/A	24,146	2026
Saskatchewan							
30 Thatcher Dr. E	Moose Jaw	Retail	Real Canadian Superstore	1995	2005	127,792	2027
591-15th St. E	Prince Albert	Retail	Real Canadian Superstore	1992	2012	100,954	2029
2101 Fleming Rd.	Regina	Warehouse	N/A	2011	2012	1,029,675	2028

<u>Property</u>	<u>City</u>	<u>Property Class</u>	<u>Banner</u>	<u>Year Built</u>	<u>Year Last Renovated</u>	<u>GLA</u>	<u>Year of Expiry of Lease</u>
2055 Prince of Wales Dr.	Regina	Retail	Real Canadian Superstore	2000	2011	142,021	2029
921 Broad St.	Regina	Retail	Real Canadian Wholesale Club	1992	N/A	55,792	2027
315 Herold Rd.	Saskatoon	Retail	Your Independent Grocer	1997	2014	42,568	2030
30 Kenderdine Rd.	Saskatoon	Retail	Your Independent Grocer	1996	2014	38,966	2030
2815 Wanuskewin Rd.	Saskatoon	Retail	Extra Foods	1997	2001	48,754	2029
1501 North Service Rd. E	Swift Current	Retail	Real Canadian Wholesale Club	1999	N/A	51,241	2027
115 Souris Ave. NW	Weyburn	Retail	Real Canadian Wholesale Club	1999	N/A	51,321	2031
206 Broadway St. E	Yorkton	Retail	Real Canadian Superstore	1994	2014	101,733	2030
<i>Yukon Territories</i>							
2270 – 2 nd Ave.	Whitehorse	Retail	Real Canadian Superstore	2003	2013	90,211	2034
				Total		25,190,000	

Appendix “B”



Mandate of the Audit Committee

Last approved by the Board of Trustees on April 29, 2015

Choice Properties Real Estate Investment Trust

Mandate of the Audit Committee

1. RESPONSIBILITY

The Audit Committee is responsible for assisting the Board of Trustees (the “Board”) of Choice Properties Real Estate Investment Trust (“Choice Properties” or the “Trust”) in fulfilling its oversight responsibilities in relation to:

- the integrity of Choice Properties’ financial statements;
- Choice Properties’ compliance with legal and regulatory requirements as they relate to its financial statements;
- the qualifications, independence and performance of Choice Properties’ external auditor (the “Auditor”);
- the enterprise risk management process;
- internal control over financial reporting and disclosure controls and procedures;
- the performance of the internal audit function; and
- performing the additional duties set out in this Mandate or otherwise delegated to the Audit Committee by the Board.

2. MEMBERS

The Board shall appoint a minimum of three trustees to be members of the Audit Committee, a majority of whom shall be resident Canadians. The members of the Audit Committee shall be selected by the Board on recommendation of the Governance, Compensation and Nominating Committee of Choice Properties, and shall be selected based upon the following, to the extent that the following are required under applicable law:

- each member shall be an independent trustee; and
- each member shall be financially literate.

For the purpose of this Mandate, the terms “independent” and “financially literate” shall have the respective meanings attributed thereto in National Instrument 52-110 - *Audit Committees*, as the same may be amended from time to time.

3. CHAIR

Each year, the Board shall appoint one member to be Chair of the Audit Committee. If, in any year, the Board does not appoint a Chair, the incumbent Chair shall continue in office until a successor is appointed. The Board has adopted and approved a position description for the Chair which sets out his or her role and responsibilities.

4. TENURE

Each member shall hold office until his or her term as a member of the Audit Committee expires or is terminated.

5. QUORUM, REMOVAL AND VACANCIES

A majority of the Audit Committee's members shall constitute a quorum. Any member may be removed and replaced at any time by the Board. The Board shall fill vacancies in the Audit Committee by appointment from among the members of the Board. If a vacancy exists on the Audit Committee, the remaining members may exercise all powers so long as a quorum remains in office.

6. DUTIES

The Audit Committee shall have the duties set out below as well as any other duties that are specifically delegated to the Audit Committee by the Board.

(a) Appointment and Review of Auditor

The Auditor is ultimately accountable to the Audit Committee as representatives of the unitholders. The Audit Committee has direct responsibility for overseeing the work of the Auditor. Accordingly, the Audit Committee shall evaluate and be responsible for the Trust's relationship with the Auditor. Specifically, the Audit Committee shall:

- select, evaluate and nominate the Auditor for appointment or reappointment by the unitholders;
- review the Auditor's engagement letter;
- at least annually, obtain and review a report by the Auditor describing:
 - the Auditor's internal quality-control procedures; and
 - any material issues raised by the most recent internal quality-control review, peer review, review by any independent oversight body such as the Canadian Public Accountability Board or governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the Auditor, and the steps taken to deal with any issues raised in these reviews.

(b) Confirmation of Independence of Auditor

At least annually, and before the Auditor issues its report on the annual financial statements, the Audit Committee shall:

- ensure that the Auditor submits a formal written statement describing all relationships between the Auditor and Choice Properties;
- discuss with the Auditor any disclosed relationships or services that may affect the objectivity and independence of the Auditor; and
- obtain written confirmation from the Auditor that it is objective and independent within the meaning of the Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of Chartered Accountants to which it belongs.

(c) Rotation of Engagement Partner/Lead Partners

The Audit Committee shall, after taking into account the opinions of management, evaluate the performance of the Auditor and the engagement partner/lead partners and shall rotate the engagement partner/lead partners when required or necessary.

(d) Pre-Approval of Non-Audit Services

The Audit Committee shall pre-approve the retaining of the Auditor for any non-audit service, provided that no approval shall be provided for any service that is prohibited under the rules of the Canadian Public Accountability Board or the Independence Standards of the Canadian Institute of Chartered Accountants. Before retaining the Auditor for any non-audit service, the Audit Committee shall consider the compatibility of the service with the Auditor's independence. The Audit Committee may pre-approve retaining the Auditor for the engagement of any non-audit services by establishing policies and procedures to be followed prior to the appointment of the Auditor for the provision of such non-audit services. In addition, the Audit Committee may delegate to the Chair or to one or more members the authority to pre-approve retaining the Auditor for any permissible non-audit service. The decisions of any member of the Audit Committee to whom this authority has been delegated, as well as any pre-approvals of a particular service will be presented to the full Audit Committee at its next scheduled Audit Committee meeting.

(e) Communications with Auditor

The Audit Committee shall meet privately with the Auditor as frequently as the Audit Committee feels is appropriate for the Audit Committee to fulfil its responsibilities (which shall not be less frequently than quarterly) and to discuss any concerns of the Audit Committee or the Auditor, such as:

- matters that will be referred to in the Auditor's management letter;
- whether or not the Auditor is satisfied with the quality and effectiveness of the financial reporting procedures and systems;
- the extent to which the Auditor is satisfied with the nature and scope of its examination and management's cooperation and responsiveness to matters arising from such examination.

(f) Review of Audit Plan

The Audit Committee shall review a summary of the Auditor's audit plan in advance of each audit.

(g) Approval of Audit Fees

The Audit Committee has the responsibility for approving the Auditor's fees. In approving the Auditor's fees, the Audit Committee should consider, among other things, the number and nature of reports issued by the Auditors, the quality of the internal controls, the impact of the size, complexity and financial condition of Choice Properties on the audit work plan, and the extent of internal audit and other support provided by Choice Properties to the Auditor.

(h) Review of Annual Audited Financial Statements

The Audit Committee shall review the annual audited financial statements, together with the Auditor's report thereon and the related MD&A, before recommending them for approval by the Board, to assess whether or not they present fairly in all material respects in accordance with GAAP (which includes International Financial Reporting Standards) the financial condition, results of operations and cash flows of the Trust.

In conducting their review, the Audit Committee should:

- discuss the annual audited financial statements and MD&A with management and the Auditor;

- consider the quality of, and not just the acceptability of, the accounting principles applied, the reasonableness of management's judgments and estimates that have a significant effect upon the financial statements, and the clarity of the disclosures in the financial statements;
- discuss with the Auditor its report which addresses:
 - all critical accounting policies and practices to be used;
 - all alternative treatments of financial information within GAAP that have been discussed with management, ramifications of the use of alternative disclosures and treatments, and the treatment preferred by the Auditors; and
 - other material written communication between the Auditor and management, such as any management letter or schedule of unadjusted differences;
- discuss any analyses prepared by management and the Auditor that set out significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP;
- discuss the effect of off-balance sheet transactions, arrangements, obligations (including contingent liabilities) and other relationships with unconsolidated entities or other persons that may have a material current or future effect on Choice Properties' financial condition, changes in financial condition, results of operations, liquidity, capital expenditures, capital resources, or significant components of revenues and expenses;
- consider any changes in accounting practices or policies and their impact on financial statements of Choice Properties;
- discuss with management, the Auditor and, if necessary, legal counsel, any litigation, claim or other contingency, including tax assessments, that could have a material effect upon the financial position of Choice Properties, and the manner in which these matters have been disclosed in the financial statements;
- discuss with management and the Auditor correspondence with regulators or governmental agencies, employee complaints or published reports that raise material issues regarding Choice Properties' financial statements or accounting policies;
- discuss with the Auditor any special audit steps taken in light of any material weaknesses in internal control;
- discuss with the Auditor any difficulties encountered in the course of the audit work, including any restrictions on the scope of their procedures and access to requested information, accounting adjustments proposed by the Auditor that were not applied (because they were immaterial or otherwise), and significant disagreements with management;
- consider any other matter which in its judgment should be taken into account in reaching its recommendation to the Board concerning the approval of the financial statements;
- satisfy itself that appropriate accounting policies and practices have been selected and applied consistently; and
- satisfy itself that management has established appropriate procedures to comply with applicable legislation for the remittance of taxes, pension monies and employee remuneration.

(i) Review of Interim Financial Statements

The Audit Committee shall also engage the Auditor to review the interim financial statements prior to the Audit Committee's review of such financial statements. The Audit Committee should discuss the

interim financial statements and related MD&A with management and the Auditor and, if satisfied that the interim financial statements present fairly in all material respects in accordance with GAAP the financial condition, results of operations and cash flows, recommend the interim financial statements and the related MD&A to the Board for approval.

(j) Other Financial Information

The Audit Committee shall review other financial-related releases, as well as the nature of any financial information and earnings guidance provided to analysts and rating agencies in accordance with the Choice Properties Disclosure Policy. In addition, the Audit Committee shall satisfy itself that adequate procedures are in place for the review of the public disclosure of information extracted or derived from Choice Properties' financial statements and must periodically assess the adequacy of those procedures.

(k) Review of Prospectuses and Other Regulatory Filings

The Audit Committee shall review all other financial statements of Choice Properties that require approval by the Board before they are released to the public, including, without limitation, financial statements for use in prospectuses or other offering or public disclosure documents and financial statements required by regulatory authorities. The Audit Committee shall review the Choice Properties Annual Information Form prior to its filing.

(l) Review of Related Party Transactions

The Audit Committee shall receive reports on all related party transactions as part of the quarterly financial reporting process.

(m) Review of Internal Audit Services

The Audit Committee shall review the mandate of Internal Audit Services, the budget, planned activities and organizational structure of Internal Audit Services to ensure that it is independent of management and has sufficient resources to carry out its mandate.

The members shall meet privately with the senior officer in charge of internal audit as frequently as the Audit Committee feels is appropriate for the Audit Committee to fulfil its responsibilities, which shall not be less frequently than quarterly, to discuss any areas of concern to the Audit Committee or to the senior officer in charge of internal audit to confirm that:

- significant resolved and any unresolved issues between auditors and management have been brought to its attention;
- the principal risks of Choice Properties' businesses have been identified by management and appropriate policies and systems have been implemented to manage these risks; and
- the integrity of the internal control and management information systems are satisfactory.

(n) Relations with Management

The members shall meet privately with management as frequently as the Audit Committee feels is appropriate to fulfil its responsibilities, which shall not be less frequently than quarterly, to discuss any concerns of the Audit Committee or management.

(o) Oversight of Internal Control over Financial Reporting and Disclosure Controls and Procedures

The Audit Committee shall, with the assistance of management, review the design and operating effectiveness of (i) the internal control over financial reporting adopted by Choice Properties, and (ii) the disclosure controls and procedures that have been adopted to ensure the timely disclosure of all material information about Choice Properties and its subsidiaries as required by applicable law or security exchange rules.

The Audit Committee shall receive regular reports from management with respect to the system of disclosure controls and procedures and internal control over financial reporting, including annual plans as applicable.

The Audit Committee shall also review no less than annually the Choice Properties Disclosure Policy.

(p) Legal Compliance

The Audit Committee shall review with legal counsel any legal matters that may have a significant effect on the Choice Properties financial statements. The Audit Committee should review with legal counsel material inquiries received from regulators and governmental agencies. The Audit Committee shall review any material matters arising from any known or suspected violation of the Choice Properties Code of Conduct with respect to financial and accounting matters and any material concerns regarding questionable accounting or auditing matters raised through the Choice Properties Integrity Action Line or otherwise.

(q) Enterprise Risk Management

The Audit Committee shall satisfy itself as to the effective risk management of the individual risks for which such oversight has been delegated to the Audit Committee by the Board, through the receipt of periodic reports from Internal Audit Services and management. The Chair of the Audit Committee shall periodically report to the Board on any major issues arising with respect to the risk management for such risks.

(r) Taxation Matters

The Audit Committee shall review the status of taxation matters of the Trust.

(s) Hiring Policies

The Audit Committee shall review and approve the hiring policies with respect to partners and professional employees of present and former external auditors of Choice Properties.

7. COMPLAINTS PROCEDURE

The Audit Committee shall monitor the effectiveness of the procedures for the receipt, retention and follow-up of complaints received by Choice Properties regarding accounting, internal controls, disclosure controls or auditing matters and for the confidential, anonymous submission of concerns by employees of Choice Properties regarding accounting, internal controls, or auditing matters. The Audit Committee shall review and annually approve Choice Properties' Accounting, Auditing and Internal Controls Complaints Procedures. The Audit Committee shall review with management periodic reports in this regard.

8. REPORTING

The Audit Committee shall report to the Board on:

- the Auditor's independence;
- the performance of the Auditor and the Audit Committee's recommendations regarding the reappointment or termination of the Auditor;
- the performance of the internal audit function;
- the design and operating effectiveness of the internal control over financial reporting and disclosure controls and procedures;
- the Audit Committee's review of the annual and interim financial statements of Choice Properties and any GAAP reconciliation, including any issues with respect to the quality or integrity of the financial statements, along with the MD&A, and shall recommend whether or not the Board should approve the financial statements and any GAAP reconciliation and the MD&A;
- the Audit Committee's review of the Annual Information Form;
- the Trust's compliance with legal and regulatory matters to the extent they affect the financial statements of Choice Properties;
- the management of those risks for which oversight has been delegated by the Board to the Audit Committee pursuant to the enterprise risk management program; and
- all other material matters dealt with by the Audit Committee.

9. REVIEW AND DISCLOSURE

This Mandate should be reviewed by the Audit Committee at least annually and be submitted to the Board for consideration and approval with such amendments as the Audit Committee proposes.

This Mandate shall be posted on the Choice Properties website.

10. FREQUENCY OF MEETINGS AND *IN CAMERA* SESSIONS

The Audit Committee shall meet at least four times annually. Following each regularly-scheduled meeting of the Audit Committee, the Committee members shall meet in private session.

11. RETENTION OF EXPERTS

The Audit Committee may engage such special legal, accounting or other experts, without Board approval and at the expense of Choice Properties, as it considers necessary to perform its duties.